

## Local Church Financial Audit Program

The purpose of this program is to provide basic procedures using non-technical language so that local churches can more easily comply with the annual audit requirement. Here are things you'll need:

The church bookkeeper and the Financial Secretary should be present.

All of the financial records for the year should be available.

A calculator.

A deck of cards to help with record selection. Pull out Ace through Queen of one suit to use.

You'll also want to make sure these specific documents are available:

A copy of the previous audit.

Washington Secretary of State Non-Profit Corporation Annual Report

Washington State Department of Revenue Property Tax Exemption Renewal Declaration

The current bank signature card(s)

The annual budget

The Local Report to the Annual Conference

The Annual Apportionment notice

The Pastoral Support Worksheet

Payroll tax returns for all four quarters of the year

## General Information

Church name: **KENNEWICK FIRST UNITED METHODIST CHURCH**

District: **SEVEN RIVERS**

Audit year **2019**

When was the last church audit? **2018**

Who performed it? **KFUMC Finance and Stewardship Team**

Write a few sentences about the financial skill level of the person(s) that performed the previous audit.

**Two members are retired CPA's; the other members have business, management, or equivalent experience**

Who is performing this audit? **The KFUMC Finance and Stewardship Team**

Write a few sentences about the financial skill level of the person(s) that are performing this audit. **Two members are retired CPA's; One is retired Controller of a large corporation, the other members have business, management, or equivalent experience.**

Do you have a copy of the previous audit? **Yes**      No

Does the church have an Audit Committee? Yes **No** **Audit responsibilities are assigned to the Finance and Stewardship Ministry Team**

Describe the method used for bookkeeping (e.g. QuickBooks or another computer-based program, spreadsheets, hand written ledgers etc.) **QuickBooks and Excel used for some reports**

Describe the recordkeeping system used by the Financial Secretary. **Handwritten records with a computer program, Church Windows.**

Where are the accounting records kept, e.g. on the church premises, in the home of the Treasurer, bookkeeper or Financial Secretary? **Church Premises**

Who performs the bookkeeping, e.g. a church volunteer or an outside bookkeeping service? **Our part-time bookkeeper, Sharon Varzandeh (16-20 hours per week)**

Is the person that does the bookkeeping paid? **Yes** No If yes, what is the pay rate? **\$18.15/hr**

What was the church's net surplus (or loss) for the year being audited?

<b>General Fund</b>	<b>\$(43,364)</b>
<b>Building Maintenance Fund</b>	<b>\$ 32,853</b>
<b>Normal Operating</b>	<b>\$(10,511)</b>
<b>Transitory Fund</b>	<b>\$ 99,073</b>
<b>Memorial Fund</b>	<b>\$ 85</b>
<b>Cash Surplus/(Deficit)</b>	<b>\$ 88,647</b>
<b>Depreciation</b>	<b>\$(100,501)</b>
<b>Net Loss</b>	<b>\$( 11,854)</b>

What were the total church receipts from all sources for the year being audited? The previous year?  
Two years previous?

**2019 \$747,121 Includes \$100,000 donation for Youth Programs**  
**2018 \$631,328**  
**2017 \$521,097 Excludes Transitory and Memorial Fund Receipts**

## **Compliance and Controls**

Is any of the church's finance related mail (e.g. bank statements, invoices, tax returns) sent to an address other than the church? **NO**

Get a copy of the Washington Secretary of State Non-Profit Corporation Annual Report. What date was it filed? **12/16/2019** Was the report filed by the due date? **Yes** No

Get a copy of the Washington State Department of Revenue Property Tax Exemption Renewal Declaration. What date was it filed? **1/23/20 for the year 2020.** Due date is March 31st.

Treasurer's name: **Sharon Varzandeh** How long in this role? **2 yrs** Who is their backup? **Cheryl Nixon**

Financial Secretary's name: **Ruth Anderson** How long in this role? **39 years** Who is their backup? **Sharon Varzandeh, Roberta Barcot**

Per the Book of Discipline 258.4 the Treasurer and the Financial Secretary should not be the same person.

Do two people count the offering? **Yes** No Are they unrelated? **Yes** No

Per the Book of Discipline 258.4(a) two persons should count the offering and those two persons should not be members of the same immediate family.

Who receives the bank statements? **Sharon Varzende, Treasurer**

Who reconciles (balances) the checking account? **Sharon Varzende, bookkeeper**

Who writes the checks? **Sharon Varzende, Cheryl Nixon, Cynthia Bement**

It is best if the person that writes the checks is different than the person that balances the checking account. Who are the authorized check signers? List their names. **Sharon Varzende, Cheryl Nixon, Cynthia Bement, Rich Nelson.**

Get a copy of all the current bank signature cards. Are current check signers listed on the signature cards?

