

Spiritual Formation

Worship and Prayer – Elder Faith Stories: Brett Krause and Craig Murray

Call to Order/Omnibus Motion (page 2)

Shepherding the Flock

Pastor's Report – Bryan Dunagan

Discernment/Strategic Visioning

Family of Churches – Jay Lee

- Peak Street Church
- Good Shepherd
- Chinese Mandarin
- Grace Lake Highlands (see link in cover email)

Vision Committee – Vic Bloede

Oversight/Accountability

ECO Coordinator – Karen Konker

Governance Coordinating Committee – T. Hardie

Operations Committee – Anne Compton

- Financial Update – Theresa Guerra
- Grace Lake Highlands Motion (page 20)

Closing Prayer

Next Meeting – October 24, 2022

Governance Resources

- hppres.org/governanceresources // password: governance1



Omnibus Motion

Motion to approve the agenda for tonight's meeting, the Regular Session Meeting on August 22, 2022, and the August 2022 Membership Reports (pages 3-13)



**STATED MEETING OF THE SESSION
HIGHLAND PARK PRESBYTERIAN CHURCH**
August 22, 2022, 6:00 PM

<i>Quorum</i>	Present
<i>Attendance</i>	Attached
<i>Spiritual Formation</i>	<p>Worship and Prayer</p> <p>Aaron Williams led the Session in singing, praise and prayer. Pete Townsend and Marie Crowe (by taped video) shared their departing Elder Reflections.</p> <p>Call to Order</p> <p>Bryan Dunagan called the business meeting to order at 6:33 pm. A motion was made to approve the agenda for tonight’s meeting, the Minutes and Attendance Records of the regular Session meeting of June 27, 2022, and both the June 2022 and July 2022 Membership Reports. The motion passed unanimously.</p>
<i>Shepherding the Flock</i>	<p>Pastor’s Report</p> <p>Bryan Dunagan provided reports on the following:</p> <p>Praise for the Memorial Deacons Team and Kelly Harrison for their pastoral and shepherding role in assisting families in times of death and grief.</p> <p>The church’s new counseling initiative (high school and up).</p> <p>The recent resignation of Jeremy McCasland, the new worship team reporting procedure in light of Jeremy’s resignation and other staff changes.</p> <p>The need and opportunity of session members to serve communion.</p>
<i>Discernment/Strategic Visioning</i>	<p>Family of Churches Update</p> <p>Charlie Dunn and Pete Townsend provided initial information regarding the potential purchase the building where Grace Lake Highlands currently holds its worship services (10101 Walnut Hill). The building previously housed Bethany Lutheran Church and is next to Lake Highlands Junior High.</p> <p>Vision Committee</p> <p>Vic Bloede reported that the Vision Committee is evaluating the roll and the level of commitment of HP Pres in supporting global missions.</p>
<i>Oversight/ Accountability</i>	<p>ECO Coordinator</p> <p>Karen Konker provided a report regarding the upcoming Presbytery meeting--- September 16-17 at Memorial Drive Presbyterian Church in Houston.</p>

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	<p>The session approved a motion to give Karen the authority to approve commissioners to participate in the Presbytery meeting.</p> <p>Governance Coordinating Committee</p> <p>Neil Rambin moved that the Session approve the attached list of Governing Elder appointments to session committees effective 9/1/2022. The motion passed unanimously.</p> <p>T. Hardie reported on the status of the evaluation provided by the Senior Pastor Evaluation Team. Bryan Dunagan summarized some of his takeaways from that evaluation.</p> <p>Operations Committee</p> <p>Anne Compton brought the session up to speed on HP Pres’s relationship with Reconciliation Outreach, recent changes in the RO ministry, and potential future plans of RO.</p> <p>Ted Munselle provided an update on the financials and progress towards the funding of the general operating budget by the end of the fiscal year on August 31.</p> <p>Ted and Sarah Good led a discussion of the details of the attached proposed budget for 2022 to 2023. Ted moved that the attached proposed budget be reduced by \$200,000 (as amended--General Giving Budget of \$14 million and Total FY 23 Budget of \$16.1 million) and that the proposed budget as amended be approved. The motion was unanimously approved.</p> <p>Ted reported that legal counsel has been retained to review the HP Pres policies and procedures for preventing inappropriate conduct and ensure that they are adequate.</p> <p>More Elder Reflections</p> <p>Ted Munselle and Neil Rambin provided their Elder Reflections. Ted also shared Bible verses chosen by Kurt Alexander who could not attend (Ephesians 4:11, 12 and 15).</p> <p>Closing Prayer</p> <p>The session formed a circle and held hands to close in prayer.</p> <p>The meeting was adjourned at 8:15 pm.</p>
<p><i>Upcoming Schedule</i></p>	<p>Next Session Meeting – September 26, 2022.</p>

Bryan Dunagan, Moderator

Neil Rambin, Clerk of Session

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SESSION ATTENDANCE 2021-2022

