

virginia beach
UNITED METHODIST



where life and hope meet

FY 2018/19 Operating Budget

Approved by CLC on

June 20, 2018

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

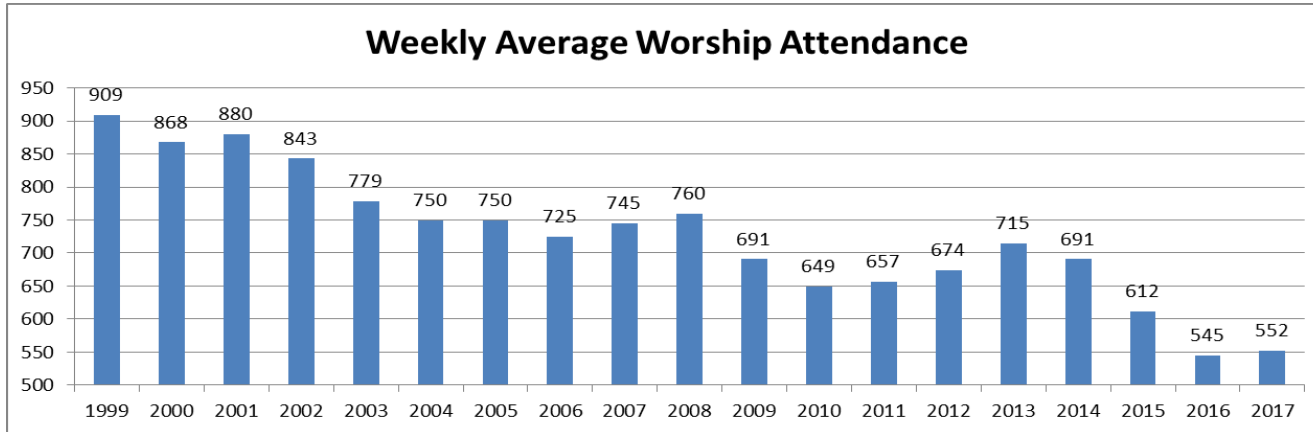
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Introductory Budget Comments

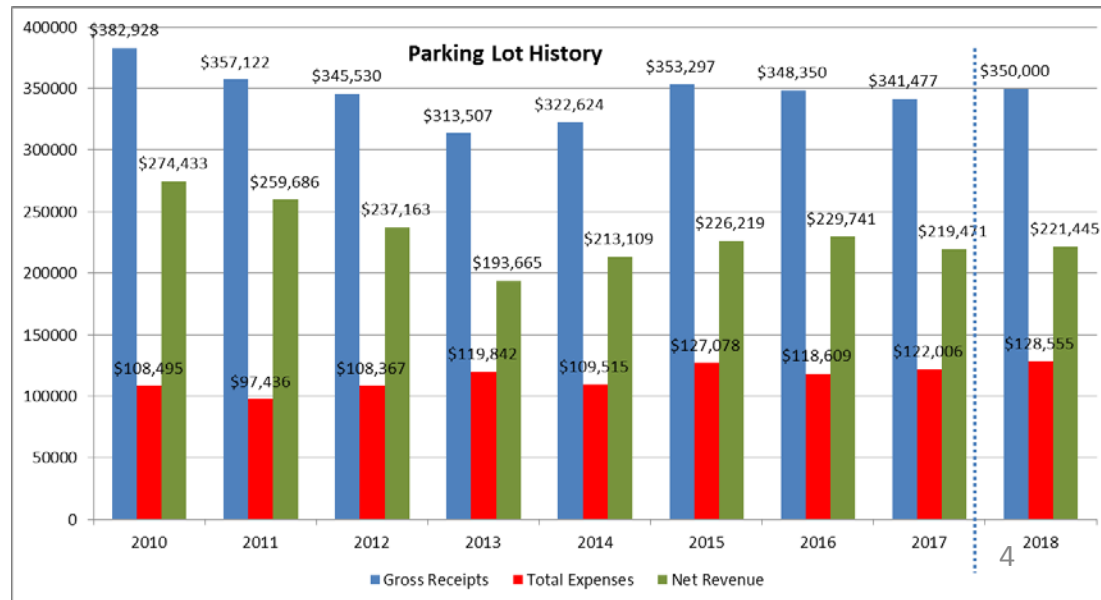
- The FY18/19 general fund budget recommendation has been developed by the Finance Committee based on multiple rounds of input from VBUMC's Pastors, Ministry Directors, staff, SPR, stewardship committee, and trustees
- As of 6/20/18 the current year (FY16/17) general fund budget of \$1,687k has a potential to have a loss of \$20k

