

## **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 **2020**

When was the last church audit? **2019**

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. **One member is a retired CPA and Controller of a large corporation; 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. **One member is a retired CPA and 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? **\$18.88/hr**

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

General Fund	\$196,673
Building Maintenance Fund	<u>\$(95,766)</u>
Normal Operating	\$100,907
Transitory Fund	\$ 11,006
Memorial Fund	<u>\$(1,363)</u>
Cash Surplus/(Deficit)	\$110,550
Depreciation	<u>\$(96,003)</u>
Net Surplus	\$ 14,547

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

2020	\$676,073	Includes \$59,900 proceeds from SBA PPP Loan
2019	\$747,121	Includes \$100,000 donation for Youth Programs
2018	\$631,328	

## 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? **12/28/2020** 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? **1/04/21 for the year 2020.** Due date is March 31st.

Treasurer's name: **Sharon Varzandeh** How long in this role? **4 yrs** Who is their backup? **Cheryl Nixon**

Financial Secretary's name: **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 Varzنده, Treasurer**

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

Who writes the checks? **Sharon Varzنده, 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 Varzنده, 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 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 2020)**

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, Jane Hunt, Roberta Barcot, Carol Kerkow, Sharon Varzنده, 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.

Due to COVID, no F2F services were held from mid-March through December 2020. Offerings were collected by mail and PushPay. Mail collections were received, counted, recorded and deposited by the bookkeeper/Treasurer, the only person allowed in the office. Check form and Deposit slip are attached as Exhibits A & B. Parishioner checks/cash are entered in Church Windows. Along with non-parishioner checks/cash they are entered on the deposit slip.

Other than the Treasurer, who receives a copy of the weekly offering report? Write their names here:  
**Pastor Mark McMurray**

Ask the above persons what they do with the weekly offering report.  
**The Pastor places the report in a folder on his desk.**

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. **May, September—See attached form (Exhibit C)**

What date was the second Sunday of the month? **May 10, 2020, September 13, 2020**

How much was the deposit? **May 10<sup>th</sup> \$11,455 September 13<sup>th</sup> \$7,155**

Find the deposit on the bank statement. Write the date of the bank deposit here: **May 12, September 17**

Is the offering deposited on the next business day following Sunday? **No. the deposit is not picked up by First Community Bank until the following Thursday. Deposits include checks and cash. PushPay offerings are deposited directly in church bank account.**

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

## Disbursements

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. **February**

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

**February \$5518.41 (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? **August**

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

Write the date the reconciliation was performed here: **September 2, 2020**

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? **July 1, 2020**

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? **February and August**

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. **Push Pay, Moon Security, Pacific N.W. Annual Conference (insurance), Safe Deposit Rental (August)**

### **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)           **\$65,614**

Housing Exclusion (Box 2)   **\$6,500**

Housing (Box 4 or 5)       **\$18,151**

Plan Compensation (Box 6) **\$90,755**

Does the Pastors payroll compensation match the Pastoral Support Worksheet approved at Charge Conference? **YES**

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

What date were the W-2's issued to employees? **By 01/20/21** The due date is typically January 31st. **YES**

What date was the W-2 package mailed to the Social Security Administration? **1/20/21** 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: **\$54,987**

Write the total workers hours here **2,618**

What is the total tax due? **\$787.45**

What date was the report submitted? **10/08/2020**

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 **10/14/2020** check number (if applicable) **#19277** and amount of the payment? **\$787.45**

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

What is the amount on line 2? **\$54,555.15**

What is the amount on line 5a column 1? **\$36,960.08**

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? **\$7,630.88**

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.

**07/14/2020 \$1,245.96; 07/30/2020 \$1,322.82; 08/13/2020 \$1,190.76;**

**08/31/2020 \$1,279.20; 9/14/2020 \$1,161.28; 9/29/2020 \$1,430.86 Total=\$7,630.88**

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 \$431.83 difference being researched**

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.

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.**

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 10/16/2021 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 A: Check Form**
- Exhibit B: Deposit Slip**
- Exhibit C: Record of Offering**
- Exhibit D: Cash and Investments**
- Exhibit E: Property**
- Exhibit F: 12/31/20 Balance Sheet**
- Exhibit G: 12/31/20 General Fund Income Expense Report**
- Exhibit H: 12/31/20 BMR Fund Income Expense Report**

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).



