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STATEMENT OF FINANCIAL POSITION

and

STATEMENT OF ACTIVITIES

AS OF DECEMBER 31, 2021

AND COMMENTARY

\_\_\_\_\_

2022 BUDGET

\_\_\_\_\_

January 23, 2022

2120 Lincoln Street, Evanston, IL 60201

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**FINANCIAL HIGHLIGHTS**

**2021 ACTUAL VS 2021 BUDGET WITH 2022 BUDGET COMMENTARY**

**Please Note:** The 2021 Statement of Financial Position and Statement of Activities has been completed on an accrual basis. This means that expenses are recognized and booked when the liability or obligation to pay has occurred, not on a cash basis that would record the expense when the liability is paid.

**SUPPORT AND DONATION HIGHLIGHTS:**



OPEN PLATE: The pandemic has continued to impact our in-person worship service, open plate was $1,300 in 2021. For 2022 we are setting the budget for open plate at $2,000, which is a realistic forecast given the ongoing pandemic and our current operating environment.

PLEDGE/REGULAR SUPPORT: 2021 pledge receipts totaled $365,500, with an additional $2,700 from regular supporters who did not make a pledge commitment. Regardless of the many continued challenges of 2021, we exceeded our pledge budget. Special thanks to our anonymous donors who have once again leaned in with matching funds to encourage others to make a pledge or increase it. This represented most of the surplus $29,000 received. Thank you to the families who continued their commitment to our community, even as our worship and community events were disrupted.

Reliable and steady pledge support is key to our operations in 2022 and planning for the future. As of January 20th, we have 59 pledging units in 2022 with a total pledge commitment of $291,000 our goal is $350,000. If you have not already made your 2022 commitment, please consider making one today; this now represents 90% of our operating budget and we always rely on your generous and consistent support, to continue our mission especially during these uncertain times.

BUILDING USAGE: Building usage came back slowly, and we exceeded our lowered expectation by $1,300. We have budgeted 2022 at $14,000 in hope of a return to more regular usage of the building in 2022.

We also need to seek out new users of our space and maximize our cost recovery while maintaining our mission of community engagement, with a goal of offsetting 60%-75% of maintenance costs, or $47,000 - $55,000 annually.

FUNDRAISING: Organizing another fundraiser during a pandemic was no easy task and we met the challenge, reimagining the event as S’More Fun with toasted marshmallows over firepits and wonderful online bid auction items and buy in parties. Together as a community, we succeeded in raising almost $14,000 for the work of St. Matthew's.

Our event would not have been possible without the time and commitment of our fellow parishioners who donated auction items and buy-in events, gathered contributions from local businesses, and helped with communicating, organizing, and running the s’mores gathering and online auction.

Special thanks to Charlotte Bishop, Kristin Jacobsen, Melissa Warden, Connie Conley, and Terri Morrisey whose leadership helped make our S’More Fun Event as success.

As we look ahead to 2022, we have budgeted $20,000 and are hopeful for an opportunity to meet in-person again and celebrate, thus making our fundraising efforts not only a source of financial support but also a community building celebration.

Additionally, we are extremely thankful to Jack Lerman for holding an “Art Exhibition Celebrating the Life and Art of Elise Pike Lerman and Jack Lerman” for the benefit of St. Matthew’s in November 2021. This exhibition raised over $11,000 and Jack generously donated half of the proceeds to St. Matthews.

We would also like to recognize the tremendous amount of time that Jack spent preparing for this show – curating, framing, and transporting artwork and others – Dave Turner, Dick Clark, Susan Turner, Diane Kotin, Paula Harper, Bill Harper, Julie Hinz, Charlie de Kay, Christina Padilla, and Terri Morrissey who made this art exhibition benefit a real joy and success.

MEMORIALS AND DEDICATED FUNDS: The parish received $2,500 in memorials. We remember Don Cherco, Margarete Lott, Danielle Pickard, Richard H. Pickard, Jasper Williams along with their families and friends, for their generosity.

Additionally, Kristin Jacobsen applied for a grant from the Diocese of Chicago’s Congregations Committee and received $1,000 in funds to purchase air purifiers for the church.

SPECIAL SEASONAL: Seasonal contributions for flowers and music were higher than budgeted in 2021 by approximately $1,500. We have budgeted $4,000 for 2022.

PARISH BASED OUTREACH: Our outreach exceed budget as our parishioners answered the call with donations to the Rectors Discretionary Fund and increased financial support of the Wednesday Lunch Program in addition to our continued participation in ministries outside the parish. Many thanks to Kati Olsen, who applied for a grant with St. Mark’s from The Rotary, which we received to support this vital feeding ministry. Our faith community, also participated in the annual Christmas drive for families of The Cradle.

Additionally, this year we raised almost $3,000 to sponsor six (6) Deferred Action for Childhood Arrivals (DACA) applications with the Immigration Law Clinic at the Chicago-Kent College of Law at Illinois Institute of Technology.

Our budget for 2022 is $5,000 with hopes to exceed that as we reach beyond our parish in service of our greater community during this challenging time.

**OPERATING EXPENSE REVIEW:**



2021 OVERALL OPERATING BUDGET VS. ACTUAL – OPERATING EXPENSES AND OTHER EXPENSES OVER SUPPORT AND DONATIONS – $15,091

Budgeted 2021 operating expenses were projected at $426,000. However, 2021 expenses were only $401,300 a positive variance of ($24,700) primarily due to lower facility expenses resulting from lack of usage and reduced costs due to limited programing during the pandemic.

