

**November 2013**  
**Article for Tidings from the Finance Committee**

When we began this fiscal year (January 2013) we (I and others) expressed concern that even though we produced a balanced budget, and even though our revenue increased, and even though we managed our expenses prudently, we could end the year in a negative cash balance situation. Simply put, we could have less cash in our bank account than we have bills/salaries/benefits to pay. In the last few weeks, Brenda DeGeer, our Church Treasurer (a CPA with much experience) and Al Brunsting, a member of our church Finance Committee as well as a skilled quantitative analyst tackled the issue. Using different methods, they both determined that we will, indeed, be short of cash by December 31 unless recent history is reversed. Below is an explanation of their work.

They had as their goal to make accurate estimates of year end net income and year end operating cash. This has implications for current decisions regarding expenses for salaries, benefits, program, office, building maintenance, and apportionment.

The methods they employed were to conservatively estimate total year end revenue starting with September year-to-date actual numbers and carry that to the end of the year. This was done using 2011 revenue, thereby unaffected by our successful “top-off” initiative last year. Similar estimates were made for expenses.

Their results were in agreement to within \$4,000, which is certainly close enough for estimates of these amounts (\$766,413-revenues, \$751,370-expenses).

Results: Paying full apportionments, \$115,000, and the full estimated amount for salaries and benefits, \$414,502, our year-end net income is estimated to be \$15,043. However, our operating cash is estimated to be a negative, (\$3,745). Be mindful that this also estimates a pre-paid pledge amount of \$23,000, an amount that is historically based but certainly not guaranteed.

My reason for sharing this information is to be true to the Finance Committee’s “To-Do” items for the year. Our goals for the year, while seemingly simple are important: ***Transparency, Accountability, and Communication***. As chair I believe I speak for the entire committee when I say that we took this charge seriously. In addition, Pastor Grace has made it part of her conversations and exhibits it in her leadership. However, something must be done and soon. Either revenue must increase or expenses must decrease. Our largest expense is wages and benefits.

Now, we have a decision to make. Each month the finance committee, along with the Treasurer, will determine what/who gets paid as our cash diminishes. Be mindful, too, that another of our promises to ourselves as a church was to pay our Apportionment in full. Please consider this as you complete your 2013 pledge and consider your year-end generosity; and pray for the Finance Committee as we discern our decisions for the rest of this year. If you have any questions or want to review the work of the Finance Committee, please feel free to ask any member, or email myself at ([Churchgoup@aol.com](mailto:Churchgoup@aol.com)). In addition, please read the Committee minutes which are complete, quite detailed, and available. Contact myself or the Committee Secretary, Barbara Dabrowski ([jpdabrowski@hotmail.com](mailto:jpdabrowski@hotmail.com)) to obtain a copy.

Richard Kaffka, Chair