Exhibit A

Check # \_\_\_\_\_

**First United Methodist Church**

General Fund \_\_\_\_\_

Building Maintenance \_\_\_\_\_

Other \_\_\_\_\_

Name \_\_\_\_\_

Check # \_\_\_\_\_

**First United Methodist Church**

General Fund \_\_\_\_\_

Building Maintenance \_\_\_\_\_

Other \_\_\_\_\_

Name \_\_\_\_\_

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Check # \_\_\_\_\_

**First United Methodist Church**

General Fund \_\_\_\_\_

Building Maintenance \_\_\_\_\_

Other \_\_\_\_\_

Name \_\_\_\_\_

Check # \_\_\_\_\_

**First United Methodist Church**

General Fund \_\_\_\_\_

Building Maintenance \_\_\_\_\_

Other \_\_\_\_\_

Name \_\_\_\_\_

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# Deposit Slip

Exhibit B

Sunday, September 05, 2021

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					\$ -
Ministry Fund	2-48050					\$ -
<b>TOTALS</b>		\$ -	\$ -	\$ -	\$ -	\$ -
PushPay		GF		BMR		

# Deposit Slip

*Exhibit C*

Sunday, September 05, 2021

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					\$ -
Ministry Fund	2-48050					\$ -
<b>TOTALS</b>		\$ -	\$ -	\$ -	\$ -	\$ -

PushPay

GF

BMR

# KFUMC Audit of 2020 Books

## Exhibit D

### Cash & Investments

Following is a summary of the accounts:

	12/31/2020	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>Bank</u>
General Fund Checking	100,037	(6,916)	\$ 76,936	Community First Bank
BMR Fund Checking	(11,418)	\$ 72,870	\$ 72,870	Community First Bank
Transitory Checking	106,453	138,573	\$145,537	Community First Bank
Memorial Checking	18,899	20,262	\$ 20,177	Community First Bank
Transitory Savings	177,635	\$125,703	\$120,938	United Methodist Foundation
Parish Endowment Fund	119,613	\$101,737	\$ 92,740	United Methodist Foundation
Owens Trust-Yakima Fed CD		\$272,662	\$271,277	Yakima Federal S&L
Community First Savings	<u>596,982</u>	<u>\$321,550</u>	<u>\$209,898</u>	Community First Savings
Total	\$1,108,202	\$1,046,441	\$984,854	

It is apparent from the above schedule that Kennewick First United Methodist Church is in strong financial position. The negative balance in the BMR 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 study was conducted in 2021 to determine if the yield on the cash held can be improved. As a result, \$653k of excess funds was invested with a local financial firm. A review will also be made of FDIC insurance coverage for the above amounts.

## KFUMC Audit of 2020 Books

## Exhibit E

### Property

Following is a summary of the accounts:

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
Land	\$260,000	\$260,000	\$ 260,000	\$ 260,000
Furniture and Equipment	\$464,529	\$451,625	\$ 260,537	\$ 247,263
Accum. Depr. Furniture and Equip	\$(328,885)	\$(319,985)	\$ (197,110)	\$(192,941)
Vehicles	\$173,391	\$173,391	\$ 149,583	\$ 140,583
Accum. Depr. Vehicles	(109,088)	\$ (96,995)	\$ (83,968)	\$ (73,744)
Real Estate and Improvements	\$2,635,930	\$2,602,392	\$ 2,289,323	\$2,284,754
Accum. Depr. R.E. and Improvements.	<u>\$(1,611,672)</u>	<u>(1,536,662)</u>	<u>\$(1,215,235)</u>	<u>\$(1,153,026)</u>
Total Property	\$1,484,205	\$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.

Two years ago, the audit checked the Benton County Assessor records for the real property. This was not repeated for this audit.

