

Table of Contents

Notice of Meeting	2
Agenda for 2020 Financial Annual Meeting	3
Minutes of 2019 Financial Annual Meeting	4
Financial Report	
Treasurer’s Report	5
Balance Sheet as of December 31, 2019	6
Statement of Operations for year ended December 31, 2019	7
2019 Building Fund Summary	8
2019 Congregational Investment Trust Summary.....	9
Annual Report of the Trustees Committee	10
Proposed Budget for 2020	11

NOTICE OF 2020 FINANCIAL ANNUAL MEETING

Pursuant to Article XIV, Section 3 of the Amended and Restated Bylaws of Suttons Bay Congregational Church (SBCC), notice is hereby given that the 2020 Financial Annual Meeting of Members will be held in the Church Sanctuary on January 26, 2020, at 11:15 a.m. (or immediately following morning worship), for the following purposes:

1. Approval of the minutes of the 2019 Financial Annual Meeting.
2. Receipt of a report on the results of operations of SBCC for 2019 and its financial condition as of December 31, 2019.
3. Presentation and approval of the Budget for 2020.
4. The conduct of such other business as may properly come before the meeting.

Copies of the materials described in this notice are available upon request from the Church Office.

As specified in the Bylaws, Members may attend the meeting and vote by proxy on the matters to come before the meeting. Forms for this purpose are available from the Church Office.

MEETING AGENDA
124th Annual Financial Meeting
Suttons Bay Congregational Church
January 26, 2020

- | | |
|--|-------------------------------|
| 1. Call to Order | Acting Moderator Larry Graves |
| 2. Constituting Prayer | Pastor Robin |
| 3. Determination of the presence of a Quorum | Clerk Judith Egeler |
| 4. Approval of Minutes of 2019 Financial Annual Meeting | Acting Moderator |
| 5. Report on results of operations for 2019 and financial conditions as of December 31, 2019 | Treasurer Berkley Duck |
| 6. Annual Budget Report of the Trustees Committee and 2020 Annual Budget Proposal | Chair Larry Graves |
| 7. Other Business | Acting Moderator |
| 8. Adjournment | |

Minutes
123rd Financial Annual Meeting
Suttons Bay Congregational Church
January 27, 2019

The meeting was called to order by Moderator Beth Dumala at 11:00 a.m. in the Sanctuary.

Following an opening prayer by the Moderator, Acting Clerk Berkley Duck reported that a quorum was present.

Minutes of 2018 Financial Annual Meeting

On motion duly made and seconded, the minutes of the 2018 Financial Annual Meeting included with the meeting materials were unanimously approved.

Treasurer's Report

Bob Harris, Treasurer, reviewed the balance sheet and statement of activities for the year ended December 31, 2018, included with the meeting materials. He responded to a question regarding the accounting for Unexpected General Fund Contributions. On motion by Dave Mathia, seconded by Dave Gordon, the Treasurer's report was unanimously approved.

2019 Budget

Gene Deci, Chair of the Trustees Committee, reviewed the 2019 General Fund budget included with the meeting materials. On motion by John Smart, seconded by Jack Dunn, the budget was unanimously approved as presented.

Bylaws Amendments

Beth Dumala described the reasons for the proposed changes in the Bylaws described in the meeting materials, and reviewed the general effect of those changes. In general, the intent of the amendments is to provide that the persons serving on the Church Council will be determined prior to the beginning of each Program Year. There were no questions or comments from the congregation and, on motion by Larry Graves, seconded by Russ Shipley, the amendments to the Bylaws were unanimously approved and adopted.

Moderator Beth Dumala then thanked Perri Lewellen, Bob Harris, Gene Deci and Berkley Duck for their assistance in the preparation the meeting materials.

Following a closing prayer, on motion duly made and seconded, the meeting was adjourned at 11:25 a.m.

Respectfully submitted,

Berkley Duck, Acting Clerk

2019 Annual Report of the Treasurer

SBCC is in sound financial condition and our operations for the year ended December 31 resulted in an excess of revenue over expense.

The attached Statement of Operations reflects the inflow and outflow of funds available for our general operations. Revenue and expense restricted to other purposes, such as the Building Fund, are not included in this report.

