**2022 Narrative Budget**

**Deficit Budget**

Once again the Parish Council is recommending a deficit budget – in other words more spending than income. We have taken this leap in faith for several years.

We do have some reserves that can be used to fill the gap if necessary, but our prayer is that by giving ourselves and the Holy Spirit a significant gap to fill we will once again find that God’s abundance expressed through each other is more than sufficient for our needs. Our reserves were replenished by this past year’s surplus, for which we are deeply grateful. Once again that surplus was largely due to the Abundance Shop. Hug an Abundance Shop volunteer today!

The main reason for another year of deficit budget is so that we can continue to pay the Rector full- time at the diocesan rate which acknowledges Caro’s years of experience and the size of the church.

**Income**

We hope that the Abundance Shop will continue to bless us with abundance in 2022. The shop tithes its income to local non-profits which are chosen by the Shop volunteers. Esta Kandarian is employed as the part-time manger. Her hands-on approach has made it possible to keep the shop open even with reduced volunteers. The store is still operating reduced hours but not reduced volume as is evidenced by its abundance in 2021. We anticipate and trust that this will continue in 2022.

The majority of St. Ben’s income always comes from our members, friends and visitors. Our pledged income is slightly lower ($2,500) than reflected in the budget but our pledgers are generous and often give a little more than they said they would. Loose offering reflects all the donations that were not specifically committed in advance. We received an exceptional gift in 2021 so have budgeted less for 2022

We are not currently planning any fundraising events for 2022 but do get income from Ralphs and Foods4Less when you register your grocery cards, and a small amount from Amazon Smiles.

*Honoraria* covers the income we receive from the use of the church by outside groups. The County Tax Assessor has guidelines for allowable non-profit uses of the building. These limit us from having many outside groups renting the building but we are still able to receive gifts for permissible uses. We have had some inquiries for 2022 but much depends on covid.

**Expenditure**

**Church Building Expense** covers everything necessary to keep the building open including janitorial service, utilities, small repairs, and insurance. As you will see from the Junior Warden’s Report we had a plethora of small repairs in 2022 – many more than we had budgeted.

**Church Land Support** includes the $8,000 annual payment for the annuity which enabled us to purchase the land; and mowing, landscaping etc. Much of the landscaping maintenance is underwritten by two church families, but with a new focus on the land we used additional funds in 2021 and will need to spend more in 2022.

**Program Expense** includes supplies, newsletters, hospitality and newcomer welcoming. This is lower because one household is currently donating our paper products, and we have fewer hospitality costs as it is more difficult for us to gather.

**Music Ministry** covers the Music Director’s pay as well as sheet music, piano tuning etc. We are grateful to Dave for borrowing sheet music from our friends when he can, thus reducing our choir costs considerably; and to those who separately contribute to the designated Music Fund which enables us to cover expenses not included in the operating budget. The budget is higher this year because Dave will be our Music Director year-round.

**Outreach Expense** is our gift to the wider church and the local community. This includes our contribution to the work of the diocese, support of the Canterbury ministry to local students and young adults, and gifts to local and international non-profit groups.

**Rector Compensation and Benefits** are based on the minimum pay scale established by the diocese adjusted to take into account the size of the church and the years of experience that Caro+ has. There is a pension assessment of 18% of stipend for all active clergy. Caro+ also receives health and dental insurance. She was raised to full-time for the last four months of 2021. This year’s budget reflects a full year’s salary plus benefits.

**Supply** **Clergy** pays for clergy to take services when Caro+ is on vacation and may be used for honoraria for guest preachers. This was higher in 2021 to pay for Rev. Brian Stein-Webber and Susan Plucker+ who covered all the Sunday services during Caro’s sabbatical.

**Worship, Prayer and Spirituality** essentially covers Technical assistance for services and Altar Guild expenses for candles, cloths etc. Please consider making donations for flowers in order to enable more members to participate in this ministry. We are very grateful to Jay Mathew for his generous donation of time and energy.

**Administrative Expense** About one third of this covers the administrator’s wages; the rest is for office supplies, phone, photocopier lease, website, wi-fi and so on. Costs have increased as we have an increasing digital presence.

**Interest Expense** This is paid on the outstanding bank loan. Interest is significantly reduced by every additional dollar we pay in principal. We thank those of you who have made generous gifts to the Blessing the Future Fund. All monies allocated to this account will go directly to the next principal payment. We now owe just about $36,000.

**Net Ordinary Income**

This is the amount we expect to have left over after we spend what we expect to spend. From the Net Ordinary Income we have to make the principal payment on the loan. This leaves us an expected shortfall of about $32,420. We trust that God’s abundance and generosity will again be manifest in our midst in 2020.

**Building Fund**

The Building Fund is for larger repairs and new building. In order to have enough money when we come to replace the roof or repair the road again or any other major cost, the Vestry has determined that we need to retain an additional $10,000 in the fund each year. So ideally at the end of 2022 we would have $40,000. At the end of 2021 we have $38,000 which is good news because we anticipate needing to replace the boilers which heat the building during 2022.

**Endowment Fund**

The Endowment Fund is a way of preserving capital for the future use of the church. Donations into this fund are not spent, but the interest may be spent on needs which are not covered by the Operating Fund. Thank you to everyone who contributes to the Endowment which is held quite separately from the rest of the church’s finances and is managed by the Episcopal Church Foundation.