November Treasurer's Report

**Treasurer’s Report**

By Nelson D. Crandall (NDC)

December 30, 2022

**Financial Statements.**The following financial statements are attached. If you cannot download them from Realm, they will also be posted to the website at <https://www.st-john-aptos.org/financials.html>.

1. QuickBooks format November 30 Comparative Statement of Financial Position for the parish as a whole

2. QuickBooks format November Comparative Statement of Activity for the parish as a whole

3. NDC format Actual vs. Budget for the first eleven months

4. NDC format Helpful Shop Statement of Activity for the first eleven months

5. NDC format ACYP Statement of Activity for the first eleven months

**Helpful Shop**. The Helpful Shop awarded $44,800 in community grants in December. Checks will be presented at an upcoming awards luncheon to honor the good work of the recipients. Primarily because of strong November sales, $4,700 is already available for 2023 grants. Through November 30, the tithe payable to St. John’s is $7,012.00, which is 98% of the tithe the parish budgeted for the year.

**Budget Surplus**. The parish had a $1,715 cash surplus as of November 30. The budget items that went into the surplus are organized as follows:

**A. Support and Revenue Bad News:** support (gifts) and revenue (income from goods or services) line items that were at least $500 less than budgeted.

**B. Support and Revenue Good News:** support and revenue line items that were at least $500 more than budgeted.

**C. Expense Bad News:** expense line items that were at least $500 more than budgeted.

**D. Expense Good News**: expense line items that were at least $500 less than budgeted (good news).

**E. Items of Interest:**line items that look like good or bad news but aren’t either.

**A. Support and Revenue Bad News.**

**A.1. Identifiable Offerings**. In hindsight, the parish overbudgeted identifiable offerings. Identifiable offerings are gifts from people who are identifiable (i.e., not anonymous) that are not attributable to a pledge, a holy day, or a memorial service or similar event. Based on strong 2021 identifiable offerings, the 2022 budget estimated that the parish would receive more than $20,000 in identifiable offerings. Through November, the parish has received just over $6,000 in identifiable offerings, a potential $14,000 shortfall.

**A.2. Pledge Payments**. Payments on annual pledges through November 30 are $4,260 less than budgeted. In other words, payments through November 30 are only where the parish would have budgeted them to be on November 26 if the parish expected everyone to pay their pledge in weekly installments. A few parishioners have let the parish know that they are unable to meet their 2022 pledge commitments.

**A.3. Easter Offerings.**Easter offerings were $955 less than was budgeted based on 2021 offerings. Why is anyone’s guess.

**A.4. Administrative Contributions**. The administrative contributions of the Helpful Shop and the Aptos Community Youth Program (ACYP) are $500 less than what was budgeted to this point. The amount paid by the Helpful Shop to date only reflects the amount owed through March 31. The amount paid by ACYP to date only reflects the amount owed through June 30. “Administrative contribution” is calculated as the hours Mother Tracy devotes to the Helpful Shop and ACYP multiplied by the sum of Mother Tracy’s salary and housing supplement divided by 2,040 (40 hours times 53 weeks). Nothing is owed with respect to the time Mother Tracy was on sabbatical. The reasons for budgeting for an administrative contribution are 2C2E (too complicated to explain). QuickBooks will not account for the payments, so they must be calculated and entered manually. The effort required to transfer and account for the administrative contributions is, in the opinion of your humble treasurer, more trouble than they are worth. Because QuickBooks cannot account for the administrative contributions, the draft 2023 budget the vestry approved in December inadvertently omitted the administrative contributions.

**B. Support and Revenue Good News**.

**B.1. Prior Year (2021) Pledges Realized**: The 2022 budget guessed that $800 in 2021 pledges would be paid in 2022. Instead, $8,080 in 2021 pledges were paid in 2022, $7,255 more than budgeted.

**B.2. Memorial Contributions.**Memorial contributions are unrestricted gifts in memory of a deceased parishioner or that estate executors have made to the parish from funds in a parishioner’s estate. (These are not bequests specifically provided for in a will.) Gifts through November 30 were almost $3,000 more than what was budgeted for the year. (The parish received an additional $5,000 memorial gift in early December.)

**B.3. Prepaid (2023) Pledges.**Parishioners have prepaid $3,600 in 2023 pledges for reasons unique to their situations.

**B.4. Loose Plate.**Loose plate is anonymous, mostly cash, contributions added to the collection plate on Sundays other than holy days. Loose plate is more than $1,000 greater than what was budgeted.