Elder	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Kurt Alexander	X	X	X		X	X	A	X	X	X		A
Vic Bloede	X	X	X		X	X	X	X	X	X		X
Anne Compton	X	X	A		A	X	X	X	A	X		X
Marie Crowe	X	X	X		X	X	X	X	X	X		A
Vuong Dao	X	X	X		X	X	X	X	X	X		X
Justin Eastburn	X	X	X		X	X	X	X	X	X		X
T. Hardie	X	X	X		X	X	X	X	X	X		X
Sharon Johnson	X	X	X		X	X	X	X	X	X		X
Karen Konker	X	X	A		X	X	X	A	X	X		X
David Martin	X	X	X		A	X	X	X	A	A		X
Ted Munselle	X	X	X		X	X	X	X	X	X		X
Margaret Nderitu	X	X	X		X	X	X	A	X	A		X
John Rain	X	X	X		X	X	X	X	A	X		X
Neil Rambin, Clerk	X	X	X		X	X	X	X	X	X		X
Karl Rathjen	A	X	X		X	X	X	A	A	A		A
Becky Paterik	X	X	X		X	X	X	X	A	X		X
Alisa Sell	A	X	X		X	X	X	X	X	X		X
Reid Slaughter	X	X	X		X	X	X	X	X	A		X
Jennifer Tollett	X	X	X		X	X	X	X	X	X		X
Pete Townsend	X	X	A		X	X	A	X	X	X		X
John Walsh	X	X	X		X	X	X	X	A	X		X
Power Zhao	X	A	A		X	A	A	A				
Jackie Burke	X	X	X		X	A	X	X	X	X		X

Others in attendance: Nelson Bell, Andrew Campbell, Bryan Dunagan, Cameron Beaty, Charles Davis, Charlie Dunn, Andrew Franklin, Sarah Good, Brett Krause, Simon Kingori, Lauren Langley, Jay Lee, Craig Murry, Josh Peck, Kelsey Phillips, Aaron Williams and Madeline Wilkins.

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Proposed 2022-23 Governing Elder Committee Assignments

Audit

Becky Paterik – Moderator

[Ted Munselle, CPA]

ECO

Karen Konker

[John Walsh to assist as needed]

ONC

Vuong Dao – Moderator

Reid Slaughter

John Rain

Operations

Anne Compton – Moderator

Reid Slaughter

John Walsh

Justin Eastburn

Vision

Vic Bloede – Moderator

Jackie Burke

Dave Martin

Margaret Nderitu

Sharon Johnson

Alisa Sell

GCC

T. Hardie – Moderator

Jennifer Tollett

Karl Rathjen

Highland Park Presbyterian Church

Fiscal Year '22-'23 Budget Packet

Budget Development Notes

- Each ministry area provided input on budget needs and rationale
- Each ministry area was provided feedback and asked to make revisions as necessary
- Capital Asset Reserve is fully funded according to current guidelines
- Working Capital Reserve is fully funded according to current guidelines
- Sources of funds other than the general giving are leveraged – release of restricted and designated funds is reflected in budget
- Included 5.9% Cost of Living adjustment for all staff
- Salaries were adjusted as need to align with market
- Within limitations outlined in governance policies, minor upward or downward adjustments in particular ministry areas or the total budget are allowable as the budget process unfolds
- Options for additional revenue and expense reduction are identified should adjustments be necessary

Budget Highlights

- General Giving budget is \$14.2M; Total FY23 Budget is \$16.3M
- General Giving budget is up \$1.5M; Total budget is up \$3.6M from FY22 Budget
- General Fund Expenses had primary costs increases in Operations & Ministry
- Outreach in the form of Benevolences is 12% of Total FY23 Budget, and including the Church Planting Subsidies totals 18%

Expense Increase Overview

- Increase in programming is related to additional contract services and production costs related to post-COVID expansion of services
- FY23 Outreach increased due to expected increase in specific giving
- Increase in Occupancy related to full use of entire facility
- Personnel costs increase due to:
 - additional staff: 10 F/T & 7 P/T = \$.6M: Operations (\$.3M), K&S (\$.1M), Creative Team (\$.1M), FOC (\$.1M)
 - Benefits increase (15% & add'l staff = \$.3M)
 - CPI-related salary increase (5.9% = \$.3M)

Options for Expense Reduction - \$1M - \$1.5M Total

- Reduce Add'l Staffing - \$150K – \$375K
- Include 3% Turnover Factor - \$150K
- Reduce Salary Increase to 3% -\$150K or 4% - \$54K
- Redesign Benefits -\$75K
- Reduce Utilities Cost 10% - \$25K
- 10% Reduction in Program Spending - \$290K
- Reduce AV/Live Streaming \$100K
- Reduce Contract Labor - \$150K

Ideas for Increased Revenue

- Release funds from CLF to cover resident salaries - \$75K
- Raise additional funds for Outreach - \$350K
- Raise Funds for Events, Hospitality - \$300K

Healthy Church Budget Notes

How does our expense breakdown compare to what is considered healthy in churches?

From Vanderbloemen:

- The average church uses 52% of the church budget on compensation. This ranges from 46% to 60% on the high end from Leadership Network's 2018 compensation survey.
- Using 46% to 60% of the church's budget on total compensation is a "normal" range for most churches.

