

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

Minutes

Of the 4:00 pm meetings on Thursday and Tuesday, February 7 and 12, 2008

Present:

Allen Lassiter, Treasurer
David Martin - Senior Warden
Missy Boone - Junior Warden

Cullum Clark
Richard D'Antoni
Giffen Weinmann

John Harris
Jay Grogan
Randy Kob

Also Present: Bob Dannals – Rector, Ralph Cousins, Jay Young, Electra Harrelson

Absent: Robert Wilson, Jim Smith

I. Approval of the January minutes

The minutes of the January meeting were unanimously approved.

II. Financial Review

- 2007 Financial Statements were previewed by the Treasurer as final financial statements were in the process of being prepared with a view toward inclusion in the Parish Annual Report. Revenues were predicted to be approximately \$70,000 ahead of budget for 2007. This is a very nice comparison with the prior two years when pledge fulfillments were significantly lower than budget, and the revenue shortfalls generally occurred in the month of December. Outreach was of course over budget by \$80,000 reflecting the fact that the Parish was able to fulfill its obligations to the Diocese and to ECUSA even though shortfalls in each of these categories were budgeted for 2007. Department expenses appear to be lower than budget in virtually every department. Some of these favorable variances reflect the fact that the Parish was understaffed to an even greater degree than budgeted for 2007. However, most of the positive variances reflect strong cost control at the department level and the favorable impacts of SMAA Foundation grants to fund a portion of the Rector Search and a substantial portion of the capital expenditure budget. The result was Total Expense performance that was approximately \$256 thousand better than budget. The total operating surplus for the year was approximately \$270 thousand compared to an operating deficit of \$256 thousand. This would be the first operating surplus at SMAA since 2003.
- The 2008 Budget was presented to the Finance Committee in the February 7 meeting and discussed at length. Further budget right sizing was effected in this meeting and incorporated in the Feb 12 meeting in which the 2008 Budget was unanimously approved for presentation to the Vestry at a special meeting to be held on February 13. The Stewardship campaign generated approximately \$5.2 million in pledges which allowed

the Parish to increase its staff and programs for 2008. The budget allows the Parish to add desperately needed staff in the accounting/finance area which will enable the Parish to increase its transaction flow efficiency and speed. This will also enable a focused effort on getting the historical audits up to date. Personnel shortages have made this effort impossible in the past. In Ministry the 2008 Budget anticipates the addition of one priest and a liturgical assistant with both positions to begin in July. Many of the operating departments will have more budget allocation in 2008 allowing for increased programs. Notable are significant program increases in Pastoral Care, Outreach and Youth Ministry.

III. Old Business

- Jay Young reported on the status of the 2004 audit and plans for additional audit work on 2005 and 2006. With the additional staff anticipated in the 2008 budget, work will be scheduled with the independent accounting firm with the objective of completing the 2005 and 2006 audits in 2008. The 2004 audit report has been received. A Management Services Letter has been requested and the Audit Committee will meet in March to review both and approve the audit.

IV. New Business

- The Treasurer described a Foundation Grant Request submitted for recommendation by the Finance Committee to the Vestry. Shelly Vescovo in Adult education requests that \$3,500 be granted by the Foundation to finance the brochures and publicity required for the successful implementation of the Ratelle Distinguished Lecture Series in early 2008. After discussion the Finance Committee voted unanimously to commend this request to the Vestry for approval.
- A funds solicitation request to be directed toward the Foundation was submitted involving the hiring of a social worker at O.M. Roberts to increase the number of such employees at the school. DISD is funding 3 workers and 3 additional workers are needed with the assistance of private financing. The Finance Committee deferred approval of this request as the financing of operating costs generally are not part of the Foundations intent. It was suggested that attention be given to funding this need through another more appropriate source.
- A request was made and approved for the collection of canned goods and small toiletry items to be used at the M/O Jamboree to fill health baskets which will be distributed to senior citizens living in the Jubilee community. Monetary donations if any will be used to purchase fresh fruits and fresh vegetables to supplement the baskets.

