

Finance Committee
Report to Congregation Council
June 14, 2010

Finance Committee met June 7, and actions/discussions are summarized below. Preliminary May financial statements were available at that meeting, and statements were distributed by email to Council.

- (1) Based on General Fund Receipts and Expenses through May, total "membership envelopes" (envelopes and Simply Giving) for May were about \$500 above expectations, and for the year to date are about \$7,900 below expectations. January, March, and May were close to expectations, while February was \$7,000 over and April was \$17,000 under. Given Palm Sunday and Easter, April was weak but the other months indicate that April is likely not a trend. Background for membership envelopes: 2010 annual budget is 3.0% higher than actual 2009 receipts, and actual 2009 annual totals were 99.6% of 2008 totals; Trinity's annual membership envelope giving historically increased at a 4% average annual rate, but budget expectations were adjusted downward during 2009 and 2010 due concerns about the impact of local and national economy on members.
- (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 (\$9,960) are accounted for, the May results show expenses exceeding income by about \$9,136 (compared to the report net income of \$26,461). The major variances in expenses are due to the timing of pay periods (Salaries and Wages), additional Property expenditures.
- (3) All funds in checking, savings, and certificates of deposit are held in insured accounts.
- (4) The Capital Campaign giving for May was \$6,730. A campaign principal payment of \$12,443 (includes April and May) and the budgeted principal payment of \$5,663 reduced loan balance for May 31 to about \$1,001,500. With the budgeted principal payment on June 1, the loan balance is now about \$995,900!!
- (5) On April 30, 2010 (reports are received mid-month), the Endowment Fund had a balance of \$427,200 (compared to \$415,800 on January 1). This is after the withdrawal of \$9,585 in February to provide for Trinity's distribution of Endowment Fund earnings. The Endowment Fund earns 4.25% of average market value.
- (6) During May, a sub-group of the committee reviewed ELCA Guidelines for Congregations, Internal Controls Best Practices. Trinity is doing most of the items, and the sub-group will continue the review over the summer to identify how we might accomplish other items. While the internal controls in the Guidelines initially relate to financial issues, there are other items that will affect a broader range of Trinity activities (e.g. A&P, leadership/staff).
- (7) In January, the committee acted to reserve remaining 2009 net receipts less expenses (minus the \$25,637 "Balance Carried Forward" in the 2010 budget) - and no later than June 2010 to review the financial status to determine how to use the reserved funds. After discussion, the committee acted to continue holding the funds in reserve and to again review no later than October 2010.
- (8) 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 second of these items was brought to the committee at this meeting. Property received bids and is prepared to proceed with replacing the carpets in the education wing and the offices at a contract bid price of \$24,990 (the November 2009 estimate was \$30,000, and the funding source identified in January was MIRA). While

planning this project, Property concluded that the offices (and nearby bathrooms) should be repainted at the same time and coordinated with the carpeting. Property received bids for repainting at a contract bid price of \$3,740. In order to safely and efficiently move the staff offices for the estimated week of work, Property decided to engage a moving company at a contract bid price of \$1,225. The committee approved a motion to **recommend to Council that funding for the carpeting (\$24,990), repainting (\$3,740), and moving (\$1,225) – a total of \$29,955 - 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. Two of the original mission and ministry projects are proceeding, with funding for \$41,855 (roof) approved in May and \$29,990 (carpet) at this meeting, with funding for both from MIRA. An additional \$4,790.50 was funded from MIRA in May for the Nave main chimney restoration.
- (10) Trinity was named as beneficiary of an insurance policy that Betty Hauser purchased. The committee acted to distribute the undesignated bequest to the Synod (\$1,400), Choir Albs Fund (\$3,689, #545), and Missions (\$3,600, #460) as a reflection of her areas of involvement at Trinity.
- (11) Another shameless plug for Simply Giving (automatic bank transfers or credit card payments) for your Trinity contributions and to encourage others. This constant giving provides a sound basis for financial planning (yours and Trinity's) 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