VBUMC Key Statistics – Attendance, Parking Lot

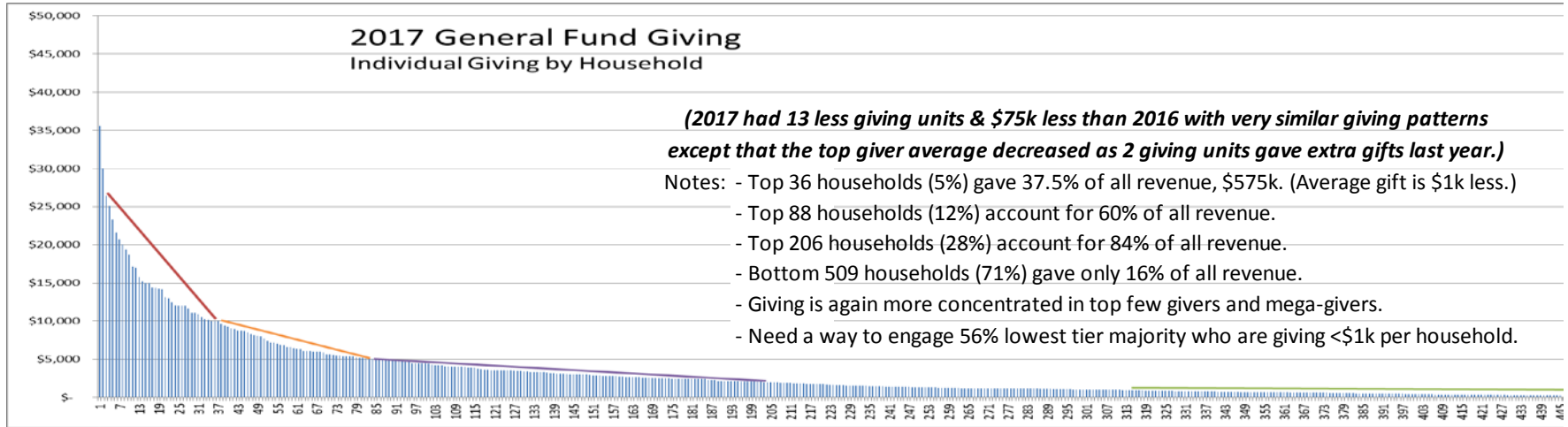


Worship attendance had decreased 24% from 2013 to 2016 but has rebounded slightly in 2017

- 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



2017 General Fund Giving

Group	Range	Total \$	% \$	Avg. \$	Household	% Total
1	> \$10k	\$ 575,177	37.5%	\$ 15,977	36	5.0%
2	\$5k-\$10k	\$ 349,101	22.7%	\$ 6,713	52	7.3%
3	\$2k-\$5k	\$ 369,671	24.1%	\$ 3,133	118	16.5%
4	\$1k-\$2k	\$ 141,064	9.2%	\$ 1,343	105	14.7%
5	< \$1k	\$ 100,656	6.6%	\$ 249	404	56.5%
Overall	\$35k - \$1	\$ 1,535,670	100%	\$ 2,148	715	100%

2016 General Fund Giving

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%

General Fund Yearly Pledge Campaigns

Year	Pledges	Dollars	Average	% Budget	Fulfillment
2015	345	\$ 1,196,970	\$ 3,469	78%	98%
2016	351	\$ 1,301,541	\$ 3,708	77%	96%
2017	336	\$ 1,269,505	\$ 3,778	72%	98%
2018	267	\$ 1,127,874	\$ 4,224	70%	TBD

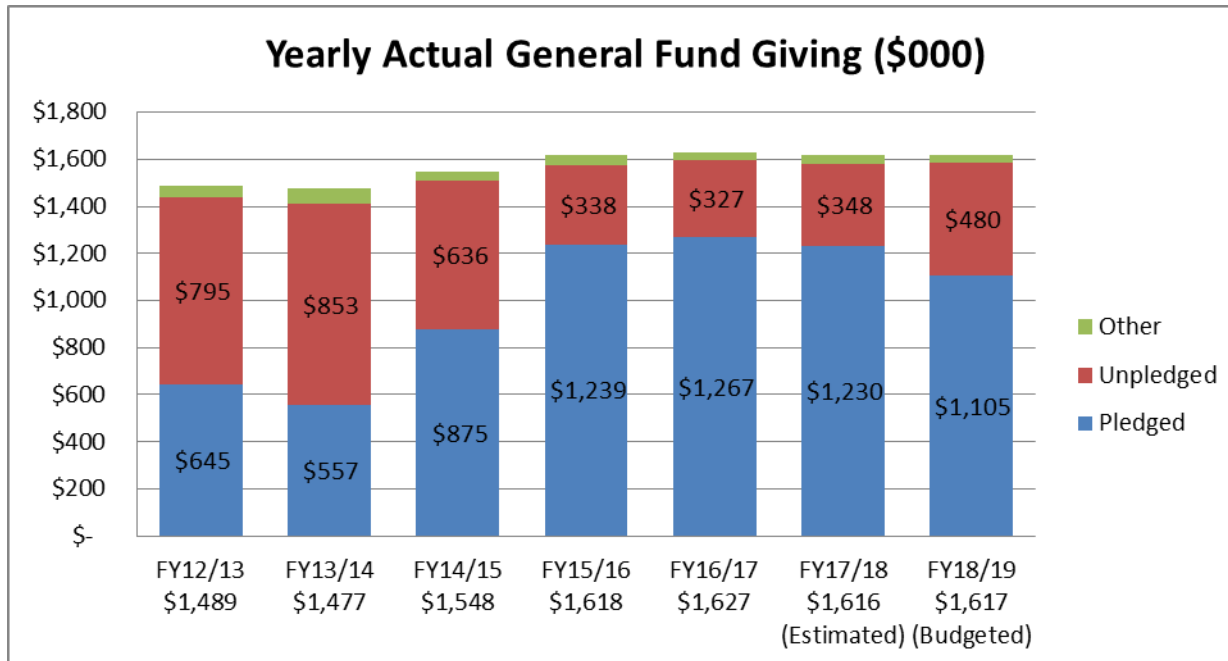
Cash Designated for Buildings (3/31/18)

