

Scottsville United Methodist Church 2019 Financial Review

SUMMARY

Scottsville United Methodist Church and Preschool are in good financial condition. Despite declining tithes & offerings and because of higher-than-expected Preschool enrollment, we ended 2019 with positive net income for both. Our on-hand cash and endowment fund balances are healthy, despite several unplanned church and parsonage repairs and improvements.

INCOME & EXPENSES

Scottsville United Methodist Church ("Church") spent almost \$177,000 in 2019 to advance its missions and ministries in the local community and in support of United Methodism. Expenditures included funds for church operations, ministry and missions, property maintenance and repair and Scottsville United Methodist Preschool ("Preschool") operations. Mt Zion United Methodist Church contributed \$10,871 to the cost of Church Operations for Admin Salary, Office Expense, Pastor Compensation and Parsonage Fuel Oil.

	Income	Expense	Net
Church Operations	\$99,165	\$98,585	\$580
Missions & Ministries*	\$40,225	\$21,713	\$18,511
Property Maint & Repair	\$25,218	\$39,291	(\$14,074)
Preschool Startup	\$7,921	\$8,005	(\$84)
Preschool Operations	\$10,615	\$9,358	\$1,257
TOTAL	\$183,144	\$176,953	\$6,191

*excluding Bread of Life and Hope Beyond The Bars

Church operations expense was \$4,300 below 2019 budget due to underpayment of Apportionment charges and underspending in Church Programs.

	Expense	Budget	% Diff
Administration	\$16,173	\$16,742	3.4%
Apportionments	\$20,061	\$22,308	10.1%
Bldgs & Grounds	\$30,904	\$30,231	-2.2%
Church Programs	\$3,864	\$5,625	31.3%
Ministry	\$27,584	\$27,996	1.5%
TOTAL	\$98,585	\$102,902	4.2%

Preschool operations expense was \$1,155 below 2019 budget due to lower materials & supplies spend, which offset Preschool Startup expense that was \$539 over budget.

	Expense	Budget	% Diff
Preschool Startup	\$8,005	\$7,466	-7.2%
Preschool Operations	\$9,358	\$10,513	11.0%
Total	\$17,363	\$17,979	3.4%

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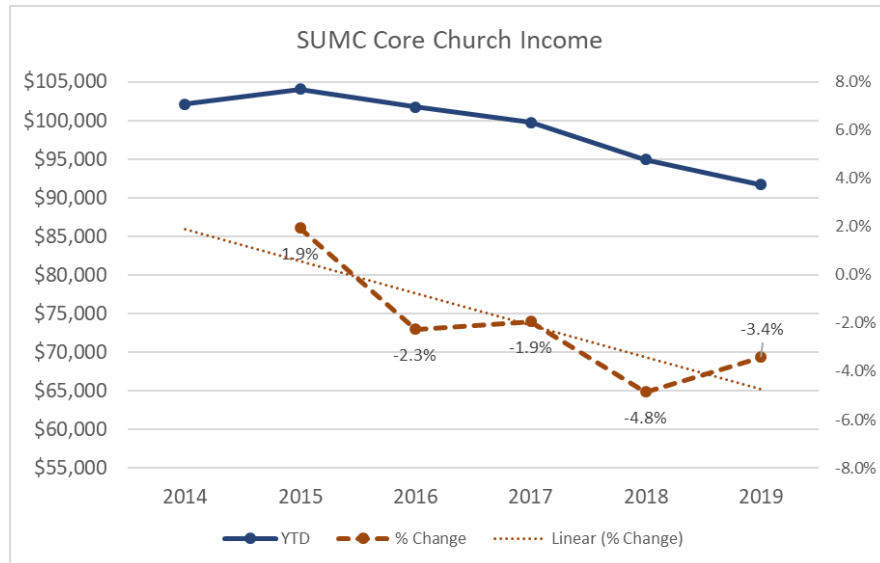
INCOME & EXPENSES (continued)

We funded our spending from several sources, including tithes & offerings, investment income, Preschool tuition, fundraising, and endowment withdrawals. 92% of Church funding came from tithes, offerings and fundraising; we relied primarily on investment income for the remainder.

		Income	% of Total
Church	Tithes & Offerings	\$88,992	89.7%
	Investment Income	\$7,246	7.3%
	Fundraising	\$2,504	2.5%
	Facility Rental	\$291	0.3%
	Gifts	\$133	0.1%
Preschool Operations	Tuition	\$8,320	78.4%
	Church Subsidy	\$1,827	17.2%
	Gifts	\$468	4.4%

78% of Preschool funding came from tuition fees. Church subsidy was needed to cover payroll for the one-month delay in opening the Preschool; tuition and registration fees have covered all Preschool expenses since the opening in October 2019.