D

Exhibit F  
D2:25 PM  
10/07/21  
Cash Basis

**Kennewick 1st United Methodist Church**  
**Balance Sheet**  
As of December 31, 2020

	Dec 31, 20
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1-20100 · Community First Bank	
1 · General Fund	100,036.99
2 · Transitory Fund	106,453.28
3 · Memorial Fund	18,898.89
4 · BMR Fund	(11,417.74)
<b>Total 1-20100 · Community First Bank</b>	213,971.42
1-20200 · Com.Fst.Bk.Savings/Owens Trust	596,982.45
2-11400 · UMFNW - Transitory	177,635.34
4-11450 · UM Foundation-PEF Savings	119,613.20
<b>Total Checking/Savings</b>	1,108,202.41
<b>Total Current Assets</b>	1,108,202.41
<b>Fixed Assets</b>	
1-15000 · Land	260,000.00
1-16000 · Furniture & Equipment	464,528.58
1-16500 · Accum. depr.-furniture & equip	(328,885.22)
1-17000 · Vehicles	173,390.68
1-17500 · Accum Depr - Vehicles	(109,087.98)
4-15000 · Real Estate and Improvement	2,635,930.45
4-15500 · Accum. depr.-R.E. & improve	(1,611,671.59)
<b>Total Fixed Assets</b>	1,484,204.92
<b>TOTAL ASSETS</b>	<b>2,592,407.33</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
1-21000 · Payroll Liabilities	953.93
1-21100 · Other payroll deductions	(340.72)
<b>Total Other Current Liabilities</b>	613.21
<b>Total Current Liabilities</b>	613.21
<b>Total Liabilities</b>	613.21
<b>Equity</b>	
0-30000 · Opening Bal Equity	1,557,326.93
0-39000 · Retained Earnings	52,407.37
5-30501 · John W Owens Trust	969,512.46
Net Income	12,547.36
<b>Total Equity</b>	2,591,794.12
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,592,407.33</b>

**Kennewick 1st United Methodist Church**  
**Income Expense Report**  
 January through December 2020

*Exhibit G*

Jan-Dec 2020 Income Expense	Dec 20	Jan - Dec 20	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
1-40100 · Pledges-gen fund	57,900.55	438,267.64	508,650.00	(70,382.36)
1-40300 · Loose offering, gen	0.00	2,338.25	6,000.00	(3,661.75)
1-40400 · Church school offering, gen	0.00	62.55	250.00	(187.45)
1-40600 · Wedding/Funeral Income	0.00	200.00	0.00	200.00
1-41100 · Interest, general fund	632.60	701.67	0.00	701.67
1-41200 · Investment Gain/Loss-GF	5,099.32	17,876.24	0.00	17,876.24
4-41150 · Investment Gain/Loss	0.00	0.00	8,500.00	(8,500.00)
