

## Budget and Balance Sheet Explanation

The 2022 CCV budget shows an annual negative cash flow of about \$39,000. Per the balance sheet of December 2021, CCV has over \$160,000 in cash.

Consequently under the current budget, several years would transpire before this cash would be depleted.

However, the cause of this significant negative cash flow is only temporary and will end in June of 2022. It is the result of CCV's retiring pastor, Roy Bennett, being budgeted for full salary and benefits until June of 2022, while at the same time budgeting an interim pastor.

Pastor Roy had a major medical event in December of 2021. His prognosis until June of 2022 is that he is precluded from full pastoral duties. Additionally, the cash on the balance sheet is not substantially from CCV congregation contributions. Instead Pastor Roy raised some of those funds from sources outside of CCV and brought them into CCV on its founding years ago. Under the circumstances, CCV agreed to keep Pastor Roy on the payroll until his retirement in June of 2022.

Further, the annualized negative cash flow of approximately \$39,000 will actually be for only six months, so that is more like a \$20,000 negative cash flow for the year. That means the remaining cash reserve would be about \$140,000, which will remain with CCV on Pastor Roy's retirement.

Should CCV hire a new pastor prior to June of 2022, the interim pastor expense would end but the new pastor's call would overlap with Pastor Roy's call. This would result in a very temporary increased negative cash flow and a commensurate reduction in the \$140,000 cash reserve above.