

Financial Report - March 2014

Faith Lutheran Church Council

April 12, 2014

The Finance Ministry Team met on April 7, 2014 and covered the following agenda items.

- Opening prayer
- Review of March 2014 financial statements
- March unpaid bills carried over to April
- Recommended debt service payment for April
- Review reserve funds
- Closing prayer

Summary of March 2014 Financial Statements

Income

For the month of March 2014, total operating income was \$72,026. Regular envelope offerings for March 2014 were \$68,651, compared to \$88,088 for March 2013. March 2014 and March 2013 were both five-Sunday months. **March 2013 included Easter.**

The March 2014 financial report reflects \$13,730 average weekly offerings in March 2014 compared to \$14,389 average weekly offerings in February 2014. For the month of March 2014, regular envelope offerings were approximately \$5,274 **less** than planned giving for March per the 2014 Ministry Plan.

The Finance Ministry Team will continue to review weekly giving reports and will attempt to respond appropriately as circumstances may warrant.

Expenses

For the month of March 2014, total operating expenses were \$64,938. This includes benevolence payments made or to be made in the amount of \$11,074. March operating expenses were \$8,373 **less** than March planned expenses per the 2014 Ministry Plan. Key variances were:

- Pastoral Care Ministry - Salary, Housing, Benefits, etc. - \$9,142 **less** than planned (timing **plus** planned 2014 Associate Pastor call still in process)
- Staff salaries, taxes and benefits - \$3,105 **less** than planned (timing)
- Miscellaneous - \$1,365 **more** than planned (includes \$1,000 set aside for Call Committee Expenses) See Page 3.

Utilities - \$2,030 **more** than planned (mainly resulting from abnormally high heating costs)
General Maintenance - \$1,824 **more** than planned (includes parking lot restriping **plus** \$1,000 added to Building Maintenance Fund) See below.

Mission Partners (benevolence) - \$693 **more** than planned (reflects completion of our **2013** pledge for support of Umoja Church)

Financial Trends - Trailing Twelve Months

The attached report includes a chart/graph depicting financial trends for three key financial categories (offerings, expenses and net income/loss) during the trailing twelve months. The peaks and dips reflect expected ebbs and flows over the past twelve months. While the giving trend has been essentially “flat”, the expense trend (and, consequently, the income trend) has been moving in an unfavorable direction. Based on very strong response on Commitment Sunday (and subsequent), it is expected that the giving trend will improve steadily over the coming months. It is expected that actual expenses will approximate planned expenses per the 2014 Ministry Plan.

Cash Balances

At March 31, 2014, the bank accounts of FLC show a total balance in the amount of \$56,509, compared to \$41,624 at February 28. The Operating Fund balance is **positive** \$20,950, compared to **positive** \$13,863 at February 28. Total restricted funds are \$1,130 at March 31, compared to \$10,919 at February 28.

Music Fund

At March 31, 2014, this Restricted Fund has a balance in the amount of \$1,130, compared to \$1,161 at February 28. During March, \$31 was expended to purchase gloves for the handbells musicians.

Stained Glass Window Fund

At March 31, 2014, this Restricted Fund shows a zero balance **and should be closed**. During March, available funds, net of tithe, were expended for the purchase and installation of the decorative film artwork now covering the sanctuary windows.

Building Maintenance Reserve

At March 31, 2014, this fund balance is \$10,985, compared to \$9,985 at February 28. The balance includes \$6,770 of insurance proceeds to be used in repairing damage sustained during the December ice storm. Upon recommendation of the Finance Ministry Team, \$1,000 was added to this reserve during March. To the extent practicable, additional amounts will be added to this reserve in the coming months until it is restored to an appropriate level.

Unallocated Reserve

At March 31, 2014, this fund balance is \$9,676, compared to \$6,548 at February 28. Upon recommendation of the Finance Ministry Team, \$1,000 was added to this reserve during March for ongoing Call Committee expenses. During March, \$883 of matching funds, net of tithe, were received from Thrivent Financial. Also, during March, Ash Wednesday offerings in the amount of \$1,245 were added to this reserve in anticipation of their near-term deployment “outside the walls of Faith Lutheran Church”. To the extent practicable, additional amounts will be added to this reserve in the coming months until it is restored to an appropriate level.