**B.5. Other Holy Days.**“Other holy days” means loose plate on holy days other than Easter and Christmas. They include Ash Wednesday (including Ashes to Go), Maundy Thursday, off-site animal blessings, Thanksgiving, and Blue Christmas. “Other holy days” is also more than $1,000 greater than what was budgeted.

**C. Expense Bad News**.

**C.1. PG&E**. Electricity and gas are $2,300 more than was budgeted, which should surprise no one.

**C.2. Janitorial Supplies and Services**. Janitorial Supplies and Services is more than $1,500 over budget. The parish purchases its toilet paper, paper towels, and other cleaning supplies from Coast Paper and Supplies. It is possible that past purchases from Coast Paper were charged to Office Supplies, resulting in an underestimation of the cost of janitorial supplies. Still, it’s hard to believe that the parish spent $441 on toilet tissue in 2022.

**C.3. COVID-19 Supplies**. The parish charged some COVID-19 supplies to a separate, unbudgeted line item and others to worship consumables. Most of the $1,000 unbudgeted cost was for test kits for clergy and the Director of Music Ministries. Parishioners on Medicare are entitled to 8 free test kits per month. It is hoped that parishioners on Medicare will collect their test kits monthly and donate the unused ones to the parish.

**D. Expense Good News**.

**D.1. Bookkeeping.** Bookkeeping is $2,800 under budget. This is mostly attributable to the failure to finish the conversion to Realm in 2022. Although the parish will experience some deferred learning expense in 2023, the cost of the Realm accounting package is about 1/3 that of QuickBooks.

**D.2. Liability Insurance**. The cost of liability insurance fell in 2022, resulting in a $2,200 savings. It’s going back up in 2023. The cost of liability insurance is a function of the insurance company’s claims experience and the performance of its investment assets, and so can be unpredictable.

**D.3. Stewardship**. The parish will not spend the $1,600 budgeted for Stewardship in 2022. There will be a Stewardship event in February 2023. This timing difference results in a $1,600 saving.

**D.4. Worker’s Compensation Insurance**. The parish received a substantial refund of its workers' compensation insurance in 2022, resulting in a $1,000 savings. There was no explanation for the refund; possibly it is related to the resignation of the Director of Children and Family Ministries.

**D.5. Telephone**. Telephone expense is more than $600 under budget. This is probably attributable to Mother Tracy’s nonuse of her parish cell phone during her sabbatical.

**E. Items of Interest**.

**E.1. Restricted Cash Offerings.**Restricted cash offerings are amounts given for coffee hour, flowers, and music. The parish does not budget for such contributions but includes them in this report to permit the altar guild, the Director of Music Ministries, and the internal ministry team to know how much money is available to them without accounting for the contributions as negative expenses. Strictly speaking, restricted offerings should not be included in support and revenue but failing to do so would incorrectly cause expenditures for coffee hour, flowers, and music to appear to exceed budget (unless the contributions are treated as negative expenses, thereby concealing the actual expenditure).

**E.2. AFC Dues.** The parish did not contribute its AFC dues before November 30 but will do so. The apparent savings is merely a timing anomaly.

**E.3. General Maintenance.** As of November 30, there was a $2,600 budget surplus in general maintenance. Based on that, the Admin Team decided to charge the cost of replacing the backflow for the drinking water supply at a cost of just under $2,000.00, instead of charging the cost to a maintenance reserve. It is hoped that replacing the backflow will solve the parish’s chronic low water pressure problem, as the pressure of water flowing into the current backflow is 40+ psi but the pressure of water coming out of the backflow is only 20 psi. The cost of this repair will probably be paid in 2023.

**E.4. Computer Equipment.** The parish purchased a $1,200 computer to hold all the parish’s digital QuickBooks records, although nothing was budgeted for new computer equipment. This expense could have been charged to bookkeeping without exceeding the bookkeeping budget.

**E.5. Water.** The cost of water remained stable, although it appears that the cost of drinking water increased, and the cost of irrigation water fell, dramatically. This is because, at the request of the lay weeders, the fire service charge was moved from the irrigation account to the drinking water account starting in February 2022. This change will reduce the 2022 irrigation water bill by $1,880 and increase the drinking water bill by the same amount.

Respectfully submitted,

Nelson Crandall