From The Evangelical Covenant Church:

The following percentages provide ranges that give some framework for a "typical" church budget:

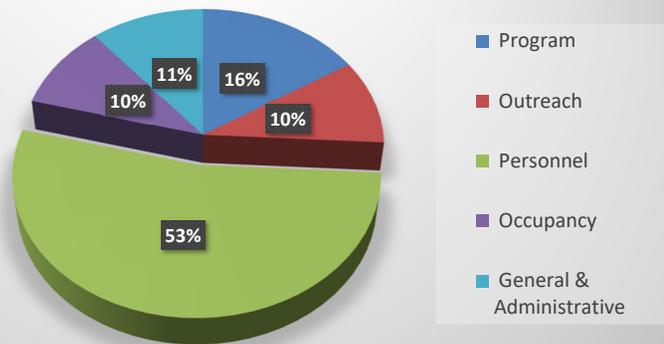
- 10-30% Mission Giving (outside the church; includes Conference and ECC)
- 20-40% Church Ministry (church programs/administration)
- 40-60% Staff Expense (payroll, pension, health, etc.)
- 20-40% Facility Expense (building costs, debt, etc.)

**Highland Park Presbyterian Church
FY23 Budget Dashboard
August 15, 2022**

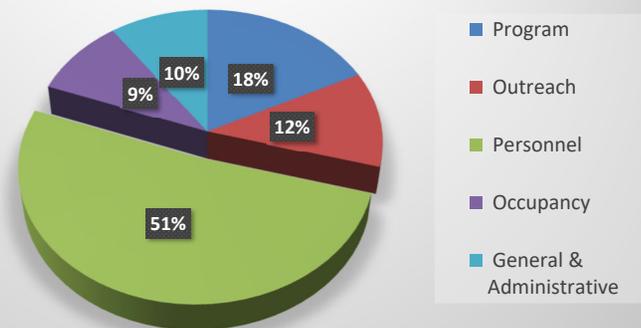
Budget Narrative:

- Total FY23 Budget is \$16.3M, up \$3.6M from FY22 Budget
 - \$14.2M of the Budget to be raised via General Giving
 - \$2M to be released from Restricted and Designated funds
- Please note HPPres Family of Churches is included in Outreach for FY22 & FY23
- General Fund Expenses had primary costs increases in Operations & Ministry
- Operations cost increases are due to Personnel, Occupancy & moving Production to Operations
- To help balance the budget, general and restricted giving will increase
- Outreach in the form of Benevolences is 12% of Total FY23 Budget, and including the Church Planting Subsidies totals 18%
- Personnel is 51% and Program is 18% of the FY23 Budget, respectively

FY22 Budget by Function



FY23 Budget by Function



Highland Park Presbyterian Church
 FY23 Budget - Statement of Activities by Function
 As of 8.15.22

Description	21-22	21-22	22-23	22-23	Total 22-23	FY23 vs. FY22
	Budget \$	Projection \$	Budget \$	RFR/DSGNTD Budget \$		
General Contributions	11,200,542	11,539,851	12,492,691	-	12,492,691	1
Assets Released from Restriction	1,039,148	828,497	-	1,590,205	1,590,205	2
Program Revenue	481,818	-	181,073	-	181,073	3
Investment Return	50,085	7,594	12,000	-	12,000	4
Other Revenue	8,407	3,683	1,543	-	1,543	5
Ministry & Capital Subsidies	(80,000)	(378,603)	(400,000)	480,000	80,000	6
Total Revenue	12,700,000	12,001,022	12,287,307	2,070,206	14,357,512	
Additional Revenue to Raise	-	-	1,942,870	-	1,942,870	
Adjusted Revenue	12,700,000	12,001,022	14,230,177	2,070,206	16,300,382	
Expenditures by Function						
Program	2,167,482	2,170,234	2,311,214	561,536	2,872,750	7
Outreach	1,207,465	1,499,304	688,704	1,207,440	1,896,144	8
Personnel	6,688,799	7,054,482	8,385,379	-	8,385,379	9
Occupancy	1,252,613	993,511	1,247,951	300,729	1,548,680	10
General & Administrative	1,383,641	1,538,147	1,596,929	500	1,597,429	11
Total Expenditures by Function	12,700,000	13,255,678	14,230,177	2,070,205	16,300,382	
Total Operating Surplus/(Deficit) before Depr.	-	(1,254,656)	0	0	0	
Depreciation Expense	4,851,432	2,363,179	2,363,179	-	2,363,179	12
Total Operating Surplus/(Deficit) after Depr.	(4,851,432)	(3,617,835)	(2,363,179)	0	(2,363,179)	
Total Operating Surplus/(Deficit) before Depr.	-	(1,254,656)	0	0	0	
Debt Payment (interest only)	-	138,888	127,750	-	127,750	13
Operating Cash Surplus/(Deficit)	-	(1,393,544)	(127,750)	0	(127,750)	

FY23 Notes/Assumptions:

