

## 2021 Financial Review

As I write my last financial report, I am amazed as to how much we have accomplished and how resilient we all are. As we enter 2022, we want to take this opportunity to thank you all for your continued support of St. Thomas'. Over the past two years we have weathered the storm and hopefully we will come out stronger. St. Thomas' community, once again, have answered the call. Your support enabled us to send \$12,040 to charities, ranging from the Camden Area Christian Food Pantry, Loaves and Fishes Soup Kitchen, and other special needs of our community and abroad. In 2021 we also awarded scholarships totaling \$7,500 to three of our students to help with their educational expenses. The Diocese applied for a Paycheck Protection Program on behalf of all the parishes in the diocese; St. Thomas' portion enabled us to forego taking funds from Endowment and resulted in a \$12,500 surplus for 2021. As you can see from the reports that follow, our financial position is healthy as we enter 2022. We would not be in this position without your support.

*On a personal note, I want to thank you all for the honor and privilege of serving as St. Thomas' Treasurer for the past seven years. I am confident that St. Thomas' finances are in good hands with our current Treasurer, Jim Ebbert...welcome!*

Faithfully,  
Terry Mello

### 2021 Statement of Activity

	Total	Unrestricted	Restricted
<b>2021 Income Received (Excludes Capital Improvement Donations)</b>			
Total Operating Income	193,550	193,550	-
Grant from Diocese for PPP Funds (2020 and 2021)	68,627	68,627	-
Outreach Donations	7,872	-	7,872
Weymouth Altar Guild Interest	447	-	447
Income from Investments for Scholarships	19,331	-	19,331
Other Restricted Income (Flowers, All Souls, Music, etc.)	27,182	-	27,182
<b>Total Income</b>	<b>317,010</b>	<b>262,177</b>	<b>54,833</b>
<b>2021 Expenses (Excludes Capital Improvement Disbursements)</b>			
Total Operating Expense	(222,812)	(222,812)	-
Outreach Disbursements	(12,040)	-	(12,040)
Scholarships and Educational Grants (Disbursed from RI Thomas Scholarship and Sarah Davenport funds)	(7,500)	-	(7,500)
Other Expenses (Flowers, All Souls Garden and Music Expense)	(1,782)	-	(1,782)
<b>Total Expense</b>	<b>(244,134)</b>	<b>(222,812)</b>	<b>(21,322)</b>
<b>2021 Capital Improvement Income</b>			
Capital Improvement Donations (Building Fund, East Elevation, Tower)	63,073	-	63,073
<b>Total Income</b>	<b>63,073</b>	<b>-</b>	<b>63,073</b>
<b>2021 Capital Improvement Expenses</b>			
Capital Improvements	(7,598)	-	(7,598)
Depreciation Expense	(373,263)	-	(373,263)
<b>Total Disbursements</b>	<b>(380,861)</b>	<b>-</b>	<b>(380,861)</b>
<b>Net Investment Earnings/(Losses)</b>	<b>102,966</b>	<b>-</b>	<b>102,966</b>
<b>Change in Net Assets</b>	<b>(141,947)</b>	<b>39,365</b>	<b>(181,312)</b>

**Statement of Financial Position**  
**As of 12/31/2021 and 12/31/2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 499,848	\$ 138,263
Investments	1,249,466	1,431,226
Account Receivables	12,286	24,680
Other Current Assets	6,399	1,950
<b>Total Current Assets</b>	<b>1,767,999</b>	<b>1,596,119</b>
<b>Fixed Leasehold Assets (Net of Depreciation)</b>		
Building	1,366,958	1,730,356
Other Property	100,000	100,000
Equipment	7,491	9,758
<b>Total Net Fixed Assets</b>	<b>1,474,449</b>	<b>1,840,114</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,242,448</b>	<b>\$ 3,436,233</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 3,228	\$ 7,750
Other Current Liabilities	30,675	44,381
<b>Long-Term Liabilities</b>		
Expected Capital Campaign Income	400	14,537
Other Long-Term Liabilities	1,678	28,749
<b>Total Liabilities</b>	<b>35,981</b>	<b>95,417</b>
<b>NET ASSETS</b>		
<b>Unrestricted Net Assets</b>	1,519,144	1,804,954
<b>Restricted Funds</b>		
Investment Accounts	1,200,595	1,135,221
Building Funds	383,238	318,617
Other Restricted Funds	96,906	70,616
Outreach Funds	6,583	11,408
<b>Total Net Assets</b>	<b>3,206,467</b>	<b>3,340,816</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,242,448</b>	<b>\$ 3,436,233</b>