Former Capital Campaign	\$1,231,336
Parking Lot Funds	\$1,077,281
Grant Estate/Building Fund	\$232,517
Bequest - Sanctuary	\$165,363
Bequest - Potter's House	\$101,010
New Capital Campaign Collected	\$1,101,160
Total Funds Designated:	\$ 3,908,667

* New Capital Campaign Outstanding Pledges \$1,010,089

Actual Receipts

- Previously, the overall amount of actual general fund receipts received had been steadily increasing for four years, then it flattened out these past two years.
- 2017 pledges were \$32k lower than 2016, and 2018 pledges are \$142k less than 2017 leading the Finance Committee to lower overall revenue budgets. There is also a new trend away from pledging to unpledged giving.



Budgeted Receipts

The following analysis was used to estimate the FY18/19 General Fund receipts:

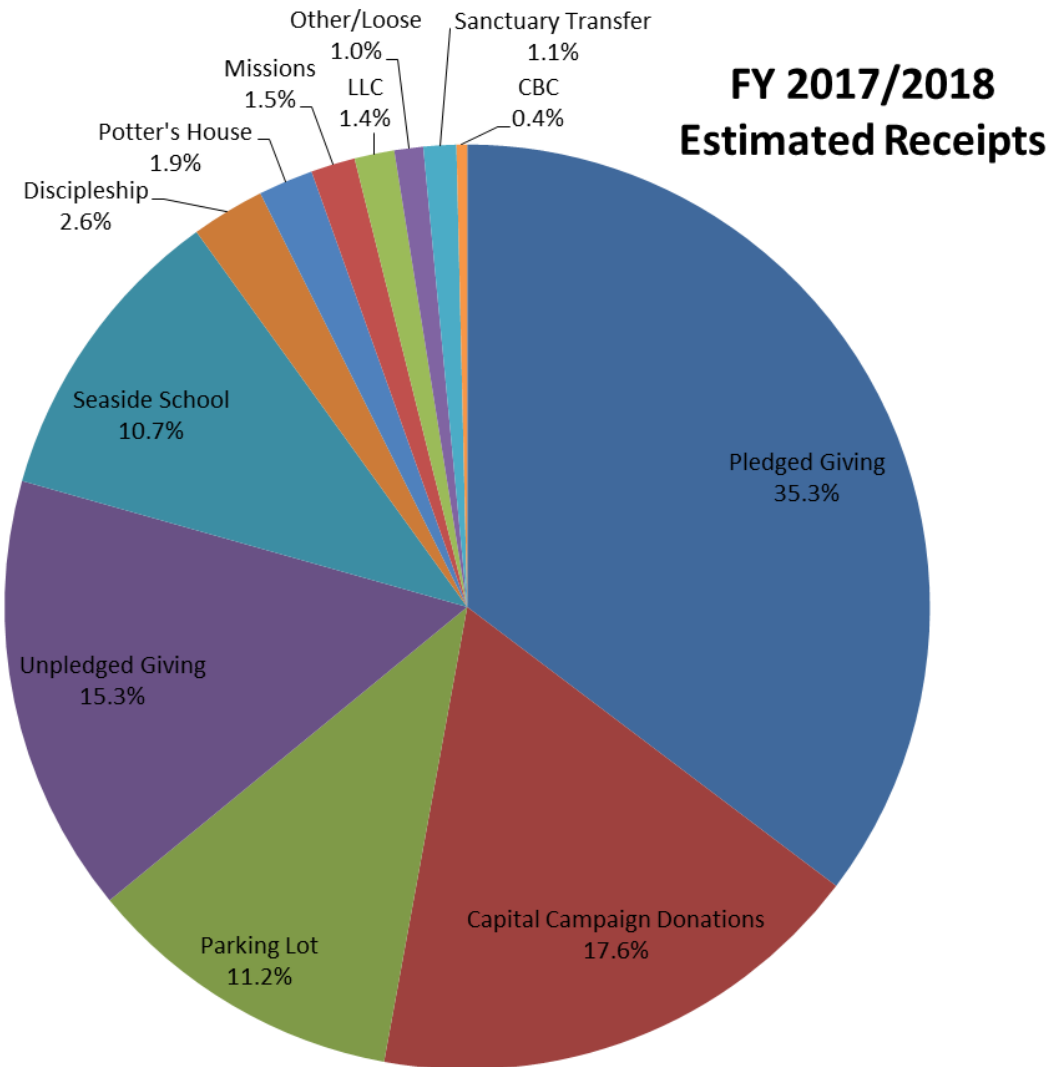
2018 Pledges Received	\$1,127,874
Less 2% Pledge Slippage (2017 & 2016 98% avg. pledge fulfillment rate)	\$ -22,556
Unpledged Receipts (raised from last year's \$365,613)	\$ 480,000
Other Revenue (loose cash, Sunday School, Holiday Offerings,...)	<u>\$ 31,500</u>
FY17/18 General Fund Receipts	\$1,616,818