Capital Campaign Fund

At March 31, 2014, this fund balance is **positive** \$12,029, including a \$14,504 amount set aside for benevolence. Through March 31, offerings (and auction proceeds) in the total amount of \$782,921 have been received. Through March 31, payments have been made as follows:

Mission Investment Fund - mortgage payment	\$ 630,400
INJOY Stewardship Solutions (ISS) - our campaign partner	36,000
BRW Architects - sanctuary expansion	15,000
Benevolence - Habitat for Humanity “build”	41,309
Benevolence - Faith Lutheran Day School Endowment Fund	10,500
“Blessed to Be a Blessing”	7,480
“Epic” and other recurring event expenses	7,314
“Celebration” event expenses	4,539
Kennedy’s ENG - video camera, including related equipment	3,510
The Addison Group - our media consultant	3,272
Brochures, DVDs and other print media	3,188
Stephanie Burke - performance artist	1,730
Other	<u>2,151</u>
 Total payments	 <u>\$ 770,893</u>

As of the date of this writing, all known campaign expenses have been paid. See below for additional comments regarding the funding of the April mortgage payment to Mission Investment Fund.

Finance Ministry Team Recommendation(s) for Council Action

Closure of Stained Glass Window Fund

During March, decorative film artwork was purchased and installed over the existing sanctuary windows. Substantially all of the financial resources required for this initiative were provided from the Stained Glass Window Fund. As of March 31, the fund has been depleted and it should be closed.

Suggested Form of Resolution

Council recognizes that the Stained Glass Window Fund was established many years ago for the purpose of receiving designated offerings to be used in the installation of stained glass windows in the sanctuary. Council further recognizes that over the years since the establishment of this fund, circumstances changed and it was no longer feasible to install stained glass windows. By resolution, Council authorized the deployment of the available funds for the purchase and installation of decorative film artwork to cover the existing sanctuary windows. This project was completed in March and the available funds have been deployed. Accordingly, Council now authorizes the closure of the Stained Glass Window Fund.

Other Matters for Council Information

March Unpaid Bills Carried Over to April

At March 31, 2014, all outstanding invoices have been paid.

Debt Service Program

As of March 31, there are no available Capital Campaign funds. The fund balance is a **deficit** in the amount of \$2,475. The Finance Ministry Team has recommended that, in April, a payment of \$25,000 be sent to Mission Investment Fund (MIF) to cover accrued interest and a meaningful principal payment. **This recommendation is made with the faith that sufficient capital campaign offerings (net of tithes) will be received in April to cover this payment.** In the event there is a shortfall in capital campaign offerings, other resources will be required. Such resources would include the Operating Fund as well as other available reserves.

Recommendations of appropriate payments for May and beyond will be made as circumstances warrant.

Finance Ministry Team Action Items

During its December 15 Council meeting, Council delegated to the Finance Ministry Team various action items stemming from recommendations by the Audit Ministry Team. The Finance Ministry Team has reviewed and preliminarily discussed the various action items. Periodic status reports will be submitted to Council as the various action items are addressed and resolved.

Faith Lutheran Church
Cash Report
March 31, 2014

	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>	<u>Variance</u>
Operating Fund	\$ 20,950.08	\$ 6,579.94	\$ 14,370.14
Conduit Funds:			
Agape Fund	\$ 40.00	\$ 85.00	\$ (45.00)
Day School Fund	(141.67)	(501.06)	359.39
Youth Scholarship Fund	1,978.71	2,478.71	(500.00)
Wedding Fund	35.00	35.00	-
Office Equipment Fund	174.34	-	174.34
FLASHY	(346.77)	1,304.73	(1,651.50)
Total Conduit Funds	<u>\$ 1,739.61</u>	<u>\$ 3,402.38</u>	<u>\$ (1,662.77)</u>
Restricted Funds:			
Music Fund	\$ 1,129.94	\$ 9,000.00	\$ (7,870.06)
Stained Glass Window Fund	0.00	9,758.00	(9,758.00)
Total Restricted Funds	<u>\$ 1,129.94</u>	<u>\$ 18,758.00</u>	<u>\$ (17,628.06)</u>
Designated Funds:			
Building Maintenance Fund	\$ 10,984.56	\$ 6,286.99	\$ 4,697.57
Unallocated Reserve	9,676.43	6,691.59	2,984.84
Benevolence Reserve	14,503.73	11,247.57	3,256.16
Capital Campaign	(2,474.91)	(1,371.60)	(1,103.31)
Total Designated Funds	<u>\$ 32,689.81</u>	<u>\$ 22,854.55</u>	<u>\$ 9,835.26</u>
Total	<u><u>\$ 56,509.44</u></u>	<u><u>\$ 51,594.87</u></u>	<u><u>\$ 4,914.57</u></u>

