

**FINANCIAL MANAGEMENT COMMITTEE
ANNUAL REPORT TO SESSION—OCTOBER 6, 2009**

FINANCIAL MANAGEMENT COMMITTEE

Randy Shomo, Chair	David Dugan
Reed Beldon, Vice Chair	David Hawkins
Rae Carpenter, Treasurer	Bob Irons
Ed Claiborn	Bob Moreschi
Frank Correll	

The Financial Management Committee is responsible for overseeing the receiving, accounting procedures, and investing of all funds of the church. We continue to live in challenging times financially. We followed a tough 2008 with even tougher times in the beginning of 2009. The Finance Committee met often in 2009 to discuss strategies for the short and long term.

OPERATING BUDGET

The Financial Management Committee met on September 29, 2009 to consider the 2010 Operating Fund Church Budget. That budget is under study by the entire Session. The budget is presented in comparison to the adopted budget for 2009, year to date financial statement activity through September 31, 2009 and actual activity for the years 2003 to 2008.

The Financial Management Committee would like to thank all the Church Committees who this year provided 100% participation in the assembly of this budget. The Finance Committee appreciates the conservative requests that were made given our challenging financial environment.

In its evaluation of the budget, the Financial Management Committee calls particular attention of the Session to the following items:

- The Financial Management Committee recommends a temporary change in the investment income spending formula for 2010 from 8% to 4% due primarily to the declines in our investment portfolio. Both 2008 and 2009 years have been extremely painful to our endowed funds. Our spending policy will be reevaluated and reviewed at each Financial Management meeting. Our committee is recommending that the Operating Fund (which is not an endowment) be drawn down to supplement the KAT Fund by \$1000.00 restoring it to the 2009 level and the Scholarship Fund by \$1000.00 restoring it to the 2006 level before the Hintze gifts. This places the Operating Contingency Fund in the role of a rainy day fund.
- The Personnel Committee recommends a 1% salary increase for all staff to be effective on January 1, 2010. The Financial Management Committee accepted this recommendation. This increase is included in the 2010 Challenge Budget.
- The Financial Management Committee recommends a hiring freeze of any new employees until pledging increases substantially. Bob Moreschi, Personnel Chair and Finance Committee Member has noted that salaries have taken a larger and larger share of total pledging over the last 5 years.
- Stewardship Campaign: Pledge cards, Time and Talent Sheets, and a Membership appeal will be mailed the week of October 12th. By recommendation of the Planning Committee and new to the Stewardship Campaign this year will be a Time and Talent sheet and pledge card for the youth of our Church. Financial Management was very pleased with this addition and will lend our support. We feel this will allow opportunities for the youth to be more active in their participation at LPC.

The Finance Committee will present a Life of the Church report on Sunday October 11, 2009. The November newsletter will announce November 8, 2009 as Dedication Sunday. A request will be made that all cards be returned by October 30, 2009. The Finance Committee will meet on December 1, 2009 to make any adjustments that may prove necessary to the budget.

ACTION

The Financial Management Committee presents the proposed 2010 budget to the Session seeking approval to use this plan in connection with the Annual Stewardship Campaign. The final 2010 budget will be presented by the Financial Management Committee to the Session for formal adoption at the December 8, 2009 meeting.