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

FY17/18 General Fund Receipts	\$1,616,818
Temporary Restricted (CBC, Potter's House, Cap Campaign \$550k...)	\$ 786,242
Board Designated (Parking Lot, Seaside Receipts & LLC)	<u>\$ 727,344</u>
FY17/18 Total Receipts	\$3,130,403

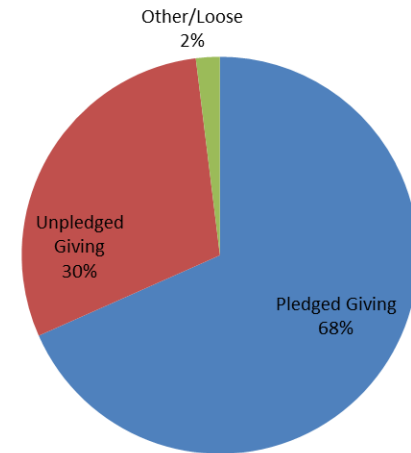
- The graph on the following page shows a breakout of receipt sources

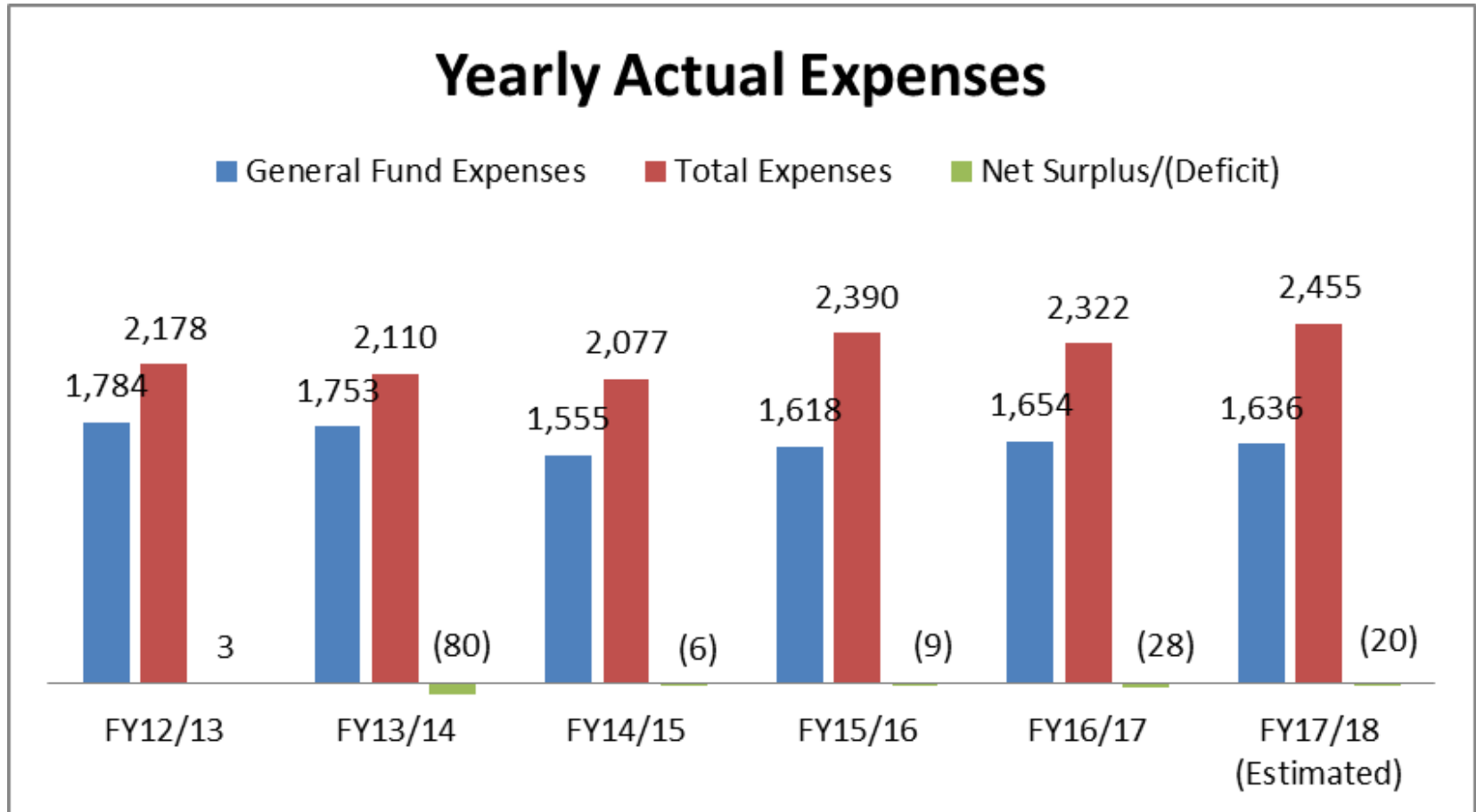
FY2018/19 Budget



Receipts	Total	Percent
Pledged Giving	\$ 1,105,318	35.3%
Capital Campaign Donations	\$ 550,000	17.6%
Parking Lot	\$ 350,000	11.2%
Unpledged Giving	\$ 480,000	15.3%
Seaside School	\$ 333,688	10.7%
Discipleship	\$ 80,319	2.6%
Potter's House	\$ 60,000	1.9%
Missions	\$ 48,400	1.5%
LLC	\$ 43,656	1.4%
Other/Loose	\$ 31,500	1.0%
Sanctuary Transfer	\$ 35,917	1.1%
CBC	\$ 11,605	0.4%
	\$ 3,130,403	