**Yes** No

Is anybody that is no longer involved in church finances still listed on the signature card? **Yes** No

## **Reporting**

Are monthly financial statements reports prepared? **YES** Get a copy of the September financial reports for the year being audited. Which persons or committees receive a copy of the financial statements? Write their names here. **Finance Committee Chair reviews all monthly reports submitted by the Treasurer. If any questions or discrepancies, these are reported to the Treasurer for corrections. Final report return to Finance Committee Chair and then sent to Committee Members and the Church Council. Finance Ministry Team, Admin Ministry Team, Church Council, Michelle Hare, Pastor McMurray**

Is an annual budget prepared? **Yes** No Get a copy. Was it approved? **Yes** No

Approved by who? **Church Council** When? **The meeting prior to the Charge Conference (Oct 2019)**

Does anybody compare actual results to the budget? **Yes, members of the Finance Ministry** No  
How often? **Monthly**

Write their name(s) here: **Rich Nelson, Susan Sandmeier, Larry Jelsing, Amy Basche, Jane Hunt, Roberta Barcot, Carol Kerkow, Sharon Varzandeh, Michelle Hare, and Pastor Mark McMurray.**

Do members of the congregation receive an annual report of their giving? **Yes** No

Get a copy of the Local Report to the Annual Conference. Are the amounts on the report supported by the year-end financial statement? **Yes** No



## Receipts

How is the offering count recorded? Write a few sentences about the offering counting procedure including the form in which the offering is recorded. Include how the Treasurer or bookkeeper receives notice of the weekly bank deposit amount.

Ruth Anderson (or her assistant, Roberta Barcot) counts the offering on Monday in the office after retrieving it from the locked safe (also in the office) where it was stored following church on Sunday. The change is counted first, then the bills, and then the checks in alphabetized order. Ruth uses the attached form (Exhibit A) with information from the offering envelopes to balance the deposit. A second person verifies the deposit. The bookkeeper next enters the deposit information into the Church Windows and Quickbooks before putting the completed deposit slip and money into the deposit bag which goes into the locked safe. The courier from First Community Bank will pick up the deposit on Thursday of that same week, leaving a new deposit bag with the bank deposit receipt from the previous week. This deposit receipt goes to the Treasurer and bookkeeper verifies.

Other than the Treasurer, who receives a copy of the weekly offering report? Write their names here: Sharon Varzandeh—bookkeeper, Pastor Mark

Ask the above persons what they do with the weekly offering report.

The bookkeeper files the report for the current year in a notebook, along with information to be entered into Church Windows. The Pastor uses his report for information.

Shuffle and draw a card from the 12 you have set aside. The Ace to Queen correspond to months January through December. Get a copy of the form used to record the offering for the second week of the month selected. June

What date was the second Sunday of the month? June 9, 2019

How much was the deposit? \$6,814.43

Find the deposit on the bank statement. Write the date of the bank deposit here: June 13, 2019

Is the offering deposited on the next business day following Sunday? Yes No the deposit is not picked up by First Community Bank until the following Thursday.

If deposits are made after Sunday, where is the deposit kept Sunday night? Safe in the Office.

## Disbursements

This section of the audit was performed by two members of the Finance Ministry Team so we actually did a review of two months of 2019 Transactions.

Shuffle and draw a card from the 12 you have set aside. For the month selected get a copy of the Monthly Conference Remittance form. This is the form used to remit apportionments and other special offerings to the Conference office. May and September

What is the total amount remitted as shown for lines 1, 3, 5, 9, 12 and 23?

May \$5,094.85 September \$ also \$5094.85 (we remit the same every month)



Get a copy of the Annual Apportionment notice from the Conference office. Are the amounts for lines 1 through 6 the same as remitted? **Yes** No If not, who authorized payment of a different amount?

Do clergy or other persons receive reimbursement for expenses? Are written expense reports and receipts required? **Yes** No

Shuffle and draw a card from the 12 you have set aside. The Ace to Queen correspond to months January through December. Get a copy of the bank reconciliation for the month selected. Which month? **May and September**

Was the bank reconciliation performed on a timely basis? **Yes**

Write the date the reconciliation was performed here: **May; 6-14-19; September; 10-3-19**

It is best if the reconciliation is performed within 30 days of the bank statement date.

What is the date of the oldest outstanding check on the reconciliation? **May; 3/27/19; September; 8/22/19**

It is best if items over a few months old are investigated.

On the bank reconciliation, does the bank balance match the bank statement? **Yes** No

Does the check register balance on the bank reconciliation match the financial statement balance?

**Yes** No

Shuffle and draw a card from the 12 you have set aside, twice. Which two months? **May and September**

For the two months selected and for January, compare every check written to the documents supporting the check (invoices, expense reports, receipts, payroll records, etc.)

Are non-recurring invoices approved before payment? **Yes** No

For the two months selected and January, look at the bank statement deduction detail. Are there deductions from the checking account as a result of automatic payments or other items not requiring a check (e.g. electronic payments?) **Yes** No If yes, list them here. Make sure the payments are currently authorized and the proper amount. **Moon Security, Push Pay, Pacific N.W. Annual Conference**

## **Payroll and Payroll Taxes**

Get a copy of the Pastoral Support Worksheet and fill in the components of the approved compensation:

Cash salary (Box 1) **\$64,345**

Housing Exclusion (Box 2) **\$6,000**

Housing (Box 4 or 5) **\$17,856**

Plan Compensation (Box 6) **\$87,931**

Does the Pastors payroll compensation match the Pastoral Support Worksheet approved at Charge Conference? Yes **No** **Unused accumulated vacation was paid to the retiring pastor.**

Do all church employees receive a W-2? **Yes** No

What date were the W-2's issued to employees? **By 01/31** The due date is typically January 31st.

What date was the W-2 package mailed to the Social Security Administration? **By 02/28** The due date is typically February 28th.