5-40100 · Interest Income-Owens Trust	91.00	696.38	1,000.00	(303.62)
5-40110 · Interest Inc.-Yak.Fed.Owens CD	0.00	2,073.52	1,400.00	673.52
<b>Total Income</b>	<b>63,723.47</b>	<b>462,216.25</b>	<b>525,800.00</b>	<b>(63,583.75)</b>
<b>Gross Profit</b>	<b>63,723.47</b>	<b>462,216.25</b>	<b>525,800.00</b>	<b>(63,583.75)</b>
<b>Expense</b>				
1-60100 · Salary-Sr. minister	5,467.00	65,604.00	65,604.00	0.00
1-60105 · Sr Pastor Housing Exclusion	541.52	6,500.00	6,500.00	0.00
1-60110 · Sr. Pastor Medical				
1-60112 · HES (Health Employer Share)	710.00	8,520.00		
1-60113 · HPS (Health Participant Share)	123.00	1,476.00		
1-60110 · Sr. Pastor Medical - Other	0.00	0.00	8,520.00	8,520.00
<b>Total 1-60110 · Sr. Pastor Medical</b>	<b>833.00</b>	<b>9,996.00</b>	<b>8,520.00</b>	<b>(1,476.00)</b>
1-60130 · Sr. Pastor Exp Account	0.00	605.27	4,000.00	3,394.73
1-60150 · Sr Pastor CCP	225.33	2,703.96	2,723.00	19.04
1-60160 · Sr Pastor CRSP				
1-60162 · CRSP-DB (Retirement Benefit)	475.00	5,700.00		
1-60163 · CRSP-DC (Retirement contribute)	225.33	2,703.96		
1-60165 · UMPIP BEFORE (Investment Plan)	225.33	2,703.96		
1-60160 · Sr Pastor CRSP - Other	0.00	0.00	8,423.00	8,423.00
<b>Total 1-60160 · Sr Pastor CRSP</b>	<b>925.66</b>	<b>11,107.92</b>	<b>8,423.00</b>	<b>(2,684.92)</b>
1-60410 · Congregation Care Salary	1,876.16	21,043.66	18,762.00	(2,281.66)
1-60435 · Out of Pocket Stipend	0.00	501.71	500.00	(1.71)
1-60450 · Ed Ministry Assistant Salary	128.25	2,362.50	3,510.00	1,147.50
1-60510 · Salary-Minister of Music	2,189.66	26,275.92	26,275.00	(0.92)
1-60511 · Bookkeeper Salary	1,610.45	17,460.86	20,767.00	3,306.14
1-60515 · Youth Director Salary	3,447.84	41,374.08	41,374.00	(0.08)
1-60520 · Organist/Pianist Salary	1,181.74	8,561.84	14,962.00	6,400.16
1-60610 · Office Manager Salary	2,040.29	24,209.71	29,183.00	4,973.29
1-60612 · FT Staff Pension	(2,515.28)	498.36	2,117.00	1,618.64
1-60710 · Sound Tech Salary	2,546.04	17,428.25	12,609.00	(4,819.25)
1-60720 · Childcare Salary	0.00	750.20	4,212.00	3,461.80
1-60750 · Wedding/Funeral Payroll	0.00	225.00	0.00	(225.00)
1-60751 · Funeral/Wedding Reception Expen	0.00	33.99	0.00	(33.99)
1-60810 · Custodian Salary	0.00	3,169.07	11,365.00	8,195.93
1-60910 · Staff Education	2,523.57	2,959.28	3,000.00	40.72

