

St Philip's Episcopal Church  
Vestry Meeting  
June 16, 2011

Attendance:

Present were: Father Gerry Blackburn, Mo Beers, Bill Bittenbender, Linda Brinson, Bill Meiners, Tina Powers, Tommy Harrelson, Joan Hayes, Lorraine Richardson, and Tom Trivett.

Also, present: Wayne John, Treasurer, Dana Richardson, Clerk, and David Forsyth to present the Finance Audit.

Absent were: Father Barry Kubler (sabbatical), Deacon Henrietta Williams (leave of absence), Debbie Evans, Jake Pfohl, and John Reinsburrow.

Father Gerry opened the meeting at 5:59PM with a prayer

MINUTES

- Minutes of the 19 May 2011 meeting were approved as corrected to reflect attribution of comments regarding communication of perceived funding shortfalls.

TREASURER REPORT

- The full Treasurer's Report is available in the church office.

		Report Month: May								
		Mo. Actual	Mo. Budget	Mo.Diff	YTD Actual	YTD Budget	YTD Diff	Annual Budget		
<b>Revenues</b>										
1-000300	Pledges	\$ 32,883	\$ 28,769	\$ 4,114	\$ 141,476	\$ 143,844	\$ (2,368)	\$ 345,226		
1-000301	Flower Revenue	\$ 990	\$ 433	\$ 557	\$ 2,625	\$ 2,167	\$ 458	\$ 5,200		
1-000302	Identified Offerings	\$ 2,935	\$ 2,083	\$ 852	\$ 10,239	\$ 10,417	\$ (178)	\$ 25,000		
1-000310	Loose Plate	\$ 851	\$ 1,042	\$ (190)	\$ 5,493	\$ 5,208	\$ 285	\$ 12,500		
1-000311	Summer Ministry Loose Plate	\$ -	\$ 50	\$ (50)	\$ -	\$ 50	\$ (50)	\$ 800		
1-000320	Interest Received	\$ -	\$ 100	\$ (100)	\$ -	\$ 100	\$ (100)	\$ 400		
1-000330	A A Contribution	\$ 55	\$ 52	\$ 3	\$ 290	\$ 258	\$ 32	\$ 620		
1-000380	Miscellaneous Receipts	\$ 3,081	\$ 3,788	\$ (706)	\$ 17,961	\$ 18,940	\$ (978)	\$ 45,455		
<b>Total Revenues</b>		\$ 40,796	\$ 36,317	\$ 4,479	\$ 178,085	\$ 180,984	\$ (2,899)	\$ 435,201		
		Beginning Balance	Restricted Revenue	Restricted Expenses	Credit Adjustments	Debit Adjustments	Ending Balance			
1-000804	<b>Building Fund</b>	\$ 15,257.76	\$ 4,080.00	\$ -	\$ -	\$ 2,545.45	\$ 16,792.31			
<b>Expenses</b>										
	Parish Staff	\$ 26,655	\$ 20,890	\$ (5,766)	\$ 103,086	\$ 97,226	\$ (5,861)	\$ 227,398		
	Christian Ed. & Youth	\$ 628	\$ 881	\$ 253	\$ 4,589	\$ 4,406	\$ (183)	\$ 10,975		
	Music	\$ -	\$ 217	\$ 217	\$ 1,175	\$ 1,083	\$ (92)	\$ 2,600		
	Outreach	\$ 3,887	\$ 3,908	\$ 21	\$ 15,389	\$ 19,380	\$ 3,991	\$ 46,736		
	Property	\$ 2,212	\$ 6,905	\$ 4,694	\$ 29,833	\$ 31,982	\$ 2,149	\$ 81,565		
	Administration	\$ 3,197	\$ 3,953	\$ 756	\$ 19,545	\$ 18,515	\$ (1,031)	\$ 44,185		
	Worship	\$ 646	\$ 517	\$ (129)	\$ 2,083	\$ 2,583	\$ 500	\$ 7,832		
	<b>Total Expenses</b>	\$ 37,225	\$ 37,271	\$ 45	\$ 175,700	\$ 175,175	\$ (525)	\$ 421,291		
	<b>Net Operating Revenue</b>	\$ 3,570	\$ (954)	\$ 4,524	\$ 2,385	\$ 5,809	\$ (3,424)	\$ 13,910		

- The year-to-date revenue is very close to what we have projected (\$2,368 behind the May forecast) with no real issues at this time.

- The parishioners should be advised that they need to continue to keep their pledges up to date even in the summer months.
- There are some areas of concern regarding expenses:
  - Health insurance for all three employees is exceeding our budget.
    - We were given cost estimates in December and our costs are greater than the estimates provided.
    - Father Barry's health insurance cost surpasses the other two employees by a greater margin.
      - It is possible that Father Barry's health insurance rate may decrease when he becomes eligible for Medicare.
      - **[Action 06-16-11-1 - Stewardship Commission]** Check into when Father Barry becomes Medicare eligible and what the impact will be on St Philip's health insurance costs.
  - Electric and water expenses are way over budget.
    - The excessive electrical cost was first noticed and reported earlier in the year while we were still experiencing a cold winter.
    - Through May we are \$6,100 over our budget projections for electric and water combined.
    - If this trend continues, it is possible to be \$12,000 over budget by the end of the year.

#### SENIOR WARDEN – Mo Beers

- It has been noted that recently, with the start of the summer schedule (Natasha works Monday, Tuesday and Wednesday), the church office has not been staffed by volunteers as frequently as planned.
  - Father Gerry noted that the volunteers are doing a superb job in supporting Natasha.
  - Last year a job description was approved for an assistant secretary but the position was not funded in the 2011 budget.
  - Mo will discuss the issue with Natasha to determine if there is a real problem or if the recent gaps are not typical of the office coverage. **[Action 06-16-11-2 - Senior Warden]**
- Two job descriptions were distributed for review and consideration for approval:
  - Treasurer. The following items were discussed:
    - Revised to reflect the cancellation of the Finance Committee last December.
    - It is understood that the Treasurer need not be present at all functions under his/her cognizance to fulfill the "oversee" function.
    - Delete the requirement for anyone serving as custodian of any congregational or organized funds over \$500 to be bonded.
    - Make the attendance at the annual vestry retreat provisional – "if required".

Bill Bittenbender made a **MOTION**:

**APPROVE THE REVISED TREASURER JOB DESCRIPTION**

Joan Hayes **SECONDED** the motion. Motion carried.

- Financial Assistant: The job description defines the roles and responsibilities of the position that Kathryn Ard was approved to fill last month.

Bill Bittenbender made a **MOTION**:

**APPROVE FINANCIAL ASSISTANT JOB DESCRIPTION**

Tom Trivett **SECONDED** the motion. Motion carried.

