



**INDEPENDENT**  
PRESBYTERIAN CHURCH

**Revenue and Expense Summary by Ministry Team - 2019 Budget vs 2018 Actual**

	Christian Education	Music and Worship	Witness	Congregation and Member Services	Day School	General and Operating	2019 Budget	2018 Actual	Variance
<b>REVENUE</b>									
Pledges and Offerings*	\$ 567,205	\$ 882,405	\$ 130,530	\$ 354,540	\$ -	\$ 1,404,520	\$ 3,339,200	\$ 3,267,926	\$ 71,274
Endowment	26,715	10,910	283,620	15,005	-	121,760	458,010	416,435	41,575
Children's Fresh Air Farm	-	-	427,145	-	-	-	427,145	374,272	52,873
Designated Gifts	1,400	16,000	51,000	16,000	-	-	84,400	534,429	(450,029)
Fees and other income	61,300	-	-	149,020	739,000	75,800	1,025,120	982,671	42,449
Transfers from reserve funds	3,410	3,000	21,505	24,605	-	28,960	81,480	261,255	(179,775)
<b>Total Revenue</b>	<b>\$ 660,030</b>	<b>\$ 912,315</b>	<b>\$ 913,800</b>	<b>\$ 559,170</b>	<b>\$ 739,000</b>	<b>\$ 1,631,040</b>	<b>\$ 5,415,355</b>	<b>\$ 5,836,989</b>	<b>\$ (421,634)</b>
<b>EXPENSE</b>									
Salary and Benefits	\$ 493,860	\$ 745,415	\$ 415,960	\$ 320,750	\$ 636,000	\$ 913,490	3,525,475	\$ 3,317,674	\$ 207,801
Direct Program Spending	163,130	156,900	497,840	232,420	103,000	642,550	1,795,840	1,800,804	(4,964)
Transfers to reserve funds	3,040	10,000	-	6,000	-	75,000	94,040	509,849	(415,809)
<b>Total Expense</b>	<b>\$ 660,030</b>	<b>\$ 912,315</b>	<b>\$ 913,800</b>	<b>\$ 559,170</b>	<b>\$ 739,000</b>	<b>\$ 1,631,040</b>	<b>\$ 5,415,355</b>	<b>\$ 5,628,327</b>	<b>\$ (212,972)</b>
<b>REVENUE OVER (UNDER) EXPENSE</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 208,662</b>	<b>\$ (208,662)</b>

\* Pledges and unrestricted gifts are allocated across ministry teams to reflect a zero balanced budget

**KEY HIGHLIGHTS:**

- The 2019 annual pledge campaign peaked at a record high of almost \$3.1 million with 521 pledges (compared to 532 in 2018). The average pledge per member increased 5.3% and includes a reserve of 4.8% based on past giving trends. In addition to the annual campaign, the budget includes \$387k for other gifts historically received throughout the year.
- Endowment revenue consists of distributions from the IPC Foundation from over 30 different funds and is used to fund various programs and activities requested by the donor. Endowment income is higher in 2019 mainly due to the Foundation increasing its spending rate from 3% to 4%.
- The Children's Fresh Air Farm (CFAF) receives approximately 75% of its funding from the IPC Foundation, with substantial endowments designated specifically for this ministry. The CFAF revenue is expected to grow in 2019 due to the increased spending rate from the IPC Foundation.
- Designated Gifts in 2018 include very generous giving for specific purposes including Highland Hall \$267k, Social Services \$76k, Recess \$35k, Mission Trips \$30k, Memorials \$21k, Giving Tree \$16k, and the Angel Fund \$11k. The 2019 budget only includes gifts that are either known at the time of budget or have consistent historical giving patterns.
- Fees and Other Income in 2019 mainly include fees for the Day School (\$739k), Counseling Services (\$89k), Recess (\$56k), Food Services (\$38k), Youth conferences and programs (\$41k), Weddings (\$13k), and rental income for the home located on Lakeview Crescent (\$17k.)
- Transfers from reserve funds include gifts totaling \$16k for the Witness Ministry Team Open Door program and \$22k for the Congregational Care Ministry Team new dementia program, Recess, received in 2018 but not spent.

