

Finance Committee of the Vestry
Saint Michael and All Angels Church
Minutes, October 17, 2023

Present: Michael Cosby, Glenn Davison, Bill McGannon, Becky Odlozil, Michael Reddell, Jeanie Sikes, Chris Wiley

Ex-officio present: Rob Baber (Director of Finance), The Rev. Ken Brannon (Vice-Rector), Caroline Moore (Director of Advancement), Arnold Spencer (Senior Warden)

Guest: Martha Brogdon, Director of Stewardship

Ms. Odlozil opened the meeting with a prayer.

1. **Approval of September Minutes** – The minutes for the September 19, 2023, meeting were approved.

2. **Advancement Update** – Ms. Moore introduced Ms. Brogdon, the new Director of Stewardship. Ms. Moore began the update by announcing the Capital Campaign has just over \$55 million in pledges. The Annual Stewardship Campaign has received \$1.28 million in pledges, as compared with \$1.76 million for the same period last year. The \$480 thousand difference may be attributed to the staggered mailing to parishioners, printing issues, and mailing in concert with the Capital Campaign. For those pledges received, 48% reflected an increase from last year with a midpoint of \$5 thousand, as compared to \$3.3 thousand last year.

3. **Review of September 2023 Financials** - Mr. Baber reviewed the Statement of Activities and Statement of Position as of September 30, 2023.

Revenues – Actual Year-to-date Revenue Available was \$5.2 million.

Year-to-date Revenue Available was higher than budget by \$96 thousand but lower than budget by \$117 thousand for the period. Variances include Current Year Pledges and Unpledged contributions. Current Year Pledges were lower than budget for both the period and year-to-date by \$192 thousand and \$116 thousand, respectively. Unpledged Contributions were higher than budget for the period and year-to-date by \$71 thousand and \$158 thousand, respectively. \$80 thousand in gifts made through a Foundation in the Unpledged Contributions category will be reclassified to the Current Year Pledges category. This will result in revised year-to-date variances of \$36 thousand under budget for the Current Year category and \$78 thousand over budget for the Unpledged category.

Expenses – Actual Year-to-date Expenses were \$5.4 million.

Year-to-date Operating Expenses were less than budget by \$75 thousand. Positive variances included Advancement, Children & Family Ministry and Operations (open positions for part of the year) and less than expected building maintenance. Some offsetting negative variances included Communications (mostly outside printing), Finance (Headhunter fees to fill open positions), and Music (multiple choirs and Compline).

Year-to-date, Revenue Available was lower than Operating Expense by \$209 thousand.

4. **Construction and Loan Update** – Mr. Baber presented an update on the Pritchard Project Management report dated September 18, which reflects August data. The Campaign Fee line item was explained as including the three years of CCS consulting expenses and some architectural renderings, among other expenses Pritchard has included on their itemized list. Mr. Baber clarified the difference between the WIP balance on the Operating Balance Sheet (\$4.9 million) as compared to the total amount spent to date (\$6.9 million including Pre-Development costs) as representing payments which were expensed vs. capitalized in the WIP account.

Mr. Baber reviewed the status of seeking a construction loan to bridge the gap between campaign contribution receipts and actual construction costs. The banks where proposals are being requested are Bank of Texas, Inwood National Bank, and Pegasus Bank. Final information will be provided to the banks when the Beck contract is received.

5. **New / Old Business** - Mr. Baber reminded the Committee that he and Ms. Bywaters will prepare a cash flow analysis of current cash balances and expected outflows, and identify potential means to cover any shortfalls, if they were to occur. The Committee will be able to review in the November Finance Committee meeting, and based on that discussion, will potentially forward the analysis to the Vestry.

Ms. Odlozil noted the next Finance Committee will be November 14, 2023. There being no further business, the meeting was adjourned.