JUNIOR WARDEN – Tom Trivett

- **Feeding the Cats:**

- At least two (unnamed) parishioners have complained to Father Barry about the mess on the back steps to the Parish Hall that appears to be due providing food and water for a cat (or cats).
  - Direction was given on May 26<sup>th</sup> to withhold food and water from the cat (or cats), due to the local ordinance, health, and local business concerns, until the vestry had an opportunity to consider the issue at this meeting.
- There is a Southport City ordinance that prohibits the feeding of stray cats.
  - The city is allegedly being over-run by stray cats.
  - Feral cats are apparently not lacking food due to sources of food throughout the city.
  - Prior to the vestry meeting, Debbie Evans spoke with Mr. Drew, the Southport animal control officer. He revealed that the majority of the strays in downtown Southport have been trapped, neutered/spayed and released. Also, a cat that has been fed as long as the St. Philip's cat has been fed, basically "declassifies" it as a stray. Mr. Drew indicated that the Southport ordinance is not being strictly enforced and that he would make himself available to address the vestry if needed.
- Open discussions among the vestry addressed the way in which this issue has been handled and the negative impact of the actions taken to withhold not only food but also water from the cat (or cats) has had on some members of the church.

Bill Bittenbender made a **MOTION:**

**CATS WILL NOT BE FED ON CHURCH GROUNDS DUE TO CLEANLINESS AND HEALTH ISSUES.**

Tom Trivett **SECONDED** the motion.

Motion carried with six in favor and three opposed.

- Father Gerry suggested that the vestry needs to be sensitive in how this motion is conveyed to the congregation, especially those that have been sincere in their desire to take care of the animals (that are God's creations). **[Action 06-16-11-3 - Bill Meiners]**

- **Cleanliness of the Church:**

- It is becoming readily apparent that the church and its facilities are not as clean as they should be.
  - Restrooms are not clean.
  - Facilities are showing the effects of increased use with stained carpets and general filth.
    - Reflects the increase facility use and lack of responsibility of those that use the facilities to clean up after an event.
  - The specific times that the Sexton is currently working need to be reviewed and revised if it would improve the general appearance of the church.
- Groups that use the church facilities will be provided guidance that specifies the roll of the Sexton and the responsibility of each group to maintain the cleanliness of the facilities. **[Action 06-16-11-4 – Junior Warden]**.
- The Junior Warden will meet with the Sexton to review current working times and address specific times that would improve the overall cleanliness of the church facilities. **[Action 06-16-11-5 – Junior Warden]**.

DEACON – Henrietta Williams (on leave of absence)

## COMMISSIONS

CHRISTIAN EDUCATION – Tommy Harrelson

- Sunday school volunteers were recently recognized in Church.
- Acolyte trip to the Outer Banks went well, and our young people were recognized for their efforts.
- Vacation Bible School is being organized. No problems are foreseen. The Men’s Group is furnishing the meals.
- Adult Education was dealt a setback with the death of Bonnie Shurman. We will need to find a replacement for her considerable talent and efforts. Millie says that someone has volunteered to help but I am sure other help would be welcome.

STEWARDSHIP – Bill Bittenbender & Bill Meiners

- We need to form a Stewardship Committee this month to be ready for the September campaign. The committee should be larger than normal to help generate interest and enthusiasm for the added funds we will be seeking (see Long Range Plan - attached).
- **Audit Committee Report:** (Attachment 1)
  - David Forsyth reviewed the draft Financial Audit Committee Certificate with the following major points:
    - The finding of the committee is that St Philip’s finances are excellent this year.
    - The liquidity of church funds over the past ten years has been good.
    - Clay (Fairly) is managing the Reserve fund and has grown it from \$10K to \$13K and if needed, these funds can be liquidated in a short period.
    - The Mission Capital Fund allows the vestry to use restricted or partially restricted funds for capital assets. This fund can be used in its entirety, if needed.
    - The Audit Committee stands behind the numbers provided as attachments to the report.

Bill Bittenbender made a **MOTION:**

**APPROVE THE 2010 AUDIT COMMITTEE FINDINGS ON POLICY AND PROCEDURES**

Linda Brinson **SECONDED** the motion. Motion carried

- Per the approved Finance Audit Report, in order to catch up on the depreciation of the grand piano put into service in 2008, it was recommended that the vestry pass a motion to capitalize assets greater than \$5000 going forward. The following **RESOLUTION** was proposed during subsequent discussions:

**RESOLVED THAT ST. PHILIP’S CHURCH CAPITALIZE ANY CAPITAL PURCHASE OR CAPITAL GIFT EQUAL TO OR GREATER THAN FIVE THOUSAND DOLLARS.**

Bill Bittenbender made a **MOTION:**

**APPROVE THE RESOLUTION TO CAPITALIZE ITEMS EQUAL TO OR GREATER THAN FIVE THOUSAND DOLLARS.**

Tommy Harrelson **SECONDED** the motion. Motion carried

- **Insurance Review Committee:** The insurance review report (Attachment 2) was reviewed.
  - A question was raised regarding the 5% deductible for hurricane/flood damage. If this is the correct amount, then in case of catastrophic damage due to a named storm or flooding, the main church alone could result in \$87,150 out of pocket expenses for St Philip's Church.
  - Check with the Rick Pearce to determine if the 5% deductible is correct and in line with the regional changes to coastal insurance coverage implemented for this season. **[Action 06-16-11-6 - Stewardship Commission]**
- **Endowment Fund Committee:** There was a delay in continuing this committee's work due to members travel. The committee will reconvene later this month.
- **Strategic Planning Committee:** The final draft (Attachment 3) was reviewed.
  - Committee was formed in march 2011 and charged with determining how St. Philip's can best meet the following issues identified in both the 2007 and 2010 Long Range Planning Reports:
    - Engage the services of and Assistant Priest
    - Eliminate the current mortgage
    - Initiate a capital campaign to fund a new parish Hall
  - It was noted that the report did not address the 3<sup>rd</sup> or 2<sup>nd</sup> priority item (depending on interpretation of the raw data) from the 2010 Survey – “building a reserve fund for maintenance and repairs”.
    - The existence of the Maintenance Reserve account (1-000823) is considered sufficient to meet this item.
  - The report will be put on the church web site and the July *The Phillipian* in order to provide a wide distribution.
    - The Vestry Person of the Day was requested to announce the availability of the report during the service on 19 June.