## 2022 Budget Projection

Before discussing the projected budget for 2022, I would like our parish members to understand how much time Terry Mello, our retiring treasurer, has spent over the last seven years in fulfilling her responsibilities. Many of the systems now in place were developed and instituted by Terry, so when and wherever you bump into her, please express your appreciation. Her work will make mine a lot easier.

Preparing 2022's budget was in some ways straightforward while in other ways a bit of speculation. The revenue or income side was straightforward, based on a combination of pledges received and historical giving. The primary drivers are pledges, projected donations from givers of record (those who give regularly but do not pledge), endowment withdrawals, and rents from the apartment and parking lot. It is encouraging to see that several 2021 givers of record have pledged for 2022, which is the reason the latter category's projected 2022 total is expected to decrease from 2021. In contrast to 2020 and 2021, a withdrawal from the endowment will be necessary in 2022. Finally, the rentals shown for the apartment and parking lot are subject to contractual agreements.

On the expenditure side, approximately 85% of the total can be considered fixed. The 85% includes staff salaries and benefits, the diocesan allocation, heating oil and utilities. Administrative expenses, consisting of office expenses and independent contractor expenses (the largest amount being \$7,000 for the outside accounting firm), constitute another 10%. The remaining line items are small and are trickier to budget. Both Terry and I took separate stabs at these based on our respective business experiences, judgments, and St. Thomas' past history. Mostly, I deferred to Terry's amounts because she has had seven years of experience with the church's accounts. The one troubling me the most, reflecting my pessimism, is the cost of heating oil. My pessimism is based primarily on price, as the church is not locked in on price. Using five years of past usage history from PJ Willey, I estimated the gallons used in a normal year (not 2020 or 2021) and took a guess at future prices given the commodity markets, our country's current bias against US production and global events.

The proposed budget (*shown on next page*) does show a deficit of \$16,000, even after the \$46,000 withdrawal from the endowment. The \$46,000 is based on 5% of the trailing three-years' average endowment balance. While I don't normally like to propose a budget deficit, we need to be realistic given the current uncertainty. Clearly, if the budget is close there will need to be additional funds withdrawn from the endowment. Given the absence of withdrawals during the past two years, I do not have a philosophical problem with this. However, if this trend continues into 2023, we will need to have some discussions on how to deal with it. Assuming the deficit comes to \$16,000, the total percentage withdrawn during 2022 will be slightly under 7% of the trailing three-years' average endowment balance.

Respectfully submitted,  
*Jim Ebbert*

## *2021 Results and 2022 Budget*

	2021 Budget	2021 Actual	2022 Budget
<b>Operating Income</b>			
Pledge and General Donations	172,000	162,095	161,600
Endowment Income used for Operations	33,000	-	46,000
Rental Income and Facility Use Donations	27,800	31,405	31,276
Fundraising Income	-	-	-
Other Income and Donations	200	50	100
<b>Total Operating Income</b>	<u>233,000</u>	<u>193,550</u>	<u>238,976</u>
<b>Operating Expense</b>			
Salaries and Benefits	159,600	142,534	158,272
Diocesan Allocation	39,500	39,362	32,280
Church Facilities Expenses	25,100	21,633	34,982
Administrative Expenses	23,500	17,284	24,600
Other Operating Expenses	5,300	1,999	4,600
<b>Total Operating Expense</b>	<u>253,000</u>	<u>222,812</u>	<u>254,734</u>
<b>Grant from Diocese - PPP Loan</b>	-	41,827	-
<b>Net Operating Income/(Loss)</b>	<u>(20,000)</u>	<u>12,565</u>	<u>(15,758)</u>