

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

Minutes  
Of the 7:30am meeting on Thursday, February 15, 2007

**Present:**

Allen Lassiter, Treasurer	Giffen Weinmann	Howard Templin
David Martin - Senior Warden	Missy Boone	Jay Grogan
Sharon Alexander - Junior Warden	Robert Wilson	

**Also Present:** Priscilla Owens, Jay Young, Bill McIntyre, Richard D'Antoni

**Absent:** John Harris, Cullum Clark

**I. Approval of the January minutes**

The minutes of the January meeting were unanimously approved.

**II. Financial Review**

**Review of December 2006 Financial Statements**

**Total Revenues:**

Revenues were \$811,976, or \$195,758 under budget

due primarily to lower than budgeted collection of current year pledges and lower than budgeted figures in all other revenue categories.

**Outreach:** \$167,694; or \$79,083 over budget

due to the timing of Outreach payments.

**Total Expenses:** \$520,201, or \$201,097 over budget

Due primarily to the timing of Facilities Audit Expenses (\$132,201 over budget), property and casualty and health insurance payments, parish publication expense and payments for clergy supply and the Rector Search.

**Revenue less Expenses: \$123,367, which was \$475,939 worse than budget**

**YTD Through December**

**Revenues** - \$5,185,037 which was \$247,076 (4.5%) under budget due primarily to collection of current year pledges being well under budget and unpledged contributions which were also well under budget. Plate revenues were up by \$26,492 over budget but this was not significant given the underperformance in the pledge revenue categories.

**Outreach** - \$1,049,537 or \$13,786 under budget.

**Operating Expenses** - \$4,392,034 which was \$23,617 (0.5%) over budget.

The primary variances in expenses for the year were in Ministry, Administration and Operations. The Ministry negative variance of \$28,473 was primarily the result of increases in the cost of clergy supply personnel which we compensate on a per diem basis while we have a priest shortage until our new Rector joins us. And of course the Rector search itself is a significant drain on our ministry budget.

Administration expenses were \$38,071 over budget for the year primarily as a result of higher levels of printing and publication costs associated with communications with the Parish in 2006 and due to the addition of contract personnel to work on various accounting issues and assist with the website and other communications work and on the stewardship campaign.

The Operations negative variance of \$23,161 was primarily the result of utilities expense being \$28,044 higher than budget, building maintenance being \$46,641 over budget and equipment maintenance being \$12,285 higher than budget. Although several other items were lower than budgeted there has essentially been higher than anticipated inflation in most of our materials and services.

**Revenue less Expenses** - (\$256,534), \$256,907 worse than budget with virtually all of this shortfall occurring in December as expenses delayed throughout the year were finally paid and more importantly, as pledges and other contributions fell short of budgeted amounts.

**Balance Sheet** – The treasurer stated that the Operating cash account was at \$825,167 at the end of December compared to \$859,136 the prior year. The working capital position at year end is at minimal levels and well below the \$300,000 level at the end of 2005. The deficits of the past three years have depleted the working capital position to the point that building a surplus through the 2007 operations should be accomplished if at all possible to replenish the working capital position. A minor surplus has already been budgeted and the working capital line at Amegy Bank is still in effect to finance the seasonal swing in revenues over the summer months into the fall.

### **III. Old Business**

- The Treasurer reported that \$700,000 has been repaid to Amegy on the \$3,000,000 loan used to buy the Michaelson properties. More may be repaid in the next two months depending on the available cash balances in the capital campaign fund.
- Jay Young indicated that further work on the 2004 and 2005 audits would have to wait until after the year end closings due to the work load on our accounting staff, the revenue testing required by the auditors to determine if revenues were accurately allocated between years and to continue to collect data from affiliates. The information with respect to SMAA's books and records has been furnished

to the auditors and it is still hoped that these two years will be audited by the end of 2007.

#### **IV. New Business**

- Bill McIntyre and Priscilla Owens reported on the progress with respect to the SMAA insurance coverages for renewal. An exhaustive examination of the SMAA coverage needs and associated costs has been undertaken. It would appear that SMAA can achieve the desired coverages at a significant savings in premium costs for the year. Final arrangements should be forthcoming in the next two weeks.
- The Treasurer described a Foundation Grant Request submitted for recommendation by the Finance Committee to the Vestry. Shelly Vescovo in Adult education requests that \$4,100 be granted by the Foundation to finance the brochures and publicity required for the successful implementation of the Ratelle Distinguished Lecture Series in late 2007 and early 2008. After discussion the Finance Committee voted unanimously to commend this request to the Vestry for approval.