

virginia beach

UNITED METHODIST



where life and hope meet

FY 2017/18 Operating Budget

Approved by CLC on

June 21, 2017

For more information please contact Ken Miller or Dusty Nickerson at 757-428-7727 or business@vbumc.org.

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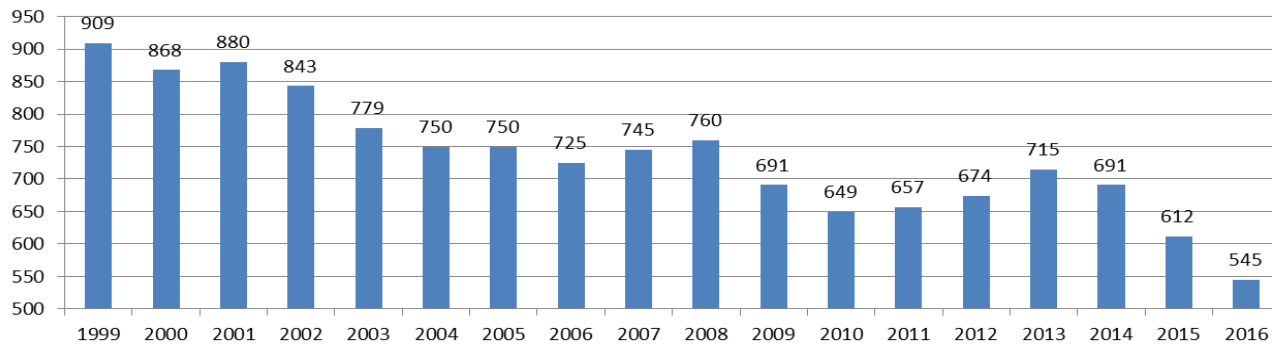
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Introductory Budget Comments

- The FY17/18 general fund budget recommendation has been developed by the Finance Committee based on multiple rounds of input from VBUMC's Pastors, Ministry Directors, staff, SPR, stewardship committee, and trustees
- As of 6/21/17 the current year (FY16/17) general fund budget of \$1,752k has a potential to break even or have a small surplus

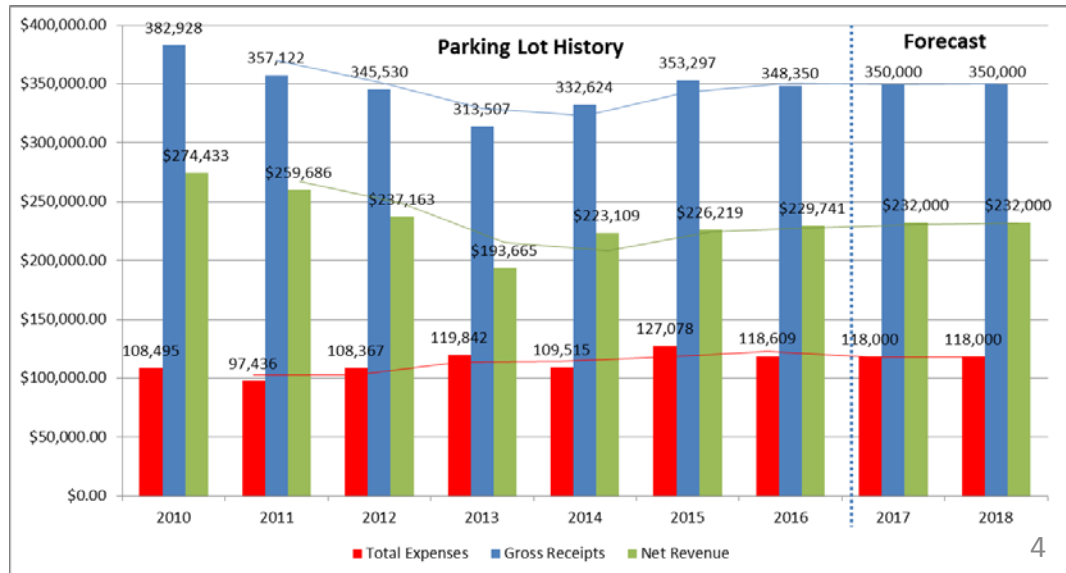
VBUMC Key Statistics – Attendance, Parking Lot