Faith Lutheran Church
Statement of Income and Expense
March 31, 2014

	<u>Month</u>	<u>Budget</u>	<u>Variance</u>	<u>Y-T-D Actual</u>	<u>Y-T-D Budget</u>	<u>Y-T-D Variance</u>
Income						
Regular Envelopes	\$ 68,651	\$ 73,925	\$ (5,274)	\$ 192,616	\$ 206,171	\$ (13,555)
Noisy Offering	1,991	1,000	991	3,911	3,000	911
Miscellaneous Income	1,077	558	518	1,254	1,675	(421)
Rental Income	302	1,250	(948)	1,302	3,750	(2,448)
Interest Income	5	23	(18)	9	69	(60)
Total Income	\$ 72,026	\$ 76,756	\$ (4,730)	\$ 199,092	\$ 214,665	\$ (15,573)
Outreach Ministry						
Publicity	\$ 162	\$ 1,000	\$ (838)	\$ 162	\$ 1,000	\$ (838)
Materials	-	83	(83)	-	250	(250)
Total Outreach	\$ 162	\$ 1,083	\$ (921)	\$ 162	\$ 1,250	\$ (1,088)
Fellowship Ministry						
Kitchen Supplies	\$ 278	\$ 167	\$ 111	\$ 384	\$ 500	\$ (116)
Meal Ministry	161	-	161	(898)	-	(898)
Hospitality	-	-	-	-	-	-
Total Fellowship	\$ 439	\$ 167	\$ 272	\$ (513)	\$ 500	\$ (1,013)
Worship Ministry						
Special Music / Guest Performance	\$ -	\$ 100	\$ (100)	\$ 300	\$ 300	\$ -
Support / Education (non staff)	-	-	-	-	-	-
Worship Aids	63	373	(311)	63	722	(659)
Altar Guild	159	83	76	159	250	(91)
Instrument Maintenance / Sound Equip.	-	-	-	-	-	-
Youth Choral Music	87	21	66	87	63	25
Substitute Organists / Directors	-	-	-	-	391	(391)
Adult Choral Music	-	-	-	22	197	(175)
Music Resources	100	33	67	191	100	91
Music Supplies	-	-	-	216	-	216
Copyright License	250	268	(18)	524	534	(10)
Worship Outreach	-	-	-	-	-	-
Instrumental Music	-	-	-	-	-	-
Contemporary Worship Music	12	-	12	67	-	67
Dance Ministry	-	-	-	-	-	-
Drama Ministry	-	-	-	-	-	-
Total Worship Ministry	\$ 670	\$ 879	\$ (208)	\$ 1,629	\$ 2,557	\$ (928)
Children's Ministry						
Children's Ministry	\$ 354	\$ 213	\$ 141	\$ 523	\$ 827	\$ (303)
Confirmation / Middle School Ministry	20	-	20	96	-	96
VBS	(755)	-	(755)	(615)	54	(670)
Total Children's Ministry	\$ (381)	\$ 213	\$ (594)	\$ 5	\$ 881	\$ (876)
Small Group & Care Ministry						
Prayer Ministry	\$ 85	\$ 83	\$ 2	\$ 85	\$ 250	\$ (165)
Stephens Ministry	-	150	(150)	-	450	(450)
Small Group Ministry	130	42	88	(318)	125	(443)
Total Small Group & Care Ministry	\$ 215	\$ 275	\$ (60)	\$ (233)	\$ 825	\$ (1,058)
Stewardship Ministry						
Offering Envelopes	\$ -	\$ 243	\$ (243)	\$ 429	\$ 590	\$ (161)
Total Stewardship Ministry	\$ -	\$ 243	\$ (243)	\$ 429	\$ 590	\$ (161)
Pastoral Care Ministry						
Pastor Salary	\$ 4,771	\$ 11,580	\$ (6,809)	\$ 14,312	\$ 34,740	\$ (20,428)
Pastor Housing	3,605	3,635	(30)	10,815	10,905	(90)
Pastor Benefits	963	2,540	(1,577)	3,920	7,620	(3,700)
Cell Phone / Car Allowance	567	850	(283)	1,700	2,550	(850)
Continuing Education	307	750	(443)	607	750	(143)
Total Pastoral Care Ministry	\$ 10,213	\$ 19,355	\$ (9,142)	\$ 31,354	\$ 56,565	\$ (25,211)

