

# **FINANCIAL MANAGEMENT COMMITTEE**

LPC ANNUAL REPORT TO THE SESSION: OCTOBER 5, 2010

## ***Financial Management Committee***

Bob Moreschi, Chair; Reed Belden, Vice-Chair; Rae Carpenter, Treasurer (ex officio); Ed Claiborn, Frank Correll, John DeVogt, Dave Dugan, Dave Hawkins, Margaret Howard, Bob Irons, Bill Klein, Randy Shomo, and Dave Woody.

The Financial Management Committee is responsible for overseeing the receipt of funds, accounting procedures, and investing of all church funds.

Though the past three years have been challenging, the congregation of Lexington Presbyterian Church has given generously. The revenues of 2009 and 2010, while not at the levels of 2006 and 2007, rebounded from the low in 2008. We anticipate 2011 will also be challenging to operations, given the economy and the Murray Hall Campaign.

## ***Operating Budget***

The Financial Management Committee met on September 29, 2010 to consider the 2011 Operating Fund Church Budget. The 2011 budget is presented in comparison to the adopted budget for 2010 and year-to-date financial activity through August 31, 2010. The 2009 and 2008 final budget and annual revenues/expenses are the actual activity back to 2002.

The Financial Management Committee expresses great appreciation and thanks to all those who helped to gather information that is included in this budget. Those committees that did provide budget requests for 2011 did so with obvious thought and contemplation. The Committee appreciates the conservative requests submitted.

The following items give context to the budget numbers:

- Presbytery recommends a 2.0% salary increase. The Financial Management Committee recommends 1.0%. The budget spreadsheet reflects a 1.0% increase in all items. It is possible that line item #520090 (Staff Benefits & Insurance) will increase more than 1.0%.
- Being in the black is largely a reflection of there not being the expense of a Youth Minister.
- Although not a part of this Operating Budget, the Financial Management Committee recommends maintaining the investment income spending formula at 4.0% in 2011. While the endowment funds have partially recovered from the lows of 2008 and 2009, we recommend remaining conservative at this point.
- At the end of August 2010, the Church had approximately \$200,000 in a contingency fund (rainy day fund). These funds are not currently designated as part of the Murray Hall Campaign.

- The Financial Management Committee did not receive any information from the Music, Outreach, Worship, and Nominating Committees. Budget entries reflect an estimate based on historic spending patterns.
- Under the revised spending formula of the Presbytery of Shenandoah, the asking calculation for Lexington Presbyterian church is \$31,996.80, considerably less than 2010's pledge of \$57,672.00. The Presbytery requested and the Financial Management Committee strongly agreed that we keep our budgeted amount at the 2010 budget.
- There are several line items for which the 2010 expenditures are considerably less than 2010 budget amounts. For example, Missionary (510021) has a 2010 budget of \$10,476 but no expenditures in 2010. Choir Expenses & Supplies (530041) has a 2010 budget of \$2,100.00 yet YTD through August has spent only \$66.50. Similar situations exist for Professional Conference Music Staff (530044) and Junior Choir (530043).

### ***Stewardship Campaign:***

Pledge cards, Time & Talent sheets, and a membership appeal will be mailed the week of October 11. The Committee will present a Life of the Church report on October 31. The October newsletter will announce October 31 as Dedication Sunday. A request will be made that all cards not returned by October 31 be returned by November 7. The Financial Management Committee will meet on Wednesday, December 1, to finalize the budget. The results of any recommendations will be provided to Session on Tuesday, Dec. 7.