Weekly Average Worship Attendance

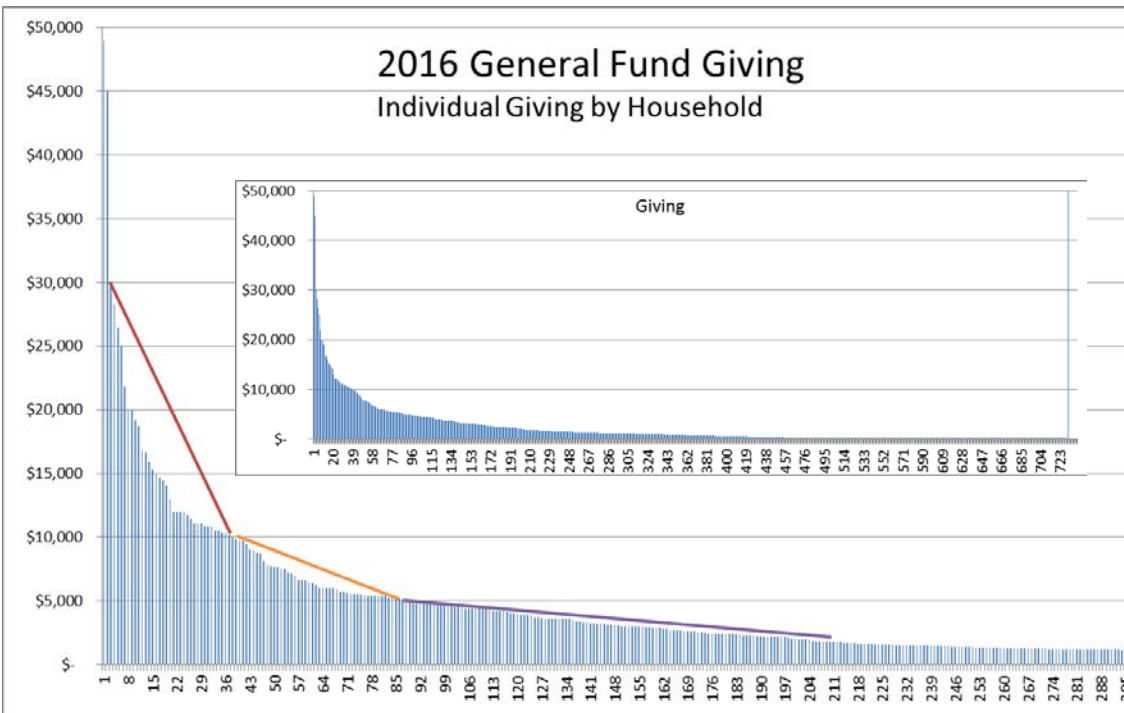


Worship attendance has decreased 24% from 2013 to 2016

- Parking lot revenues tend to increase or decrease slightly depending on weather, timing of key Oceanfront events, and limitations from church events that need parking at key hours
- Revenue is forecasted to stay steady the next few years while expenses increase minimally



VBUMC Giving, Pledges & Designated Building Cash



Cash Designated for Buildings (5/31/17)

Capital Campaign Non-Designated	\$1,650,177
Parking Lot Funds	\$873,312
Grant Estate	\$213,270
Bequest - Sanctuary	\$198,190
Bequest - Potter's House	\$101,010
Total Funds Designated:	\$ 3,035,959

* Capital Campaign Outstanding Pledges \$2,010,540

General Fund Yearly Pledge Campaigns

Year	Pledges	Dollars	% Budget	Fulfillment
2014	171	\$ 590,130	36%	94%
2015	345	\$ 1,196,970	78%	98%
2016	351	\$ 1,301,541	77%	96%
2017	336	\$ 1,269,505	72%	TBD