Get a copy of the 3rd quarter report to the Department of Labor & Industries (workers compensation) Write the total wages from the Gross Payroll column here: **\$655,339 (correction being made to \$65,339)**

Write the total workers hours here **1,263**

What is the total tax due? **\$459.48**

What date was the report submitted? **10/24/2019**

Who signed the report? **Prepared and electronically filed by Sharon Varzandeh.**

Was the amount due paid by check or electronic payment? **Check** Electronic payment

What's the check/payment date **10/25/2019** check number (if applicable) **#19107** and amount of the payment? **\$459.48**

Get a copy of the 3rd quarter Federal Form 941.

What is the amount on line 2? **\$62,828.57**

What is the amount on line 5a column 1? **\$41,380.25**

If line 2 and line 5a are different, what is the reason? **Ministers' compensation not subject to SS.**

What are the total taxes due on line 10? **\$8,528.18**

How was the amount on line 10 remitted? By check or by payroll tax deposits? **Payroll tax deposits.**

If by payroll tax deposits, write down the date and amount of the deposits that total line 10 here.

**07/15/2019 \$1,467.46; 07/16/2019 \$ 11.80; 07/30/2019 \$1,517.24; 08/14/2019 \$1,151.26;  
08/29/2019 \$1,323.08; 09/12/2019 \$1,376.98; 09/27/2019 \$1,680.36 = Total \$8,528.18**

If the deposits were made using EFTPS (a method for electronic payment of payroll tax deposits) trace the amount and date of the deposits for the quarter to the bank statements. **Payments were made by Electronic payment, and the amount and dates were all traced to the bank statements.**

Does line 2 of the 941 agree to gross wages on the Labor & Industries report for the same quarter?

Yes **No**

Do hourly employees turn in time cards? **Yes** No If yes, find the time cards for the March payroll and see if they match the number of hours the employee was paid. **Still need to match hours paid.**

Does the church have anybody working as an independent contractor? These persons are sometimes referred to as a "1099 employees." Write the names of independent contractors and their job description here. **No independent contractors.**

**The audit disclosed several minor items that will be resolved prior to beginning 2021 transactions.**

Are church employees covered by state unemployment insurance? Yes **No** Churches are generally exempt from state unemployment insurance. Is the church paying Federal Unemployment Insurance ? Yes **No** (Form 940) Churches are generally exempt from Federal unemployment insurance.  
Are there any other funds that don't show on the reports provided to the Finance Committee?

Yes No If so, who has authority over these funds? **United Methodist Women—Kathy Harris Treasurer. The UMW have their own set of books and audit procedure.**

## **Cash and Investments:**

**In addition to the required audit procedures, the Team also reviewed the Cash and Investments Accounts. A report of this activity is found in Exhibit B.**

## **Property:**

**In addition to the required audit procedures, the Team also reviewed the Property Accounts on the Balance Sheet. A report of 2019 activity is found as Exhibit C. In 2019 the Finance and Stewardship Team partnered with the Facilities Team to conduct a physical inventory of all personal property over the estimated value of \$100. This inventory was very helpful in working with our insurance carrier to increase the insurance coverage for personal property.**

Examination Performed by: **Kennewick First Finance and Stewardship Team** on this date **10/09/2020** who can be reached by email or phone here: **Rich Nelson [richnelson1942@msn.com](mailto:richnelson1942@msn.com) 509-783-4817 H or 509-989-0695 C.**

Once the examination is completed a copy of this report should be provided to the Chair of the Finance Committee, the District Superintendent during Charge Conference, and mailed to the Treasurer's Office of



the Pacific NW Conference. Please include a Year End Financial Statement and a sample of a monthly report to the Finance Committee of the church.

**Exhibit D: 12/31/19 Balance Sheet**

**Exhibit E: 12/31/19 General Fund Income Expense Report**

**Exhibit F: 12/31/19 BMR Fund Income Expense Report**

**Exhibit G: 12/31/19 Transitory Report for the year 2019**

If you have questions about this guide you can direct them to Rik Jamison at [rjamieson@pnwumc.org](mailto:rjamieson@pnwumc.org) or Brant Henshaw at [bhenshaw@pnwumc.org](mailto:bhenshaw@pnwumc.org).

# Deposit Slip

Exhibit A

Sunday, September 20, 2020

Description	Account Number	General Fund	BM&R	Transitory	Memorial Fund	Totals
Identifiable	1-40100 4-40100 3-40100					\$ -
Loose Offer	1-40300					\$ -
Sunday School	1-40400					\$ -
Church Use Rental	4-41110					\$ -
<b>Subtotals</b>		\$ -	\$ -		\$ -	\$ -
<b>Reimbursements</b>						
Books/Upper Room	1-65250					\$ -
Wedding Payroll	1-60750					\$ -
Funeral Payroll	1-40601					\$ -
Wedding/Funeral Exp.	1-60751					\$ -
Vision Ins.	1-61000					\$ -
<b>Special Offerings</b>						
Camperships	2-41010					\$ -
Prayer Shawls	2-41020					
Christmas Special	2-42110					\$ -
Cornerstone	2-41190					\$ -
Easter Special	2-42120					\$ -
Food Bank	2-42020					\$ -
Koins for Kenya	1-63281					\$ -
Lilies	2-41170					\$ -
Missions/Coffee	2-41090					\$ -
Jr UMY	2-41210					
Sr UMY	2-41231					\$ -
Pastor Discretionary	2-47010					\$ -
Rummage Sale	2-45030					\$ -
Saturday Night Life	2-41190					\$ -
Soul Soup	2-42105					\$ -
Special Donations	2-41165					\$ -
Special Events Income	2-41191					\$ -
Transportation Fund	2-45040					\$ -
UMCOR	2-43140					\$ -
Wedding Deposit	2-48040					\$ -
Young Adult PhD	2-41260					\$ -
VBS	2-41240					\$ -
Congregational Care	2-41055					
<b>TOTALS</b>		\$ -	\$ -	\$ -	\$ -	\$ -