1. Contribution growth rate of 6% based on the trend for FY19 and FY20 (pre-pandemic and pre-construction) & \$225K in FY22 "special gifts" that can be raised in FY23
2. Additional Outreach giving based on trends (\$.3M), release of restricted funds from prior years (\$.5M), & add'l restricted funds based on FY22 trend
3. Includes Revenue from Recreation, Concerts & Events
4. Effort to generate yield on excess cash through FDIC-insured Certificates of Deposit or interest-bearing money market accounts
5. Misc. Revenue for rebates, etc.
6. \$80k NET Subsidy - \$400k from the General Fund to Capital Asset Fund (\$200K) & CDC (\$200K); \$480k from Designated Funds to FOC (\$330K) & Res. Properties (\$150K)
7. Increase in programming is related to additional contract services and production costs related to post-COVID expansion of services
8. FY23 Outreach increased due to expected increase in specific giving
9. Includes HP Pres Church EE CDC Tuition Subsidy (\$78k), addtl staff (10 F/T & 7 P/T = \$.5M: Operations (\$.3M), K&S (\$.1M), Creative Team (\$.1M), FOC (\$.1M)), Benefits increase (15% & add'l staff = \$.3M), and a CPI-related salary increase (5.9% = \$.3M)
10. Increase related to additional facilities
11. Increase in Prop&Liab. Ins. (\$90k), net with decrease due to reduction in professional accounting fees
12. There will be an increase related to residential property renovations
13. Transform loan assumed to be \$3.5M with interest rate of 3.75%

Highland Park Presbyterian Church
FY 23 Budget Statement of Activities by Department

	<u>FY 22</u>		<u>FY 23</u>	<u>FY 23 Variance to FY 22 Projection</u>
	<u>Budget \$</u>	<u>Projection \$</u>	<u>Budget \$</u>	<u>Comments</u>
Revenues				
Contributions	11,200,542	11,539,851	12,492,691	
Release of Rest Funds - Outreach	305,792	797,894	826,440	
Release of Rest Funds - Other	733,356	30,603	763,766	
Total Contributions	12,239,690	12,368,348	14,082,896	
Program Revenue	481,818	-	181,073	
Total Program Revenue	481,818	-	181,073	
Investment Return	50,085	7,594	12,000	
Other Revenue	8,407	3,683	1,543	
Ministry & Capital Subsidies	(80,000)	(378,603)	80,000	Net of (\$200k)CapAssetRes & (\$200k)CDC and +\$330k FOC & +\$150k Res.Props
Total Revenues	12,700,000	12,001,022	14,357,512	
Additional Revenue to Raise	-	-	1,942,870	\$197k added since last draft: \$90k in Prop&Liab Ins., \$30k in FOC Startup, and \$77,642 in CDC Tuition HP Pres Staff Subsidy
Adjusted Revenues	12,700,000	12,001,022	16,300,382	
Expenditures by Dept				
Ministry	2,983,547	2,998,429	3,854,063	Add'l Childcare teachers & K&S costs that are grant funded; increase in support for CARE and Formation
Operations	3,878,397	5,213,453	6,736,627	\$150k ResProp Subsidy and 7 new positions in Facilities & 1 in Production
Outreach	1,960,531	2,187,543	2,839,221	\$330k FOC Subsidy, Increase in benevolences & 1 new position in FOC
Senior Leadership	1,259,626	1,578,441	1,510,124	Increase in Personnel costs
Worship and Arts	2,617,899	1,277,813	1,360,346	Add'l programming costs
Total Expenditures by Dept	12,700,000	13,255,678	16,300,382	
Total Operating Surplus/(Deficit)	-	(1,254,656)	-	

2022 August Membership Report

August 1, 2022 through August 31, 2022

Session Meeting of September 26, 2022

Covenant Partners - August 31, 2022

AGE	Total: Beginning of the Month	New Covenant Partners	Dismissed Covenant Partners	Deceased Covenant Partners	Total: End of the Month	Percent of Total
18 & Under*	223	0	0	0	223	4%
19 to 35	1456	0	0	0	1456	29%
36 to 50	860	0	0	0	860	17%
51 to 65	1161	0	0	0	1161	23%
66 to 80	726	0	0	0	726	15%
81 & Over	395	0	1	2	392	8%
Unknown	139	0	0	0	139	3%
Total	4960	0	1	2	4957	100%

Baptized Members (Infant to 14) - August 31, 2022

According to ECO, a 'baptized member' has been baptized but has not yet made a public profession of faith in Christ, through, for example, our Confirmation experience (7th grade).