**Kennewick 1st United Methodist Church**  
**Income Expense Report**  
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Jan-Dec 2020 Income Expense	Dec 20	Jan - Dec 20	Budget	\$ Over Budget
1-61000 · FT Staff Vison Insurance	57.00	684.00	456.00	(228.00)
1-61001 · FT Staff Medical Insurance	1,238.25	14,331.67	16,538.00	2,206.33
1-61100 · Payroll taxes	875.89	15,749.63	20,873.00	5,123.37
1-61900 · Payroll Expenses	486.84	6,135.42	3,467.00	(2,668.42)
1-62100 · Apport-Pensions & benefits	107.59	322.77	1,291.00	968.23
1-62200 · Apport-Min sup & adm	2,589.75	7,769.25	31,077.00	23,307.75
1-62300 · Apport-World serv & conf	2,310.84	7,801.30	27,730.00	19,928.70
1-62400 · Apport-Ed & black colleges	287.67	1,150.68	3,452.00	2,301.32
1-62500 · Apport-African univ	18.42	73.68	221.00	147.32
1-62600 · Apport-District fund	204.34	817.36	2,452.00	1,634.64
1-63100 · Advertising, gen	0.00	75.00	2,000.00	1,925.00
1-63110 · Bank Charges	0.00	87.83	500.00	412.17
1-63115 · PushPay Charge	119.44	3,821.67	0.00	(3,821.67)
1-63200 · Office Expense, gen.	585.23	8,831.44	5,000.00	(3,831.44)
1-63300 · Postage, gen.	204.26	1,265.18	2,500.00	1,234.82
1-63400 · Office equip, purch./lease	94.16	13,055.90	10,000.00	(3,055.90)
1-63500 · Office equip, maintenance	342.60	3,725.64	2,000.00	(1,725.64)
1-63600 · Telephone, gen	491.15	6,492.37	5,000.00	(1,492.37)
1-63700 · Technology Upgrades	50.00	531.76	5,000.00	4,468.24
1-63800 · Care and Concern	0.00	0.00	500.00	500.00
1-64300 · Janitorial supplies, gen	0.00	850.31	1,800.00	949.69
1-65100 · Educ-Audio/Video	0.00	230.83	1,000.00	769.17
1-65150 · Educ-Lay Ministry	0.00	0.00	200.00	200.00
1-65200 · Educ-youth curric.	123.54	2,689.07	5,000.00	2,310.93
1-65250 · Educ-adult curric.	68.50	291.14	800.00	508.86
1-65260 · Ed-Young Adult	0.00	0.00	2,000.00	2,000.00
1-65300 · Educ-vbs	0.00	(383.09)	2,500.00	2,883.09
1-65350 · Educ-confirmation	0.00	0.00	1,000.00	1,000.00
1-65400 · Educ-supplies	0.00	828.01	1,500.00	671.99
1-65450 · Educ-volunteer training	0.00	76.55	200.00	123.45
1-65500 · Educ-library	0.00	47.26	400.00	352.74
1-65550 · Educ-special programs	0.00	169.95	1,000.00	830.05
1-65600 · Educ-Jr UMY	72.19	865.93	3,500.00	2,634.07
1-65650 · Educ-Sr UMY	83.75	637.61	3,500.00	2,862.39
1-65700 · Educ-Adult ldr registration	0.00	0.00	1,200.00	1,200.00
1-65900 · Educ-discretionary	0.00	0.00	200.00	200.00
1-66100 · Worship-music inst maintenance	0.00	605.00	600.00	(5.00)
1-66150 · Worship-supplies	33.39	483.22	1,500.00	1,016.78
1-66200 · Worship-honorariums	0.00	0.00	1,000.00	1,000.00
1-66250 · Worship-bell choir	0.00	196.29	500.00	303.71
1-66310 · Worship- Hospitality	0.00	392.71	500.00	107.29
1-66330 · Worship-Technology Supplies	320.37	1,396.79	1,000.00	(396.79)
1-66400 · Worship-Vocal Choirs	13.02	691.75	1,100.00	408.25
1-67200 · Minister's discretionary fund	0.00	0.00	1,000.00	1,000.00