Income from Tithes & Offerings declined for the 4th consecutive year, primarily due to a net loss of regular givers. Average giving has remained constant or increased slightly.



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ENDOWMENTS

The decline in tithes & offerings, coupled with annual increases in expenditures, drove the need to re-examine our Endowments fund policies and practices. The Caldwell Fund was moved from LPL Financial to T. Rowe Price in July to eliminate approximately \$5,500 per year in investment fees and investment income was transferred to BB&T Checking instead of being reinvested. The net impact in 2019 was an additional \$12,500 of income of which \$10,700 was deferred to 2020.

Caldwell Fund capital withdrawals totaling \$35,347 were required to fund a major property repair project and cover a Church and Preschool startup cashflow shortfall during the summer. This was offset by an increase in market value of \$55,639. A \$10,000 bequest from the family of Ida Patterson was used to add a second endowment: the Patterson Fund.

	Caldwell Fund		Patterson Fund		Jubilee Assistance	
	Fund		Fund		Fund	Loan
Starting Bal	\$339,050		\$10,000		\$7,512	(\$6,229)
Income Reinvest	\$3,758				\$8	
Expense	(\$5,110)				(\$2)	
Gain	\$55,639					\$1,054
Withdrawal	(\$35,347)				\$0	\$0
Net Change	\$18,940		\$0		\$6	\$1,054
Ending Bal	\$357,990		\$10,000		\$7,518	(\$5,175)

The Jubilee Assistance Fund balance increased slightly to \$7,518 and loan payments of \$1,054 were received during the year. We now have over \$2,300 available for loan or re-allocation to other uses.

CASH BALANCES

We ended the year with \$33,141 cash balance for the Church and \$1,286 for Preschool. The Church balance includes 2019 net income; cash for core operations; accruals for deferred investment income and preschool contribution; and \$7,423 in 12 designated accounts. Core operations balance represents four (4) weeks expenses.

	Balance
Core Operations	\$7,587
Accruals	\$17,779
Missions	\$4,320
United Methodist Men	\$1,981
Leadership	\$738
Christian Education	\$489
Bldgs & Grounds	\$206
Worship	\$40
Total	\$33,141

The surplus, consisting of 2019 net income and excess cash in the accrual for preschool contribution, will be reallocated to other designated funds in January 2020.

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CHURCH

	Actual	Budget	
Income			
Bequests & Gifts	\$133		
Facility Rental	\$291		
Fundraising	\$2,504	\$2,000	
Investment Income	\$17,971	\$11,247	
Income Deferral	-\$10,725	\$0	
Tithes & Offerings	\$88,992	\$89,700	
Total Income	\$99,165	\$102,947	-4%
Expense			
Administration	\$16,173	\$16,742	3%
Apportionments	\$20,061	\$22,308	10%
Bldgs & Grounds	\$30,904	\$30,231	-2%
Church Programs	\$3,864	\$5,625	31%
Ministry	\$27,584	\$27,996	1%
Total Expense	\$98,585	\$102,902	4%
Net Income	\$580	\$46	

PRESCHOOL

	Preschool		
	Actual	Budget	
Income			
Fundraising	\$ 2,861	\$ 5,200	
Gifts	\$ 5,058	\$ 2,500	
Salary/Benefits Contributor	\$ 1,827	\$ 3,835	
Tuition & Fees	\$ 8,790	\$ 7,250	
Total Income	\$ 18,536	\$ 18,785	-1%
Expense			
Operations	\$ 8,092	\$8,248	
Staff	\$ 9,271	\$9,731	
Total Expense	\$ 17,363	\$17,979	-3%
Net Income	\$1,173	\$806	