AGE	TOTAL 08/31/2022
Infants - 14	739



2021-2022 MEMBERSHIP REPORT

August 31, 2022

Session Meeting of September 26, 2022

NEW COVENANT PARTNERS

None

MILESTONES

Births

None

Infant Baptisms

Brooks, Sophia, child of Mr. and Mrs. Parker Brooks (Katy) on August 21, 2022

Brookshire, Mack, child of Mr. and Mrs. Wood Brookshire (Lauren Anne) on August 21, 2022

Brookshire, Turner, child of Mr. and Mrs. Wood Brookshire (Lauren Anne) on August 21, 2022

Guffey, Crosby, child of Mr. and Mrs. Peter Guffey (Meghan) on August 21, 2022

Hill, Sloane, child of Mr. and Mrs. Taylor Hill (Arianne) on August 21, 2022

Levesque, Theo, child of Mr. and Mrs. Taylor Levesque (Meredith) on August 21, 2022

Lueders, Blaire, child of Mr. and Mrs. Jon Lueders (Caitlin) on August 21, 2022

Nix, Lily, child of Mr. and Mrs. Ryan Nix (Kelly) on August 21, 2022

Reardon, Amelia, child of Mr. and Mrs. Teddy Reardon (Loren) on August 21, 2022

Adult Baptisms

None

Weddings

Crowe, Hannah Marie to Saldana, Alex on August 13, 2022

Low, Caroline to Lamar, Trafford on August 20, 2022

Deaths

Gayden, William on August 17, 2022

Moore, Fay Beth on August 7, 2022

DISMISSED COVENANT PARTNERS

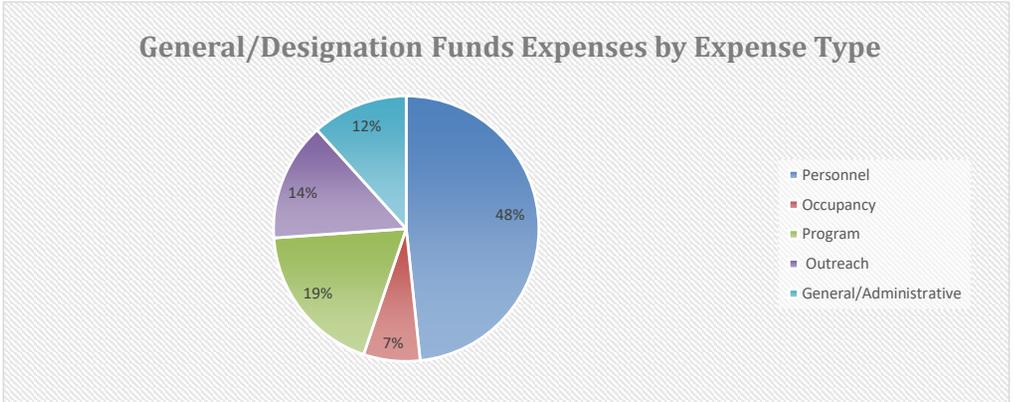
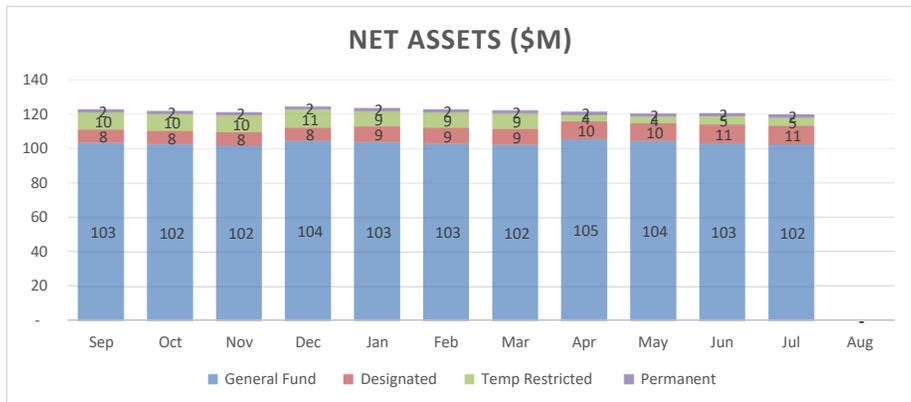
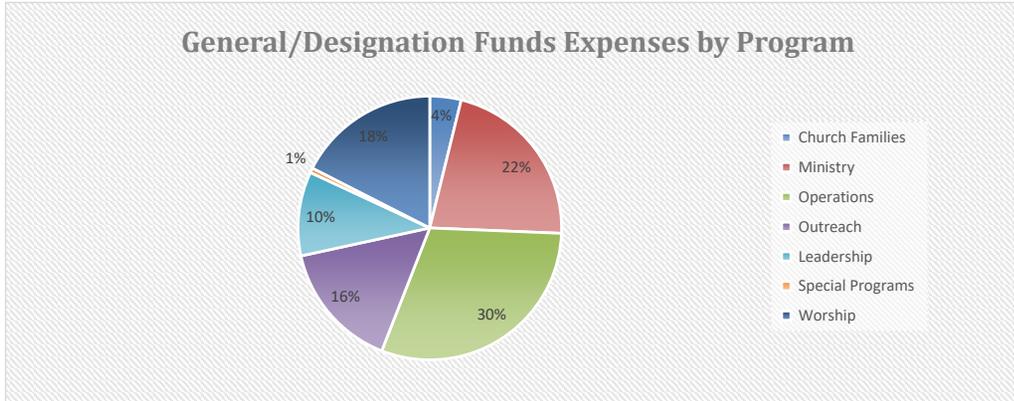
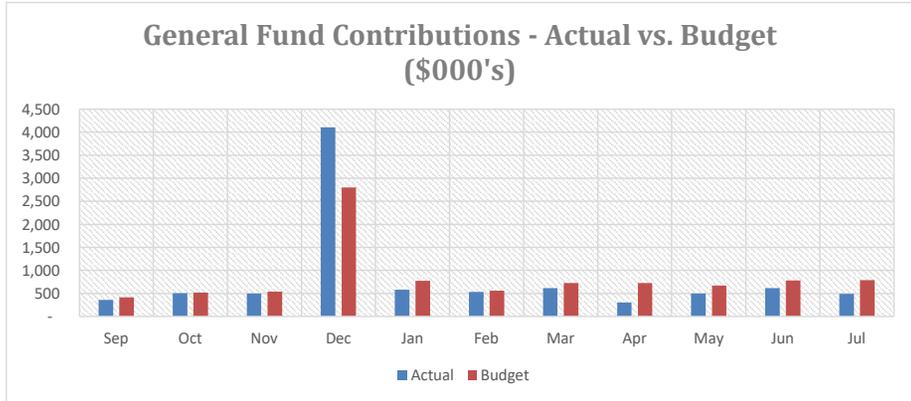
Koons, Thomas A – Dismissed per request