**Kennewick 1st United Methodist Church**  
**Income Expense Report**  
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Jan-Dec 2020 Income Expense	Dec 20	Jan - Dec 20	Budget	\$ Over Budget
1-68100 · Missions	0.00	76.32	1,000.00	923.68
1-69100 · Capitalized Assests	(46,441.80)	(46,441.80)	0.00	46,441.80
1-69200 · Depreciation Expense	96,003.12	96,003.12	0.00	(96,003.12)
<b>Total Expense</b>	<b>83,360.74</b>	<b>415,801.10</b>	<b>458,463.00</b>	<b>42,661.90</b>
<b>Net Ordinary Income</b>	<b>(19,637.27)</b>	<b>46,415.15</b>	<b>67,337.00</b>	<b>20,921.85</b>
<b>Net Income</b>	<b>(19,637.27)</b>	<b>46,415.15</b>	<b>67,337.00</b>	<b>20,921.85</b>

Jan-Dec 2020 Income Expense

*319798 w/o Dgr*

**Kennewick 1st United Methodist Church**  
**Income Expense Report**  
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*Exhibit H*

Jan-Dec 2020 BMR Income Expense	Dec 20	Jan - Dec 20	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4-40100 · Pledges-building	3,694.00	34,220.34	45,150.00	(10,929.66)
4-41110 · Rental Income - Church	(362.19)	217.50	1,500.00	(1,282.50)
4-41155 · Other BMR Income	0.00	182.22	0.00	
<b>Total Income</b>	<b>3,331.81</b>	<b>34,620.06</b>	<b>46,650.00</b>	<b>(12,029.94)</b>
<b>Gross Profit</b>	<b>3,331.81</b>	<b>34,620.06</b>	<b>46,650.00</b>	<b>(12,029.94)</b>
<b>Expense</b>				
4-63010 · Electrical				
4-63012 · Church	0.00	415.74	2,500.00	2,084.26
4-63014 · Office	0.00	64.44	1,000.00	935.56
4-63016 · Parsonage	0.00	0.00	1,000.00	1,000.00
<b>Total 4-63010 · Electrical</b>	<b>0.00</b>	<b>480.18</b>	<b>4,500.00</b>	<b>4,019.82</b>
4-63020 · Plumbing				
4-63023 · Church	0.00	10,895.51	4,000.00	(6,895.51)
4-63025 · Office	0.00	2,459.79	1,000.00	(1,459.79)
4-63027 · Parsonage	0.00	0.00	1,000.00	1,000.00
<b>Total 4-63020 · Plumbing</b>	<b>0.00</b>	<b>13,355.30</b>	<b>6,000.00</b>	<b>(7,355.30)</b>
4-63030 · HVAC				
4-63032 · Church	2,505.62	16,950.38	7,000.00	(9,950.38)
4-63034 · Office	0.00	0.00	500.00	500.00
4-63036 · Parsonage	0.00	0.00	500.00	500.00
<b>Total 4-63030 · HVAC</b>	<b>2,505.62</b>	<b>16,950.38</b>	<b>8,000.00</b>	<b>(8,950.38)</b>
4-63040 · Roofs				
4-63042 · Church	0.00	0.00	8,000.00	8,000.00
4-63044 · Office	0.00	0.00	500.00	500.00
4-63046 · Parsonage	0.00	0.00	500.00	500.00
<b>Total 4-63040 · Roofs</b>	<b>0.00</b>	<b>0.00</b>	<b>9,000.00</b>	<b>9,000.00</b>
4-63050 · Floors				
4-63052 · Church	0.00	0.00	5,000.00	5,000.00
4-63056 · Office	0.00	0.00	1,000.00	1,000.00
4-63057 · Parsonage	0.00	0.00	1,000.00	1,000.00
<b>Total 4-63050 · Floors</b>	<b>0.00</b>	<b>0.00</b>	<b>7,000.00</b>	<b>7,000.00</b>
4-63060 · Windows/Doors				
4-63062 · Church	0.00	689.61	3,000.00	2,310.39
4-63066 · Parsonage	0.00	0.00	1,500.00	1,500.00
<b>Total 4-63060 · Windows/Doors</b>	<b>0.00</b>	<b>689.61</b>	<b>4,500.00</b>	<b>3,810.39</b>
4-63070 · Elevator	0.00	3,246.29	4,000.00	753.71
4-63080 · Structure				
4-63082 · Church	0.00	40,027.07	8,000.00	(32,027.07)
4-63084 · Office	0.00	37.99	2,500.00	2,462.01
4-63086 · Parsonage	0.00	3,062.55	2,500.00	(562.55)
<b>Total 4-63080 · Structure</b>	<b>0.00</b>	<b>43,127.61</b>	<b>13,000.00</b>	<b>(30,127.61)</b>
4-63090 · Major Projects				

