

**Virginia Mennonite Conference
Treasurer's Finance Narrative
Year Ended August 31, 2016**

Statement of Income and Expense – Unrestricted Operations:

- Line 1 – Individual contributions exceeded budget by \$14,000, and exceeded prior year individual giving by approximately \$13,600. Due largely to efforts by Conference Minister making additional personal contacts.
- Lines 2 & 4 – congregational giving is down \$5,300 from the previous year. The Finance Committee is concerned that this downward trend may continue.
- Expenses stayed mostly within budget guidelines, as we ended the year with expenses approximately \$1,200 under budget.
- Ended the year with an operating loss of \$4,857, however, we were able to meet all currently payable cash expenses.
- At the beginning of the year, we had anticipated having to withdraw over \$14,000 (lines 12) in extra endowment funds in order to meet budget, however with the additional contributions received from individuals, the actual withdrawal was \$3,300.

Statement of Income and Expense – Restricted Operations:

- The goal for most of the Special Projects (i.e., pastoral consultations, retreats, etc.) is that they are able to generate sufficient revenue to cover their respective operating costs, and avoid having to use unrestricted funds to cover shortfalls. For this past year, these special projects were “self-sufficient”.
- After incurring significant investment losses early in the year, the Endowment funds ended the year in positive territory.

Budget for the year ending 8/31/2017:

- Proposed budget has been approved by the finance committee.
- Budgeted revenues are based on what was generated for the past fiscal year.
- Budgeted expenses have been trimmed, mainly by eliminating funding for church planting/development.

Virginia Mennonite Conference			
Statement of Income and Expense - Unrestricted Operations			
Year Ended August 31, 2016			
		<u>Actual</u>	<u>Budget</u>
	Income		
1	Contributions - individuals	\$ 60,995	\$ 47,000
2	Contributions - congregations	116,875	131,000
3	Contributions - associated ministries	10,944	11,000
4	Congregation membership fees	22,075	20,000
5	Investment income (loss)	1,225	100
6	Fees for services	14,772	13,300
7	Grants	650	1,000
8	Other	3,960	3,750
9	Transfer from Conference Assembly	3,052	4,000
10	Transfer from VMC Operations endowment	16,600	16,000
11	Transfer from other special projects	1,191	-
12	Transfer from Quasi-Endowments	<u>3,300</u>	<u>14,575</u>
13	Total income	<u>255,639</u>	<u>261,725</u>
14			
15	Expense		
16	Administrative support	56,220	58,590
17	Archival services	10,839	10,590
18	Church planting and development	18,900	18,895
19	Communication	31,161	32,460
20	Facility costs	14,644	15,000
21	Leadership development	106,878	103,215
22	MCUSA-related expenses	7,616	9,600
23	Office expense	5,539	4,300
24	Other	<u>8,699</u>	<u>9,075</u>
25	Total expense	<u>260,496</u>	<u>261,725</u>
26			
27	Net income (loss)	<u>\$ (4,857)</u>	<u>\$ -</u>
Expense Category Definitions:			
Administrative support - wages and benefits for VMC support staff.			
Archival services - expenses related to maintaining VMC and congregational archives.			
Church planting and development - VMC share of VMM USA Ministries Director position.			
Communication - expenses related to VMC publications and communications.			
Facility costs - rent.			
Leadership development - wages, benefits, and related costs for conference minister.			
MCUSA-related expenses - travel and related costs for MCUSA meetings and events.			

Virginia Mennonite Conference				
Statement of Income and Expense - Restricted Funds				
Year Ended August 31, 2016				
		<u>Special Projects</u>	<u>Endowments</u>	<u>Total</u>
	Income			
1	Contributions - individuals	\$ 19,185	\$ -	\$ 19,185
2	Contributions - congregations	2,335	-	2,335
3	Contributions - associated ministries	3,145	-	3,145
4	Investment income (loss)	-	68,642	68,642
5	Registrations	34,544	-	34,544
6	Other	4,215	575	4,790
7	Grants	5,350	500	5,850
8	Transfer to operations	(4,244)	(19,900)	(24,144)
9	Other transfers	<u>(1,886)</u>	<u>1,886</u>	<u>-</u>
10	Total income	<u>62,644</u>	<u>51,703</u>	<u>114,347</u>
11				
12	Expense			
13	Consulting fees	-	-	-
14	Facility fees	14,035	5,000	19,035
15	Honorarium	12,575	-	12,575
16	Other	11,735	166	11,901
17	Scholarships and grants		16,190	16,190
18	Supplies	3,328	-	3,328
19	Travel	<u>4,317</u>	<u>196</u>	<u>4,513</u>
20	Total expense	<u>45,990</u>	<u>21,552</u>	<u>67,542</u>
21				
22	Net income (loss)	<u>16,654</u>	<u>30,151</u>	<u>46,805</u>
Special Projects - includes Conference Assembly, various retreats, and other projects as necessary to carry out the work of VMC.				
Endowments - includes restricted funds for leadership development, retired church worker aid, congregational resource center, and MCUSA.				

	Virginia Mennonite Conference			
	Unrestricted Operations			
	Budget for the Year Ending August 31, 2017			
		FYE 8/31/2016		FYE 8/31/2017
		Actual	Budget	Budget
	Income			
1	Contributions - individuals	\$ 60,995	\$ 47,000	\$ 60,000
2	Contributions - congregations	116,875	131,000	116,000
3	Contributions - associated ministries	10,944	11,000	11,000
4	Congregation membership fees	22,075	20,000	22,000
5	Investment income (loss)	1,225	-	-
6	Fees for services	14,772	13,300	13,500
7	Grants	650	1,000	1,000
8	Other	3,960	3,850	3,600
9	Transfers	20,843	20,000	19,000
10	Transfer from Church Development	3,300	14,575	-
11	Total income	<u>255,639</u>	<u>261,725</u>	<u>246,100</u>
12				
13	Expense			
14	Administrative support	56,220	58,500	59,900
15	Archival services	10,839	10,600	10,900
16	Church planting and development	18,900	18,900	-
17	Communication	31,161	32,500	27,300
18	Facility costs	14,644	15,000	15,000
19	Leadership development	106,878	103,250	110,960
20	MCUSA-related expenses	7,616	9,600	7,500
21	Office expense	5,539	4,800	5,950
22	Other	8,699	8,575	8,590
23	Special projects	-	-	-
24	Total expense	<u>260,496</u>	<u>261,725</u>	<u>246,100</u>
25				
26	Increase (decrease) in net assets	<u>\$ (4,857)</u>	<u>\$ -</u>	<u>\$ -</u>