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**Highland Park Presbyterian Church
Financial Dashboard
As of July 31, 2022**

YTD Narrative:
 - Operating General Fund loss is less than the estimated budgeted loss by \$745k. This is due to timing of monthly donations expected through FY22 as well as catch up of General Fund releases for FY22
 - General Fund expenses exceeded the budget by \$965K primarily due to Operations, Ministry and Senior Leadership spending. General Fund Expenses net of RFR exceeded the Budget by \$406k primarily due to Operations and Senior Leadership.
 - Lower depreciation expense is related to completing remodels and renovations for residential properties expected to finish this year
 - In preparing for the FY19-FY20 Audit, Designated Net assets are being reconciled and adjusted accordingly

Transform Summary	Amount \$
Cash Received**	80,634,304
CIP to Date	(78,611,079)
Current Balance	2,023,225
Pending "Net" Receipts *	480,752
Projected CIP	(216,200)
Surplus/(Gap)**	2,287,777
<i>* Includes Pledge Allowance (\$2M)</i>	
<i>** Includes current loan advance (\$3.5M)</i>	



Highland Park Presbyterian Church
Summary Statement of Financial Position
As of July 31, 2022

	<u>Without Restriction \$</u>	<u>With Restriction Temporary \$</u>	<u>With Restriction Permanent \$</u>	<u>Total All Funds \$</u>
Assets				
Cash and Cash Equivalents	6,684,495	2,952,516	-	9,637,012
Accounts Receivable, Net	(87,046)	-	-	(87,046)
Pledges Receivable	-	2,480,752	-	2,480,752
Other Current Assets	309,470	-	-	309,470
Total Current Assets	6,906,920	5,433,268	-	12,340,188
Property & Equipment	106,493,274	92,840	-	106,586,114
Other Long-term Assets	29,743	13,290	-	43,033
Total Long-term Assets	106,523,017	106,130	-	106,629,147
Long Term Investments	1,119,018	2,676,756	1,883,302	5,679,076
Total Investments	1,119,018	2,676,756	1,883,302	5,679,076
Loans Receivable	116,738	-	-	116,738
Total Assets	114,665,693	8,216,154	1,883,302	124,765,149
Liabilities and Net Assets				
Accounts Payable	479,864	-	-	479,864
Accrued Liabilities	(89,235)	2,250	-	(86,985)
Other Short-term Liabilities	9,637	-	-	9,637
Total Short-term Liabilities	400,265	2,250	-	402,515
Notes Payable - Long Term	1,283,729	3,450,000	-	4,733,729
Other Long-term Liabilities	97,696	-	-	97,696
Total Long Term Liabilities	1,381,425	3,450,000	-	4,831,425
Total Liabilities	1,781,690	3,452,250	-	5,233,940
Net Assets	112,884,003	4,763,904	1,883,302	119,531,208
Total Liabilities and Net Assets	114,665,693	8,216,154	1,883,302	124,765,149

Highland Park Presbyterian Church
Statement of Activities (Without Restriction) - Actual vs Budget
FY22 YTD Through 07/31/22

