

ST. MARY'S-IN-THE-HILLS EPISCOPAL CHURCH

2011 TREASURER'S REPORT

January, 2012

To : St. Mary's-in-the-Hills Congregation
Subject: : 2011 Treasurer's Report and 2012 Proposed Budget
From : Marty Tretheway - Treasurer
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First I would like to extend, on behalf the Vestry, myself, our retired Pastor Chris, and the entire congregation a special thanks to Janis Solack for all the work she does on the church finances.

Also thanks to the counters: Paul Henderson, Brian Kelly, Chris Beach, Carl Mihalyfi, Peggy Wenk, Viki Toll, Bill Flanders and Bobbi Patton.

The 2012 budget has been developed by the Vestry and will be recommended for the approval of the congregation at the Annual Meeting on January 29th.

The following are attached:

- Summary of Financial Condition 12-31-2011
- 2011 Budget & Actual Expenses and Proposed 2012 Budget

Summary of Financial Condition December 31, 2011 (report follows)

This report presents fund balances at the beginning and the end of 2011 and the additions and reductions during 2011. The most important amount related to the day-to-day church operations is the General Fund. As illustrated the General Fund increased during 2011 from \$142,224.08 to \$143,866.81.

This slight increase in the General Fund was primarily the result of the open Pastor's position at the end of the year.

The congregation also contributed an additional \$5,739, not reflected on the financial statements to causes such as the Discretionary Fund, Love INC, Crossroads, FISH, ERD and CESA. PLUS additional contributions to the Discretionary Fund exceeded \$3500. Discretionary Funds were distributed to people with needs ranging from rent payments, electric bills, heating bills, replacing plumbing, car repairs, etc. Each of these contributions is researched by the Pastor and the Wardens and money is paid directly for the expense, not given to the individual.

2011 Budget & Expenses and Proposed 2012 Budget (report attached)

This report summarizes that 2011 income of \$166,647.92 was \$1,790 less than forecasted income. Expenses of \$165,005.19 were over \$13,000 below plan due primarily to the open Pastor position at year end.

The 2012 projected income of \$169,969 is slightly above 2011 actual income.

2012 expenses are planned at the level the Vestry feels is necessary to maintain the ministries of St. Mary's. The Vestry strongly feels that Janis, Keenan, Aleta and Janet continue to provide outstanding services to St. Mary's and recommend 3% 2012 pay increases. Pay increases were not granted in 2011.

The planned expenses are based on the assumption that the Pastor position will be filled in November and a "Supply Pastor" will continue until November. If this assumption is correct, even with a \$20,000 expense for recruiting/relocation, the General Fund could end 2012 with an increase of \$29,775.

As illustrated in the notes at the bottom of the budget:

- With a Pastor for a full year expenses would be about \$185,000 or \$20,000 in excess of General Fund income.
- These comparisons exclude the mortgage payment (see below).

Mortgage

The current annual mortgage payment is \$40,656 and a balloon payment of about \$380,000 is due by December 31, 2012. There was \$134,915.42 in the separate "Fellowship Hall" fund as of December 31, 2011. Contact has been made with several lenders to obtain a new mortgage no later than the end of 2012.

While church loan are not "popular" with lenders we are optimistic that a new loan can be obtained at a lower interest rate. The lower interest rate, and possible use of some of the cash should lower the mortgage payment by about \$5000 annually.

Summary

The overall financial condition of St. Mary's has been very good considering economic conditions since the Fellowship Hall was built. The current total cash available at the end of 2011 of about \$277,000 will cover the shortfall temporarily.

While the Congregation, with Vestry leadership, will be challenged with Evangelistic and Capital needs in the near future the immediate financial condition of St. Mary's is good.

St. Marys in-the-Hills - Summary of Financial Condition 12-31-2011

Statement of Accounts

	Accounts as of 12/31/2010	Accounts as of 12/31/2011	Net Change for 2011	Market Value
Checking Account	\$ 61,505.23	\$ 67,207.20	\$ 5,701.97	\$ 67,207.20
Growth & Income	\$ 39,098.73	\$ 36,550.19	\$ (2,548.54)	\$ 36,550.19
Comerica Securities	\$ 14,098.15	\$ 14,115.49	\$ 17.34	\$14,115.49
National City Savings	\$ 53,985.97	\$ 54,115.13	\$ 129.16	\$ 54,115.13
Total	\$ 168,688.08	\$ 171,988.01	\$ 3,299.93	\$ 171,988.01
			To Market	\$ -

Growth & Income as of 9/30/2011 (shares = \$22.68) Comerica Securities as of 11/30/2011