Transfers also include \$20k from the 2018 operating surplus approved by Session for 2019 staff training and \$9k received in 2018 for system enhancements.

- Salary and benefit costs in 2018 benefit from open positions throughout the year in Christian Education. When compared against the 2018 budget which includes full employment, costs increase \$25k or 1%. Similar to the 2018 budget, the 2019 budget assumes full employment and a 2% cost of living adjustment. 2019 also includes three new part time positions: a music/worship coordinator for the Sunday Evening Service, a seminary intern, and a part time accounting assistant. Responsibilities for the Christian Education Director, Associate Pastor were absorbed by the senior staff, and this position is not considered open for 2019.
  
- Direct program spending of \$1.8 million is consistent with 2018.
  - Program spending for Christian Education Ministry totals \$163k in 2019 and is partially offset by fees of \$61.3k. Christian Education includes \$84k for youth ministry, \$24k for guest speakers and adult activities, \$24k for preschool and elementary programming, \$14k for young adult ministries, and \$12k for catechesis training.
  - Music and Worship includes \$86k for music, \$52k for worship and \$18k for fine arts. The budget declines by \$10k compared to 2018 because the Sunday Evening worship coordinator cost shifted to salary and benefits now that it is a part-time position.
  - The Children's Fresh Air Farm is included in Witness and accounts for \$206k of the program spending and \$222k salary and benefits. Social Services and benevolent spending in 2019 is expected to reach \$123k. IPC supports the families of the children who attend the STAIR and Children Fresh Air Farm programs through Social Services. Open Door is another ministry program with a strategic goal of assisting STAIR families with educational assistance through GED, ESOL and Adult Literacy programming. The program is in its third year and is expected to cost \$54k. Global Missions fall under the Witness Ministry Team and include \$25k for trips in 2019 compared to \$81k in 2018. Four trips are currently planned for 2019, and some of the spending in 2018 is prepayment for the 2019 trips. Planned trips for 2019 include two trips with funding assistance from the Foundation (Rwanda and Chiapas), a youth mission trip and an educational trip to Scotland. *Note that \$16,500 cost for youth mission trips is included in Christian Education.* Program spending also includes \$83k to the Presbytery for per capita, seminary, synod, and general causes.
  - Congregation and Member Services includes \$104k for counseling services provided by two professional counselors with offices located in the downstairs portion of the IPC building. Fees of \$89k are expected in 2019 to help pay for these services. The new dementia program, Recess, is estimated to cost \$79k in 2019 and also has \$56k fees budgeted to help cover the cost. This program got off to a slow start in 2018 and is expected to be fully operational by the 4<sup>th</sup> quarter of 2019. The program is budgeted to serve 20 adults with low to moderate dementia. Communication, new member outreach, and member engagement adds \$50k collectively to the 2019 budget.
  - Transfers to reserve funds include \$75k to the contingency reserve for capital spending in 2019. Session approved \$407k of capital expenditures to be funded from the contingency reserve (\$350k) and the Children's Fresh Air Farm reserve (\$57k). Transfers in 2018 are up relative to designated gifts.
  
- Revenue Over (Under) Expense is zero for 2019 and \$209k for 2018.
  - The 2019 budget is prepared using a zero based budget methodology, meaning total revenue equals total expense. In theory, this reduces the risk that IPC will end the year with a deficit. To further reduce this risk, expenditures not included in the budget must be approved by the Finance Ministry Team and include a corresponding funding source. The 2019 budget does have inherent risk if revenues are less than expected and expenses do not decline proportionately.

- In 2018, revenues exceeded expenses by \$209k of which \$54k is considered non cash and relates to an endowment contribution held in trust. The remaining surplus was approved by Session to be used for capital spending (\$135k) and employee training (\$20k).

**Finance Team Members:** Alan Drennen (Chair and Treasurer), Scott Adams, Drew Brignnac, Suzanne Graham, Penney Hartline, Verna Lyons, John Norris, Paul Simmons, David Turner, Scott Ward (past Chair and Treasurer); Staff: Denise Moore (Chief Financial Officer), Bill Carl, Beth Grauel, Lucy Turner.