General Fund Receipts

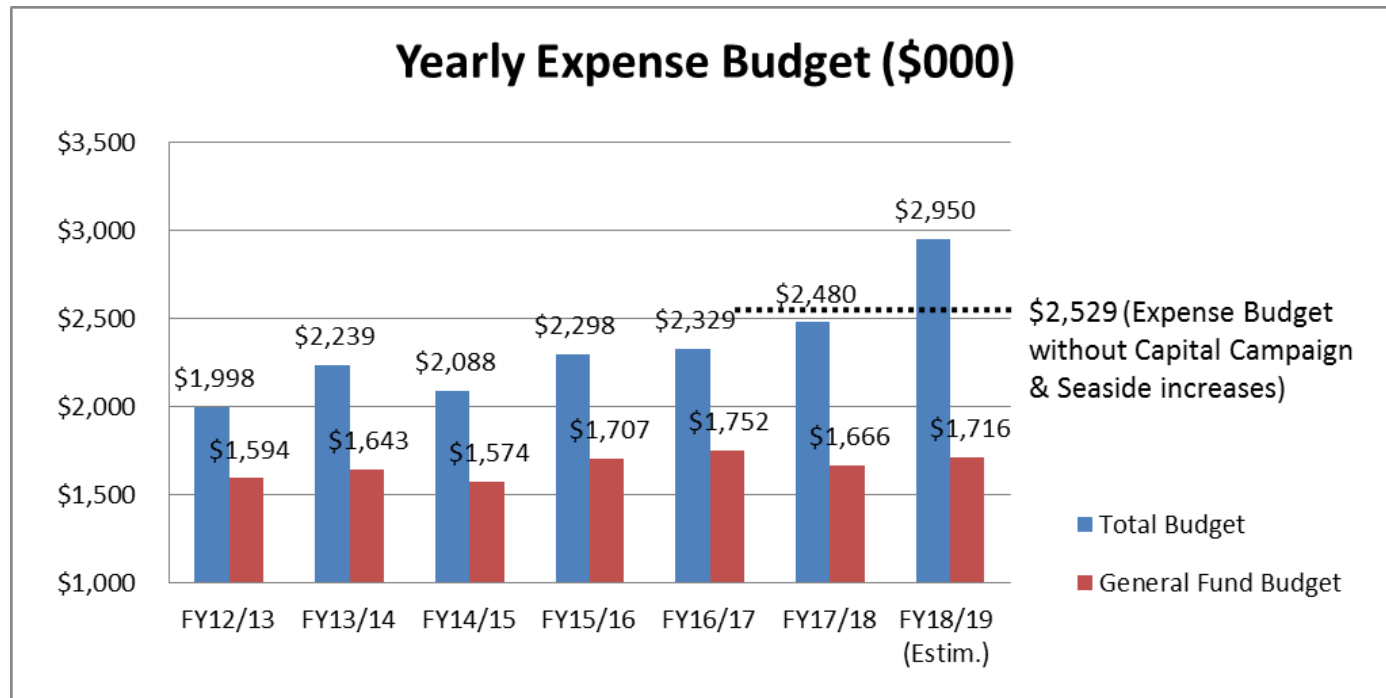




- General Fund expenses have been held relatively stable and deficits minimized for several years. (Overall expenses have increased due to Capital Campaign.)
- For FY17/18 VBUMC is projected to have a deficit of \$20k in the General Fund.