	General Fund		Fav/(Unf)	Designations	Family of	Special	Res Properties	Total Without		Total With	YTD Totals
	Actual \$	Budget \$	Variance \$		Churches	Programs		Restriction	Annual	Restriction	
	Actual \$	Budget \$	Variance \$	Actual \$	Actual \$	Actual \$	Actual \$	Actual \$	Budget \$	Actual \$	Actual \$
Revenues											
Contributions	9,093,690	9,296,450	(202,760)	261,020	1,013,816	-	-	10,368,526	11,200,542	2,423,467	12,791,992
Release of Rest Funds - Outreach	184,847	-	184,847	642,571	-	-	-	827,418	305,792	(827,418)	-
Release of Rest Funds - Other	1,916,592	-	1,916,592	53,081	55,000	-	-	2,024,673	733,356	(2,024,673)	-
Total Contributions	11,195,128	9,296,450	1,898,679	956,672	1,068,816	-	-	13,220,617	12,239,690	(428,624)	12,791,992
Program Revenue	22,730	342,051	(319,320)	-	-	395,120	-	417,851	481,818	131,205	549,056
Total Program Revenue	22,730	342,051	(319,320)	-	-	395,120	-	417,851	481,818	131,205	549,056
Investment Return	13	45,911	(45,898)	1,384	-	-	-	1,397	50,085	(345,328)	(343,931)
Other Revenue	12,921	7,706	5,215	3,002	178	76,454	208,680	301,235	8,407	4,245	305,480
Ministry & Capital Subsidies	97,721	(73,333)	171,054	2,993,811	233,750	75,593	(90,558)	3,310,317	(80,000)	(3,236,983)	73,333
Total Revenues	11,328,513	9,618,785	1,709,729	3,954,869	1,302,744	547,168	118,122	17,251,416	12,700,000	(3,875,485)	13,375,930
Expenditures											
Family of Churches	519,796	628,629	108,833	5,391	659,149	-	-	1,184,335	189,060	-	1,184,335
Ministry	2,944,529	2,734,918	(209,611)	30,517	-	-	-	2,975,046	2,983,547	-	2,975,046
Operations	4,096,126	3,555,197	(540,929)	38,475	-	-	-	4,134,601	3,878,397	-	4,134,601
Outreach	1,233,955	1,168,525	(65,431)	907,755	-	-	-	2,141,711	1,771,471	-	2,141,711
Residential Properties	-	-	-	-	-	-	358,895	358,895	-	-	358,895
Senior Leadership	1,381,600	1,154,657	(226,943)	25,633	-	-	-	1,407,233	1,259,626	-	1,407,233
Special Programs	76,713	-	(76,713)	-	-	620,156	-	696,869	-	-	696,869
Worship and Arts	2,354,115	2,399,741	45,625	34,897	-	-	-	2,389,013	2,617,899	-	2,389,013
Total Expenditures	12,606,835	11,641,667	(965,168)	1,042,668	659,149	620,156	358,895	15,287,704	12,700,000	-	15,287,704
Total Operating Surplus/(Deficit)	(1,278,321)	(2,022,882)	744,561	2,912,200	643,595	(72,988)	(240,774)	1,963,712	-	(3,875,485)	(1,911,773)
Depreciation Expense	2,527,289	4,447,146	1,919,857	5,274	6,222	-	47,737	2,586,522	4,851,432	-	2,586,522
Total Net Operating Surplus/(Deficit)	(3,805,610)	(6,470,028)	2,664,418	2,906,926	637,373	(72,988)	(288,510)	(622,810)	(4,851,432)	(3,875,485)	(4,498,295)
Depreciation	2,527,289	4,447,146	(1,919,857)	5,274	6,222	-	47,737	2,586,522	4,851,432	-	2,586,522
Capital Spending	-	-	-	-	-	-	-	-	-	-	-
Operating Cash Surplus/(Deficit)	(1,278,321)	(2,022,882)	744,561	2,912,200	643,595	(72,988)	(240,774)	1,963,712	-	(3,875,485)	(1,911,773)

Highland Park Presbyterian Church
Summary Operating Income Statement
YTD Through July 31, 2022
Family of Churches

	All Nations		Chinese		Peak		Grace Lake		Oak Cliff		Total		
	General \$	Church \$	Chinese Mandarin	Operations/Designations	Peak Street	Operations/Designations	Grace	Operations/Designations	Family of Churches	Operations/Designations	Family of Churches	Operations/Designations	All Funds
Revenues													
Contributions	-	-	186,187	-	315,493	-	484,755	-	27,382	90,000	1,013,816	90,000	1,103,816
Total Contributions	-	-	186,187	-	315,493	-	484,755	-	27,382	90,000	1,013,816	90,000	1,103,816
Other Revenue	-	1,812	-	-	178	903	-	683	-	-	178	3,398	3,575
Interfund Transfers	-	-	13,750	-	90,000	(90,040)	130,000	(130,000)	-	-	233,750	(220,040)	13,710
Restrictions Released	-	-	-	-	22,500	(22,500)	32,500	(32,500)	-	-	55,000	(55,000)	-
Total Revenues	-	1,812	199,937	-	428,170	(111,637)	647,255	(161,817)	27,382	90,000	1,302,744	(181,642)	1,121,102
Direct	47,081	66,292	35,361	-	56,370	-	103,960	-	2,329	-	198,020	113,373	311,393
Salary and Wages	281,056	41,685	101,079	-	60,152	-	78,563	-	-	-	239,794	322,741	562,535
PR Benefits	66,537	7,999	61,058	-	9,625	-	23,436	-	-	-	94,119	74,536	168,655
PR Taxes	6,690	3,184	-	-	4,495	-	3,909	-	-	-	8,403	9,874	18,277
Total Personnel	354,283	52,869	162,137	-	74,272	-	105,908	-	-	-	342,317	407,151	749,468
Occupancy	-	-	-	-	47,971	-	58,122	-	-	-	106,093	-	106,093
Advertising and Promotion	-	-	-	-	1,065	-	1,138	-	-	-	2,203	-	2,203
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	-	373	1,281	-	3,239	-	6,456	-	1,114	508	12,089	882	12,971
Other Expenses	-	420	506	-	1,730	-	2,168	-	-	-	4,405	420	4,825
Travel Expenses	-	3,360	-	-	244	-	-	-	-	-	244	3,360	3,604
Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Total General and Administrative Expenses	-	4,153	1,787	-	6,279	-	9,762	-	1,114	508	18,942	4,662	23,603
Total Expenditures	401,363	123,315	199,285	-	184,892	-	277,752	-	3,443	508	665,371	525,186	1,190,558
Total Net Surplus/(Deficit)	(401,363)	(121,503)	652	-	243,279	(111,637)	369,503	(161,817)	23,939	89,492	637,372	(706,829)	(69,456)