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FUND BALANCES

Row Labels	Sum of Start Bal	Sum of Deposit	Sum of Expense	Sum of Transfer	Sum of End Bal
Bldgs & Grounds	\$14,279.66	\$25,217.72	-\$39,291.24	\$0.00	\$206.14
Church Repair Fund	\$14,279.66	\$21,218.72	-\$35,292.24	\$0.00	\$206.14
Parsonage Repair Fund	\$0.00	\$3,999.00	-\$3,999.00	\$0.00	\$0.00
Christian Education	\$899.00	\$852.84	-\$871.81	-\$391.47	\$488.56
I-Kids	\$390.42	\$0.00	-\$390.42	\$0.00	\$0.00
Sunday School Materials	\$49.06	\$500.00	-\$403.57	\$0.00	\$145.49
Vacation Bible School	\$68.05	\$352.84	-\$77.82	\$0.00	\$343.07
Youth Group Fund	\$391.47	\$0.00	\$0.00	-\$391.47	\$0.00
Finance	\$0.00	\$19,606.08	-\$1,826.85	\$0.00	\$17,779.23
Accrual Deferred Income	\$0.00	\$10,725.08	\$0.00	\$0.00	\$10,725.08
Accrual Preschool Contribution	\$0.00	\$8,881.00	-\$1,826.85	\$0.00	\$7,054.15
Fundraising	\$0.00	\$4,925.75	-\$2,746.14	-\$2,179.61	\$0.00
Brunswick Stew	\$0.00	\$2,785.31	-\$1,885.07	-\$900.24	\$0.00
Harvest Dinner	\$0.00	\$1,259.00	-\$484.60	-\$774.40	\$0.00
Meals On Wheels	\$0.00	\$376.47	-\$376.47	\$0.00	\$0.00
Yard Sale Spaces	\$0.00	\$504.97	\$0.00	-\$504.97	\$0.00
Leadership	\$1,203.74	\$325.00	-\$491.24	-\$299.73	\$737.77
Charles Baber Memorial Fund	\$320.92	\$0.00	-\$196.10	\$0.00	\$124.82
Communications D Fund	\$299.73	\$0.00	\$0.00	-\$299.73	\$0.00
Hospitality Fund	\$262.09	\$0.00	-\$110.15	\$0.00	\$151.94
Memorial Fund	\$321.00	\$325.00	-\$184.99	\$0.00	\$461.01
Ministry	\$306.85	\$100.00	-\$648.32	\$241.47	\$0.00
Baby Steps	\$37.85	\$0.00	-\$60.75	\$22.90	\$0.00
Children's Evangelism	\$0.00	\$0.00	-\$368.57	\$368.57	\$0.00
Financial Peace	\$0.00	\$100.00	-\$100.00	\$0.00	\$0.00
Society of St Andrew	\$119.00	\$0.00	-\$119.00	\$0.00	\$0.00
Tom Garrett Fund	\$150.00	\$0.00	\$0.00	-\$150.00	\$0.00
Missions	\$5,180.30	\$11,046.32	-\$12,246.15	\$339.90	\$4,320.37
Additional Assistance	\$0.00	\$735.00	-\$1,150.89	\$415.89	\$0.00
Back Pack	\$0.00	\$2,000.00	-\$2,000.00	\$0.00	\$0.00
Carlos Fund	\$0.00	\$1,595.97	-\$1,745.97	\$150.00	\$0.00
Communion Rail	\$55.00	\$382.00	\$0.00	-\$437.00	\$0.00
Community Dinner	\$209.38	\$1,135.37	-\$775.41	\$0.00	\$569.34
Disaster Relief	\$537.94	\$0.00	-\$300.00	\$150.00	\$387.94
Family Night	\$343.65	\$187.00	-\$111.09	-\$150.00	\$269.56
Food Pantry	\$862.54	\$505.00	-\$629.00	\$299.73	\$1,038.27
General Missions	\$1,312.33	\$1,156.98	-\$1,139.62	\$105.33	\$1,435.02
Love in the Name Of Christ	\$0.00	\$17.00	-\$235.50	\$218.50	\$0.00
Needs Of Others	\$1,750.81	\$2,052.00	-\$3,386.27	\$203.70	\$620.24
Prison Card Ministry	\$0.00	\$600.00	\$0.00	-\$600.00	\$0.00
Rise Against Hunger	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
School Supplies	\$16.25	\$0.00	\$0.00	-\$16.25	\$0.00
Tornado Relief Fund	\$92.40	\$0.00	-\$92.40	\$0.00	\$0.00
UMCOR	\$0.00	\$680.00	-\$680.00	\$0.00	\$0.00
Staff Parish Relations	\$10.00	\$0.00	-\$10.00	\$0.00	\$0.00
Staff Gift	\$10.00	\$0.00	-\$10.00	\$0.00	\$0.00
United Methodist Men	\$1,525.63	\$3,218.71	-\$2,762.98	\$0.00	\$1,981.36
United Methodist Men	\$1,525.63	\$3,218.71	-\$2,762.98	\$0.00	\$1,981.36
Worship	\$21.20	\$150.00	-\$110.00	-\$21.20	\$40.00
Coffee After Church	\$21.20	\$0.00	\$0.00	-\$21.20	\$0.00
Flower Fund	\$0.00	\$150.00	-\$110.00	\$0.00	\$40.00
Grand Total	\$23,426.38	\$65,442.42	-\$61,004.73	-\$2,310.64	\$25,553.43