The 2022 budgeted operating expenses are projected at $438,000. This increase is due to a more normalized facility operating expense budget.

PAYROLL EXPENSES: 2021 Actuals were lower than the budget by ($7,700) due to lower continuing education expense and workers compensation costs. The 2022 budget is estimated at $12,600 higher, related to the clergy and staff increase of 3.5% to offset cost of living increases and higher employee benefit costs and normalized continuing education expenses.

FORMATION: 2021 Actual vs. budget savings in this category amounted to approximately ($1,900). We have budgeted 2021 at $5,000 in anticipation of returning to a more regular formation program in 2022.

DIOCESAN PLEDGE: We have made our 2021 pledge to the diocese of $10,000 and have budgeted the same diocesan pledge of $10,000, in 2022. However, please note this amount is well under the congregational support common mission share of $70,000 for a parish of our size.

OUTREACH: 2021 outreach totaled $10,288, primarily the Wednesday Lunch Program with St. Mark’s, which was partially offset by outreach support. 2022 is budgeted at $7,500 with hopes to exceed this amount in our outreach to meet the needs of the greater community.

OFFICE ADMINISTRATIVE: 2021 Actual was slightly over budget by $800, The 2022 budget is projected at $11,000, representing fixed operating costs at reduced levels, like copier, internet, and telephone expenses.

COMMUNICATIONS: 2021 Actual was here than budget by $2,600, because of additional internet service required for live streaming our worship service. 2022 is budgeted at $8,000, as we look to reach out to the greater community in new ways and grow our faith community.

FACILITY EXPENSE: Overall 2021 facility expenses were $42,750 vs. a budget of $63,000, while this is a savings of $20,250, it shows the large amount of fixed expenses that are required just to keep the building, even with minimal usage. Commercial Liability insurance alone is 40% of this expense. The budget for 2022 at $59,000 as our maintenance manager, Jorge Lopez, tackles an ever-growing list of issues regarding the maintenance and upkeep of the building.

UTILITY EXPENSES: 2021 actual vs. budget is under by $6,700 due to lack of building usage and lower consumption of gas and electricity. The 2022 budget is set at $21,500, in part to address the increase in gas and electricity rates even at lower usage level.

LITURGICAL EXPENSES: 2021 expenses were $42,000 vs. a budget of $34,000. A portion of this cost is offset by an anonymous donor who has paid for an additional paid singer in the Choir. We are also grateful for the ability to provide music during our online and in person services and continued support for the choir. The 2022 budget amount is projected at $41,000.

PARISH EVENTS/HOSPITALITY: 2021 Hospitality expenses amounted to $700, because of the lack of events during the pandemic. The 2022 budget amount is $2,000.

FUNDRAISING EXPENSES: Actual 2020 expenses were only $750. The 2022 budget amount is forecasted at $2,500.

OTHER EXPENSES:

OTHER EXPENSES: In 2021 we incurred approximately $1,700 in expenses related to providing various payment options to our community for regular giving and losses incurred in the redemption of stock donations. This was and is critical to our ability to operate effectively and efficiently. We have budgeted $1,500 for 2022.

**NET OPERATING INCOME (DEFICIT) ANALYSIS:**



The 2021 operating surplus of $13,420, is a result of you, as parishioners, maintaining our community, not only by honoring pledge commitments in this difficult time, but also by exceeding them. It was also due to the diligent work of our volunteers and staff in being careful stewards of our resources.

We enter the 2022 year with a projected deficit of $49,500. However, as a faith community, we know that we can reduce this gap and appreciate your continued commitment through your generous contributions of time, talent, and treasure.

***“You will be enriched in every way***

***so that you can be generous on every occasion,***

***and through us***

***your generosity will result in thanksgiving to God.”***

**2 Corinthians 9:11**

**NORTHERN TRUST:**

There was no withdrawal or additional investment activity in 2021 with regards to either trust.



We ask that you remember our faith community in your estate through planned giving options.

**KEY BALANCE SHEET HIGHLIGHTS AS OF DECEMBER 31st**

In March 2021, St. Matthew’s applied for a second PPP (Paycheck Protection Program) Loan. This was a continuation of the SBA loan program that was designed to provide a means for businesses and not-for-profits like St. Matthew’s to keep their staff employed even with reduced work levels and reduced support and donations. We have met both the loan usage and employment criteria required and this loan will be fully forgiven in 2022.



Furniture Fixture and Equipment:

The pandemic has greatly impacted our in-person worship service and our ability to join together as a faith community, it has also challenged our notion of “church.” However, St. Matthew’s is committed to creating a community of faith and meeting people wherever they are in their journey of faith, as a result we have made a significant investment of $19,600 in technology to have the capability of livestreaming events from our church sanctuary during the pandemic.

However, we also believe that long-term streaming provides the opportunity to reach more people. It gives people different ways to engage and might help people see church as relevant and hopefully shows that we are welcoming and know people and how they live their lives.

Many thanks to Steve and Ginger Carr and another anonymous donor who helped sponsor this investment in the future and the Fran Tenison Angel Fund, who provided the remaining funds to see this become a reality in a very short timeframe.

Additionally, a new speaker and sound system is on order to be installed in 2022. This will facilitate and improve our streaming service, and also the sound amplification within the church. This is being funded by the Fran Tenison Angel Fund.