Bill Bittenbender made a **MOTION:**  
**ACCEPT THE 2011 LONG RANGE PLANNING REPORT WITH THE VESTRY ADDING A STATEMENT REGARDING CAPITAL RESERVES.**  
 Tom Trivett **SECONDED** the motion. Motion carried

- Provide a statement regarding building a reserve fund for maintenance and reserves for inclusion in the 2011 Long Range Planning Report. **[Action 06-16-11-7 - Stewardship Commission]**

#### WORSHIP – John Reinsburrow

- Activities since last meeting:
  - Second of Summer Concert Series (Langley Winds) had 155 in attendance.
  - Worship Services shifted to Summer Schedule.
    - Supporting four services each Sunday (Beach, Carillon, two at St. Philip's)
    - Preparing solicitation for help with Ushers/Greeters, Readers, Eucharistic Ministers (for Sunday bulletin and *The Phillipian*)
- Upcoming activities/calendar of events:
  - Third of the Summer Concert Series:
    - Sunday, July 17<sup>th</sup> @ 4:00PM with Barry Salwen (pianist)
      - Will provide article for the St. James newsletter

#### EVANGELISM AND OUTREACH – Tina Powers & Jake Pfohl

- In support of the Brunswick Family Assistance “Christmas in July” program, we have "adopted" three children from the Southport area.

- The purpose of the program is to provide a new outfit of clothes and shoes, along with a book bag and supplies appropriate for their school and grade.
- Boxes will be placed in the Narthex with specific requests for each of the children to provide the congregation the opportunity to support these children. **[Action 06-16-11-8 – E&O Commission]**
- Jake is continuing to work with the Poverty Busters Group and will have info for us at the meeting in July.
- The inter-faith church service remains a work in progress.
  - Intend to have Father Barry present for the service. Working toward a date in late September or early October.
  - A progress update will be provided at the July Vestry meeting.
- Coordinating with the Red Cross to have the next blood drive on 2 October 2011.

#### PASTORAL CARE – Lorraine Richardson & Joan Hayes

- Pastoral Care Messages for Owens, Shurman and Fox were forwarded to neighborhood team leaders for distribution.
- Request on behalf of Gerry and Ruth Fox forwarded to Marv Adkins and Ross Irwin for action by the Odd Jobbers.
- Updated Team Leaders listings from the master data base for May/June were forwarded to all team leaders.
- New Members Planning Committee:
  - Meeting was held Saturday June 11<sup>th</sup>. Those in attendance were, Holly Meiners, Dave Edwards, Jennifer Gould, Joan Hayes and Lorraine Richardson. George Bowers, Marv Adkins and Ross Irwin were unable to attend due to scheduling conflicts.
  - The New Members Information Packet was reviewed and discussed.
    - Jennifer Gould will make the changes and submit to the committee for a final review prior to going to print, target date is early July.
    - Dave Edwards agreed to handle the printing portion.
    - Distribution of packet will be to those members that have recently joined St. Philips and will be handled by the Women’s Group.
  - Holly Meiners reported on the first badge order campaign for 2011.
    - An order for 10 badges was processed and will be ready for pick up June 18<sup>th</sup>.
    - The last opportunity to place an order in 2011 will be during the month of October.
    - Holly will place the announcement/order form in the bulletin(s).
    - A discussion on how to encourage all members to wear their badges was touched on briefly – something is in the works for possibly the August time frame.
  - The next meeting of the committee is tentatively scheduled for mid September.
- Pictorial Directory is still on track for sign up’s in August with photo sessions beginning the last two weeks in September.
- May and Jimmy Moore will be hosting the Fall New Members Social at their home on Oak Island. The tentative date is October 23, based on Father Barry’s availability.

#### SERVICE – Linda Brinson & Debbie Evans

- 2011 Goals (check mark = complete):
  - ✓ Contacting all volunteers identified on the Time & Talents surveys
  - ✓ Scheduling volunteers each quarter for the upcoming events
  - ✓ Identify a volunteer to lead the Quick Response Team (QRT) for memorial receptions
  - ✓ Host Inter-Church Fellowship Luncheon

- ✓ Host Lenten service luncheon (March 30<sup>th</sup>)
- ✓ Provide Breakfast for the Choir and Clergy on Easter Sunday (April 24<sup>th</sup>)
- ✓ Provide donuts & coffee for Spring Clean-up volunteers (April 30<sup>th</sup>)
- ✓ Coordinate parish picnic at Brunswick Town (May 1<sup>st</sup>)
- Host one service (come together) luncheon (Sept. 11<sup>th</sup>)
- Coordinate parish pig pickin' (Sept. 24<sup>th</sup>)
- Provide beverages for Pledge Sunday / Stop Hunger Now bag lunch (Oct. 16<sup>th</sup>)
- Host Annual Meeting luncheon (Dec. 4<sup>th</sup>)
- Provide light breakfast for Vestry Workshop (Dec. 10<sup>th</sup>?)
- Host Parish Christmas Party at Community Building (Dec. 16<sup>th</sup>)
- ✓ If needed, assist choir with serving refreshments following Choral Evensong events and Summer Concert Series
- ✓ Host receptions following memorial services at St. Philip's
- ✓ Provide food and beverages for Anti-racism Training (Feb. 26<sup>th</sup>)
- ✓ Assist with May History Celebration Dinner (May 12<sup>th</sup>)
  
- There will be a reception following the service for "Miss Patty" in July.

## OLD BUSINESS

### Review Action Items

Action #	Assigned to	Description	Status
12-11-10-4	Father Barry	Locate the architect's elevations for Phase II	[2-17-11] Junior Warden to search church attic for architect elevations from the church construction [5/19/11] Junior Warden to contact the church architect for phase II drawings from 2002
01-20-11-6	Evangelism & Outreach Commission	Initiate an invitation to an African American church to attend St Philip's Church to strengthen interfaith fellowship	[3/15/11] - Invitation in process for Mount Carmel AME - [4/14/11] Plan to arrange one inter-faith service this year
04-14-11-1	Stewardship Commission	A report of the Insurance Review Committee is expected at the end of April and will be shared with the Vestry	5/19/11: Delivery of the report is now projected for the end of June
5-19-11-1	Service Commission	Determine if Dry Street can be blocked on 24 September in support of the Vestry Pig Pickin'	
5-19-11-2	Junior Warden	Price several reputable estimates for replacement of the Parish Hall Carpet	
5-19-11-3	Father Barry	Seek references from other churches for AMERA-LIFE presentation	
5-19-11-4	Clerk	Pass to Men's Group that Lobster Sale fliers to be distributed in St. James Plantation are to include the name and address of a St. James resident	

- A/I 12-11-10-4: Tom Trivett received a compact disc of PDF files from the church architect.
  - The files contain no elevations beyond those already on hand,
  - Status: **Closed**
- A/I 01-20-11-6: Tina Powers to provide an update in July
  - Status: **Open**
- A/I 04-14-11-1: Insurance Audit reviewed and approved at this meeting.
  - Status: **Closed**
- A/I 5-19-11-1: Will check after the 4<sup>th</sup> of July.
  - Status: **Open**

