

February 13, 2023

Ada First United Methodist Church
301 N. Main St.
Ada, Ohio 45810

Dear Church Family,

We want to provide you with a financial recap for the church as of year-end 2022 along with news regarding the 2023 church financial budget.

The church accounting is based on numerous funds, with the bulk of our daily transactions occurring in the General Fund. Salaries, utilities, maintenance, and programming all flow through the General Fund. In 2022, the General Fund finished with a balance of almost \$16,000, which is a bit higher than a year ago. Additionally, just as your household may set aside monies for renovations, emergencies, or vacations, the church has several other funds that total nearly \$71,000. Each of these is earmarked for specific renovations or programs, ranging from the youth program to indoor facility maintenance to emergency funds.

In 2022, pledged giving was up compared to what was budgeted, whereas unpledged giving was a bit lower than predicted. Late in 2022, a memorial gift of \$100,000 was received, which is earmarked for use at the discretion of the church. The church's utility expenses were up for the year when compared to a year ago and the maintenance expenses for the church and parsonage were also higher than in 2021. While one could conclude the church had a net income in 2022, that was due to the \$100,000 memorial gift. What truly is important to note is that our General Fund ended at a good value, and all our obligations are paid in full. The church carries no debt. At the end of this letter, a table presents the income and expense summary, along with a graphical presentation of our finances.

2023 Budget Interactions:

The SPRC Committee recommended that the Finance Committee consider adding a new staff position – Pastoral Care Associate to fill the need to meet with the church's home bound members along with making nursing home visits. This new position will entail a 10-hour work week and the total cost estimate for the position would come in around \$11,000 annually.

In January 2023, the Finance Committee and the Endowment Committee members met to discuss the \$100,000 Memorial Gift and the newly proposed Pastoral Care Associate position. Approval was made to use \$22,000 from the \$100,000 Memorial Gift to fund the next **two years** of the newly created Pastoral Care Associate position. The remaining \$78,000 from the Memorial Gift will be invested into the operational portion of the Endowment Funds with Edward Jones.

After reviewing the 2023 church budget (that was proposed by the Finance Committee) the Administrative Council approved the budget. The following changes were noted from the prior year's budget:

- 3 percent raise for staff members and a 4 percent raise for the pastor.
- Due to upcoming retirement of Office Manager; additional responsibilities and adjusted pay scale for new hire.
- Additional staff position – Pastoral Care Associate, funded by **\$11,000 (first year)** from the 2022 memorial gift.
- Higher utility cost projections.
- Projected pledged and unpledged giving at \$214,000.

The 2023 church budget total revenue is projected to be around \$244,000 and total expenses are estimated at \$276,000 which equates to a budgeted net income (loss) of approximately (\$32,000).

Rather than cut monies from the budget to balance it, both the Finance Committee and Administrative Council have elected to trust that the budget will work out and the deficit will not occur. We are relying upon our faith and the history of the giving of the church.

To all of you, we are truly grateful for your continued support towards the mission of Ada First United Methodist Church.

Should you have any questions, please contact a member of the Finance Committee.

Yours in Christ,

Bryan Marshall (Finance Chair)

Julie Hurtig (Treasurer)

Pastor Brandi Rigsby

2022 FINANCIAL SUMMARY

Income		
	Pledged and Unpledged Giving	230,726
	Other Earmarked Giving	3,916
	Memorials	101,485
	Capital Donations	12,496
	Designated Giving	8,381
	Earned Revenues	31,734
TOTAL		388,738
Expenses		
	Mission and Apportionments	52,289
	Utilities	45,371
	Taxes and Insurance	11,806
	Building Maintenance	38,029
	Administrative	31,882
	Worship	37,065
	Pastoral Care	38,970
	Programming	13,772
	Capital	40,155
TOTAL		309,339

The descriptions for each category's expenses are provided on the next page.



Ada First

2022 Financials

2022 ACTUAL INCOME:	388,738
• Parking Lot	4,072
• Endowment	79,485
• Pastoral Care Fund	22,000

2022 ACTUAL EXPENSES:	309,339
• Parking Lot	33,216
• Video Equipment	6,600

2022 BUDGETED EXPENSES:	258,590
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2022 APPORTIONMENTS:	34,289
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2022 APPORTIONMENTS PAID:	34,289
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HOW IT BREAKS DOWN:

Mission and Apportionments: Missions include Beatitudes, Ada Food Pantry, and Ada School District student support monies. Apportionments are our share of giving to the larger United Methodist denomination, including missions and the administration necessary to run them.

Pastoral Care: Includes pastor's professional development account and 50% of the pastor's salary and benefits

Administrative: Office expenses and software, plus administrative salaries (financial secretary, treasurer, and office manager)

Programming: All expenses of VBS, the curriculum for children and adults, plus the Family Ministries staff salary and 20% of the pastor's salary and benefits

Worship: Worship expenses plus music staff salaries and 30% of pastor's salaries and benefits

Capital: Completion of the parking lot and sanctuary video equipment

2022 Expenses