Budgeted Expenses

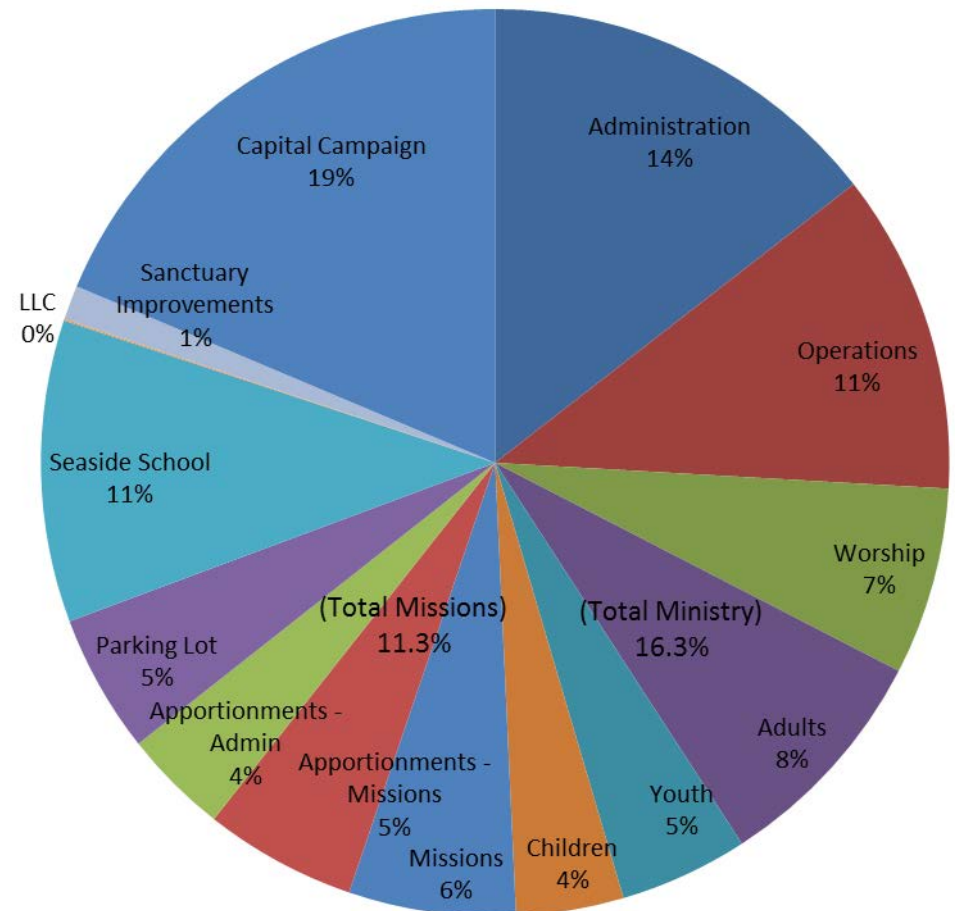
FY18/19 total budgeted expenses include \$550k in Capital Campaign Funds vs. \$250k last year and \$121k in increases for Seaside School. Without this \$421k the FY18/19 Expense Budget would be \$2,529k, just a bit more than last year.