- A/I 5-19-11-2: Tom Trivett is receiving estimates from TMK in Cary, NC and Carpet Warehouse. One other local company was recommended.
  - Status: **Open**
- A/I 5-19-11-3: Pending Father Barry's return from sabbatical.
  - Status: **Open**
- A/I 5-19-11-4: Recommendation is included in items for next year's lobster sale.
  - Status: **Closed**

#### NEW BUSINESS

- Church electrical usage rates have resulted in a review of current settings:
  - Thermostat setting in the Sanctuary has been set at 72 degrees (F) for service times and 76 degrees during off-service times.
  - In an effort to reduce cooling effects on electrical usage, the thermostat will be set at 74 degrees (F) for events and 78 degrees during non-event times.
    - Sundays will have the 74 degrees set from 6:30AM to noon.
  - Humidifier malfunctions have resulted in increased cooling and electrical usage.
    - Mansfield Brothers has been contacted to fix the humidifier.
  - Outside lights have been reset to operate from 6PM to midnight.

#### RECTOR'S REPORT

None

#### OTHER BUSINESS

None

#### CHURCH CALENDAR

No new items

Next Meeting: Thursday, July 21, 2011 at 6PM

The meeting was adjourned at 8:11PM with the Lord's Prayer.

Respectfully submitted: Dana Richardson, Vestry Clerk

#### Attachments:

1. Finance Audit
2. Insurance Audit
3. 2011 Long Range Planning Report

**DRAFT FOR DISCUSSION PURPOSES ONLY**  
**2010 Audit Committee Findings on Policy and Procedures**  
**May 25, 2011**

To: The Rector, Wardens and Vestry of St. Philips's Episcopal Church, Southport, NC  
Subject: 2010 Audit of St. Philip's Episcopal Church

During the course of the above inspection, the following items pertaining to internal controls and other operation matters were noted. The report is divided into two sections. The first includes areas of management control mentioned in the 2009 Findings on Policy and Procedure requiring follow up. The second includes auditor's comments and recommendations for the current year (2010)

**Items for follow up from the 2009 findings:**

1. The findings from the 2009 Audit were addressed in writing by both the Finance Officer and by the Finance Committee. As presented the responses satisfactorily resolve all the issues raised, in the opinion of the current audit committee.

**Current year comments and recommendations:**

1. A member of the audit committee met with Wayne Berry, CPA, to discuss ending the straight line depreciation taken on plant, property and equipment since 2004. Mr. Berry believed that not taking depreciation would be counter to current generally accepted accounting principles even for a nonprofit organization that does not pay taxes. Mr. Berry additionally suggested that the accounting for St. Philips should include the capitalizing of any assets greater than \$5000, such as the piano, in order to maintain a cost basis for big ticket items. The finance officer and the audit committee have presented a balance sheet that continues the depreciation of the capitalized assets of sanctuary, property and equipment, including the catch up of depreciation on the piano put into service in 2008, assuming the vestry passes a motion to capitalize assets greater than \$5000 going forward. Paper schedules of the depreciation will be kept for capitalized assets until the time that it becomes cumbersome enough that the fixed asset module from ACS (Automated Computer System) is cost justified.
2. During 2010 the monthly financial reports were printed before the checkbook reconciliation was completed. Thus the beginning balances in General Fund Checking (BB&T) or Waccamaw Bank Checking for a subsequent month never equaled the ending balance from the prior month by the difference between uncleared checks and deposits in the books but not yet in the bank, plus other normal adjustments. The monthly reports could be run after checkbook reconciliation before the vestry meeting and then the beginning and ending balances would agree and properly state the bank balance in the reports to the vestry.
3. Sales Tax Receivable (1-000103) balance of \$2801.73 at the beginning of 2010 needs to be examined to see if this 2009 or earlier activity can be collected or should be written off as uncollectable. Current year's sales tax receivable has been filled semi annually as allowed by NC Department of Revenue.
4. Several errors in journal entries involving the General Fund Balance (1-000299) account were discussed with the Finance Officer. It is suggested that any journal entry involving a debit or credit to General Fund Balance be approved by the Finance Officer to avoid making errors that affect the balance sheet over time.

## Attachment 1: Finance Audit

5. Uncertainty exists over whether yearend adjustments can be made after yearend closing procedures, thus the yearend closeout procedures, along with subsequent monthly closeouts have been delayed. It is suggested that it be verified with support at ACS (the computer system the church uses) that timely closeouts are preferred, and that we can make adjustments to 2010 after closeout using a 12/31/2010 date and the activity will be reflected on yearend reports.
6. In reviewing the temporarily restricted accounts (the 800 accounts) it was noted that the Mission Fund Grant moneys were not received and distributed in account 1-000817 as originally intended. However, as suggested in last year's audit, the amount was entered and distributed in the Outreach account 1-000814 where it could be noted easily for inclusion in the outreach efforts total for St. Philips in the Parochial Report. The failure to receive a check for grants from the women's group either in 1-000811 Women's Group Outreach or in 1-000814 means that that activity was not included in the Parochial report. Accounts 817 and 811 can be made inactive if not needed.
7. Contained in the "Audit Guidelines for Congregations" is a section entitled "Property and Equipment" which contains questions pertaining to the inventory and identification of physical assets, their date of purchase, cost, location, etc. In a separate section of the guidelines is a topic entitled "Other" which includes a question concerning insurance coverage for church assets. The Audit Committee is aware that an insurance review is in progress and that the church assets are covered under an insurance policy covering all church assets in the Diocese of East Carolina. It is not clear how the value of each church's assets can be valued without a reasonably accurate inventory of those assets and either a purchase cost or current replacement value for them. It would seem wise, as a minimum, that all St. Philips assets be photographed in their present location so that the number and type of kitchen appliances, audio visual equipment, chairs, tables, desks, owned and leased office equipment, piano, organs, vestments, altar coverings, and vessels used in worship, etc. can be determined and value assigned. Otherwise, how will the insurer be able to arrive at a reasonable and fair assessment of the damage and reasonable replacement value for the damage incurred? The audit committee leaves the answer to that question to the Vestry for consideration and appropriate action.
8. In 2010 the accounting for St. Philip's continued to be driven by the improving use of the modules of the Automated Church System (ACS). The Contributions module for collections and pledges, the General Ledger and Accounts Payable module, Payroll, and Checkbook Reconciliation module all contribute to an accounting of the church's finances that meets generally accepted accounting practices. A separation of duties for those entering data for contributions and cash from those running payroll and accounts payable, from those authorizing payments, and from those signing checks (two signatures on all) constitutes a strong level of internal controls, in the opinion of the 2010 Auditing Committee.