PushPay

GF

BMR

**Cash & Investments**

Following is a summary of the accounts:

	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>Bank</u>
General Fund Checking	\$(108,099)	\$ 76,936	Community First Savings
BMR Fund Checking	\$ 72,870	\$ 47,352	Community First Savings
Transitory Checking	\$238,573	\$145,537	United Methodist Foundation
Memorial Fund Savings	\$ 20,242	\$ 20,157	Community First Savings
Foundation Fund Savings?	\$101,737	\$ 92,740	United Methodist Foundation
Owens Trust-Yakima Fed CD	\$272,662	\$271,277	Yakima Federal S&L
Owens Trust-Community First Savings	<u>\$221,550</u>	<u>\$209,967</u>	Community First Savings
Total	\$819,535	\$984,770	

It is apparent from the above schedule that Kennewick First United Methodist Church is in strong financial position. The negative balance in the General Fund is just bookkeeping. There is only one checking account in the bank and money is transferred to the three funds in that bank account.

A review will be conducted in 2020 to determine if the yield on the cash held can be improved. A review will also be made of FDIC insurance coverage for the above amounts.



**Property**

Following is a summary of the accounts:

	12/31/2019	<u>12/31/2018</u>	<u>12/31/2017</u>
Land	\$260,000	\$ 260,000	\$ 260,000
Furniture and Equipment	\$451,625	\$ 260,537	\$ 247,263
Accum. Depr. Furniture and Equip	\$(319,985)	\$ (197,110)	\$(192,941)
Vehicles	\$173,391	\$ 149,583	\$ 140,583
Accum. Depr. Vehicles	\$ (96,995)	\$ (83,968)	\$ (73,744)
Real Estate and Improvements	\$2,602,392	\$ 2,289,323	\$2,284,754
Accum. Depr. R.E. and Improvements.	<u>(1,536,662)</u>	<u>\$(1,215,235)</u>	<u>\$(1,153,026)</u>
Total Property	\$1,533,766	\$ 1,463,131	\$1,521,889

The above schedule demonstrates that Kennewick First United Methodist Church has a very solid financial position with regard to Fixed Assets. The assets are stated approximately at cost so the market value—especially of the real estate and Land would be much higher.

The data supporting the above schedule had to be reconstructed from incomplete data because details of the assets had not been maintained for several years. Because new assets can be funded out of various funds, we are still trying to get a full handle on assets each year end. A detailed depreciation schedule supports the above numbers.

Last year the audit confirmed the real estate legal ownership as Kennewick First United Methodist Church of the church and parsonage property. This was not repeated for this audit.

**Kennewick 1st United Methodist Church**  
**Balance Sheet**

Exhibit D

**As of December 31, 2019**

December 2019 Balance Sheet

Dec 31, 19

**ASSETS**

**Current Assets**

**Checking/Savings**

**1-20100 · Community First Bank**

1 · General Fund	(108,098.76)
2 · Transitory Fund	238,573.27
3 · Memorial Fund	20,241.59
4 · BMR Fund	72,869.74

**Total 1-20100 · Community First Bank** 223,585.84

**1-20200 · Com.Fst.Bk.Savings/Owens Trust** 221,550.47

**1-20220 · Yak.Fed.S&L-CD/Owens Trust** 272,662.08

**2-11400 · UMFNW - Transitory** 125,568.96

**4-11450 · UM Foundation-PEF Savings** 101,736.98

**Total Checking/Savings** 945,104.33

**Total Current Assets** 945,104.33

**Fixed Assets**

**1-15000 · Land** 260,000.00

**1-16000 · Furniture & Equipment** 451,625.44

**1-16500 · Accum. depr.-furniture & equip** (319,985.25)

**1-17000 · Vehicles** 173,390.68

**1-17500 · Accum Depr - Vehicles** (96,994.59)

**4-15000 · Real Estate and Improvement** 2,602,391.79

**4-15500 · Accum. depr.-R.E. & improve** (1,536,661.83)

**Total Fixed Assets** 1,533,766.24

**TOTAL ASSETS** 2,478,870.57

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Other Current Liabilities**

**1-21000 · Payroll Liabilities**

1-21060 · FIT withheld (20.00)

1-21070 · FICA & M/C withheld (30.60)

