

Finance Meeting Minutes – 7/31/2017

Attendees: Frank Stone II, Bob Reilly, Tami Sarm, Al Lund, Bob Smyrl, Pastor David Lutcher

Agenda:

1) Review YTD giving and expenses.

- YTD performance a result of giving levels not at Budget levels. Likely some will be made up at year end.
- Expenses underperformance a result of lower electric usage than budgeted. Team knew this would be difficult to estimate in the buildings first year. Electric averaging ~125-150 / month. Significantly lower than historical norms but we are attributing this to the new energy efficient building.

2) Review of Changes to Balance sheet accounts; clean up of any accounts with no transactions this year or last.

Finance recommendation #1: Consolidate following accounts that have had no activity since at least 1/1/2016. Any remaining balance should be including in the “Operating Fund” on the balance sheet. Wagner Property, Family Focus Series, Sedar Dinner, 100th Anniversary, Evangelism, ELW Hymnals, Suspense Fund. Total amount to be transferred is \$797.42

Finance recommendation #2: Consolidate the building related balance sheet accounts in to a single line item. The following accounts will be consolidated into the “Capital Campaign New Building” Fund: Fire Donations, Mortgage account 2015 and Memorial New church. As noted during the meeting, all memorial gifts have been purchased and honored as part of the building project and this shift is only for accounting purposes.

Finance recommendation #3: Combine the Giant Gift Certificates fund into the Youth Gathering Fund. Recommendation is to maintain this separate account for the next national youth gathering and any members who might attend.

Finance recommendation #4: At year end, clear the Flower Fund, Eternal Light and Miscellaneous IN & OUT accounts with any remaining fund balance to be reallocated to the Operating Fund. Beginning with the 2018 budget, create a new offering line item for “Flower/Eternal Light” Giving and corresponding expense account for Flower/Eternal Light payments.

3) Review of budget process. An earlier budget will need to be drafted so that it can be used in conjunction with this year’s stewardship/capital campaigns that will occur this fall.

Finance (Frank II to draft) will create an unofficial “pro forma” budget for 2018 based on the summary income statement. Assumption will be to increase the General Fund giving budget by 2.5% over the 2017 budget to a total of \$190,775.

A formal budget and approval will follow our normal process with Council approval in November and congregational approval in December.

4) Review outstanding building expenses and existing capital to be used towards debt.

Remaining building expenses are approximately \$250,000 with \$210,000 outstanding to the Penn Builder. The other outstanding expenses are for the site engineer, legal work, development wrap up with the boro and remaining financing costs.

Currently, between the Capital Campaign Gifts already received and the expected final building cost there is a total value of approximately \$110,000. This will pay our remaining mortgage for the rest of the year (\$25,000) and the capital campaign expenses to Kirby Smith (\$12,500). From this amount, finance also recommends holding 6 months of mortgage payments (\$25,000) into 2018. The remaining balance plus any additional 2017 Capital Campaign giving can be directed to pay down our existing Mortgage Principal (~\$45,000 and ~\$60,000). Finance will determine the exact amount and ask for council approval of this amount in October ahead of this falls stewardship/capital campaign congregational event.

5) Review Congregational updates via Newsletter and Grace Notes.

Finance Recommendation: Because of the need to inform the congregation on a timely and frequent basis, weekly giving updates should remain in Grace Notes. In order to provide better clarity on the meaning of these numbers, finance will implement the following changes on how they are presented: 1) Include a weekly budget number needed (for 2017 that number is \$3,580) and 2) Change how Simply giving is included in the week by estimating the full year simply giving amount and adding this weekly amount to the envelope giving each week. Finance also assesses the safety risk of this policy as low for two reasons – the amount of cash collected each week is low as most giving is by check and 2) the total giving is only on property for less than 24 hours in a secure locked location.

Additionally, Finance will include an update in the Newsletter with a detailed update on a periodic basis.