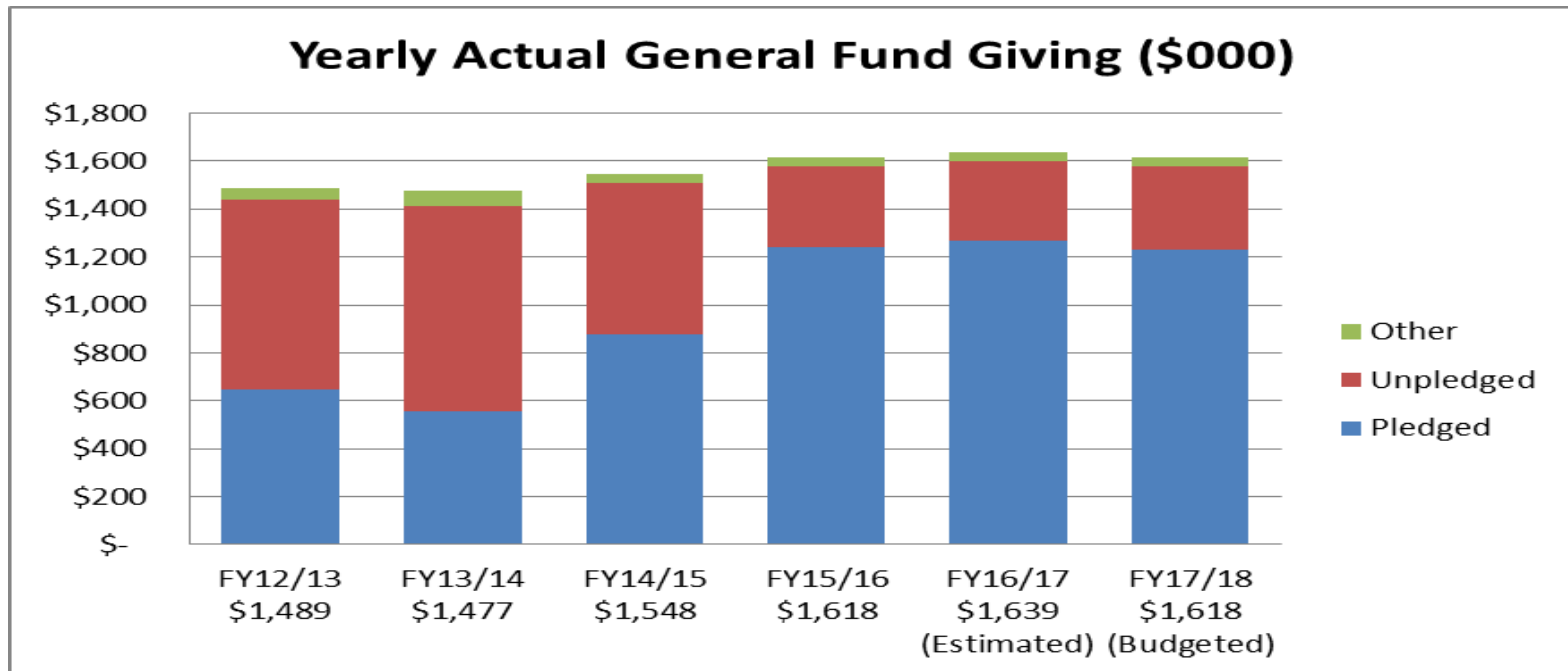
Group	Range	Total \$	% \$	Avg. \$	Household	% Total
1	> \$10k	\$ 628,095	39.0%	\$ 16,976	37	5.1%
2	\$5k-\$10k	\$ 338,016	21.0%	\$ 6,760	50	6.9%
3	\$2k-\$5k	\$ 382,124	23.7%	\$ 3,323	115	15.7%
4	\$1k-\$2k	\$ 164,304	10.2%	\$ 1,347	122	16.8%
5	< \$1k	\$ 98,415	6.1%	\$ 244	404	55.5%
Overall	\$50k - \$1	\$ 1,610,953	100%	\$ 2,213	728	100%

(We have 45 fewer giving units than 2015, mostly lowest tier givers who quit giving.)

- Notes:
- Top 37 households (5% of total) gave 39% of all revenue. (6.3% > \$ than 2015)
 - Top 87 households (12%) account for 60% of all revenue.
 - Top 202 households (28%) account for 84% of all revenue.
 - Bottom 526 households (72%) gave only 16% of all revenue.
 - Giving is again more concentrated in top few givers and mega-givers.
 - Need a way to engage 56% lowest tier majority who are giving <\$1k per household.