Respectfully submitted, Members of the 2010 Audit Committee

Attachment 1: Finance Audit

Date : 06/22/2011  
Time : 8:35:33 AM

St. Philip's Episcopal Church  
Balance Sheet  
December 2010

Page : 1

Accounts		
Assets		
<b>Cash</b>		
1-000100 - General Fund Cash In Bank	\$67.95	
1-000109 - Cash Due Temporarily Restricted Fd	(\$89,381.31)	
1-000113 - Waccamaw Bank Checking	\$116,096.29	
1-000119 - Maint. Reserve Fund SSB	\$13,170.59	
<b>Total Cash</b>		<b>\$38,863.52</b>
<b>Temporarily Restricted Assets</b>		
1-000111 - Cash Due From Unrestricted Fd.	\$89,381.31	
<b>Total Temporarily Restricted Assets</b>		<b>\$89,381.31</b>
<b>Permanently Restricted Assets</b>		
1-000116 - SSB-Memorial Garden	\$12,664.70	
1-000117 - SSB-Mission Fund Outreach	\$123,710.33	
1-000118 - Mission Fund/Capital SSB	\$58,091.29	
<b>Total Permanently Restricted Assets</b>		<b>\$194,466.32</b>
<b>Fixed Assets</b>		
1-000150 - Land	\$535,974.83	
1-000152 - Buildings-New Sanctuary	\$1,660,843.68	
1-000156 - Fixtures & Furnishings	\$58,535.31	
1-000158 - Equipment	\$95,884.60	
1-000159 - Accumulated Depreciation	(\$366,468.00)	
<b>Total Fixed Assets</b>		<b>\$1,884,770.42</b>
<b>Other Assets</b>		
1-000103 - Sales Tax Receivable	\$1,021.23	
1-000123 - Food Sales Tax Receivable	\$63.29	
<b>Total Other Assets</b>		<b>\$1,084.52</b>
<b>Total Assets</b>		<b>\$2,308,868.08</b>
Liabilities, Fund Principal, & Restricted Funds		
<b>Liabilities</b>		
<b>Long Term Liabilities</b>		
1-000280 - Mortgage Payable	\$396,660.26	
<b>Total Long Term Liabilities</b>		<b>\$396,660.26</b>
<b>Total Liabilities</b>		
		<b>\$396,660.26</b>
<b>Unrestricted Fund Balance</b>		
1-000297 - Investment FA Excess Related Debt	\$1,928,388.24	
1-000299 - General Fund Balance	(\$277,819.02)	
Excess Cash Received	(\$21,311.01)	
<b>Total Unrestricted Fund Balance and Excess Cash Receive</b>		<b>\$1,629,258.21</b>
<b>Restricted Funds</b>		
Total Temporarily Restricted	\$89,381.31	
Total Permanently Restricted	\$194,466.32	
<b>Total Restricted Funds</b>		<b>\$283,847.63</b>
<b>Total Liabilities, Fund Principal, &amp; Restricted Funds</b>		<b>\$2,308,868.08</b>

Date : 06/22/2011  
Time : 8:37:00 AM

St. Philip's Episcopal Church  
Summary of Restricted Funds  
January to December 2010

Page : 1

Accounts	Beginning Balance	Restricted Revenue	Restricted Expenses	Credit Adjustments	Debit Adjustments	Ending Balance
<b>Temporary Restricted</b>						
1-000801 - Memorial Funds (Undesignated)	\$9,610.93	\$3,016.84	\$7,170.72	\$0.00	\$0.00	\$5,457.05
1-000804 - Building Fund	\$43,333.94	\$39,217.96	\$41,274.83	\$0.00	\$34,824.41	\$6,452.66
1-000806 - Cemetary Fund	\$7,197.97	\$2,000.00	\$889.91	\$0.00	\$0.00	\$8,308.06
1-000808 - Tree of Lights	\$2,107.00	\$740.00	\$49.91	\$0.00	\$0.00	\$2,797.09
1-000810 - Men's Fundraising	\$6,610.09	\$4,550.48	\$3,561.21	\$0.00	\$0.00	\$7,599.36
1-000812 - Rector's Discretionary	\$4,770.45	\$11,911.47	\$10,810.33	\$12.00	\$192.14	\$5,701.45
1-000814 - Outreach	\$4,454.16	\$8,679.24	\$7,964.84	\$300.00	\$2,486.00	\$2,982.56
1-000815 - Music Fund	\$2,331.00	\$2,554.28	\$1,140.00	\$0.00	\$0.00	\$3,745.28
1-000816 - Diocese Fund	\$342.71	\$0.00	\$0.00	\$0.00	\$0.00	\$342.71
1-000817 - Mission Fund Outreach Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1-000818 - Humanitarian Fund	\$1,831.11	\$0.00	\$1,140.21	\$1,140.21	\$95.00	\$1,746.11
1-000819 - Misc. Project Fund	\$3,071.23	\$27,008.10	\$10,119.58	\$0.00	\$958.07	\$19,001.68
1-000820 - Lobster Account	\$2,349.72	\$9,705.65	\$21,701.36	\$12,360.00	\$308.02	\$2,407.99
1-000822 - Chapel of the Cross Reserve	\$3,261.50	\$3,960.50	\$595.00	\$85.00	\$0.00	\$6,712.00
1-000823 - Maintenance Reserve	\$11,000.00	\$0.00	\$11,000.00	\$32,254.62	\$16,127.31	\$16,127.31
<b>Total Temporary Restricted</b>	<b>\$102,271.81</b>	<b>\$113,344.52</b>	<b>\$117,417.90</b>	<b>\$46,151.83</b>	<b>\$54,968.95</b>	<b>\$89,381.31</b>
<b>Permanent Restricted</b>						
1-000901 - Mission Fund/Capital AGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1-000902 - Mission Fund/Outreach AGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1-000904 - Memorial Garden Fund	\$12,640.34	\$0.00	\$0.00	\$124.36	\$0.00	\$12,664.70
1-000905 - Mission Fund/Outreach SSB	\$111,808.08	\$1,871.07	\$1,871.00	\$23,873.56	\$12,071.38	\$123,710.33
1-000906 - Mission Fund/Capital SSB	\$53,076.70	\$0.00	\$0.00	\$12,331.46	\$7,316.87	\$58,091.29
<b>Total Permanent Restricted</b>	<b>\$177,425.12</b>	<b>\$1,871.07</b>	<b>\$1,871.00</b>	<b>\$36,429.38</b>	<b>\$19,388.25</b>	<b>\$194,466.32</b>

