

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

Minutes  
Of the 7:30am meeting on Tuesday, May 20, 2008

**Present:**

Allen Lassiter, Treasurer  
David Martin, Sr. Warden  
Amy Fikes, Jr. Warden  
Van Sheets

Conner Searcy  
Jay Grogan  
Cullum Clark

Phil Ritter  
Richard D'Antoni  
John Harris

**Absent:** Randy Kob, Jim Smith, Alan Pierce

**Also Present:** Jay Young, Bob Wilbur, Ralph Cousins

**I. Approval of the April minutes**

The minutes of the April meeting were unanimously approved.

**II. Financial Review**

**Review of April 2008 Financial Statements**

**Total Operating Revenues:**

April revenues were \$465,014 or \$158,454 over budget due to the receipt of approximately \$162 thousand more than budgeted in Pledge revenues.

**Outreach:**

April Outreach Payments were essentially on budget for the month with the exception of Mission/Outreach Committee grants which are generally made at the end of the year but amortized for budget purposes evenly throughout the year.

**Total Expenses:** Total Operating Expenses were \$425,793 or \$56,409 under budget due primarily to:

- Positive variances in Operations (\$19,143), CFM (\$10,502) due to prepayments of Vacation Bible School tuition, and in other departments in lesser amounts.
- Timing differences in certain departments where expenses occur on an unscheduled basis as opposed to an arbitrary, level monthly pattern as might be used to formulate the monthly budgets.

**Revenue less Expense:**

A deficit of \$28,243 was generated in April versus a budgeted deficit of \$255,773.

**YTD Through April**

**YTD Total Operating Revenues:**

Operating revenues were \$2,490,882; \$274,238 more than budget as a result of approximately \$251 thousand more than budgeted in pledge revenues, \$13 thousand higher than budgeted plate revenues and other income that was \$16 thousand higher than budget..

**YTD Outreach:**

\$274,656; \$45,867 under budget

**YTD Total Expenses:**

\$1,345,035; \$59,798 under budget

Most departments are on budget or slightly better than budget year to date with the exception of Pastoral Care and Administration which are \$41,247 and \$12,580, respectively, over budget. The Pastoral Care variance is explained by the shift in personnel from that department to Adult Education without adjusting our budget. The variance in Administration is the result of telephone expense that is significantly higher than budgeted due to unanticipated complications with operating our offices in both the church and 8100 Lomo Alto locations.

Revenue less Expenses: \$871,189; \$379,904 better than budget

Balance Sheet Items: Restricted Assets \$2,492,350 including \$1,300,000 in the Capital Campaign accounts

Operating Current Assets \$1,570,978 which is well above levels of last year

**III. Old Business**

- Jay Young updated the Committee on the Audits for 2005, 2006 and 2007. Auditors will show up on June 2 and the 05 audit will kick off on time. The objective is to get the 06 audit work done in August and the 07 work in October. We have the staff planning done to get the information for the auditors and we have actually hired a temporary assistant to wok solely on gathering audit information. A letter was mailed to each affiliate to be prepared to furnish the information required to complete these audits on time.
- Ralph Cousins and Jay Young also reported that progress is being made to fill the two remaining accounting staff positions. Business descriptions have been roughed out, an organizational chart has been designed and help has been solicited from Jim Smith and John Solana. We are also entertaining the possibility of filling these positions temporarily with young accounting graduates from local colleges as beginning positions for them prior to longer term jobs they might seek in the accounting profession later on.

**IV. New Business**

- Bob Wilbur reported to the Finance Committee on the financial condition of the Lomo Alto office building. The Lomo Alto Budget calls for a cash flow surplus of \$217 thousand before debt service and accounting fees for the annual compilation that Bill Peeler does for the auditors. Debt service is about \$21k per month. We have to expect capital expenditures from time to time as this is an old building that was not built expensively. Historically we have had to subsidize this building. However it is worth well more than was paid for it. The building is carrying more debt than should be outstanding on it.
- David Martin updated the Finance Committee on the Capital Campaign. As of this date the Campaign is nearing the \$11 million trigger point where construction can be scheduled under the assumption that we will essentially complete the campaign in full or end up carrying debt levels of amounts already determined by the Vestry to be acceptable against the overall \$12.5 million capital spending plans. The campaign has been reshaped a bit to accommodate developments around the Parish including the continuing importance of establishing an accommodating Youth Center. Reaching our campaign goals will leave us with the Lomo Alto building debt but will retire the debt assumed in buying the Michaelson properties.
- The Committee discussed the possibility of moving the Scholarship Fund to the Foundation for professional management and the move was approved.
- The Committee approved the expenditure of \$1,900 in harassment training via a program that Ralph Cousins described as necessary for the Parish. There is a possibility that we might share some of this cost with another parish.

**V. Adjournment**