

TREASURER'S REPORT May 2017 Financials

Detail Comments

Income – April total income was less than budget by \$2,900, with the plate income continuing to lag significantly (down \$4,955 to budget). Year to Date the plate income continues to have a significant shortfall (down \$26,000 to budget). Overall, YTD income is down \$17,900 or 6.1% of budget.

| | MONTH | | | YTD | | |
|---------------------|--------|--------|---------|---------|---------|----------|
| | Actual | Budget | B/(W) | Actual | Budget | B/(W) |
| Total Pledge | 54,905 | 52,885 | 2,020 | 272,218 | 264,423 | 7,795 |
| Total Plate | 1,048 | 6,002 | (4,954) | 4,347 | 30,011 | (25,664) |
| Total Income | 55,953 | 58,887 | (2,934) | 276,565 | 294,434 | (17,869) |

Expenses – Total Expenses for April are worse than budget by \$8,600. Outside of a few minor positive variances, the majority of expense lines were negative to budget. Year to date, the expenses are worse than budget by \$22,700 or 7.7% over budget.

| | MONTH | | | YTD | | |
|----------------------------|--------|--------|---------|---------|---------|----------|
| | Actual | Budget | B/(W) | Actual | Budget | B/(W) |
| Children's Ministry | 4,653 | 670 | (3,983) | 5,824 | 3,350 | (2,474) |
| Contract Labor | 2,962 | 1,150 | (1,812) | 9,068 | 6,025 | (3,043) |
| Insurance | 6,342 | 4,225 | (2,117) | 36,301 | 30,805 | (5,496) |
| Maintenance | 3,334 | 3,605 | 271 | 21,678 | 17,960 | (3,718) |
| Miscellaneous | 2,060 | 1,775 | (285) | 12,993 | 8,725 | (4,268) |
| Total Expenses | 65,602 | 56,960 | (8,642) | 318,816 | 296,119 | (22,697) |

Surplus/(Deficit) – For the month, we had a significant deficit of over \$11,000 with a YTD deficit of \$42,300 (15.2% of income). Relative to last year, we have improved significantly for the month (better by \$6,700), but worse YTD, widening the deficit by \$12,800.

| | MONTH | | | YTD | | |
|--------------------------|---------|---------|---------|----------|----------|----------|
| | 2017 | 2016 | B/(W) | 2017 | 2016 | B/(W) |
| Income | 58,639 | 49,049 | 9,590 | 220,613 | 253,101 | (32,488) |
| Expenses | 59,668 | 56,800 | (2,868) | 253,274 | 272,899 | 19,625 |
| Surplus/(Deficit) | (1,029) | (7,751) | 6,722 | (32,661) | (19,798) | (12,863) |

Available Balances – Available balances include the Operating Cash Account, and select Special Fund accounts under the discretion of the Vestry.

| | Operating Cash | General Benevolence | Capital Improvements |
|------------------|----------------|---------------------|----------------------|
| Beginning | 330,631 | 53,947 | 7,548 |
| Ending | 317,182 | 53,947 | 7,548 |

Finance Committee -

At the last Vestry meeting, a decision was made to form a Finance Committee to provide insight and recommendations to the Vestry. The Committee consists of Fr. Scott, Rusty, Jonathan Mohler, Art Dennis, David Howell, Jim Baker and myself. The inaugural meeting was held on June 7 and reviewed the May financials and the Audit letters and recommendations that occurred in 2014 and 2015. There were several recommendations that the group made for the Vestry to consider:

1. In light of the significant decrease of income from budget (predominantly from plate cash) and forecasted decrease of pledge income from recent departures, they recommend a revised forecast for the second half of the year (Jul – Dec) in order for the Vestry to understand the magnitude of the shortfall.
2. To emulate strong budgeting practices, they recommend that each line item in the budget have an owner that submits a budget and has responsibility for adhering to that budget. To assist that, a feedback system would need to be put in place to provide guidance to the owner as to where they are vis a vis the budget.
3. They agree on the process to clean up the Restricted Funds (i.e. get rid of the negative amounts) and then, prior to spending, provide the owner of the fund with the available balance so they do not overspend.
4. Apparently, the mortgage on the building has a balloon payment due in 2018. They suggest the Vestry select a couple of people to investigate the deadline and negotiate an appropriate replacement.
5. The amount of money that is guaranteed by the FDIC in case of bank insolvency is \$250,000. Since our cash balances are generally \$330,000, they suggest having a couple of accounts, with a rational breakup along operating account and Restricted Funds amounts.
6. To follow up on the Audit Committee's May 15, 2015 recommendation, they suggested that formalized policies be developed for the use of credit/debit cards and the handling of pledge monies via direct deposit. While those items are certainly in process now, they felt a formalization of the process would be appropriate. As Treasurer, I offered to take on that task for the Vestry.

Submitted

David Spaulding