

# March 2018 Income/Expenses Financial Report

MONTHLY OFFERING	YEARLY OFFERING
Budgeted: \$92,576	Budgeted: \$257,243
Actual: \$105,451	Actual: \$274,233
ADDITIONAL MONTHLY INCOME	ADDITIONAL YEARLY INCOME
Actual: \$966	Actual: \$1,837
TOTAL MONTHLY INCOME	TOTAL YEARLY INCOME
Actual: \$106,417	Actual: \$275,199
TOTAL MONTHLY EXPENSES	TOTAL YEARLY EXPENSES
Budgeted: \$95,036	Budgeted: \$288,360
Actual: \$75,881	Actual: \$249,868
MONTHLY BALANCES	YEARLY BALANCES
Based on Offering Income Only: \$29,570	Based on Offering Income Only: \$24,365
Based on Total Income: \$30,536	Based on Total Income: \$26,202

## Financial Report Explanation

### GENERAL EXPLANATION ON REPORT SCOPE

This report covers a subset of the financial accounts associated with the "General Fund". It does not include income and expenses associated with other "specific purpose" accounts such as memorials and the benevolence fund. Within the General Fund, it also excludes other "designated" income/expense streams such as the Sunday School offerings sent to various missions and the G-Force meal fund. It also excludes incomes and expenses associated with the Open Arms Child Development Center and Ascension Lutheran Preschool.

### GENERAL EXPLANATION ON INCOME

During the course of the year, income is received and credited against one of several financial accounts. Income consists of offerings received and other monies such as fees and insurance reimbursements. These are separated in the report by the designations of "Offerings" and "Additional Income".

Budgeted Offerings for 2017 utilized a program that over the years has consistently overestimated the actual giving received. This estimating tool has been replaced with a more accurate program beginning with the 2018 budget.

(Continued on Back)

### **GENERAL EXPLANATION ON EXPENSES**

This report includes expenses charged against the accounts as described above. This would cover all three budget Categories (Mandatory, Mission Sensitive and Ministry Challenge) as well as any non-budgeted expenses that are incurred within the report's scope. Expenses are budgeted by the responsible Commission/Church Office/Directors in the month that they think they most likely will occur. This is not intended to require that the expense (or amount of expense) be restricted to any particular month or months. It is just a best estimate.

"Ministry Challenge", or "stretch" expenses are considered to be optional and may be authorized as the year progresses. If it appears, based on "normal" giving/spending trends, that the current year's expenses need to be restricted, these expenses would be the first to be considered for postponement.

### **GENERAL EXPLANATION ON BALANCES**

The Balances provided are calculated by subtracting Expenses from both Offering only and Offering combined with Additional Income. It should be noted that the resultant balances DO NOT reflect bank account balances, but rather show the funds made available since the beginning of the budget year.

Since a large portion of the monthly expenses (approximately 80%) are fairly consistent (e.g. salaries, benefits, debt payment, utilities), there will probably be months when expenses will be somewhat larger than income. This can be expected due to normal cash flow which is reduced during the summer months.

Normal cash flow also results in a large infusion of income at the end of the year. Since the budget year ends on December 31st, it's not reasonable to expect that all this additional monies can be spent in the short time frame between when it is received and the end of the year. For this reason some expenses may be authorized before this income is received. This may also result in months when expenses will exceed income.

### **OFFERINGS/ADDITIONAL INCOME FOR THE MONTH & OFFERINGS/ADDITIONAL INCOME THRU THE MONTH**

Provides the amount of Income received both for the report month and also from the first of the year thru the report month. "Budgeted Offering" is the amount projected during the budget process by the Financial Secretary based on past year trends. "Actual Offering" is the amount of giving received.

"Additional Income" is not included in the Financial Secretary's Offering projections used during the budgeting process. Large expected reimbursements such as insurance payments for building damage may be considered during the budgeting process since it would offset all or in part of the repair expense.

### **EXPENSES FOR THE MONTH / EXPENSES THRU THE MONTH**

Provides the amount of Expenses incurred both for the report month and also from the first of the year thru the report month. "Budgeted Expenses" is the budgeted amount per month as determined by the individual Commissions/Groups. "Actual Expenses" are the amounts posted by the Business Manager.

### **BALANCES FOR THE MONTH / BALANCES THRU THE MONTH**

The balances provided are based on income minus actual expenditures for the month and also from the beginning of January thru the designated month.