1-21000 · Payroll Liabilities - Other 1,011.44

**Total 1-21000 · Payroll Liabilities** 960.84

**Total Other Current Liabilities** 960.84

**Total Current Liabilities** 960.84

**Total Liabilities** 960.84

**Equity**

**0-30000 · Opening Bal Equity** 1,557,326.93

**0-39000 · Retained Earnings** 40,062.61

**5-30501 · John W Owens Trust** 969,512.46

**Net Income** (88,992.27)

**Total Equity** 2,477,909.73

**TOTAL LIABILITIES & EQUITY** 2,478,870.57

**Kennewick 1st United Methodist Church**  
**Income Expense Report**  
 January through December 2019

Exhibit E

Jan-Dec 2019 Income Expense	Dec 19	Jan - Dec 19	Budget	\$ Remaining in Budget
<b>Income</b>				
1-40100 · Pledges-gen fund	55,040.42	408,565.04	486,526.00	77,960.96
1-40300 · Loose offering, gen	498.00	5,663.64	7,000.00	1,336.36
1-40400 · Church school offering, gen	47.20	255.18	300.00	44.82
5-40100 · Interest Income-Owens Trust	109.20	1,052.52	600.00	(452.52)
5-40110 · Interest Inc.-Yak.Fed.Owens CD	1,355.34	1,385.26	9,000.00	7,614.74
<b>Total Income</b>	<b>57,050.16</b>	<b>416,921.64</b>	<b>503,426.00</b>	<b>86,504.36</b>
<b>Gross Profit</b>	<b>57,050.16</b>	<b>416,921.64</b>	<b>503,426.00</b>	<b>86,504.36</b>
<b>Expense</b>				
1-60100 · Salary-Sr. minister	5,362.08	69,707.05	64,345.00	(5,362.05)
1-60105 · Sr Pastor Housing Exclusion	500.00	6,500.00	6,000.00	(500.00)
1-60110 · Sr. Pastor Medical	680.00	4,080.00	4,080.00	0.00
1-60130 · Sr. Pastor Exp Account	117.80	3,086.71	5,000.00	1,913.29
1-60141 · Pastor Moving Expense	1,150.54	196.20	2,700.00	2,503.80
1-60150 · Sr Pastor CCP	0.00	8,733.78	4,069.00	(4,664.78)
1-60199 · Presbyterian Benefits-JP	0.00	14,037.71	13,203.00	(834.71)
1-60200 · Assoc Pastor Salary	0.00	0.00	14,092.00	14,092.00
1-60210 · Assoc Pastor Exp Account	0.00	0.00	750.00	750.00
1-60410 · Congregation Care Salary	1,733.60	19,758.42	18,304.00	(1,454.42)
1-60420 · Pension-Assoc Education	0.00	0.00	1,211.00	1,211.00
1-60435 · Out of Pocket Stipend	103.01	243.82	500.00	256.18
1-60450 · Ed Ministry Assistant Salary	192.00	2,378.80	3,639.00	1,260.20
1-60510 · Salary-Minister of Music	2,136.26	25,614.14	25,635.00	20.86
1-60511 · Bookkeeper Salary	1,697.86	20,406.02	18,420.00	(1,986.02)
1-60515 · Youth Director Salary	3,363.76	40,308.24	40,365.00	56.76
1-60520 · Organist/Pianist Salary	1,620.74	12,331.07	15,790.00	3,458.93
1-60610 · Office Manager Salary	2,448.51	23,473.25	28,468.00	4,994.75
1-60612 · FT Staff Pension	540.40	3,225.77	854.00	(2,371.77)
1-60613 · Wedding Coordinator	0.00	(600.00)	0.00	600.00
1-60710 · Sound Tech Salary	1,182.80	14,536.41	12,031.00	(2,505.41)
1-60715 · Hourly Youth Director	0.00	6,450.00	0.00	(6,450.00)
1-60720 · Childcare Salary	228.36	3,307.40	3,120.00	(187.40)
1-60750 · Wedding/Funeral Payroll	200.00	2,117.66	0.00	(2,117.66)
1-60751 · Funeral/Wedding Reception Expen	0.00	(112.66)	0.00	112.66
1-60810 · Custodian Salary	991.09	8,949.54	12,090.00	3,140.46
1-60910 · Staff Education	953.99	2,204.68	3,000.00	795.32
1-61000 · FT Staff Vision Insurance	56.00	740.00	479.00	(261.00)
1-61001 · FT Staff Medical Insurance	1,162.92	14,470.87	15,750.00	1,279.13
1-61100 · Payroll taxes	1,200.11	21,846.35	17,965.00	(3,881.35)
1-61900 · Payroll Expenses	534.46	620.58	0.00	(620.58)
1-61910 · SPRC Discretionary Fund	0.00	546.28	500.00	(46.28)
1-62100 · Apport-Pensions & benefits	147.67	1,772.04	1,772.00	(0.04)
1-62200 · Apport-Min sup & adm	1,997.50	23,970.00	23,970.00	0.00
1-62300 · Apport-World serv & conf	2,458.42	29,501.04	29,501.00	(0.04)
1-62400 · Apport-Ed & black colleges	263.75	3,165.00	3,165.00	0.00
1-62500 · Apport-African univ	16.83	202.02	202.00	(0.02)
1-62600 · Apport-District fund	210.67	2,528.21	2,528.00	(0.21)
1-63100 · Advertising, gen	0.00	984.26	2,000.00	1,015.74
1-63110 · Bank Charges	0.00	390.11	200.00	(190.11)
1-63200 · Office Expense, gen.	147.87	8,604.61	3,500.00	(5,104.61)
1-63300 · Postage, gen.	301.50	1,605.26	3,000.00	1,394.74
1-63400 · Office equip, purch./lease	757.18	12,188.21	9,000.00	(3,188.21)
1-63500 · Office equip, maintenance	426.14	2,000.39	500.00	(1,500.39)
1-63600 · Telephone, gen	465.76	5,808.53	5,000.00	(808.53)
1-63700 · Technology Upgrades	146.39	9,113.89	4,000.00	(5,113.89)
1-63800 · Care and Concern	0.00	64.08	500.00	435.92
1-64200 · Insurance, gen	1,183.00	23,855.64	23,000.00	(855.64)
1-64300 · Janitorial supplies, gen	79.99	1,901.26	1,500.00	(401.26)
1-65100 · Educ-Audio/Video	0.00	597.87	1,000.00	402.13
1-65150 · Educ-Lay Ministry	0.00	0.00	200.00	200.00
1-65200 · Educ-youth curric.	1,010.83	3,674.41	5,000.00	1,325.59
1-65250 · Educ-adult curric.	47.50	382.67	800.00	417.33