Statement of Funds

	Balance at 12/31/2010	Reductions During 2011	Additions During 2011	Balance at 12/31/2011
Liabilities*	\$ -	\$ -	\$ 4,234.91	\$ 4,234.91
Funds				
General	\$ 142,224.08	\$ 165,005.19	\$ 166,647.92	\$ 143,866.81
Flower	\$ (92.54)	\$ 1,250.00	\$ 1,940.00	\$ 597.46
Memorial	\$ 8,545.06	\$ 4,053.56	\$ 225.00	\$ 4,716.50
Outreach Fund	\$ -	\$ -	\$ -	\$ -
Love INC	\$ -	\$ -	\$ -	\$ -
Memorial Garden	\$ 343.41	\$ 320.00	\$ 160.00	\$ 183.41
Parish Discretionary	\$ 200.00	\$ 3,434.00	\$ 3,619.00	\$ 385.00
Designated Bldg Exp.	\$ 2,260.47	\$ -	\$ 7,187.36	\$ 9,447.83
Designated Evangelism	\$ 4,613.47	\$ 3,026.00	\$ -	\$ 1,587.47
Designated Music	\$ 2,865.76	\$ 100.00	\$ 171.00	\$ 2,936.76
Youth Group	\$ 1,181.68	\$ 221.18	\$ 112.80	\$ 1,073.30
Men's Club	\$ 160.00	\$ -	\$ -	\$ 160.00
Misc. (wash)	\$ 2,249.08	\$ 5,386.52	\$ 5,939.00	\$ 2,801.56
Total	\$ 164,550.47	\$ 182,796.45	\$ 190,236.99	\$ 171,991.01

* Includes taxes and pre-paid pledges - net change shown

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"St. Mary's-in-the-Hills Proposed 2012 Budget

Assumes New Pastor in November

<u>INCOME</u>			2012 Budget	<u>Comment</u>
	2011 Budget	Actual 12/31/2011	Proposed	
Pledges	\$163,026	\$162,240.40	\$164,477	As of 12/5
Loose Plate	\$2,750	\$3,788.40	\$3,000	More than 2011 Budget
Coffee Hour	\$454	\$510.00	\$510	Same as 2011
Miscellaneous	\$225	\$300.00	\$	No Pastor
Investments & Endowments	\$1,982	\$ (190.88)	\$1,982	Same as 2011 Budget
Total Income	\$168,437	\$166,647.92	\$169,969	
<u>EXPENSES</u>				
Diocesan Assessments	\$17,404	\$17,403.72	\$17,594	Amount Pledged
<u>Staff Pay</u>				
Pastor-Stipend	\$42,586	\$35,488.30	\$11,265	Pastor for 2 Months
Pastor Housing Allowance	\$25,000	\$20,833.30	\$	All in Stipend
Pastor Pension	\$12,166	\$10,137.90	\$2,027	Pastor for 2 Months
Pastor-Annuity	\$3,700	\$3,083.30	\$1,200	Medical for 2 Months
Salary - Music Director	\$9,579	\$9,581.11	\$9,869	3% increase
Salary - Parish Administrator	\$13,216	\$13,218.88	\$13,615	3% increase
Salary - Church School Staff	\$1,897	\$1,879.28	\$1,936	3% increase
Salary -Custodian	\$6,302	\$6,455.85	\$6,650	3% increase
FICA & Other Salary Taxes	\$1,302	\$1,887.87	\$2,453	7.65% of pay
Workers Compensation	\$334	\$325.00	\$400	2011 +\$75
<i>Sub-Total Staff Pay</i>	\$116,081.54	\$102,890.79	\$49,414	
<u>Office Expense</u>				
Copier Lease	\$1,797	\$1,714.25	\$900	New Lease
Bank Charges	\$	\$24.00	\$24	Same as 2011
Office Supplies	\$1,000	\$922.66	\$1,000	Same as 2011 Budget
Postage	\$500	\$621.74	\$684	2011+10%
Printing	\$150	\$	\$150	Same as 2011 Budget
<i>Sub-Total Office Expense</i>	\$3,447.00	\$3,282.65	\$2,758.00	

