

## Finance Committee Meeting

November 10, 2025

Present: Jim Belvin, Bill Coffin, Clay Fairley, Mother Betty Glover, Rick Pearce, Karla Platt, Tom Propst, Al Snell

Absent: Paul Bailey

The meeting began at 10am with an opening prayer by Mother Betty

Meeting packets were distributed which contained agenda, October minutes, October Statement of Financial Position, October Statement of Financial activities MTD and YTD, draft 2026 budget summary and miscellaneous schedules supporting agenda items.

The October minutes were reviewed and approved.

Tom Propst for Stewardship stated that 296 pledge cards were sent out, none have been returned. Tom Propst added that he had no updates on what cards had been returned and what cards were still outstanding. Mother Betty mentioned that St. Philip's would not be calling people as a follow up. Rick Pearce added that St. Philip's had received 130 pledge cards for \$558k. Jim Belvin asked if there were any trends and Rick Pearce noted that in the last 3 years 180-190 pledges have been received with 20-40 in December alone. Rick Pearce stated that the average pledge this year was approximately \$200 higher than last year.

Bill Coffin informed the Committee that a call with the Diocesan Treasurer and Rick Pearce confirmed the process for requesting an Endowment distribution. In October the Vestry approved the distribution; Rick Pearce forwarded the request to the Diocesan Treasurer who approved it and forwarded distribution instructions to Schwab; Schwab has processed the check for \$23k and it has been received by St Philip's. Karla Platt noted the entry of the check was made to October after the financial statements were distributed. Going forward this should be a routine process; the next distribution for Q4 2025 will be calculated and submitted in January 2026 for processing.

There was a brief review of the remaining fund balances at Vanguard and the June transactions of moving funds from Vanguard to Schwab. Those transactions moved too much money and a request was made for Schwab to return \$130k. This amount was deposited at United Bank. A discussion ensued regarding the status of remaining funds at Vanguard....should they stay or move to United Bank. Tom Propst inquired about the ease of use and Rick Pearce replied United was very user friendly and there were no transaction fees for moving funds within United whereas Vanguard had a \$25 transaction fee. Rick Pearce added that money market yields were competitive and confirmed that United Bank

could receive stock donations as does Vanguard. It was agreed to move the remaining funds from Vanguard to United Bank. Rick Pearce would prepare the necessary documents for vestry approval.

There was a review of the Outreach fund components and Bill Coffin noted there were other sub-accounts included in Outreach (UTO, Angel Tree, Diaper Ministry and Docent Ministry). These sub-accounts were not maintained separately in Realm but via a spreadsheet maintained by a prior Treasurer. Bill Coffin wanted to get out of the spreadsheet business and create separate funds within Realm. A discussion ensued where it was determined the amounts were considered to be too small for a separate account and Al Snell suggested we create a threshold amount and a threshold of \$2500 was recommended. Karla Platt stated she meets regularly with certain Board members to review fund balances and activity and could include Outreach.

Bill Coffin provided detail of the original 2025 budgeted expenses totaling \$937k and what was in Realm \$991k. The variance was related to expenses not known when the budget was approved (Rector Search Committee, Rector Travel and Dir. Pastoral Care Salary). A discussion ensued and it was agreed to remove the Rector Search Committee and Dir. Pastoral Care Salary adjustments from the 2025 budget as the Search Committee expenses will be incurred in 2026 and Pastoral Care expense will be covered by already budgeted Asst. Priest Salary. The Rector Travel of \$13k would remain as this expense was approved by the Vestry with the acceptance/approval of Mother Betty's letter of agreement. This amount was not expected to have an adverse financial impact based on favorable YTD performance.

Bill Coffin inquired as to the status of the engagement of with James Jordan. Karla Platt stated he was reviewing the chart of accounts to make them consistent with GAAP. Bill Coffin added that a greater value would be to help enhance Realm reporting. Al Snell stated that Mr. Jordan was like any other consultant and would provide recommendations to St Philip's for review/approval prior to enacting. Jim Belvin asked if this was a long-term engagement and Al Snell and Bill Coffin replied that there are potentially 2 projects; one is the current engagement, the chart of account review which is expected to be short-term. The other is a potential audit.....this could be limited to a review of internal controls only, to confirm appropriate enhancements have been made based on 2024 audit findings or it could include an audit of 2025 financials. It was not clear if the Vestry had made a decision regarding 2025 audit status.