**Kennewick 1st United Methodist Church**  
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4-63094 · HVAC Replacement-Church	0.00	0.00	14,000.00	14,000.00
4-63096 · Asbestos Tile Replacement	0.00	0.00	5,000.00	5,000.00
4-63097 · Asbestos Abatement	0.00	0.00	10,000.00	10,000.00
4-63098 · Security Doors-Church	0.00	0.00	4,500.00	4,500.00
4-63099 · Upgrade doors-Office	0.00	0.00	4,500.00	4,500.00
<b>Total 4-63090 · Major Projects</b>	<b>0.00</b>	<b>0.00</b>	<b>38,000.00</b>	<b>38,000.00</b>
<b>4-63310 · Appliances</b>				
4-63312 · Church	0.00	4,531.40	500.00	(4,031.40)
4-63314 · Office	0.00	0.00	500.00	500.00
<b>Total 4-63310 · Appliances</b>	<b>0.00</b>	<b>4,531.40</b>	<b>1,000.00</b>	<b>(3,531.40)</b>
<b>4-63330 · Furnishings</b>				
4-63334 · Office	0.00	0.00	500.00	500.00
<b>Total 4-63330 · Furnishings</b>	<b>0.00</b>	<b>0.00</b>	<b>500.00</b>	<b>500.00</b>
<b>4-63340 · Electronics</b>				
4-63342 · Church	0.00	0.00	2,000.00	2,000.00
<b>Total 4-63340 · Electronics</b>	<b>0.00</b>	<b>0.00</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>4-63410 · Grounds upkeep, bldg</b>				
4-63412 · Church	717.82	2,130.61		(2,130.61)
4-63413 · Landscaping Zone 5	0.00	0.00	2,000.00	2,000.00
4-63414 · Dayton Entrance Project	0.00	0.00	21,000.00	21,000.00
4-63415 · Office	0.00	510.13	2,500.00	1,989.87
4-63420 · Parsonage	0.00	592.62	2,500.00	1,907.38
4-63410 · Grounds upkeep, bldg - Other	0.00	4,336.37	0.00	(4,336.37)
<b>Total 4-63410 · Grounds upkeep, bldg</b>	<b>717.82</b>	<b>7,569.73</b>	<b>28,000.00</b>	<b>20,430.27</b>
<b>4-63710 · Security</b>				
4-63715 · Security Training	0.00	0.00	300.00	300.00
4-63717 · Security System Upgrade	0.00	0.00	22,000.00	22,000.00
4-63710 · Security - Other	118.36	2,947.13	1,500.00	(1,447.13)
<b>Total 4-63710 · Security</b>	<b>118.36</b>	<b>2,947.13</b>	<b>23,800.00</b>	<b>20,852.87</b>
<b>4-64010 · Tools/Miscellaneous</b>	<b>0.00</b>	<b>0.00</b>	<b>500.00</b>	<b>500.00</b>
<b>4-64100 · Utilities, gen.</b>				
4-64105 · Garbage - Church	172.34	2,602.70	1,658.00	(944.70)
4-64110 · Electricity - Church	703.91	9,109.54	9,804.00	694.46
4-64115 · Gas - Church	674.21	3,422.04	3,500.00	77.96
4-64120 · Water - Church	0.00	1,803.34	1,500.00	(303.34)
4-64123 · Pest Control-Church	0.00	0.00	900.00	900.00
4-64130 · Electricity - Office	147.17	1,670.20	2,188.00	517.80
4-64135 · Water - Office	0.00	1,228.76	1,100.00	(128.76)
4-64140 · Irrigation-Parsonage	0.00	0.00	500.00	500.00
<b>Total 4-64100 · Utilities, gen.</b>	<b>1,697.63</b>	<b>19,836.58</b>	<b>21,150.00</b>	<b>1,313.42</b>
<b>4-64200 · Insurance, gen</b>	<b>1,183.00</b>	<b>24,195.00</b>	<b>28,100.00</b>	<b>3,905.00</b>
<b>4-65010 · Office Building</b>	<b>23.83</b>	<b>225.17</b>	<b>0.00</b>	<b>(225.17)</b>
<b>4-66010 · Parsonage maint, bldg</b>				
4-66015 · Kitchen Upgrade	0.00	0.00	20,000.00	20,000.00

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4-66020 · Backyard Resod	0.00	0.00	2,500.00	2,500.00
4-66010 · Parsonage maint, bldg - Other	0.00	136.56	0.00	(136.56)
<b>Total 4-66010 · Parsonage maint, bldg</b>	<b>0.00</b>	<b>136.56</b>	<b>22,500.00</b>	<b>22,363.44</b>
4-66100 · General Maintenance Contract	0.00	0.00	10,000.00	10,000.00
4-66200 · Seasonal Contracts				
4-66205 · Church	0.00	0.00	2,500.00	2,500.00
4-66210 · Office	0.00	0.00	350.00	350.00
4-66220 · Parsonage	0.00	0.00	350.00	350.00
<b>Total 4-66200 · Seasonal Contracts</b>	<b>0.00</b>	<b>0.00</b>	<b>3,200.00</b>	<b>3,200.00</b>
4-6700 · Bus Maintenance	0.00	0.00	7,500.00	7,500.00
4-69300 · Misc supplies				
4-69305 · Church	0.00	473.56	0.00	(473.56)
<b>Total 4-69300 · Misc supplies</b>	<b>0.00</b>	<b>473.56</b>	<b>0.00</b>	<b>(473.56)</b>
<b>Total Expense</b>	<b>6,246.26</b>	<b>137,764.50</b>	<b>242,250.00</b>	<b>104,485.50</b>
<b>Net Ordinary Income</b>	<b>(2,914.45)</b>	<b>(103,144.44)</b>	<b>(195,600.00)</b>	<b>(92,455.56)</b>
<b>Net Income</b>	<b>(2,914.45)</b>	<b>(103,144.44)</b>	<b>(195,600.00)</b>	<b>(92,455.56)</b>
Jan-Dec 2020 BMR Income Expense				