<u>Administrative Expense</u>				
Rector-Business Allowance	\$1,000	\$376.32	\$200	Pastor for 2 Months
Parish Discretionary Account	\$750	\$788.23	\$788	Same as 2011
Rector-Continuing Education	\$750	\$531.17	\$	none planned
Parish Historian	\$	\$	\$	none planned
Leadership Development	\$275	\$212.35	\$275	Same as 2011 Budget
Sub-Total Admin. Exp.	\$2,775.00	\$ 1,908.07	\$1,263.00	
<u>Phones/Internet/Computer</u>				
Church Phone	\$1,236	\$1,463.21	\$1,537	2011 plus 5%
Cell Phone	\$644	\$500.06	\$100	Pastor for 2 Months
Website	\$150	\$63.00	\$150	Same as 2011 Budget
Computer Hardward	\$	\$413.99	\$	none planned
Computer Support	\$1,000	\$248.00	\$248	Same as 2011
Sub-Total Phones, etc.	\$3,030.00	\$2,688.26	\$2,035.00	
<u>Building - Grounds - Utilities</u>				
<u>Utilities</u>				
Electricity	\$7,140	\$7,014.55	\$7,715	plus 10%
Water & Sewer	\$504	\$674.79	\$743	plus 10%
Gas	\$7,189	\$6,703.41	\$8,043	plus 20%
Waste	\$432	\$528.17	\$580	New Price
<i>Utilities Sub-Total</i>	<i>\$15,265.00</i>	<i>\$14,920.92</i>	\$17,081.00	
Building Insurance-total	\$3,888.00	\$3,966.00	\$3,966	Same as 2011
<u>Building Maintenance</u>				
Janitorial Supplies	\$198	\$174.20	\$198	same as 2011 budget
Pest Control	\$302	\$386.52	\$400	New Price
Repair/Maintenance	\$3,270	\$4,124.82	\$4,125	same as 2011
Maintenance Equipment	\$350	\$350.78	\$351	same as 2011
Building Maint Sub-Total	\$4,120.00	\$5,036.32	\$5,074.00	

<u>Grounds Maintenance</u>				
Landscaping	\$210	\$	\$210	same as 2011 budget
Lawn Maintenance	\$2,500	\$2,144.67	\$2,144	same as 2011
Ground Supplies	\$150	\$	\$150	same as 2011 budget
Snow Removal	\$750	\$860.00	\$860	same as 2011
<i>Grounds Maint Sub-Total</i>	<i>\$3,610.00</i>	<i>\$3,004.67</i>	<i>\$3,364.00</i>	
Sub-Total Building, etc.	\$26,883.00	\$26,927.91	\$29,485.00	

Departments / Committees

<u>Christian Education</u>				
Church School	\$337	\$323.46	\$324	same as 2011
Youth Sunday School	\$125	\$128.85	\$129	same as 2011
Adult Education	\$502	\$318.81	\$502	same as 2011 budget
VBS	\$250	\$229.42	\$250	same as 2011 budget
Fellowship	\$116	\$123.64	\$124	same as 2011
<i>Christian Education Sub-Total</i>	<i>\$1,330.00</i>	<i>\$1,124.18</i>	<i>\$1,329.00</i>	
<i>Music Sub-Total</i>	<i>\$1,395</i>	<i>\$1,339.02</i>	<i>\$1,395</i>	same as 2011 budget
<i>Evangelism Sub-Total</i>	<i>\$500</i>	<i>\$463.00</i>	<i>\$500</i>	same as 2011 budget
<i>LOVE INC Sub-Total</i>	<i>\$1,500</i>	<i>\$1,500.00</i>	<i>\$1,500</i>	same as 2011
<i>Stewardship Sub-Total</i>	<i>\$450</i>	<i>\$127.60</i>	<i>\$450</i>	same as 2011 budget
<u>Ministry Expense</u>				
Coffee Hour	\$293	\$348.03	\$349	same as 2011
Worship-General	\$275	\$155.90	\$275	same as 2011 budget
Altar Supplies	\$195	\$262.80	\$263	same as 2011
Bulletins	\$60	\$43.22	\$60	same as 2011 budget
Bulletin Inserts	\$408	\$229.70	\$300	per Janis
<i>Ministry Expense Sub-Total</i>	<i>\$1,231.00</i>	<i>\$1,039.65</i>	<i>\$1,247.00</i>	
Sub-Total Depts/Com	\$6,406.00	\$5,593.45	\$6,421.00	
<u>Other Expenses</u>				
Supply Clergy	\$2,000	\$2,668.60	\$9,600	\$200 per week-48 days

Special Vestry Approved	\$710	\$1,603.75	\$1,604	same as 2011
Scouts-Charter Fees	\$60	\$37.99	\$20	per Janis
Sub-Total Other Expenses	\$2,769.75	\$4,310.34	\$11,224.00	
Anticipated Search Expenses			\$20,000.00	out of pocket+relocation
Total Cash Expenses	\$178,796	\$165,005.19	\$140,194	
Income vs Expenses	\$ (10,359)	\$1,643	\$29,775	

NOTE:

Estimated Expenses with Fulltime Pastor	\$185,000
Income vs Expense with FT Pastor	\$(20,000)
Current Annual Mortgage Payment*	\$40,000
Ongoing Cash Flow	\$(60,000)

**Hopefully lower interest rate will reduce payment by over \$5000 per year*