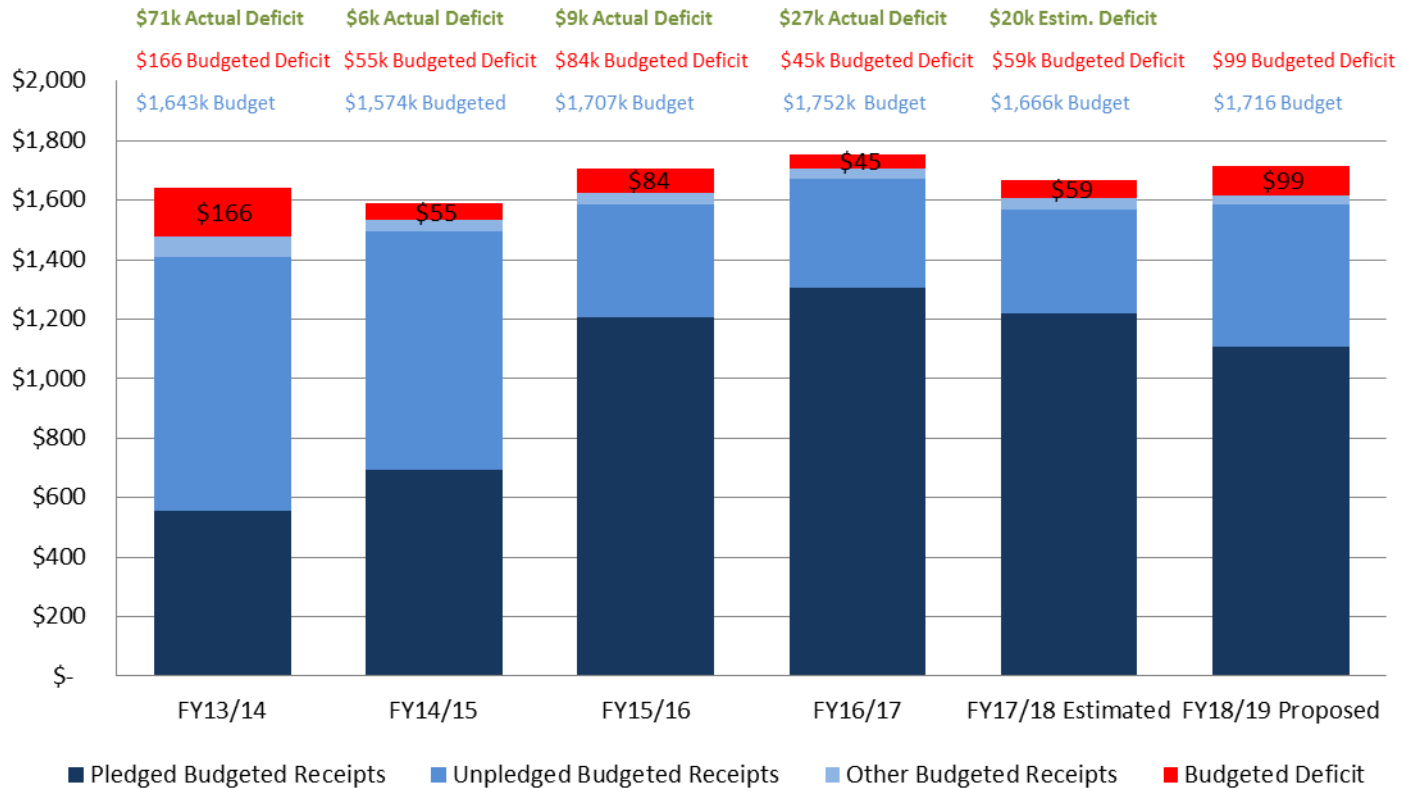
- The graph on the following page shows a breakout of allocated expenses by church function

Total Budgeted Expenses

Function	Estim. Total	Percent
Administration	\$ 427,097	14.5%
Operations	\$ 337,127	11.4%
Worship	\$ 196,893	6.7%
Adults	\$ 244,053	8.3%
Youth	\$ 135,092	4.6%
Children	\$ 112,903	3.8%
Missions	\$ 175,467	5.9%
Apportionments - Missions	\$ 159,629	5.4%
Apportionments - Admin	\$ 110,556	3.7%
Parking Lot	\$ 145,935	4.9%
Seaside School	\$ 317,318	10.8%
LLC	\$ 1,706	0.1%
Sanctuary Improvements	\$ 35,917	1.2%
Capital Campaign	\$ 550,000	18.6%
Total	\$ 2,949,693	



General Fund Budgeted Deficits vs. Actual Deficits/Surpluses



In the past, actual deficits were much lower than budgeted deficits due to conservative budgeting and spending less than budgeted. Dependence on this reduction seems to be increasingly difficult to accomplish as budgets are more accurate year over year.

