

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

Minutes
Of the 7:30am meeting on Tuesday, September 19, 2006

Present:

Allen Lassiter, Treasurer
David Martin, Sr. Warden
Sharon Alexander, Junior Warden
Giffen Weinmann

John Harris
Missy Boone
Jay Grogan

Robert Wilson
Cullum Clark
Howard Templin

Also Present: Hill Riddle, Priscilla Owens, Jay Young

I. Approval of the July minutes

The minutes of the July meeting were unanimously approved.

II. Financial Review

Review of August 2006 Financial Statements

Total Revenues:

Revenues were \$322,076 or \$15,206 over budget.

due primarily to higher than budgeted collection of current and prior year pledges and the plate.

Outreach: \$83,406; \$5,203 under budget

due to the timing of Outreach payments.

Total Expenses: \$324,855; \$37,825 under budget

Due primarily to

\$19,870 under budget in the Operations department as well as savings vs. budget in Youth Ministry (\$11,744) and Child Development (\$14,837), partially offset by being over budget in Ministry (\$14,862) primarily the result of cost associated with the Interim and Rector searches, Administration due to the timing of our utility bill payments and costs associated with the new Financial Audits.

Revenue less Expenses: \$(86,185), \$58,235 better than budget

YTD Through August

Revenues - \$3,353,420

\$49,909 over budget due primarily to current year pledges (\$41,488), prior year pledges (\$25,621), and plate (\$26,485) partially offset by unpledged contributions which were \$80,991 less than budget.

Outreach - \$621,512

\$87,370 under budget due to timing of Outreach payments which will be made in the last two months of the year

Operating Expenses - \$2,832,287

\$217,494 under budget primarily due to delays in the payment of the facilities audit expense until later in the year.

Revenue less Expenses - (\$100,380, \$354,774 better than budget due primarily again to the delays in both the facilities audit expenses and outreach payments.

Projected cash flow remainder of year

The Treasurer related to the Committee the results of an updated cash flow projection for the remainder of the year which projects a cash balance of approximately \$75,000 at the end of September and negative cash balances in both October and November. A return to a cash positive cash balance of \$458,000 is expected in December. Prepaid pledges would significantly reduce the negative cash balances projected in November.

III. Old Business

- The Finance Committee discussed the current balances in the property acquisition accounts resulting from the Capital Campaign, rentals received on the apartment and office building properties, the expenditures for the property acquisition and the associated expenses of operating the properties and keeping them in good rental condition. A periodic review of the apartment properties as a rental enterprise is recommended in light of potential increases in carrying costs.
- Jay Young updated the Finance Committee on the status of the 2004 and 2005 audit procedures. The complexity of the Women's Exchange audit process at this time requires the SMAA audit to include unaudited statements for that entity because of a change in accounting software. Compilations by the Exchange's CPA firm will be referenced. The Exchange will be included in the SMAA audit for the 2006 year. The audits appear to be on schedule at this time for completion by the end of 2006 but a key employee at our audit firm most familiar with the SMAA accounts has departed in recent weeks.

IV. New Business

- The 2007 budget schedule was presented and discussed. This year the Finance Committee liaisons will work closely with the respective department heads to generate and adapt the department budgets as the budget process progresses.
- The Committee unanimously approved solicitation requests by Anna Neitzel on behalf the Angel Project to collect toys and gift cards for the children at O. M. Roberts and Davids' Place and the Jubilee Center for a book collection to start a standing library.
- The Committee unanimously approved the Heart of Giving request for funds solicitation which will take place in the November- December timeframe
- The Committee unanimously approved a request by Janis Wells for the annual Heart of Giving fundraiser. This year's recipients are the Saint Michael Needy Family Fund, the Jubilee Center, the Rosebud Sioux Indian Reservation, the Amistad Mission in Bolivia, and the Episcopal Diocese of Jerusalem.

V. Adjournment