Actual Receipts

- As can be seen in the chart below the amount of actual general fund receipts received had been steadily increasing for the past four years
- In 2017 the goal was to increase pledges by \$50k. Unfortunately, 2017 pledges were actually \$32k lower than 2016. To compensate, the FY17/18 general fund expense budget has been decreased by more than \$68k



Budgeted Receipts

The following analysis was used to estimate the FY17/18 General Fund receipts:

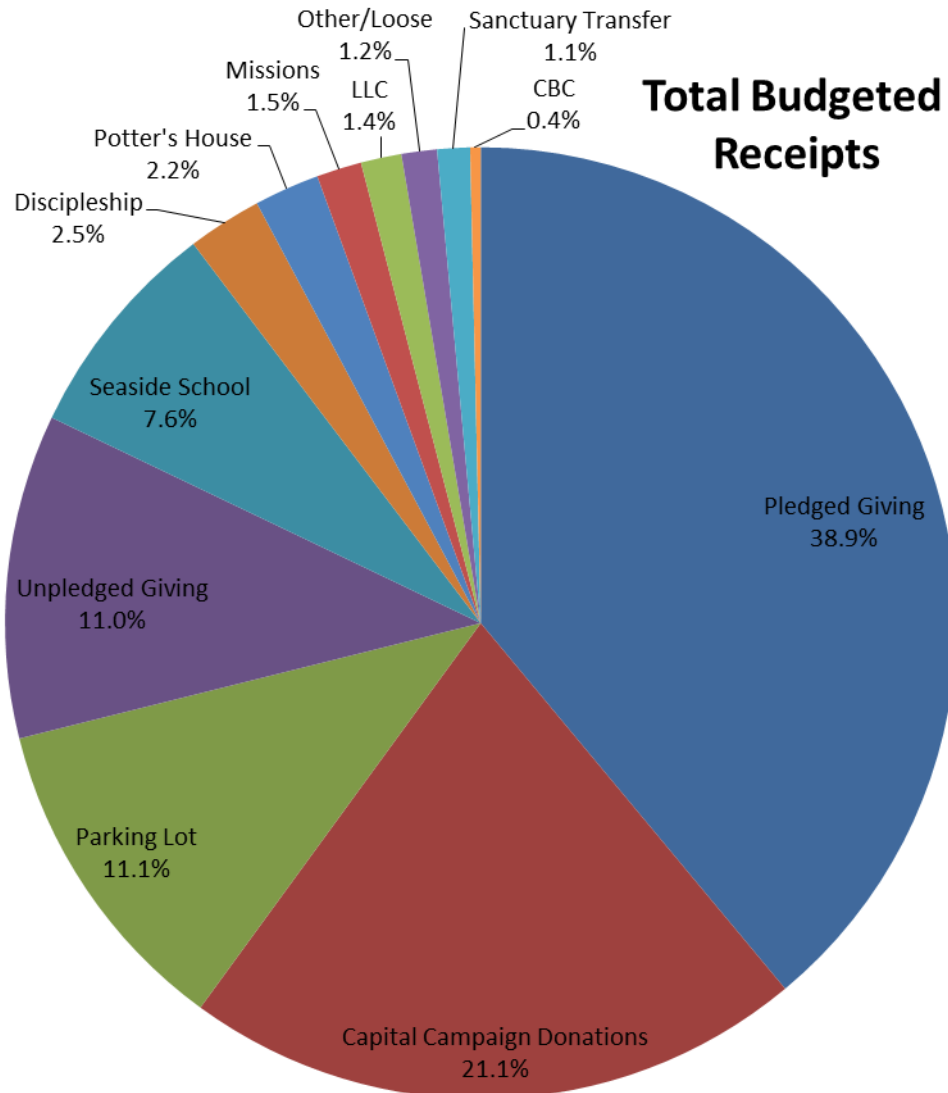
2017 Pledges Received	\$1,269,505
Less 3% Pledge Slippage (2016 & 2015 97% avg. pledge fulfillment rate)	\$ -38,085
Unpledged Receipts (lowered from last year's \$365,613)	\$ 348,000
Other Revenue (loose cash, Sunday School, Holiday Offerings,...)	<u>\$ 38,200</u>
FY17/18 General Fund Receipts	\$1,617,620