Bill Coffin asked if the Mortgage rate was adjusting in January and were there any actions the Committee needed to take. Rick Pearce stated it was a 5 year adjustable rate mortgage and the rate was re-setting in January to current market rate. Rick Pearce added that

typically rate change notices are sent out 60 days in advance and St. Philip's should be receiving something shortly. Rick Pearce stated he would review the mortgage contract to confirm what is changing and next steps. Clay Fairley added that mortgage rates may not decrease as much if banks feel inflation is still a risk.

Rick Pearce noted there were no material changes or items to review on the Statement of Financial Position. Karla Platt stated the Payroll Tax liability had been paid since the preparation of the financial statements. On the Statement of Financial Activities, Bill Coffin noted that MTD Pledge Revenue of \$73k was over budget by \$25k. Karla Platt stated this was due in part to higher than expected QCD receipts. Tom Propst added that changes to the tax law encourage the use of QCD's.

Bill Coffin stated the YTD Total Revenue of \$756k was unfavorable to budget by \$37k. This was an improvement from the September YTD unfavorable variance of \$59k due to improved monthly collections. Bill Coffin had questions on the YTD Maintenance reserve expense of \$5,000. Karla Platt thought this was related to the replacement of 6 A/C units earlier in the year but would research. Bill Coffin noted the YTD Net Total of \$101k vs budgeted Net Total of (\$24k) was favorable by \$125k. Bill Coffin noted that with strong YTD results the FC would consider funding the Maintenance Reserve and Insurance Deductible Funds at the December FC meeting. This practice is consistent with prior years.

The FC briefly reviewed the financial summary prepared for the Vestry. Jim Belvin noted this was a good summary. Bill Coffin noted that this takes a few minutes to create but was hoping to generate these summaries and additional reporting for the Vestry out of the Realm system. Bill Coffin will follow up with Mother Better regarding access.

Rick Pearce reviewed the 2026 Budget summary. Total Expenses were \$824k and total Payroll was \$522k. Rick Pearce noted that Rector costs were budgeted for a full 12 months; actual Interim Rector costs are lower and will provide some favorability to the budget. Bill Coffin stated that unspent expenses in 2025 should be added in 2026 (Rector Search Committee, Rector Travel). Rick Pearce added that there are approximately 40-60 pledges outstanding. Rick Pearce added that if 25 pledges come in at the average and taking the 5 year average for General Fund and Loose Plate we would have sufficient funds to meet the budget requirements. There was lengthy discussion around the outstanding pledges, when they were likely to come in and at what value. Lorraine Beamer would review and provide guidance on how many are likely to come in. Tom Propst asked that Lorraine Beamer look at the top 20 pledges in 2025 and determine 2026 status. Al Snell recognized the time crunch as the Vestry was scheduled to meet 11/18 and approve budget for annual meeting on 12/7; an extension on Vestry approval might be possible. Al Snell recognized that the outstanding pledges were the greatest risk to the budget and asked that each FC member

submit a risk assessment % representing the likelihood St. Philip's won't reach the pledge target. Example: 25% means there is a 25% chance the pledges won't hit target. Bill Coffin asked that each member send the email to him and he would consolidate the responses and forward to Al Snell. Al Snell asked for this information by Monday morning. Rick Pearce was 100% confident the pledge target would be reached. Jim Belvin acknowledged that some members will not pledge and was not confident St. Philip's would get all the pledge cards back.

Jim Belvin for Endowment noted that he spoke before the congregation on November 9 regarding how they can support St Philip's with an endowment. Jim Belvin added that while he was not satisfied with his presentation, he was approached afterwards by an individual that was willing to do an endowment.

There was no Investment update.

In other business, Karla Platt noted that she needed approval to transfer \$7,749.76 from Vanguard to United Bank to cover Worship and Outreach disbursements. This was approved.

The December 2025 meeting was rescheduled to 12/16/25 at 10:00am.

The meeting adjourned at 4:00pm.

Respectfully submitted,

Bill Coffin