**Kennewick 1st United Methodist Church**  
**Income Expense Report**  
January through December 2019

Jan-Dec 2019 Income Expense	Dec 19	Jan - Dec 19	Budget	\$ Remaining in Budget
1-65300 · Educ-vbs	0.00	2,624.58	2,500.00	(124.58)
1-65350 · Educ-confirmation	0.00	804.19	1,000.00	195.81
1-65400 · Educ-supplies	67.87	1,012.77	1,500.00	487.23
1-65450 · Educ-volunteer training	0.00	136.02	200.00	63.98
1-65500 · Educ-library	0.00	199.43	200.00	0.57
1-65550 · Educ-special programs	0.00	859.60	1,000.00	140.40
1-65600 · Educ-Jr UMY	29.65	3,191.89	3,500.00	308.11
1-65650 · Educ-Sr UMY	29.64	3,500.21	3,500.00	(0.21)
1-65700 · Educ-Adult ldr registration	0.00	942.50	1,200.00	257.50
1-65900 · Educ-discretionary	137.33	137.33	200.00	62.67
1-66100 · Worship-music inst maintenance	0.00	605.00	600.00	(5.00)
1-66150 · Worship-supplies	542.50	1,438.75	1,500.00	61.25
1-66200 · Worship-honorariums	0.00	1,034.69	425.00	(609.69)
1-66250 · Worship-bell choir	0.00	201.50	500.00	298.50
1-66310 · Worship- Hospitality	0.00	434.79	300.00	(134.79)
1-66330 · Worship-Technology Supplies	1,433.59	2,189.17	1,000.00	(1,189.17)
1-66400 · Worship-Vocal Choirs	0.00	1,084.48	1,100.00	15.52
1-68100 · Missions	1,231.90	1,231.90	1,500.00	268.10
1-68510 · Seminary to Transitory	0.00	0.00	1,000.00	1,000.00
1-69100 · Capitalized Assests	(45,813.95)	(45,813.95)		45,813.95
1-69200 · Depreciation Expense	100,500.98	100,500.98		(100,500.98)
4-64100 · Utilities, gen.				0.00
4-64105 · Garbage - Church	231.95	790.19		(790.19)
4-64110 · Electricity - Church	847.04	4,074.91		(4,074.91)
4-64115 · Gas - Church	827.03	1,199.59		(1,199.59)
4-64120 · Water - Church	0.00	962.36		(962.36)
4-64130 · Electricity - Office	174.93	418.66		(418.66)
4-64135 · Water - Office	0.00	388.31		(388.31)
4-64100 · Utilities, gen. - Other	0.00	15,169.56	20,000.00	4,830.44
<b>Total 4-64100 · Utilities, gen.</b>	<b>2,080.95</b>	<b>23,003.58</b>	<b>20,000.00</b>	<b>(3,003.58)</b>
<b>Total Expense</b>	<b>98,057.75</b>	<b>560,787.00</b>	<b>495,423.00</b>	<b>(65,364.00)</b>
<b>Net Income</b>	<b>(41,007.59)</b>	<b>(143,865.36)</b>	<b>8,003.00</b>	<b>151,868.36</b>
Jan-Dec 2019 Income Expense				