Total receipts of all areas for FY17/18 are estimated at:

FY17/18 General Fund Receipts	\$1,617,620
Temporary Restricted (CBC, Potter's House, Cap Campaign...)	\$ 911,209
Board Designated (Parking Lot & Seaside Receipts)	<u>\$ 632,987</u>
FY17/18 Total Receipts	\$3,161,816

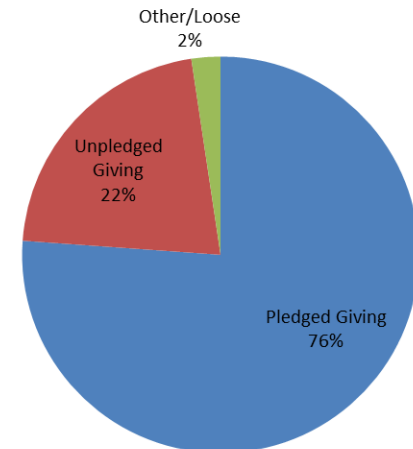
- The graph on the following page shows a breakout of receipt sources

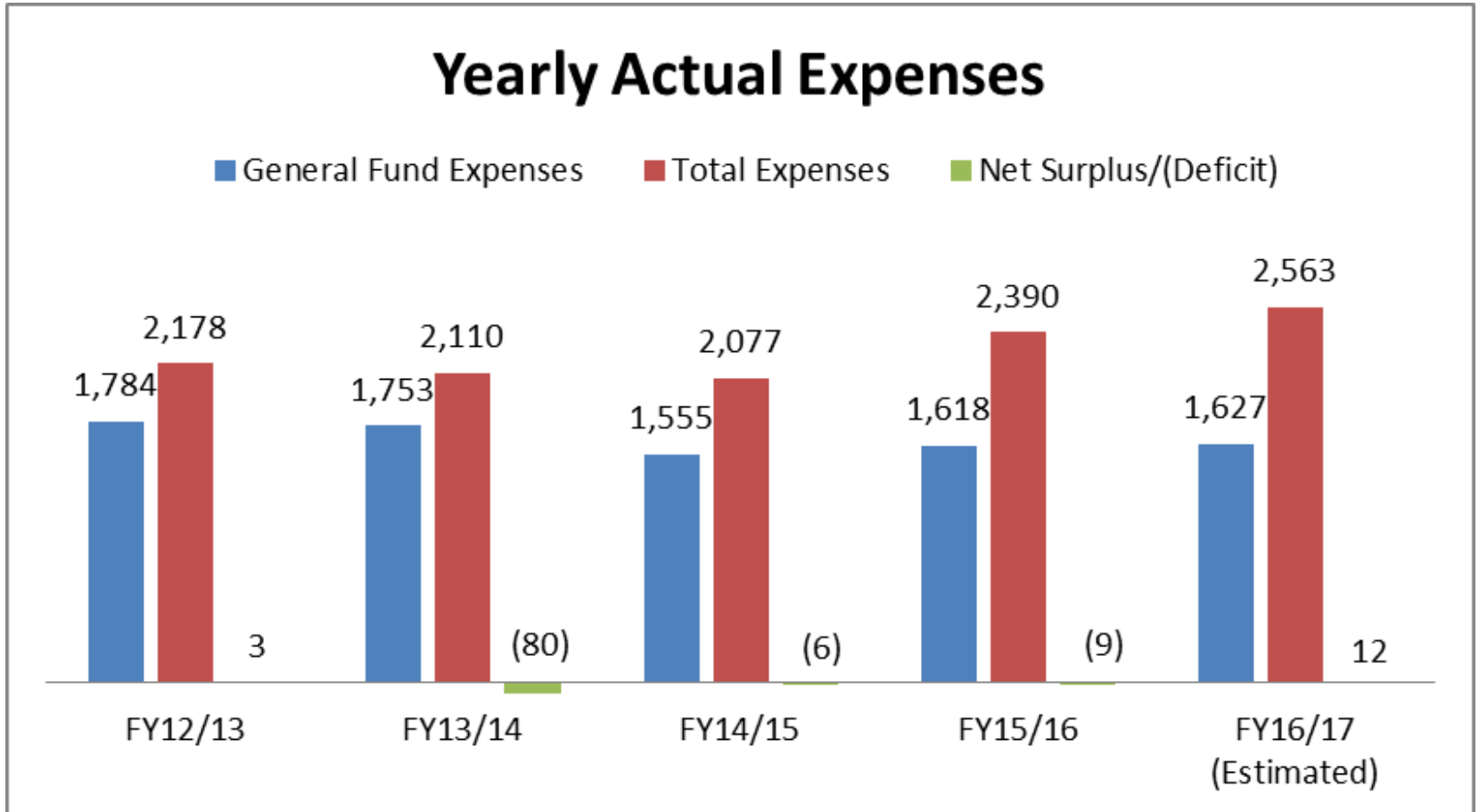
FY2017/18 Budget



Receipts	Total	Percent
Pledged Giving	\$ 1,231,420	38.9%
Capital Campaign Donations	\$ 666,667	21.1%
Parking Lot	\$ 350,000	11.1%
Unpledged Giving	\$ 348,000	11.0%
Seaside School	\$ 239,331	7.6%
Discipleship	\$ 79,842	2.5%
Potter's House	\$ 70,000	2.2%
Missions	\$ 48,400	1.5%
LLC	\$ 43,656	1.4%
Other/Loose	\$ 38,200	1.2%
Sanctuary Transfer	\$ 35,000	1.1%
CBC	\$ 11,300	0.4%
	\$ 3,161,816	