# Attachment 1: Finance Audit

Date : 06/22/2011  
Time : 8:38:01 AM

## St. Philip's Episcopal Church Analysis of Revenues & Expenses - Detail Landscaped\* December 2010

Page : 1

Accounts	MTD Actual (This Year)	MTD Budget (This Year)	YTD Actual (This Year)	YTD Budget (This Year)	Annual Budget (This Year)
<b>Revenues</b>					
1-000300 - Pledges	\$42,750.80	\$57,522.00	\$330,040.29	\$332,504.00	\$332,504.00
1-000301 - Flower Revenue	\$643.00	\$433.37	\$5,388.00	\$5,200.00	\$5,200.00
1-000302 - Identified Offerings	\$6,436.00	\$3,976.00	\$30,723.40	\$28,400.00	\$28,400.00
1-000310 - Loose Plate	\$3,107.08	\$1,750.00	\$13,408.07	\$12,500.00	\$12,500.00
1-000311 - Summer Ministry Loose Plate	\$0.00	\$0.00	\$810.90	\$765.00	\$765.00
1-000320 - Interest Received	\$0.00	\$3.00	\$390.71	\$25.00	\$25.00
1-000330 - A A Contribution	\$85.00	\$51.63	\$775.00	\$620.00	\$620.00
1-000380 - Miscellaneous Receipts	\$1,999.00	\$2,691.63	\$9,905.31	\$32,300.00	\$32,300.00
<b>Total Revenues</b>	<b>\$55,020.88</b>	<b>\$66,427.63</b>	<b>\$391,441.68</b>	<b>\$412,314.00</b>	<b>\$412,314.00</b>

Date : 06/22/2011  
Time : 8:38:01 AM

## St. Philip's Episcopal Church Analysis of Revenues & Expenses - Detail Landscaped\* December 2010

Page : 2

Accounts	MTD Actual (This Year)	MTD Budget (This Year)	YTD Actual (This Year)	YTD Budget (This Year)	Annual Budget (This Year)
<b>Expenses</b>					
<b>Parish Staff</b>					
1-000400 - Rector's Salary	\$5,704.00	\$5,704.00	\$68,448.00	\$68,448.00	\$68,448.00
1-000401 - Substitute Clergy/Assistant Priest	\$564.00	\$0.00	\$1,388.00	\$1,950.00	\$1,950.00
1-000402 - Rector's Travel	\$1,205.50	\$291.63	\$4,352.50	\$3,500.00	\$3,500.00
1-000403 - Rector's Benefits-Pension	\$0.00	\$0.00	\$13,268.04	\$13,268.00	\$13,268.00
1-000404 - Rector's Self Employment Tax	\$438.58	\$438.62	\$5,262.96	\$5,263.00	\$5,263.00
1-000405 - Rector's Continuing Education	\$0.00	\$83.37	\$1,000.00	\$1,000.00	\$1,000.00
1-000406 - Rectors Medical and Life Insurance	\$0.00	\$1,454.25	\$16,127.79	\$17,451.00	\$17,451.00
1-000407 - Employer's SS/All Emp. Not Rector	\$496.93	\$516.63	\$6,041.62	\$6,200.00	\$6,200.00
1-000423 - Continuing Ed. Choir Director	\$0.00	\$41.63	\$0.00	\$500.00	\$500.00
1-000424 - Continuing Ed - Deacon	\$0.00	\$41.63	\$210.00	\$500.00	\$500.00
1-000430 - Organist & Choir Director	\$1,256.67	\$1,273.00	\$15,080.04	\$15,276.00	\$15,276.00
1-000431 - Substitute Organist	\$0.00	\$0.00	\$0.00	\$300.00	\$300.00
1-000432 - Secretary	\$2,103.00	\$2,103.00	\$25,236.00	\$25,236.00	\$25,236.00
1-000433 - Secretary's Medical	\$0.00	\$762.00	\$8,382.00	\$9,144.00	\$9,144.00
1-000434 - Secretary Pension	\$189.27	\$189.25	\$2,271.24	\$2,271.00	\$2,271.00
1-000508 - Christian Ed Director Salary	\$2,166.67	\$2,166.63	\$26,000.04	\$26,000.00	\$26,000.00
1-000509 - Christian Ed/Youth Dir. Medical	\$0.00	\$762.00	\$8,382.00	\$9,144.00	\$9,144.00
1-000510 - Christian Ed/Youth Dir. Pension	\$195.00	\$195.00	\$2,340.00	\$2,340.00	\$2,340.00
1-000511 - Christian Ed. Continuing Education	\$0.00	\$0.00	\$0.00	\$300.00	\$300.00
1-000513 - Sexton Salary	\$743.58	\$743.62	\$8,922.96	\$8,923.00	\$8,923.00
1-000514 - Deacon Travel	\$0.00	\$41.63	\$0.00	\$500.00	\$500.00
<b>Total Parish Staff</b>	<b>\$15,063.20</b>	<b>\$16,807.89</b>	<b>\$212,713.19</b>	<b>\$217,514.00</b>	<b>\$217,514.00</b>
<b>Christian Education and Youth</b>					
1-000421 - Nursery Attendant	\$141.00	\$283.37	\$3,228.00	\$3,400.00	\$3,400.00
1-000422 - Education Supplies	\$729.91	\$458.37	\$4,889.04	\$5,500.00	\$5,500.00
1-000440 - Youth Camp & Conference	\$1,100.00	\$62.50	\$1,590.00	\$750.00	\$750.00
1-000445 - Youth Programs	\$132.00	\$62.50	\$2,079.34	\$750.00	\$750.00
<b>Total Christian Education and Youth</b>	<b>\$2,102.91</b>	<b>\$866.74</b>	<b>\$11,786.38</b>	<b>\$10,400.00</b>	<b>\$10,400.00</b>
<b>Music</b>					
1-000435 - Music Program	\$0.00	\$83.37	\$2,662.08	\$1,000.00	\$1,000.00
<b>Total Music</b>	<b>\$0.00</b>	<b>\$83.37</b>	<b>\$2,662.08</b>	<b>\$1,000.00</b>	<b>\$1,000.00</b>
<b>Outreach</b>					
1-000450 - Diocesan Pledge	\$3,978.33	\$3,978.37	\$47,739.96	\$47,740.00	\$47,740.00
1-000455 - Interchurch Fellowship Fund	\$0.00	\$20.87	\$0.00	\$250.00	\$250.00
<b>Total Outreach</b>	<b>\$3,978.33</b>	<b>\$3,999.24</b>	<b>\$47,739.96</b>	<b>\$47,990.00</b>	<b>\$47,990.00</b>
<b>Property</b>					
1-000461 - Maintenance & Repairs	\$4,615.00	\$833.37	\$17,993.81	\$10,000.00	\$10,000.00
1-000462 - Electric & Water	\$1,128.42	\$2,100.00	\$23,832.37	\$25,200.00	\$25,200.00
1-000463 - Insurance - Property	\$2,678.57	\$1,083.37	\$12,120.49	\$13,000.00	\$13,000.00
1-000464 - Monthly Mortgage Payment	\$2,817.23	\$2,018.75	\$28,871.43	\$24,225.00	\$24,225.00

