

Finance Committee
Report to Congregation Council
May 10, 2010

Finance Committee met May 3, and actions/discussions are summarized below. Preliminary April financial statements were available at that meeting, and statements were distributed by email to Council.

- (1) Based on General Fund Receipts and Expenses through April, total "membership envelopes" (envelopes and Simply Giving) for April were \$16,700 lower than expectations, and for the year to date are about \$8,400 lower than expectations. Putting this in perspective, the 2010 annual budget for membership envelopes is 3.0% higher than actual 2009 receipts, while actual 2009 annual totals for membership envelopes were 99.6% of the 2008 totals. Annual membership envelope giving historically increased at a 4% average annual rate at Trinity, but budget expectations were adjusted downward during 2009 and 2010 due to the local and national economy.
- (2) In the General Fund Receipts and Expenses, if the Balance Carried Forward from 2009 (\$25,637) is not included, and the accrued benevolence payments (\$4,141) are accounted for, the April results show expenses exceeding income by about \$23,200 (compared to the report net income of \$6,588). The major variances in expenses are due to the timing of pay periods (Salaries and Wages), necessary Property expenditures, and the prepayment of confirmation camp and youth service trip expenses (Youth Ministry).
- (3) All funds in checking, savings, and certificates of deposit are held in insured accounts.
- (4) The Capital Campaign giving for April of \$7,175 and the budgeted principal payment of \$5,663 reduced loan balance for April 30 to about \$1,012,000.
- (5) For the first quarter of 2010 (reports are received mid-month), the Endowment Fund has an ending balance of \$422,700 (compared to \$415,800 on January 1). During the quarter, there was a withdrawal of \$9,585 to provide for Trinity's distribution of Endowment Fund earnings and a receipt of ELCA income of \$4,725 (4.25% of average market value).
- (6) The committee discussed and approved the engagement letter from Waggoner, Frutiger & Daub to perform the 2009 annual review, specifically to review the statement of cash receipts and disbursements and changes in fund balances for the year ended December 31, 2009, and issue an accountant's report thereon in accordance with generally accepted accounting principles. The engagement letter was then executed by the Council President.
- (7) Funding sources were identified for an estimated \$140,285 at the January 12 Finance meeting to allow further planning of capital items and new mission and ministry, as requested by Council. The first of these items was brought to the committee at this meeting. Property received bids and is prepared to award roof re-shingling with 50-year shingles at a contract bid price of \$41,865. The committee approved a motion to **recommend to Council that funding for the roof re-shingling contract of \$41,865 be taken from the Maintenance and Improvement Reserve Account (MIRA).**
- (8) Property also requested funding for required Nave main chimney repairs, at a bid price of \$4,790.50. This is a long-term restoration (not maintenance). The total of available undesignated memorial and MIRA funds at the end of April is \$157,910, and \$140,285 of that amount is being held to support the items requested by Council (see above), so about \$17,000 remains available in MIRA. The committee approved a motion to **recommend to Council that funding for the [Nave] main chimney restoration contract of \$4,790.50 be taken from the Maintenance and Improvement Reserve Account (MIRA).**

- (9) To recap, undesignated memorials will be used for the digital signage system and the Fellowship Hall renovations (for the 2nd Contemporary Worship Service). The Operating Fund Reserve was transferred to the Maintenance and Improvement Reserve Account (MIRA), and resulting MIRA funds will fund the roof and carpet replacement, Master Plan, and coax cable. As each of these items is fully specified and bid, it will be referred to the Finance committee for funding.
- (10) Property reported that two unforeseen maintenance items will be funded (\$5,381) from its maintenance budget: Chestnut Street sidewalk and curbing repairs (required by Borough) and steeple repairs (siding damage). Property also reported several upcoming maintenance and repair items: repainting [portions?] the Nave, interior woodworking, Nave pew repair/replacement, steel lintel replacement on steeple, and steel replacement in the Library chimney. It is noted that available MIRA funds are about \$13,000, and no funds were budgeted in 2009 or 2010 to add to MIRA.
- (11) Please consider Simply Giving (automatic bank transfers or credit card payments) for your Trinity contributions and encourage others. This constant giving provides a sound basis for financial planning and reduces cash and envelope handling on Sunday and Monday morning counting. Also consider monthly payments (instead of weekly), since Trinity incurs charges per transaction.

Respectfully submitted,
Daryl Ackerman, Chair