

Westminster Presbyterian Church
Finance Committee Meeting
Tuesday, November 21, 2017
5:30 pm

Todd Willis, Moderator
Jeff Bornstine
Ralph Davis, Endowment Trust
Marcia Holcomb

* Jon Hauerwas, Pastor
Shelley Koutnik
Eileen Martinez, Staff Accountant
Alec Works

An asterisk denotes those not in attendance

AGENDA

1. Call to Order with prayer at 5:43pm
2. Minutes – July 18, 2017 – A motion to approve carried.
3. Review of October Reports:

Analysis of Revenue and Expenses

Revenues:

- Contributions in excess of budget by \$13,000 - \$8,000 from advanced pledge receipts
- Expended \$0 from Rowley principal at 10/31/17 - had expended \$42,000 at 10/31/16
- Endowments - \$17,500 in excess of budget - \$11,000 one time distribution of shares/return of capital from Telford. Distributions from Rowley Designated Endowment are in excess of budget
- Interest and Dividends ahead of budget –we are reinvesting short-term investments as we have not needed the cash
- Outreach – removed \$6,000 in budgeted revenue from Christmas in July event

Expenses:

- Discipleship Expenses are \$10,300 under budget – savings from mission trip and senior high ministry total \$3,300
- Office and Admin expenses are under budget by 11,900 – new copier and computer leasing and operating expenses save \$4,000
- Per Capita – 2017 is paid in full at 10/31/17
- Outreach – G10-4674 Christmas in July event reduces expenses by \$6,000.

- Personnel Expenses - \$10,500 under budget year to date due to reduced and/or volunteer staffing as well as reduced overtime costs
- Properties – under budget by \$11,500 – major savings (\$7,000) from reduced utility costs due to mild 2017 winter
- Worship - over budget due to Organ maintenance. Corns Endowment will reduce deficit by \$1,300
- Deacons – under budget by \$500.
- Overall – expenses under budget by \$43,476

Summary of Restricted Accounts

- U40-8044 Bequest Fund – received \$50,000 from Spindler and \$14,632 from Dr. Joseph Lichty Charitable Remainder Trust – Typically expended by Properties Committee
- R20-9007 – New – Pentecost Youth Project
- R20-9040 - New - \$500 donated by a member to launch a new Membership Committee History Project
- D30-9525 – Ministry Architects – will close this account with payment of next invoice. Remaining charges and new billings will be paid from the Young Endowment Fund; E50-9064

Balance Sheet and Investment Reports

- Statement of Financial Position – Total Cash & Investment \$1,833,000 at cost
- Rowley Fund Reconciliation – We have not expended Rowley Principal this year
- Investment Recap – pulled \$25,000 in June – returning \$25,000 in November.
- Portfolio value at FMV is \$1,746,300

4. Agreed Upon Procedures – Motion to proceed with engagement of Hilary Beatriz, CPA

Currently Includes random check of revenues/contributions, vendor payments, credit card charges, and timeliness of bank reconciliations
Payroll documentation to be added for 2017

Motion to authorize Treasurer to engage Hilary Beatriz, CPA to conduct the annual Agreed Upon Procedures. Motion unanimously carried.

5. Stewardship Campaign Results

97 pledges receiving totaling \$300,925 are in
75 ongoing pledges – 22 new pledges
Waiting on approximately 30 pledges that could represent up to another \$60,000
Estimated potential pledged for 2018 is \$360,925
New pledges will reduce 2018 estimated unpledged by \$40,000

Reminder – 1 pledge is 18% of the total pledges. Donor suggested planning budget without their pledge. Pledge is sustainable but not guaranteed.

6. 2018 Operating Budget

- General Income – Estimated pledges \$360,000 - finalize in January
Unpledged to be reduced by \$40,000 due to previous support from members who had not pledged but pledged for 2018.
Rowley Designated Endowment based on current year \$19,000
Interest and Dividends - \$14,000 (investments and mortgage)
- Office & Admin - Total budget increase - \$1,095
\$500 for the Membership Committee
\$500 in new online giving charges – ACS and Vanco
- Per Capita - Budgeted at \$32 per head – waiting for final amount from Eastminster
- Discipleship - Budget decrease \$900 from prior year.
No Godly Play training in 2018
Reduced Student Support
- Outreach - Net Operating Budget remains the same for 2018
Christmas in July Project Income and Expense removed
- Properties - Net budget reduced by \$2,950.
Water utility expense to be reviewed - \$1,000 per month Sept, Oct
Expense categories revised for better cost tracking
- Worship - Adjusted substitute organist and pulpit supply
- Deacons - Net budget reduced by \$250
Estimate savings in Fellowship Expenses, Church Meals and Training/Retreat Expenses
- Investment - Interest and dividends estimated at \$20,000 per WF statement
- Personnel - New Music Director/Organist

Current Situation - Fifteen percent of Jim's hours have always been designated for Five @ Five Concert - 6 hours per week or \$10,000 of Restricted Five @ Five Funds from 2001 through 2014

For 2015, the church needed funds – Five @ Five reimbursement was increased to 25% of Jim's salary and benefits. Justified

because cost of Jim's benefit package had increased considerably over the years.

New Organist – 15 hours per week will be for worship services, choir practice and other WPC music department related activities and 5 hours per week (25% of total time) for Five @ Five Concerts. This estimate is based on Jim's estimates and his knowledge of other part time Music Director/Organists (Valerie Thorson)

If new salary is \$26,000 – 25% or \$6,500 per year will be expended from Five @ Five restricted funds for the salary.

Recommend that in future years, annual fundraising efforts and goodwill collections be stated as "to benefit the music programs offered by Westminster Presbyterian Church. Current solicitation states "to assure the continuation of these concerts in the future"

Other Personnel Expenses:

Salary/Wage Increases - \$7,975 budgeted for staff wage and salary increases in 2018 including increase in Terms of Call

Expenses related to changes in Custodial services to be determined at a later date.

The Bottom Line: **Estimated Deficit of \$29,517**

Rowley Fund - An expenditure in the amount of \$29,517 from Rowley Fund principal is still required to support the operating budget. The amount could increase/decrease depending on the final cost of restructuring the Music Department and Custodial Services.

7. Next Meeting – Tuesday, January 16, 2018 at 6pm.

Meeting adjourned at 7:34pm.