	<u>Month</u>	<u>Budget</u>	<u>Variance</u>	<u>Y-T-D Actual</u>	<u>Y-T-D Budget</u>	<u>Y-T-D Variance</u>
Youth Ministry						
Leadership Support	\$ -	\$ 262	\$ (262)	\$ 16	\$ 262	\$ (246)
Activities/Events	-	150	(150)	-	300	(300)
Peer Ministry Support	-	619	(619)	-	619	(619)
Resource / Supplies	-	65	(65)	-	65	(65)
Missions	-	-	-	-	-	-
Total Youth	\$ -	\$ 1,096	\$ (1,096)	\$ 16	\$ 1,246	\$ (1,230)
Young Adult						
Young Adult	\$ -	\$ 69	\$ (69)	\$ -	\$ 355	\$ (355)
Total Young Adult	\$ -	\$ 69	\$ (69)	\$ -	\$ 355	\$ (355)
Finance						
Payroll Service	\$ 124	\$ 138	\$ (14)	\$ 593	\$ 709	\$ (116)
Total Finance	\$ 124	\$ 138	\$ (14)	\$ 593	\$ 709	\$ (116)
Administration						
Administrative Salaries	\$ 18,331	\$ 18,550	\$ (218)	\$ 53,608	\$ 55,650	\$ (2,042)
FICA Expense	1,236	1,333	(97)	3,628	3,999	(372)
Benefits	4,376	7,167	(2,790)	17,974	21,501	(3,527)
Postage	20	167	(147)	296	500	(204)
Telephone	701	1,000	(299)	2,145	3,000	(855)
Synod Assembly	-	-	-	-	-	-
Supplies / Printing	31	444	(413)	932	1,424	(492)
Miscellaneous	1,365	-	1,365	3,153	10	3,143
Workers Compensation	-	-	-	187	275	(88)
Umbrella Insurance	-	-	-	169	250	(81)
Building Insurance	-	-	-	4,759	4,800	(41)
Electric	3,580	2,138	1,443	9,457	6,929	2,528
Gas	684	116	569	1,924	368	1,557
Water/Sewage/Waste Disp.	886	868	18	1,962	5,117	(3,155)
Copier Maint. & Lease	643	745	(102)	1,475	2,098	(623)
Security	70	70	(0)	535	550	(15)
Continuing Education	815	500	315	1,107	1,500	(393)
Nursery	75	-	75	127	-	127
Volunteer Screening	8	63	(55)	8	188	(180)
Total Administration	\$ 32,823	\$ 33,159	\$ (336)	\$ 103,446	\$ 108,158	\$ (4,712)
Property						
Mortgage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Technology Upgrades	952	851	101	2,152	3,213	(1,060)
General Maintenance	8,074	6,250	1,824	18,875	18,750	125
Lawn Services	573	583	(11)	1,145	1,750	(605)
Total Property	\$ 9,600	\$ 7,685	\$ 1,915	\$ 22,173	\$ 23,713	\$ (1,540)
Benevolence						
ELCA Benevolence	\$ 3,986	\$ 3,767	\$ 219	\$ 10,320	\$ 10,520	\$ (200)
Mission Partners	1,110	417	693	1,110	1,250	(140)
Noisy Offering	1,991	1,000	991	3,911	3,000	911
Other Benevolence	3,986	3,767	219	10,320	10,520	(200)
Total Benevolence	\$ 11,074	\$ 8,950	\$ 2,123	\$ 25,661	\$ 25,291	\$ 371
Total Expenses						
	\$ 64,938	\$ 73,311	\$ (8,373)	\$ 184,722	\$ 222,639	\$ (37,917)
Income Less Expense						
	\$ 7,088	\$ 3,445	\$ 3,642	\$ 14,369	\$ (7,974)	\$ 22,343

Faith Lutheran Church
Bank Account Fund Balances

Church Operations

Account Balances as of	12/31/13	1/31/14	2/28/14	3/31/14	4/30/14	5/31/14	6/30/14	7/31/14	8/31/14	9/30/14	10/31/14	11/30/14	12/31/14
Income - Offering		\$ 66,408	\$ 57,557	\$ 68,651									
Noisy Offering		1,000	920	1,991									
Income - Misc		696	485	1,384									
Expenses		(61,710)	(58,073)	(64,938)									
Net		\$ 6,394	\$ 889	\$ 7,088									
UCB Checking		\$ 63,642	\$ 38,723	\$ 54,108									
UCB Savings		2,501	2,501	2,401									
Payroll		-	-	-									
Total Cash	\$ -	\$ 66,143	\$ 41,224	\$ 56,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Funds</u>													
Operating Fund	6,580	\$ 12,974	\$ 13,863	\$ 20,950									
Non-Operational Funds	45,015	53,169	27,361	35,559									
Total All Funds	\$ 51,595	\$ 66,143	\$ 41,224	\$ 56,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Benevolence - 2014

	Mar-14 YTD	Mar-14 YTD	2014
	Actual	Budget	Budget
ELCA Benevolence	\$ 10,320	\$ 10,520	\$ 43,919
Mission Partners	1,110	1,250	5,000
Noisy Offering	3,911	3,000	12,000
Other Benevolence	10,320	10,520	43,919
Total Benevolence Ministry	\$ 25,661	\$ 25,290	\$ 104,838
% of Income	12.9%	11.8%	11.7%
YTD Income,	199,092	214,665	895,370

Operating Fund Giving Analysis 2012 - 2014



Faith Lutheran Church Twelve Month Trends

