

## Financial Report October 2021

Tim Delworth, Craig Dobbins, Larry Huggins, Pastor Duane, and Bill Walker comprised the committee developing the 2022 operating plan. This report provides a summary of the proposed operating plan for 2022. The details associated with the plan can be found at <https://www.fumcwl.org/governance/>. You will need to scroll to the bottom of the web page to find the link to the proposed budget.

It is estimated that the total operating expenses for 2022 will be \$644,525. There are several things that should be noted about this number:

1. This is almost the same as the \$644,300 budget approved for 2021. Just because these two numbers are about the same don't assume things are status quo.
2. New ministry areas of Communications and Welcome and Connections have been added. The funding request of some existing areas declined. Examples include Staff Salaries, Children's Ministry, Property Maintenance, and Bus and Van Ministry (there is only a bus).

On the income side, there is no pledged amount to guide estimating 2022 revenue. That leaves using history as the basis of our 2022 income. If we go back to 2019, we had total revenue of \$633,712. In 2020, we had a total revenue of \$640,714. How did we get more revenue in the year Covid hit than the year before? The federal government's Paycheck Protection Program (PPP). If our 2020 year-end projection is correct (below), we will have the same outcome in 2021, more total revenue in 2021 than in 2020. The reason is again PPP. We are expecting income in 2022 to decline from \$658,252 in 2021 to \$598,800. There is no PPP program in 2022.

Subtracting our expenses from income provides our net. 2019 had a significant loss and significant changes were made to reduce costs. We had a small positive net return in 2020. A small deficit is projected for 2021. The 2022 operating plan indicates a deficit of \$45,725.

Plans that repeatedly have losses are not sustainable. The summary data in Table 1. indicates that more needs to be done to improve the income and expenses balance. Given the recent significant changes made, the current strong financial reserves, and as we transition to a more normal post-Covid period, it was decided to monitor how 2022 unfolds.

**Table 1. Total actual income, total income, and net for 2019 & 2020 and projections for 2021 & 2022**

<b>Actual/Plan Year</b>	<b>Actual 2019</b>	<b>Actual 2020</b>	<b>Year-end Estimate 2021</b>	<b>Plan 2022</b>
<b>Total Income</b>	<b>\$633,712</b>	<b>\$640,714</b>	<b>\$658,252</b>	<b>\$598,800</b>
<b>Total Operating Expense</b>	<b><u>\$754,996</u></b>	<b><u>\$614,589</u></b>	<b><u>\$675,712</u></b>	<b><u>\$644,525</u></b>
<b>Net</b>	<b>(\$121,284)</b>	<b>26,125</b>	<b>(17,460)</b>	<b>(\$45,725)</b>

If 2022 does not progress as planned, there are significant operating reserves. In addition,

1. We could defer all, or all but essential maintenance.

2. We could request support from the Foundation.
3. We could use some of the Nola Gentry gift.
4. There are designated ministry team accounts at the Foundation that can be drawn upon.

2018, 2019, 2020, and Parital 2021 Actuals and 2022 Plan					
Actual/Plan Year	Actual 2018	Actual 2019	Actual 2020	Jan-July 2021	Plan 2022
<b>Operating Income</b>					
Contribution Income	\$708,240.05	\$580,606.84	\$539,562.06	\$246,527.00	\$576,200
Designated Operating Giving	\$10,189.95	\$21,620.20	\$8,100.30	\$4,647.00	\$5,600
Miscellaneous Income	\$6,992.00	\$31,485.33	\$93,052.53	\$73,865.00	\$17,000
Miscellaneous income includes loans from the Payroll Protection Plan in 2020 and 2021.					
<b>Total Income</b>	<b>\$725,422.00</b>	<b>\$633,712.37</b>	<b>\$640,714.89</b>	<b>\$325,039.00</b>	<b>\$598,800</b>
<b>Operating Plan Expenses</b>					
Total UMC Tithe	\$63,349.53	\$68,859.97	\$65,202.52	\$35,830.00	\$71,856
Total Pastoral	\$174,829.57	\$188,530.34	\$214,487.02	\$129,623.63	\$233,736
Total Lay Staff	\$260,170.31	\$276,897.69	\$181,158.75	\$141,049.14	\$162,497
Total Church Office	\$17,274.24	\$16,173.71	\$7,631.12	\$5,481.37	\$13,200
<b>MINISTRY TEAMS</b>					
Total Adult Education	\$1,632.50	\$2,041.21	\$1,616.10	\$0.00	\$1,500
Total Care & Nurture	\$33.89	\$627.40	\$0.00	\$120.00	\$500
Total Children's Ministry	\$15,962.63	\$11,199.29	\$1,625.07	\$1,081.13	\$4,560
Total Communications	\$2,423.75	\$6,569.95	\$5,396.06	\$2,424.29	\$7,500
<b>Missions Ministry</b>					
The operating plan provides funds for administrative support of this ministry team not funds for a specific mission. Funds to support various missions are raised through specific donations. Typically there have not been any administrative expenses for this Ministry Team.					<b>\$0</b>
Total Music	\$27,440.21	\$27,890.41	\$9,119.25	\$10,464.88	\$16,827
Total Welcome & Connection					\$1,000
<b>Trustee Ministries</b>					
Property (Utilities)	\$69,927.48	\$62,788.94	\$54,560.87	\$31,170.61	\$54,500
Maintenance Expense	\$50,838.73	\$60,331.81	\$34,083.59	\$23,934.92	\$44,950
Vehicles	\$3,721.95	\$5,451.66	\$1,553.21	\$464.25	\$3,400
Décor	\$3,432.94	\$469.00	\$924.91	\$106.99	\$0
Kitchen	\$1,353.77	\$2,637.41	\$729.81	\$99.00	\$1,600
Computer Expenses	\$12,961.44	\$10,424.33	\$25,929.22	\$10,494.56	\$12,500
Total Trustees	\$142,236.31	\$142,103.15	\$117,781.61	\$66,270.33	\$116,950
Total Youth	\$9,581.06	\$9,803.94	\$231.94	\$619.13	\$3,500
Total Worship	\$4,426.05	\$4,298.86	\$10,339.51	\$3,985.73	\$8,900
Governance Board Education				\$1,500.00	\$2,000
<b>Total Operating Expenses</b>	<b>\$719,360.05</b>	<b>\$754,995.92</b>	<b>\$614,588.95</b>	<b>\$398,449.63</b>	<b>\$644,525</b>
<b>Net</b>	<b>\$6,061.95</b>	<b>-\$121,283.55</b>	<b>\$26,125.94</b>	<b>-\$73,410.63</b>	<b>-\$45,725</b>