# Attachment 1: Finance Audit

Date : 06/22/2011  
Time : 8:38:02 AM

**St. Philip's Episcopal Church**  
**Analysis of Revenues & Expenses - Detail Landscaped\***  
**December 2010**

Page : 3

Accounts	MTD Actual (This Year)	MTD Budget (This Year)	YTD Actual (This Year)	YTD Budget (This Year)	Annual Budget (This Year)
1-000466 - Pest Control	\$0.00	\$83.37	\$835.00	\$1,000.00	\$1,000.00
1-000467 - Insurance - Workers Comp	\$0.00	\$0.00	\$855.00	\$1,250.00	\$1,250.00
1-000468 - Sexton/Cleaning Supplies	\$0.00	\$41.63	\$1,117.89	\$500.00	\$500.00
<b>Total Property</b>	<b>\$11,239.22</b>	<b>\$6,160.49</b>	<b>\$85,625.99</b>	<b>\$75,175.00</b>	<b>\$75,175.00</b>
<b>Administration</b>					
1-000427 - Kitchen Supplies	\$0.00	\$133.37	\$1,234.82	\$1,600.00	\$1,600.00
1-000473 - Telephone	\$337.89	\$416.63	\$4,680.61	\$5,000.00	\$5,000.00
1-000476 - Office Supplies	\$915.57	\$916.63	\$9,184.04	\$11,000.00	\$11,000.00
1-000477 - Office Machine Lease & Service	\$637.92	\$833.37	\$11,529.62	\$10,000.00	\$10,000.00
1-000478 - Equipment Aquisition	\$0.00	\$0.00	\$835.00	\$1,000.00	\$1,000.00
1-000479 - Diocesan Convention	\$0.00	\$0.00	\$250.14	\$2,000.00	\$2,000.00
1-000480 - Miscellaneous Expense	\$213.06	\$600.00	\$7,030.66	\$7,200.00	\$7,200.00
1-000481 - Community Building Use	\$1,190.00	\$66.63	\$1,720.00	\$800.00	\$800.00
1-000482 - Postage	\$254.79	\$375.00	\$3,340.30	\$4,500.00	\$4,500.00
1-000483 - Computers Network & Web	\$165.45	\$200.00	\$2,814.30	\$2,400.00	\$2,400.00
<b>Total Administration</b>	<b>\$3,714.68</b>	<b>\$3,541.63</b>	<b>\$42,619.49</b>	<b>\$45,500.00</b>	<b>\$45,500.00</b>
<b>Worship</b>					
1-000700 - Altar Supplies	\$0.00	\$145.87	\$1,023.59	\$1,750.00	\$1,750.00
1-000710 - Flower Expense	\$2,768.88	\$433.37	\$6,952.01	\$5,200.00	\$5,200.00
1-000730 - Summer Ministry Expense	\$0.00	\$125.00	\$1,630.00	\$1,500.00	\$1,500.00
<b>Total Worship</b>	<b>\$2,768.88</b>	<b>\$704.24</b>	<b>\$9,605.60</b>	<b>\$8,450.00</b>	<b>\$8,450.00</b>
<b>Total Expenses</b>	<b>\$38,867.22</b>	<b>\$32,163.60</b>	<b>\$412,752.69</b>	<b>\$406,029.00</b>	<b>\$406,029.00</b>
<b>Net Total</b>	<b>\$16,153.66</b>	<b>\$34,264.03</b>	<b>(\$21,311.01)</b>	<b>\$6,285.00</b>	<b>\$6,285.00</b>

Attachment 2: Insurance Audit

To: St. Philip's Vestry

Fr: Insurance Review Committee

June 11, 2011

Over the past several months we have reviewed the insurance coverage for our church. We reviewed both the property and liability coverage.

We are insured by The Church Insurance Company of Vermont, which is solely owned by the Episcopal Church of America. They issue a Master Policy for each Diocese, which covers each parish within the Diocese.

Each parish church receives a Certificate of Insurance each year from the insurance company. This form shows us the amount of coverage for each building we own. The liability coverage is the same as that issued to the Diocese. The Master Policy shows the total property coverage for all parish owned buildings.

Although not an issued copy of the insurance policy, this booklet contains most if not all forms of the original policy. The original policy is kept at the administration office of the Diocese.

The following is a comparison of our current building coverage's and what the current estimate on reconstruction cost would be:

	Current Coverage	Current Cost
1. Building #1 199 E. Moore St.	\$ 783,000	\$ 795,300
2. Building #2 112 Dry St.	387,400	516,250
3. Building #3 108 Dry St.	508,400	240,360
4. Building #4 205 E. Moore St.	1,743,000	1,844,260
5. Building #5 203 E. Moore St.	Removed from policy	

Buildings #1, #3 and #4 are within 1% of current cost estimates and would be considered fully covered by the company. After talking to the agent, it appears that the coverage for buildings #2 and #3 has been reversed and she will make the change. Although the coverage for building #2 is higher than current cost, the premium savings is minor, so we recommend no change at this time.

Current policy shows Building #5. This was the little red brick house that was added to policy when purchased. Since this building has been torn down, we will notify the agent to remove from the policy.

The new stained glass windows are considered Fine Art and are therefore covered under a separate coverage in the policy. Except for the 5% Hurricane/Flood Deductible, just the normal \$500.00 deductible would apply to any damage.

No changes are recommended to the policy at this time unless the Vestry has some concerns. The policy forms are the Standard American Association of Insurance Services Form and are approved by the State of North Carolina Insurance Department to be used with North Carolina insured property.

Some in-house changes that the Vestry may want to consider:

1. Inventory of contents and location. This would help in any claim settlement.
2. A current construction cost review done at least every 5 years. The insurance company will send an appraiser to do this at our request. There is no charge at this time for this service.

## Attachment 2: Insurance Audit

3. A review and inventory of items that could be considered Fine Art. Policy section on Fine Art has a good list and description of what the company considers Fine Art.
4. Photographs of inside and outside of each building. This would help both us and the insurance adjuster should there be a major claim.

We hope that this review helps the Vestry. Please let us know if there are any questions.