General Fund Receipts

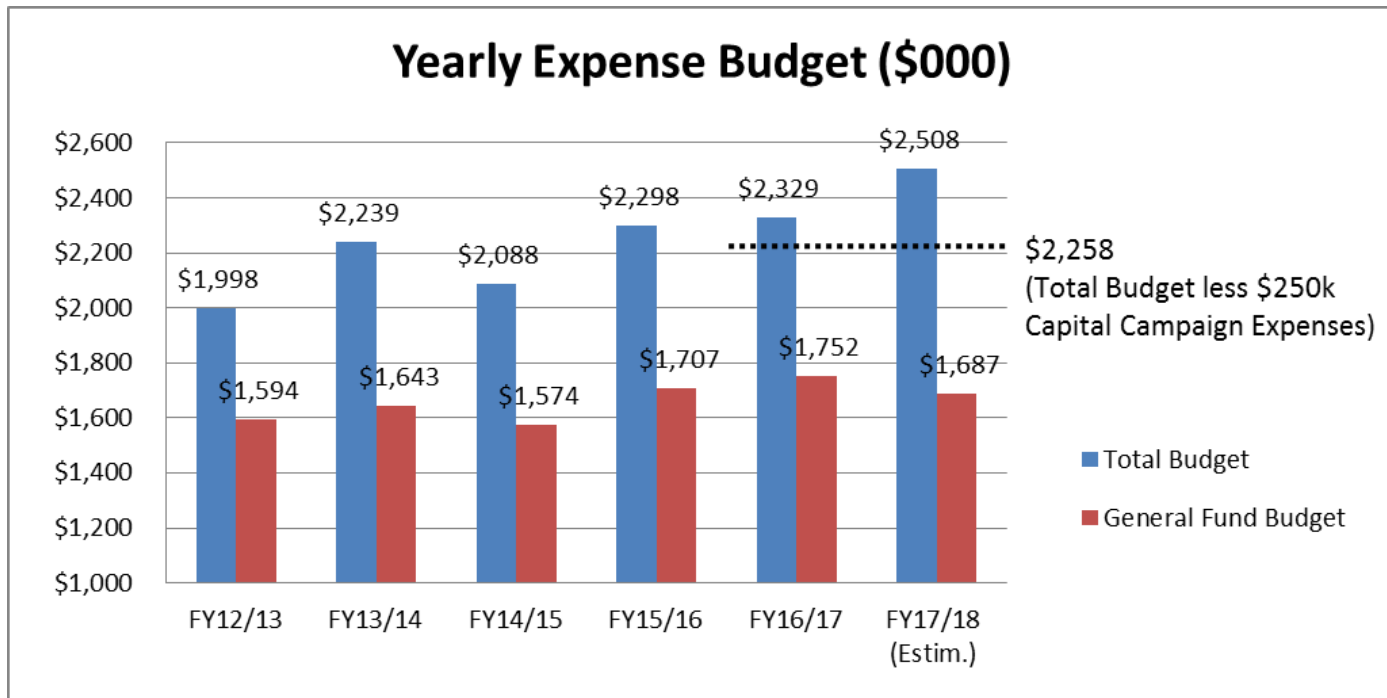




- General Fund expenses have been held relatively stable and deficits minimized for several years.
- For FY16/17 VBUMC is projected to have a surplus of \$12k in the General Fund.

Budgeted Expenses

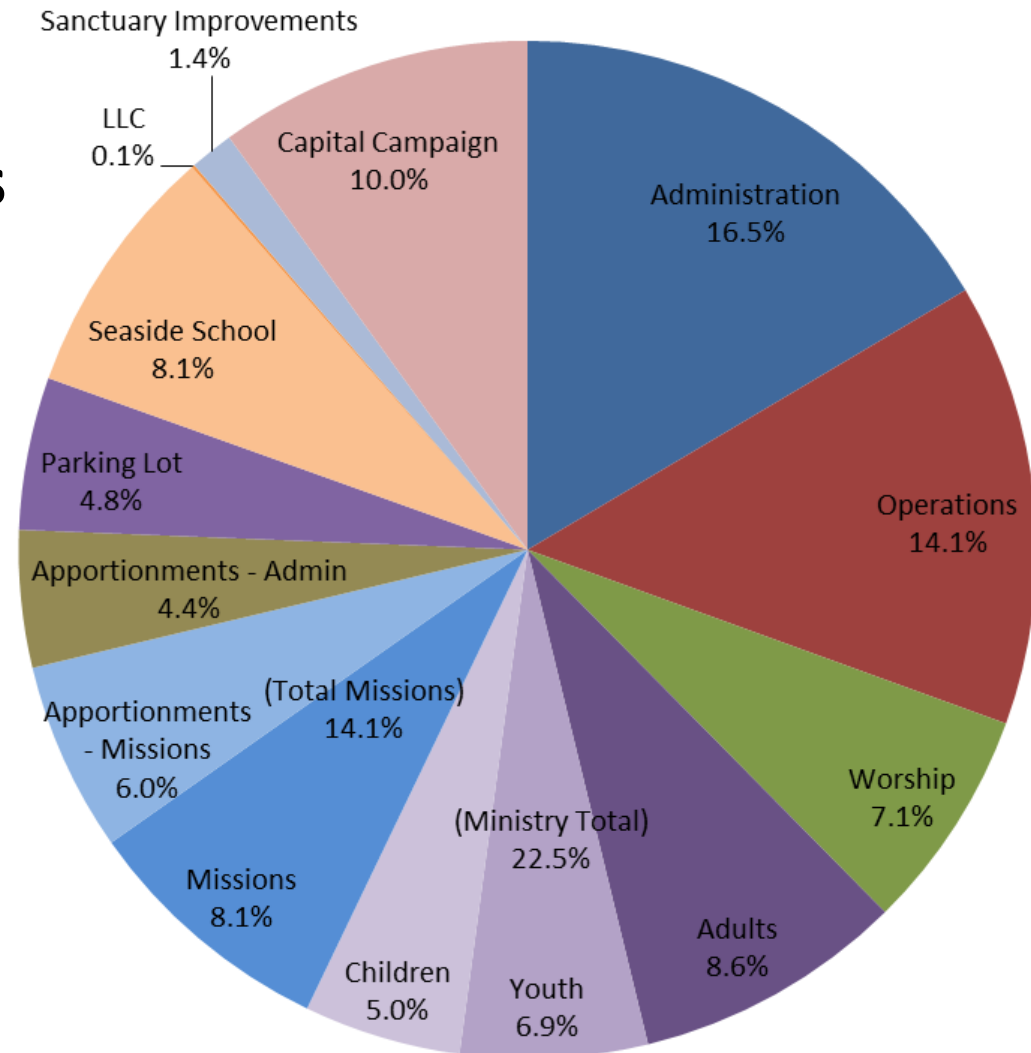
FY17/18 total budgeted expenses include \$250k in Capital Campaign Funds that were not a part of previous years. Without these the FY17/18 Expense Budget would be \$2,258k or a decrease of \$71k from the previous year.