**Kennewick 1st United Methodist Church**  
**Income Expense Report**  
 January through December 2019

Exhibit F

From Quickbooks 09/23/2020

Jan-Dec 2019 BMR Income Expense	Dec 19	Jan - Dec 19	Budget	\$ Over Budget
<b>Income</b>				
4-40100 · Pledges-building	7,528.50	50,227.60	46,769.00	3,458.60
4-41110 · Rental Income - Church	115.11	1,521.80	1,929.00	(407.20)
4-41155 · Other BMR Income	0.00	48,480.71	0.00	48,480.71
<b>Total Income</b>	<b>7,643.61</b>	<b>100,230.11</b>	<b>48,698.00</b>	<b>51,532.11</b>
<b>Gross Profit</b>	<b>7,643.61</b>	<b>100,230.11</b>	<b>48,698.00</b>	<b>51,532.11</b>
<b>Expense</b>				
1-68510 · Seminary to Transitory	0.00	0.00	1,000.00	1,000.00
4-63010 · Electrical				
4-63012 · Church	113.92	113.92	0.00	(113.92)
4-63010 · Electrical - Other	0.00	432.21	408.68	(23.53)
<b>Total 4-63010 · Electrical</b>	<b>113.92</b>	<b>546.13</b>	<b>408.68</b>	<b>(137.45)</b>
4-63020 · Plumbing				
4-63023 · Church	21.42	21.42	0.00	(21.42)
4-63020 · Plumbing - Other	0.00	7,389.50	3,566.97	(3,822.53)
<b>Total 4-63020 · Plumbing</b>	<b>21.42</b>	<b>7,410.92</b>	<b>3,566.97</b>	<b>(3,843.95)</b>
4-63030 · HVAC	676.23	4,350.68	15,259.85	10,909.17
4-63040 · Roofs	0.00	10,262.70		(10,262.70)
4-63050 · Floors	0.00	17,447.37	546.48	(16,900.89)
4-63060 · Windows/Doors	0.00	74.77	332.53	257.76
4-63070 · Elevator	0.00	3,004.37	3,934.46	930.09
4-63080 · Structure	0.00	0.00	92.37	92.37
4-63090 · Major Projects	55.13	7,255.24	23.65	(7,231.59)
4-63310 · Appliances	0.00	606.52	600.49	(6.03)
4-63330 · Furnishings	0.00	1,354.49		(1,354.49)
4-63340 · Electronics	0.00	191.51	293.79	102.28
4-63410 · Grounds upkeep, bldg	717.82	11,234.95	8,677.12	(2,557.83)
4-63510 · Parking				
4-63515 · Church Parking Lot	0.00	181.32	0.00	(181.32)
4-63510 · Parking - Other	0.00	3,420.90	0.00	(3,420.90)
<b>Total 4-63510 · Parking</b>	<b>0.00</b>	<b>3,602.22</b>	<b>0.00</b>	<b>(3,602.22)</b>
4-63710 · Security	253.26	4,777.61	3,614.82	(1,162.79)
4-64010 · Tools/Miscellaneous	0.00	0.00	646.55	646.55
4-64100 · Utilities, gen.				
4-64105 · Garbage - Church	231.95	790.19	0.00	(790.19)
4-64110 · Electricity - Church	847.04	4,074.91	0.00	(4,074.91)
4-64115 · Gas - Church	827.03	1,199.59	0.00	(1,199.59)
4-64120 · Water - Church	0.00	962.36	0.00	(962.36)
4-64130 · Electricity - Office	174.93	418.66	0.00	(418.66)
4-64135 · Water - Office	0.00	388.31	0.00	(388.31)
4-64100 · Utilities, gen. - Other	0.00	15,169.56	20,000.00	4,830.44
<b>Total 4-64100 · Utilities, gen.</b>	<b>2,080.95</b>	<b>23,003.58</b>	<b>20,000.00</b>	<b>(3,003.58)</b>
4-64200 · Insurance, gen	1,183.00	23,855.64	23,000.00	(855.64)
4-65010 · Office Building	355.18	584.75	1,828.16	1,243.41

**Kennewick 1st United Methodist Church**  
**Income Expense Report**  
 January through December 2019

From Quickbooks 09/23/2020

Jan-Dec 2019 BMR Income Expense		Dec 19	Jan - Dec 19	Budget	\$ Over Budget
4-66010 · Parsonage maint, bldg		0.00	4,005.19	6,423.86	2,418.67
4-69300 · Misc supplies		0.00	24.98	0.00	(24.98)
4-69600 · BMR - other expenses		0.00	129.67	3,952.35	3,822.68
<b>Total Expense</b>		<b>5,456.91</b>	<b>123,723.29</b>	<b>94,202.13</b>	<b>(29,521.16)</b>
<b>Net Income</b>		<b>2,186.70</b>	<b>(23,493.18)</b>	<b>(45,504.13)</b>	<b>(22,010.95)</b>
Jan-Dec 2019 BMR Income Expense					



Exhibit G

# KFUMC Transitory Report

For the Full Year 2019

	Balance 12/31/2018	2019 Received	2019 transfers	2019 Disbursed	Balance 12/31/2019
Alexa support	\$ -				\$ -
Anonymous	\$ 1,020.79				\$ 1,020.79
Apportionments--Second Mile Giving	\$ 48,288.25				\$ 48,288.25
Bibles	\$ 1,140.00				\$ 1,140.00
C.L. Conley camperships (Anonymous)	\$ 4,000.00		\$ (2,100.00)	\$ 1,900.00	\$ -
Camperships	\$ 2,649.30	\$ 3,104.00	\$ 2,100.00	\$ 889.07	\$ 6,964.23
Choir Handbells	\$ 1,919.19	\$ 850.00			\$ 2,769.19
Christmas	\$ 3,271.84	\$ 6,397.58	\$ (1,080.00)	\$ 8,530.93	\$ 58.49
Color the Organ	\$ 171.98				\$ 171.98
Concert Hosting	\$ 1,484.00			\$ 150.00	\$ 1,334.00
Congregational Care	\$ 3,260.53	\$ 290.00		\$ 1,534.73	\$ 2,015.80
Cornerstone	\$ 3,199.47	\$ 975.37	\$ 465.24	\$ 792.39	\$ 3,847.69
Debt Service (Kids First)	\$ 791.50				\$ 791.50
Discretionary/ Sr. Pastor	\$ 6,235.27	\$ 6,282.32	\$ (1,852.52)	\$ 6,003.23	\$ 4,661.84
Discretionary/Chase Fund	\$ 679.52				\$ 679.52
Easter	\$ 520.00		\$ (250.68)	\$ 39.00	\$ 230.32
Electronic Sign	\$ 6,164.73				\$ 6,164.73
Finish the Job	\$ 357.39				\$ 357.39
Food Bank	\$ 705.00	\$ 1,965.03		\$ 2,670.03	\$ -
Gifts to Jerry		\$ 185.00		\$ 185.00	\$ -
Kenya Njukinjiru Church	\$ 500.00		\$ (500.00)		\$ -
KFUMC Youth Program		\$ 100,000.00			\$ 100,000.00
Kioins/Kenya	\$ 952.50	\$ 513.67		\$ 600.00	\$ 866.17
Kitchen Equipment	\$ 1,383.96				\$ 1,383.96
Library	\$ 4,129.66				\$ 4,129.66
Lilies	\$ 1,120.02	\$ 620.00	\$ (367.92)	\$ 658.24	\$ 713.86
Memorial Service Fund	\$ 566.96	\$ 1,490.00	\$ (80.00)	\$ 1,034.41	\$ 942.55
Missions Fund	\$ 641.69	\$ 1,839.60	\$ 974.28	\$ 2,134.55	\$ 1,321.02