As shown in the report, operating revenue in 2019 exceeded operating expenses by \$56,600. Unrestricted contributions were \$30,400 higher than in the prior year and also exceeded the budget for 2019. Operating expenses were up \$10,800 over 2018 but less than the budget for 2019. Salaries and employee benefits, our largest expense item, were higher than in 2018, as planned, but less than budget due to temporary position vacancies during the year. As a result, the excess of operating revenue over operating expense was \$56,600 for the year, which was \$35,240 greater than the amount budgeted.

The attached Balance Sheet shows that our total equity – the excess of our assets over our liabilities – equaled \$123,001 at year end, an increase of \$69,098 over 2018. A significant part of that increase – about \$36,000 – represents unrealized gains in the value of our Investment Account and Endowment Fund, which are managed by Congregational Investment Trust. Those funds experienced a 20% gain for the year. The recorded value of our fixed assets – the Church structure, the parsonage, and furniture and fixtures – was unchanged.

We are blessed to have such a caring and generous congregation. Your support of the mission of SBCC allows us to fairly compensate our staff, maintain our facilities, provide programs to meet the needs of our congregation, support our children and youth, and reach out to our community and beyond.

Respectfully submitted,
Berkley W. Duck, Treasurer

Balance Sheet: 2019 Assets & Liabilities vs. Prior Year

	At December 31:	
	2018	2019
Assets		
Current Assets		
General Fund		
Checking and petty cash	\$ 18,757	\$ 28,370
Reserve Account		
Unrestricted cash	\$ 66,815	\$ 58,200
Restricted cash	\$ 24,110	\$ 45,365
Certificates of deposit	\$ 40,398	\$ 81,624
Building Fund	\$ 12,027	\$ 4,694
Investment Account	\$ 114,390	\$ 137,182
Endowment Fund	\$ 97,971	\$ 117,490
Total current assets	\$ 374,468	\$ 472,925
Fixed Assets		
Church building	\$ 512,034	\$ 512,034
Furniture and fixtures	\$ 129,807	\$ 129,807
Parsonage	\$ 156,159	\$ 156,159
Total fixed assets	\$ 798,000	\$ 798,000
Total Assets	\$ 1,172,468	\$ 1,270,925
Liabilities		
General Fund advance contributions	\$ 7,800	\$ 36,630
Rental deposit	\$ 500	\$ 500
Payroll taxes	\$ 3,265	\$ 3,794
Total liabilities	\$ 11,565	\$ 40,924
Equity		
Retained earnings	\$ 1,160,506	\$ 1,137,077
Net income	\$ 397	\$ 92,924
Total equity	\$ 1,160,903	\$ 1,230,001
Total Liabilities and Equity	\$ 1,172,468	\$ 1,270,925

Statement of Operations

2019 Revenue & Expense Summary vs. Prior Year

	Year ended December 31:	
	2018	2019
Operating Revenue		
Unrestricted Contributions		
Indicated	\$ 180,485	\$ 202,996
Unexpected	\$ 61,489	\$ 69,361
Parsonage rental	\$ 9,216	\$ 9,216
Reimbursed parsonage expense	\$ 2,932	\$ 2,945
Other	\$ 976	\$ 1,149
Total	\$ 255,098	\$ 285,667
Operating Expense		
Church Council	\$ 850	\$ 250
Board of Deacons		
General	\$ 1,534	\$ 2,439
Hospitality	\$ 642	\$ 713
Music	\$ 2,030	\$ 2,274
Adult Education	\$ 161	\$ 308
Trustees Committee		
Building maintenance	\$ 5,858	\$ 3,062
Property insurance	\$ 2,564	\$ 2,770
Utilities	\$ 5,431	\$ 5,469
Parsonage maintenance	\$ 4,509	\$ 4,229
Other	\$ 2,797	\$ 4,097
Missions	\$ 13,500	\$ 14,455
Children & Youth	\$ 1,408	\$ 1,153
Church Staff Committee - salaries and benefits	\$ 165,442	\$ 177,633
Operations	\$ 10,763	\$ 9,520
Investment expense	\$ 755	\$ 695
Total	\$ 218,244	\$ 229,067
Excess of Operating Revenue over Operating Expense	<u>\$ 36,854</u>	<u>\$ 56,600</u>

2019 Building Fund Summary

Opening Balance 1/1/19 \$ 12,027

Sources of Funds

Transfers from Reserve Account	\$ 13,352	
New contributions	\$ 1,210	
Interest income	<u>\$ 2</u>	
Total		\$ 14,564

