

CITP Finance 101

1st Quarter 2018

Date | time 5/6/2018 11:45 AM | *Location* Fellowship Hall Meeting Room

Committee	Finance & Administration	Anticipated length: 15-20 minutes
Type of meeting	Quarterly Update	Handouts: 4
Facilitator	Stan Campbell, F&A Chair	
Facilitator	Jerry Wehmueller, Treasurer	
Attendees	CITP Members & Guests	

Agenda Items

Topic	Presenter	Time allotted
<input type="checkbox"/> Welcome & Five Basic Facts about CITP's Finances	Stan Campbell	3 minutes
<input type="checkbox"/> Wish List that is on our website	Stan Campbell	1 minute
<input type="checkbox"/> Balance Sheet	Jerry Wehmueller	2 minutes
<input type="checkbox"/> Revenues & Expenses	Jerry Wehmueller	5 minutes
<input type="checkbox"/> Restricted Accounts	Jerry Wehmueller	2 minutes
<input type="checkbox"/> Mortgage Loan (see notes below)	Jerry Wehmueller	2 minutes
<input type="checkbox"/> Q&A	Stan & Jerry	5 minutes

Other Information

Special note: *Because of other meetings that are occurring after fellowship time, we must limit this session to about 20 minutes. Should there be items that you wish to discuss further and you were not able to get your answer today, please email Stan (stan.campbell52@outlook.com) or Jerry (jerryweh@aol.com). Thank you for attending and for your interest in the financial plans of the church.*

Mortgage loan with the Presbyterian Investment & Loan Program (PILP):

20-year mortgage (2010-2030); original balance of \$964,000; 3/31/2018 balance of \$727,573; interest rate of 3.9%; since mortgage started in 2010, \$236,427 of principal has been paid and \$218,544 in interest; March monthly payment was \$5,732 (\$3,354 for principal; \$2,378 for interest); as of July 2018, \$1,000 per month will be paid from the operating budget and the remainder from Pillars of Faith Capital Campaign funds (the operating budget amount will increase by \$650 a month each July starting in 2019 as the Pillars fund is gradually used up; this plan avoids the need for another capital campaign unless if another building is to be constructed in the future).

Five Basic Facts about CITP's Finances (May 2018)

1) In July 2017, for the first time in the history of the church:

- *The operating budget (funded by the annual Stewardship Campaign and plate offerings) started to pay part of the mortgage (\$500 of the \$5,733 monthly amount).*
- *Our tradition has been to pay the mortgage from three-year capital campaigns; that is changing.*

2) Three successful capital campaigns were held in 2010, 2013 and 2016:

- *Provided three years of mortgage payments each (total of nine years) toward the 20-year mortgage.*
- *However, because of the new \$500 monthly contribution from the operating budget (to be increased to \$1,000 a month in July 2018 and increased each year thereafter, until the annual budget is fully covering the monthly mortgage), the 2016 Pillars Campaign's dollars may not be exhausted until the last year of the mortgage (2030; which is just 11 ½ years away!).*
- *If it's possible to pay off a portion of the principal early, that will be considered after determining how much of the Pillars pledges were paid (won't know for sure how much will be received until the payments end in June 2019; people move; people alter their original pledge up and down; people pass away; people ask for more time).*

3) If we all pitch in and invite people to visit our church to help increase our membership:

- *The plan to have the annual operating budget gradually cover our mortgage payments, will indeed work.*
- *If more members join than anticipated, we may be able to pay down a larger portion of the principal with additional dollars they contribute as new members.*
- *Help the church by inviting visitors to our worship services!*

4) Three-fourths of our annual operating budget is for personnel costs:

- *When we factor in other items that are mandatory to run a church (utilities, maintenance, insurance, etc.), there is not a lot remaining for pet projects.*
- *Thus, the Session created a **Wish List** of items for members/friends to consider funding with extra gifts (over and above their annual giving that funds the budget). It's on the website.*
- *Mission and Service efforts are the primary beneficiary of most of the remaining dollars (usually set at 10% of the budget).*
- *Watching our personnel costs (staff needed to sustain our church's activities) is a #1 priority for our leadership.*

5) We own our land and Fellowship Hall!

- *The land note was paid off by the 2013 capital campaign.*
- *The land is one of our greatest assets which, over time, we will enjoy even more as we dream of ways to use it for the benefit of our community.*
- *The Fellowship Hall and paved parking lot were fully paid by the 2016 Pillars of Faith Capital Campaign (the mortgage is only for the Sanctuary and Education/Office buildings).*