# KFUMC Transitory Report

For the Full Year 2019

	Balance 12/31/2018	2019 Received	2019 transfers	2019 Disbursed	Balance 12/31/2019
PNW Conf- Disaster Fund	\$ 1,080.00	\$ 1,157.70		\$ 1,437.70	\$ 800.00
PNW Conf-AIDS Ministries	\$ -				\$ -
PNW Conf-Camp Sunday	\$ -				\$ -
PNW Conf-Christian Education	\$ -				\$ -
PNW Conf- Golden Cross	\$ -				\$ -
PNW Conf Jammu Letu	\$ -	\$ 1,100.00		\$ 1,100.00	\$ -
PNW Conf World Wide Communion	\$ -	\$ 417.00		\$ 417.00	\$ -
PNW Conf-Human Relations Day	\$ -	\$ 355.00		\$ 355.00	\$ -
PNW Conf-Native Americans Day	\$ -	\$ 455.00		\$ 455.00	\$ -
PNW Conf-Peace w Justice	\$ -	\$ 76.00		\$ 76.00	\$ -
PNW Conf-UMCOR	\$ 1,743.00	\$ 2,997.00		\$ 3,440.00	\$ 1,300.00
PNW conf.- Youth Service	\$ -				\$ -
PNW Student Day	\$ 386.00	\$ 406.00		\$ 792.00	\$ -
Poinsettias	\$ 1,442.56				\$ 1,442.56
Prayer Shawls/Care Ministries	\$ 401.95	\$ 225.00		\$ 615.84	\$ 11.11
Preston Discretionary	\$ -		\$ 1,852.52	\$ 1,852.52	\$ -
Rummage	\$ 17,128.40			\$ 732.73	\$ 16,395.67
Saturday Night Live	\$ 78.00	\$ 1,252.50		\$ 100.00	\$ 1,230.50
Seminary	\$ 13,199.29			\$ 3,792.49	\$ 9,406.80
Soul Soup	\$ 14,368.43	\$ 14,055.70	\$ (119.40)	\$ 15,632.96	\$ 12,671.77
Special Donations		\$ 13,445.00	\$ (260.00)	\$ 4,664.40	\$ 8,520.60
Special Events	\$ 796.00	\$ 370.00	\$ (345.03)	\$ 795.65	\$ 25.32
Susanna Wesley Room Sound Expense	\$ 3,276.80				\$ 3,276.80
Transitory Interest UMFNW	\$ 937.42	\$ 5,359.17			\$ 6,296.59
Transportation	\$ 1,650.83	\$ 9,889.46		\$ 4,804.17	\$ 6,736.12
Transportation-Owens Trust Fund	\$ 59,978.96	\$ 207.09		\$ 6,183.72	\$ 54,002.33
Tri-City Chaplaincy	\$ 25.00			\$ 25.00	\$ -
Twinlow-2017	\$ -	\$ 270.00			\$ 270.00
UM Seniors	\$ 248.04				\$ 248.04

## For the Full Year 2019

# Dec 2019 Transitory Report



## KFUMC 2019 Financial Results

	<u>Actual</u>	<u>Budget</u>
<b>General Fund:</b>		
Revenue	\$ 416,922	\$ 503,426
Expenses*	\$ 460,286	\$ 495,423
Net	\$ (43,364)	\$ 8,003
<b>BMR Fund:</b>		
Revenue	\$ 109,400	\$ 50,000
Expenses	\$ 76,547	\$ 51,000
Net	\$ 32,853	\$ (1,000)
<b>Total Gen Fund and BMR</b>	\$ (10,511)	\$ 7,003
<b>Transitory Fund:</b>		
Revenue	\$ 220,714	no budget
Expenses	\$ 121,641	
Net	\$ 99,073	
<b>Memorial Fund:</b>		
Revenue	\$ 85	no budget
Expenses		
Net	\$ 85	
<b>Total KFUMC:</b>		
Revenue	\$ 747,121	
Expenses *	\$ 658,474	
Net	\$ 88,647	

\* Excludes Depreciation