Uses of Funds

Replacement of parsonage windows	\$ 9,652	
Furnace office zone installation/new AC	\$ 5,957	
Sound system upgrade	\$ 643	
Shelving for music closet	\$ 482	
Closet doors and shelving installation	\$ 564	
To restricted Building Fund reserve	<u>\$ 4,599</u>	
Total uses		\$ 21,897

Excess (Deficiency) of Sources Over Uses \$ (7,333)

Closing Balance 12/31/19

Restricted reserve	\$ 4,599	
Unrestricted reserve	<u>\$ 95</u>	
Total		<u>\$ 4,694</u>

2019 Congregational Investment Trust Summary

	Endowment Fund	Investment Account
Opening Balance 1/1/19	\$ 97,971	\$ 114,390
Additions	\$ -	\$ -
Withdrawals	\$ -	\$ -
Realized Gain/Loss	\$ 278	\$ 325
Unrealized Gain/Loss	\$ 16,638	\$ 19,427
Fees		
Trust	\$ (167)	\$ (195)
Investment	\$ (147)	\$ (171)
Accountant	\$ (7)	\$ (9)
Interest/Dividends	\$ 2,924	\$ 3,414
Accrued Income	\$ -	\$ -
Ending Balance 12/31/19	\$ 117,490	\$ 137,181
Incr. (Dec.) For Period	\$ 19,159	\$ 22,791

% Increase = 19.92%

Annual Budget Report of the Trustees Committee

2020 Annual Budget Proposal

January 26, 2020

When tackling the budgeting process for the Church, there are many unknowns to be considered. The process used by our Church blends a mix of educated guesses based heavily on last year's income and expenses and the future requests of all of our committees. As a result, we are generally fairly close in our projections. This past year of 2019 proved to be very healthy for the church due to your generous giving and close monitoring of expenses by each of our committees.

The proposed budget for 2020 anticipates a 5.6% increase in revenue above the 2019 budget based on your estimates of giving. Unexpected general fund contributions and other revenues are held constant. Although expenses are forecast to be 6% above the 2019 budget, the net result is a projected positive balance at the end of 2020.

Capital Expenditures for the year, however, will exceed the projected surplus and result in a small anticipated decrease in the General Fund of \$2,185. These needed expenditures include the painting of the church exterior and physical improvements to the youth education space.

This is an ambitious budget but we feel it is definitely attainable through your continuing generous contributions of time, talent, and treasure to this church. We are truly blessed by a committed and active church membership.

Larry L. Graves, Chair
Trustees Committee

Suttons Bay Congregational Church Proposed 2020 Budget

	2019 Budget	2019 Actual	2020 Proposed
Operating Revenue			
Contributions received	\$ 254,910	\$ 272,357	\$ 269,714
Rentals	\$ 12,516	\$ 12,751	\$ 12,516
Miscellaneous	\$ 90	\$ 211	\$ 40
Investment earnings	\$ 60	\$ 348	\$ 505
Total operating revenue	\$ 267,576	\$ 285,667	\$ 282,775
Operating Expense			
Church Council	\$ 250	\$ 250	\$ 3,250
Board of Deacons	\$ 6,798	\$ 5,734	\$ 6,800
Trustees Committee	\$ 21,950	\$ 19,627	\$ 22,610
Missions Committee	\$ 14,500	\$ 14,455	\$ 14,500
Children & Youth Committee	\$ 1,600	\$ 1,153	\$ 2,600
Church Staff Committee	\$ 189,548	\$ 177,633	\$ 200,000
Operations	\$ 10,920	\$ 9,520	\$ 10,900
Other	\$ 650	\$ 695	\$ 600
Total operating expense	\$ 246,216	\$ 229,067	\$ 261,260
Excess of Operating Revenue over Operating Expense	\$ 21,360	\$ 56,600	\$ 21,515
Transfer from Reserve Account to Building			
Current Year Capital Expense	\$ 16,401	\$ 17,297	\$ 18,000
Current Year Depreciation*	\$ 4,599	\$ 4,599	\$ 5,700
Total	\$ 21,000	\$ 21,896	\$ 23,700
Net Increase (Decrease) in General Fund	\$ 360	\$ 34,704	\$ (2,185)

* Replacement reserve