Rick Pearce

### Notes:

1. Cost estimates for Building # 1, 2, & 3 based on local homebuilders estimates of \$115 to \$125 per square foot rebuilding cost.
2. Cost estimates for Building #4 was determined by using Insurance Company cost guides and from original contractor (Poly Con Construction, Chris Pappas 919-481-3858)
3. Insurance Company Agent Corky Bonesteel 1-800-293-3525

## Attachment 3: 2011 Long Range Planning Committee Report

### REPORT OF THE LONG RANGE PLANNING COMMITTEE

The Committee was formed in March 2011 and charged with the following assignment

1. Determine how St. Philip's can best meet three of the most important issues identified by our congregation in both the 2007 and 2010 Long Range Planning Reports.
  1. Engage the services of an Assistant Priest
  2. Eliminate the current mortgage
  3. Initiate a capital campaign to fund a new Parish Hall
2. Submit a plan to address the needs identified that provides cost estimates as appropriate as well as proposed schedules for implementation.

#### FACTS UNCOVERED:

1. We have approximately 650 members of St. Philip's with 317 Units. The average Pledge is \$1700 vs. a National Average closer to \$2300.
2. As many as 30% of our parishioners do not pledge.
3. The 2011 pledges for the operating budget are \$345K with Total Revenue from all sources of \$435K.
4. We have had to borrow between \$25K to \$35K for two years in a row now from the Mortgage Reduction/Building Fund to meet the Annual Budget. That Fund has approximately \$46k in separate Annual Pledges.
5. After purchase of the Red House/Land, the current mortgage balance is \$396K @ an interest rate of 5.85%. The monthly payment is \$2545 for an annual payment amount of \$30,540. There is a targeted extra mortgage payment of approximately \$21K planned for December 2011 pending revenue receipts and our overall financial position.
6. We have solid assets based on the recent tax appraisal with Land valued at \$1,245,150 and Buildings at \$2,061,913.

All of the above can and should be reviewed and verified as necessary with the Vestry and/or Finance Committee.

#### PROCESS UTILIZED:

1. The Committee met 3/22, 4/5, 4/12, 4/28 and 5/5/2011.
2. Each Committee Member thoroughly reviewed the priorities and parishioner comments from the 2007 and 2010 Long Range Planning Reports.
3. Finance input was accepted as offered from Vestry persons Bittenbender, Meiners, and Harrelson.
4. After surfacing the Assistant Priest as the Number 1 priority, a meeting was held with Father Barry to discuss and better understand the need and responsibilities envisioned for the Assistant Priest utilizing the Position Description he had already prepared. The possible profiles of several candidate options-i.e., recent seminarian graduate, part time priest, or recently retired priest-were also discussed at some length, yet deferred for future additional deliberation once funding was to become available.

## Attachment 3: 2011 Long Range Planning Committee Report

### FINDINGS OF THE COMMITTEE:

1. There is unanimous support from the Committee for the procurement of an Assistant Priest. The recent addition of the Stephen Ministers will help reduce Father Barry's workload to some degree but clearly not enough. Most parishes of 600 would have at least 2 priests and St. Philips would have difficulty finding another future Rector without having at least an assistant.
  - The cost estimate for an Assistant Priest is \$75K per year to cover salary and benefits.
  - Father Barry will be insisting upon a 3 year commitment for any candidate but we need to provide the funding indefinitely.
  - The desired timeframe for availability is Easter 2012 but it is recognized that a more likely possibility based on available funds would be July to September 2012.
2. There does not appear to be the fullest possible understanding and acceptance by the congregation-at-large of the current financial condition of St. Philips's, specifically as regards the recent 2 year shortfalls in being able to meet the budget without the necessity to borrow from the Mortgage Reduction/Building Fund in the amount of \$25 to \$30K.
3. There does appear to be strong support among the congregation to continue paying down the current mortgage.
4. Suitable and attractive facilities are recognized to be an important part and need of a healthy parish. Unfortunately, the Committee feels that due to current and proposed financial commitments, we are unable to recommend building a Parrish Hall at this time.

### RECOMMENDATIONS TO THE VESTRY

1. Provide for an Assistant Priest As Soon as Possible
  - Do whatever is necessary through the Finance and Stewardship Committees to raise the additional \$75K to fund the Assistant Priest at least by late Summer 2012. Emphasize Father Barry's unacceptable current workload and the benefits for the entire parish from adding the Assistant.
  - Also raise the additional \$25K to eliminate the recurring Annual Budget shortfall.
  - Strongly and openly communicate to the Congregation about the current budget shortfall and the hard fact that it will not be possible to provide an Assistant Priest without raising additional funds in the form of increased pledges. A format is suggested that first shows from where we are what amount is needed to just close the current gap and then next shows the additional \$75K that is needed to fund the Assistant.
  - Make the next Pledge Drive of the Fall of 2011 "The Future of St. Philips" and make additional funds needed for the Assistant the clear emphasis of the campaign. Do not dilute the need by relegating it to another separate "envelope" or fund.
  - The Long Range Planning committee will submit some specific additional thoughts and suggestions to Stewardship on how the next Pledge Drive might be organized but clearly some obvious recurring themes for a possible separate sub-committee might be:

Attachment 3: 2011 Long Range Planning Committee Report

1. Grow out existing parishioner base
  2. Increase all existing pledge amounts
  3. Again “go after” the non-pledging members
  4. Visit/regain former lost members after full discussion as to why they left.
  5. Form a Search Committee with Father Barry by November 2011 once early indications for the 2011/2012 Pledge Drive support the likely availability of funding.
2. Continue to Pay down the Current Mortgage
- Keep the current separate “Mortgage Reduction/Building Fund”.
    1. Until the parish grows an additional 5 to 10 percent and while we find the funds to provide an Assistant, there’s no harm in continuing to allow parishioners to pay down the current mortgage and to provide capital funds for a future new Parish Hall.
    2. It is fully anticipated that having an Assistant Priest will help grow the population to the point where expanded facilities are clearly needed.
    3. The existing separate fund appeals to many parishioners as the right thing to do so let them continue to contribute as they will.
    4. Yes, they may reduce their giving to this “bucket” if we ask for more for the Assistant and Budget gap, but do not induce them to do so by suspending the fund at this time.
    5. In addition, the existence of this fund may be useful again in the future to cover any temporary pledge shortfall or other emergency need.
3. Start Capital Campaign for New Parrish Hall
- The committee suggests that a capital campaign at this time would conflict with increased pledging needed to support the assistant priest objective.
    1. We do suggest that a building committee be formed by January, 2012 to decide the best path to accomplish the goal of building a new Parish Hall.
    2. Based on the footprint of our “campus” a decision should be made as to what is the most feasible, economical and functional use of our property.
    3. The Committee proposes that the Vestry budget \$10,000 -15,000 to get professional assistance starting with the 2012 budget to help in the planning and design of the new building along with the price.

Respectfully submitted by the Committee,

John Kelliher  
David Forsyth  
Norman Wheeler  
Ross Irwin  
Ruth Smith

Vestry Members,  
William Bittenbender  
Thomas Harrelson  
William Meiners