Budgeted Expenses Analysis

Category	General Fund							Total Budget					Total Budget %		
	FY16/17 Annual Budget	FY 17/18 Annual Budget	FY 18/19 Annual Budget	FY 18/19 % of Total	Variance	% Var	Notes	FY16/17 Annual Budget	FY 17/18 Annual Budget	FY 18/19 Annual Budget	Variance	% Var	FY16/17 Annual Budget	FY17/18 Annual Budget	FY18/19 Annual Budget
SALARIES	\$ 807,897	\$ 790,348	\$ 804,201	47%	\$ 13,853	2%		\$ 807,897	\$ 790,348	\$ 804,201	\$ 13,853	2%	35%	32%	27%
OTHER PERSONNEL	\$ 143,206	\$ 136,198	\$ 133,772	8%	\$ (2,426)	-2%	Payroll reimbursements	\$ 143,206	\$ 136,198	\$ 133,772	\$ (2,426)	-2%	6%	5%	5%
ADMINISTRATIVE	\$ 104,589	\$ 107,574	\$ 115,871	7%	\$ 8,297	8%	Printers, Comm, Online Giving	\$ 104,589	\$ 107,574	\$ 115,871	\$ 8,297	8%	4%	4%	4%
BUILDINGS & VEHICLES	\$ 256,735	\$ 235,771	\$ 226,209	13%	\$ (9,562)	-4%	No North Wing - Utilities, HVAC	\$ 256,735	\$ 235,771	\$ 226,209	\$ (9,562)	-4%	11%	10%	8%
COMMITTEES	\$ 13,650	\$ 8,900	\$ 25,841	2%	\$ 16,941	190%	Safety (Policeman), Strat Plan.	\$ 13,650	\$ 8,900	\$ 25,841	\$ 16,941	190%	1%	0%	1%
DISCIPLESHIP	\$ 60,481	\$ 50,066	\$ 47,901	3%	\$ (2,165)	-4%		\$ 125,938	\$ 127,008	\$ 124,821	\$ (2,187)	-2%	5%	5%	4%
WORSHIP/MUSIC	\$ 32,930	\$ 28,220	\$ 44,413	3%	\$ 16,193	57%	AV costs, Music Smartboard	\$ 34,680	\$ 29,120	\$ 45,813	\$ 16,693	57%	1%	1%	2%
CARE MINISTRY	\$ 10,059	\$ 9,199	\$ 10,500	1%	\$ 1,301	14%	Hospitality	\$ 10,059	\$ 9,199	\$ 10,500	\$ 1,301	14%	0%	0%	0%
MISSIONS	\$ 45,675	\$ 30,804	\$ 27,685	2%	\$ (3,119)	-10%	Ethiopia Trip	\$ 155,475	\$ 161,404	\$ 148,590	\$ (12,814)	-8%	7%	7%	5%
INTERGENERATIONAL	\$ 9,150	\$ 8,150	\$ 9,240	1%	\$ 1,090	13%	Small event increases	\$ 9,450	\$ 9,250	\$ 10,340	\$ 1,090	12%	0%	0%	0%
APPORTIONMENTS	\$ 260,082	\$ 260,336	\$ 270,185	16%	\$ 9,849	4%		\$ 260,082	\$ 260,336	\$ 270,185	\$ 9,849	4%	11%	10%	9%
PARSONAGE	\$ -				\$ -			\$ -	\$ -	\$ -	\$ -		0%	0%	0%
PARKING LOT	\$ -				\$ -			\$ 119,970	\$ 121,550	\$ 128,555	\$ 7,005	6%	5%	5%	4%
SEASIDE SCHOOL	\$ -				\$ -			\$ 182,042	\$ 195,868	\$ 317,318	\$ 121,450	62%	8%	8%	11%
SANCTUARY	\$ -				\$ -			\$ 35,000	\$ 35,000	\$ 35,917	\$ 917	3%	2%	1%	1%
CAPITAL CAMPAIGN	\$ -				\$ -			\$ 62,740	\$ 250,000	\$ 550,000	\$ 300,000	120%	3%	10%	19%
VBUMC - LLC	\$ -				\$ -			\$ -	\$ 2,431	\$ 1,706	\$ (725)	-30%	0%	0%	0%
Budgeted Expenses Total:	\$ 1,744,454	\$ 1,665,567	\$ 1,715,818		\$ 50,251	3%		\$ 2,329,213	\$ 2,479,957	\$ 2,949,639	\$ 469,682	19%			

- This year's general fund budgeted expenses have increased \$50k from last year's
- FY18/19 total budgeted expenses include \$550k in Capital Campaign Funds vs. \$250k last year and \$121k in increases for Seaside School. Without this \$421k the FY18/19 Expense Budget would be \$2,529k, just a bit more than last year.

CLC Approval of Budget

- Approval of attached FY2018/19 budget with:

FY18/19 Budget	General Fund	Total
Receipts	\$ 1,616,818	\$ 3,130,403
Expenses	\$ 1,715,818	\$ 2,959,639
Surplus/(Deficit)	\$ (99,000)	\$ 170,764

- During the FY18/19 fiscal year, VBUMC will continue to look for cost savings throughout the year to further strengthen our bottom line
- If during the FY18/19 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
- Elimination of the \$99k deficit could be accomplished if only 2/3 of the households that support VBUMC would give just an additional \$200 per year. In Mark 5:36, Jesus says “Don’t be afraid. Just trust me.”