

**Finance Committee of the Vestry
Saint Michael and All Angels Church**

Minutes

Of the 7:30am meeting on Tuesday, December 12, 2006

Present:

Allen Lassiter, Treasurer
David Martin- Senior Warden
Sharon Alexander- Junior Warden

Robert Wilson
Missy Boone
Jay Grogan
Giffen Weinmann

Cullum Clark
Howard Templin
John Harris

Also Present: Jay Young, Priscilla Owens

I. Approval of the November minutes

The minutes of the November meeting were unanimously approved.

II. Financial Review

Review of November 2006 Financial Statements

Total Revenues:

Revenues were \$404,849, or \$5,565 over budget.

due primarily to higher than budgeted collection of current year pledges.

Outreach: \$74,443; or \$14,166 under budget

due to the timing of Outreach payments.

Total Expenses: \$434,357, or \$11,064 over budget

Due primarily to incurring the expenditures for the boiler this month, and the timing of certain costs in youth ministry versus event fees.

Revenue less Expenses: (\$103,951), \$8,667 better than budget

YTD through November

Revenues - \$4,373,061

\$51,318 (1.2%) under budget due primarily to lower than budget revenues from Current Year Pledges(\$161,494).

Outreach - \$881,843

\$92,870 under budget due to timing of Outreach payments

Operating Expenses - \$3,871,519

\$177,080 under budget, primarily due to the timing of payment of facility audit costs (\$152,158) partially offset by being over budget in operations expenses (\$54,925), adult education (\$9,642) and Youth Ministry(\$20,943) relative to the budget.

Revenue less Expenses - (\$380,301), \$218,632 better than budget

III. Old Business

--The Treasurer described the status of the 2004 and 2005 Financial Audit process. The work is progressing reasonably well but there are two developments which will delay the remainder of the audit work until the Spring. Two affiliate organizations are slow in submitting requested information and work papers to our accounting department. In addition there is significant testing required to determine revenue recognition between the 2004 and 2005 years.

IV. New Business

--The Committee discussed a request by the Mission/Outreach Committee to hold over until next year certain funds from the 2006 budget if it turns out that money is not spent this year. The Committee approved the carry over as long as the funds were transferred to a restricted account.

-- The Treasurer discussed the possibility of repaying a portion of the indebtedness incurred to acquire the real estate now held by Douglas Square Holding Corp. We have a balance of \$936,240 in the Property Acquisition account but of course must anticipate tax payments on both the Lomo Alto and Douglas Square properties totaling \$236,781 in January, \$146,991 in remaining capital expenditures on the Lomo Alto office building and operating losses on the Douglas Square apartments during 2007. It was noted that pledges to the Capital Campaign due by 12/31 should be taken into account and that the amount of debt repayment should be finalized in January or February.

--The Treasurer then discussed the 2007 budget process under various revenue scenarios. The results of the Stewardship Campaign will not be known until very late in January but in the next Finance Committee meeting options should be discussed for reductions in the various Department budget requests which in the aggregate are materially larger than the 2006 budget.