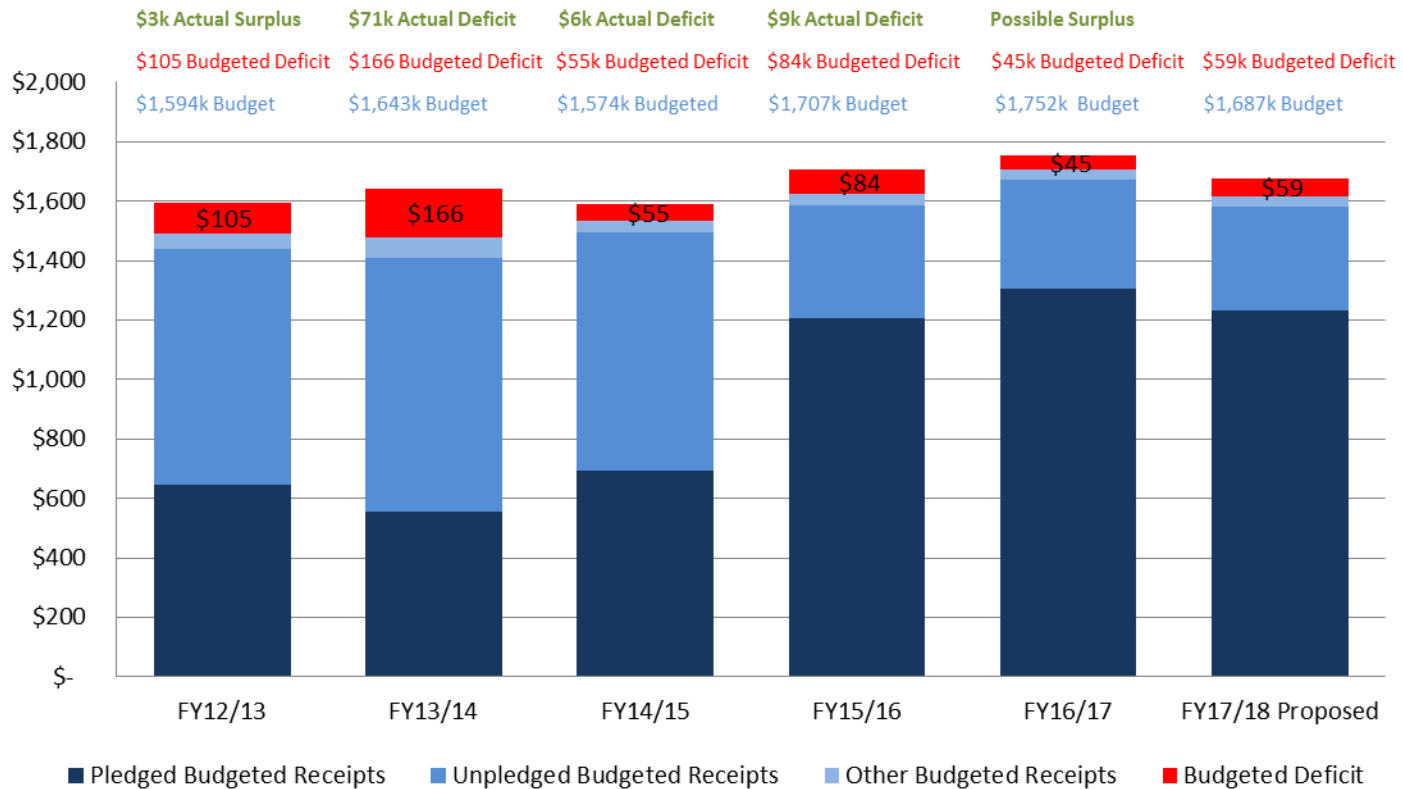
- The graph on the following page shows a breakout of allocated expenses by church function

Total Budgeted Expenses

Function	Estim. Total	Percent
Administration	\$ 413,237	16.5%
Operations	\$ 352,747	14.1%
Worship	\$ 177,071	7.1%
Adults	\$ 215,330	8.6%
Youth	\$ 149,050	5.9%
Children	\$ 125,284	5.0%
Missions	\$ 203,318	8.1%
Apportionments - Missions	\$ 151,173	6.0%
Apportionments - Admin	\$ 109,163	4.4%
Parking Lot	\$ 121,550	4.8%
Seaside School	\$ 202,208	8.1%
LLC	\$ 2,431	0.1%
Sanctuary Improvements	\$ 35,000	1.4%
Capital Campaign	\$ 250,000	10.0%
Total	\$ 2,507,562	



General Fund Budgeted Deficits vs. Actual Deficits/Surpluses



For the past five years, actual deficits have been much lower than budgeted deficits due to conservative revenue budgeting and spending less than budgeted amounts.

