

Session's Report on the Process Used in Balancing the 2008 Budget

The Finance Committee's Report on the other side of this page was discussed at a special Session meeting on January 16. At that meeting the Session which has been monitoring the budget picture was in general agreement with many of the Finance Committee's findings.

But the Session also felt that whatever action was taken had to be carefully crafted to deal with the immediate problem and begin laying the groundwork for a long term solution to the perennial problem of balancing the budget. At the same time the Session was especially mindful that the Pastor Nominating Committee had selected the candidate it was going to recommend as the new head of staff for North and this was not a judicious time to make changes that fundamentally altered staffing or programming.

The primary steps taken to balance the budget were the following.

- The surpluses from the 2006 and 2007 budgets were used.
- Some committee budgets were pared.
- All expenses were closely examined and in some cases reduced.
- The allocation for the Presbytery was reduced 10% from the previous year.
- Appropriate expenses were covered by the Memorial Fund.
- Approximately \$13,000 was used from a recent unrestricted bequest.

The financial situation the church faces is a combination of several things. There are still many members of the congregation who have not pledged. Receipt of these outstanding pledges would be helpful for budgeting purposes. The operating budget is being used to cover some expenses that could be picked up by other accounts that were created for that purpose; e.g., the Memorial Fund. Some sub-budgets were created when the church was larger and Session needs to carefully examine them to see if they should be reduced. The process by which the budget is initially created each year needs to be examined. These are examples of some of the things that warrant consideration.

The solution outlined above for balancing the budget provides breathing space to begin addressing possible changes. Over the next several months the Session will work with the Finance Committee and others to begin the process of aligning the church's financial capacity with its fiscal needs. During this period it will look forward to the Finance Committee's close monitoring of expenditures and detailed reports.

In closing, the Session is appreciative of the Finance Committee's help and the assistance of many others in the church who played a role in helping the Session meet its responsibility for being good stewards of the church's resources.

Approved by Session
January 27, 2008