Highland Park Presbyterian Church
Summary Operating Income Statement
YTD Through July 31, 2022
Residential Properties

	<u>Month To Date \$</u>	<u>Year To Date \$</u>
Revenues		
Rental Income - Non-clergy	5,100	41,800
Clergy House Subsidy	15,480	166,880
Interfund Transfers	(8,542)	(90,558)
Total Other Revenue	<u>12,038</u>	<u>118,122</u>
Total Revenues	<u>12,038</u>	<u>118,122</u>
Direct	-	11,109
Occupancy	7,066	300,660
Depreciation	4,340	47,737
Interest Expenses	4,186	47,126
Total Expenditures	<u>15,591</u>	<u>406,632</u>
Total Net Surplus/(Deficit)	<u><u>(3,553)</u></u>	<u><u>(288,510)</u></u>

Highland Park Presbyterian Church
Transform Cash Reconciliation
As of July 31, 2022

		Estimated Cash Activity \$	Notes
Total Pledge Cash Receipts		<u>73,346,876</u>	(A)
Uncollected pledges			
>\$600K	600,000		
>\$100K < \$600K	888,315		
<\$100K	<u>992,437</u>		
Subtotal - uncollected pledges	<u>2,480,752</u>		
Less allowance for uncollectible pledges	<u>(2,000,000)</u>		(F)
Estimated remaining pledge collections	<u>480,752</u>	480,752	
Payments received in excess of pledge		2,310,417	(B)
Other receipts not pledged		1,527,011	(C)
Loan Cash Advance		<u>3,450,000</u>	(D)
Estimated total cash receipts		81,115,056	
Less:			
CIP to date		(78,611,079)	
Projected CIP to completion, excluding contingency		<u>(216,200)</u>	
Estimated Total Project Costs		<u>(78,827,279)</u>	
Estimated Total Cash Surplus(Deficit)		<u>2,287,777</u>	
Total additional cash needs:			
Estimated Total Cash Surplus(Deficit)		2,287,777	
Repayment of note payable		<u>(3,450,000)</u>	
Total Estimated Cash Shortfall		(1,162,223)	
Total "Contingency" netted against CIP		-	(E)
Total Potential Cash Shortfall *		<u><u>(1,162,223)</u></u>	
		-	

Notes:

(A) These are actual cash receipts related to pledges received from members (and possibly others)

(B) These are cash payments from members (and possibly others) in excess of their original pledges

(C) These are cash receipts from people who had not previously made pledges - i.e., new members or others who, for whatever reason, missed (or skipped) the opportunity to make a pledge

(D) ANBT \$3.45M interest only (3.65%) Loan. Quarterly note payments began in June 2021

(E) Included here to acknowledge that some or all of the benefits of the contingency may not be realized

(F) \$2,000,000 deemed uncollectable to be expensed in FY20 Financials

Motions to Session from the Operations Committee

Approved by Operations September 19, 2022

Motion 1:

To allow Grace Church Lake Highlands to raise an estimated \$3.2 million for the purchase and renovation of the church property located at 10101 Walnut Hill Lane. Funds raised beyond this total can be allocated by the Grace Lake Highlands leadership team for further capital improvements, reserves, or ministry opportunities.

Rationale:

1. This is a strategic opportunity for Grace LH to secure a long-term church home in an excellent location for an incredibly good price (\$1.8M).
2. The proposed renovations will position the congregation to continue reaching more people in Lake Highlands, especially given their rate of growth, since moving to this new location.
3. The initial pledges from 15 families received during the last month's feasibility study – totaling 66% of the \$3.2M goal – more than demonstrate the feasibility of raising the estimated total.

Motion 2:

To affirm the Memorandum of Understanding regarding the future transfer of the property title to Grace Church Lake Highlands upon them becoming an independently chartered ECO church.

Rationale:

1. Donors who have indicated a desire to give to this vision – and members of the Grace congregation – will be able to give confidently knowing that this property will be a long-term home for Grace.
2. It is consistent with our denomination's view towards church property that each congregation should hold the title to its property. This would be an appropriate step of maturity for Grace to receive title to the property when they become an independently chartered ECO church.
3. We wish to memorialize the intention of this Session and our Senior Leadership for when the time comes for Grace to become an independent congregation.