Budgeted Expenses Analysis

Category	General Fund						Notes	Total Budget					
	FY14/15 Annual Budget	FY15/16 Annual Budget	FY16/17 Annual Budget	FY 17/18 Annual Budget	Variance	% Var		FY14/15 Annual Budget	FY15/16 Annual Budget	FY16/17 Annual Budget	FY 17/18 Annual Budget	Variance	% Var
SALARIES	\$ 740,615	\$ 771,340	\$ 807,897	\$ 799,962	\$ (7,935)	-1%	part-time organist	\$ 740,615	\$ 771,340	\$ 807,897	\$ 799,962	\$ (7,935)	-1%
OTHER PERSONNEL	\$ 118,095	\$ 149,056	\$ 143,206	\$ 137,848	\$ (5,358)	-4%	403(b) and Payroll costs	\$ 118,095	\$ 149,056	\$ 143,206	\$ 137,848	\$ (5,358)	-4%
ADMINISTRATIVE	\$ 79,690	\$ 102,019	\$ 104,589	\$ 107,574	\$ 2,985	3%	Shelby Equipment and Communications	\$ 79,690	\$ 102,019	\$ 104,589	\$ 107,574	\$ 2,985	3%
BUILDINGS & VEHICLES	\$ 236,742	\$ 244,106	\$ 256,735	\$ 235,771	\$ (20,964)	-8%	Insurance, Electricity, Waste Collection & Buses	\$ 244,742	\$ 264,106	\$ 256,735	\$ 235,771	\$ (20,964)	-8%
COMMITTEES	\$ 8,525	\$ 11,550	\$ 13,650	\$ 8,900	\$ (4,750)	-35%	Church History, Laity Cont Ed, & Annual Conf	\$ 8,900	\$ 12,050	\$ 13,650	\$ 8,900	\$ (4,750)	-35%
DISCIPLESHIP	\$ 65,505	\$ 67,344	\$ 60,481	\$ 50,066	\$ (10,415)	-17%	All discipleship areas reduced costs	\$ 113,875	\$ 140,285	\$ 125,938	\$ 127,008	\$ 1,070	1%
WORSHIP/MUSIC	\$ 26,700	\$ 34,820	\$ 32,930	\$ 28,220	\$ (4,710)	-14%	Reduced worship & music costs in many areas	\$ 30,200	\$ 36,570	\$ 34,680	\$ 29,120	\$ (5,560)	-16%
CARE MINISTRY	\$ 7,815	\$ 8,088	\$ 10,059	\$ 9,199	\$ (860)	-9%	Kitchen supplies	\$ 7,815	\$ 8,088	\$ 10,059	\$ 9,199	\$ (860)	-9%
MISSIONS	\$ 29,000	\$ 43,910	\$ 45,675	\$ 30,804	\$ (14,871)	-33%	Hope for Korah, Pledged Missions, Ethiopia	\$ 194,410	\$ 175,226	\$ 155,475	\$ 161,404	\$ 5,929	4%
INTERGENERATIONAL	\$ 9,750	\$ 9,300	\$ 9,150	\$ 8,150	\$ (1,000)	-11%	Leisure Ministry	\$ 13,630	\$ 11,600	\$ 9,450	\$ 9,250	\$ (200)	-2%
APPORTIONMENTS	\$ 243,863	\$ 257,574	\$ 260,082	\$ 260,336	\$ 254	0%		\$ 243,863	\$ 257,574	\$ 260,082	\$ 260,336	\$ 254	0%
PARSONAGE	\$ -	\$ -	\$ -	\$ -	\$ -			\$ 720	\$ -	\$ -	\$ -	\$ -	
PARKING LOT	\$ -	\$ -	\$ -	\$ -	\$ -			\$ 121,990	\$ 121,062	\$ 119,970	\$ 121,550	\$ 1,580	1%
SEASIDE SCHOOL	\$ -	\$ -	\$ -	\$ -	\$ -			\$ 161,533	\$ 241,523	\$ 182,042	\$ 202,208	\$ 20,166	11%
SANCTUARY	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ 35,000	\$ 35,000	\$ -	0%
CAPITAL CAMPAIGN	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ 62,740	\$ 250,000	\$ 187,260	298%
VBUMC - LLC	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ 2,431	\$ 2,431	
Budgeted Expenses Total:	\$1,566,300	\$ 1,699,107	\$ 1,744,454	\$ 1,676,831	\$ 67,623			\$ 2,080,078	\$ 2,298,199	\$ 2,329,213	\$ 2,507,561		

- This year's general fund budgeted expenses have decreased \$68k from last year's
- Total budgeted expenses are actually \$71k less than last year when factoring out the \$250k in Capital Campaign expenses that were not part of past budgets (FY17/18 at \$2,258k vs. FY16/17 at \$2,329k)

CLC Approval of Budget

- Approval of attached FY2017/18 budget with:

FY17/18 Budget	General Fund	Total
Receipts	\$ 1,617,620	\$ 3,161,816
Expenses	\$ 1,676,831	\$ 2,507,562
Surplus/(Deficit)	\$ (59,211)	\$ 654,254

- During the FY17/18 fiscal year, VBUMC will continue to look for cost savings throughout the year to further strengthen our bottom line
- If during the FY17/18 fiscal year VBUMC sees that receipts are not meeting estimated expenses, the Finance Committee will then work with the Ministry Directors and Pastors to strategically make adjustments that fit our church vision/mission