

Comments on the 2019/2020 Treasurer's Report and 2020/2021 Proposed Budget

Results for 2019-20

We have revised our accounting procedures this year so that we show almost all of our income and expenditures as part of the church budget rather than relying on non-budget accounts for special initiatives. We now use PowerChurch software for generation of all financial reports. As part of this process, we have eliminated many unnecessary accounts to simplify our balance sheet and have transferred the money in those accounts to income. This is income that we will not have in future years, but it helped offset unique expenses this year as well.

We agreed as part of the supplemental stewardship campaign in the Fall of 2019 to use money from the unallocated Barb Ross bequest as a source of matching funds for new contributions. We obtained \$21,087 in new pledges and therefore took that amount from Barb's \$25,000 bequest as income. As a result, it was not necessary to use any of the Richard Holland bequest as income. In the course of consolidating our investments at one financial institution (see the Capital Trust report), we used \$41,107 in gains from the Board Investment Fund as investment income, rather than taking 4% of the Trust. We had \$237,000 in pledges at the end of the supplemental campaign and it appears that we will have about that much in pledge contributions by the end of the church year. Income from rental of the church for weddings is down this spring as a result of the Coronavirus pandemic, but most other income categories are on budget. Expenses for the new minister search were lower than expected as a result of use of Zoom in place of some in-person visits. We are still waiting for final end-of-year numbers at this point, but may finish the year with a small surplus.

Stewardship Campaign

The goal for the stewardship campaign this spring was \$280,000, \$43,000 over the end result of the previous campaign. The additional funds were required to close the gap between income and expenses in previous budgets, pay for \$15,000 in moving expenses for the new minister, higher costs in salary and benefits for the new minister, the costs of a part-time accountant, another \$5,000 reduction in Richard Holland's annual pledge, and other costs covered in previous years from non-budget accounts. As of April 15, 2020, we had 86 pledges totaling \$187,921. The budget has therefore been revised to assume total pledge income of \$250,000, but it will take work and perhaps another supplemental campaign to reach that goal.

Proposed Budget

The proposed budget of \$415,100 is 3.5% above last year's revised budget. On the expense side, we have assumed an average 3% merit increase for members of our staff, plus a larger increase for Shari Woodbury as our settled minister. Her contract calls for a salary, including housing, of \$89,012, starting on August 1, 2020. If Rev. Michelle had stayed another year, her salary would have been \$82,727. The budget shows a weighted average of their salaries. Other expenses are budgeted assuming a continuation of all of our programs although the pandemic could lead to reductions. On the income side, the impact of the pandemic on rental income, investment income, and fund raising is unclear. We have assumed reduced income from most sources with the exception of pledge contributions. That too could change. The loss of income will be offset by use of \$25,000 in existing reserve funds, plus \$41,000 from a non-repayable loan under the Payroll Protection Program of the Cares Act. The loan has been approved and will be received on April 22. It will create a large surplus this year to be applied to next year's budget. We should not need to access the principal of the Board Investment Fund, but will be able to do so if pledge contributions decline.

Balance Sheet

We made major progress this year in cleaning up and simplifying the balance sheet. The balance sheet shown in this report is based on data available from our March financial reports with further consolidation of some accounts approved by the Board in April. To further simplify the report, we have grouped other accounts, such as YRUU, OCUUPs, and the Women's Alliance, on a single line. A final end-of-year balance sheet and a budget showing end-of-year results will be posted on the church website in May.

Current values of three funds managed by the Capital Trust are shown at the bottom of the balance sheet. The value of the Board Investment Fund is currently less than the \$500,000 value of the bequests used to create the fund, but it should be noted that \$41,107 in gains from the fund were used as investment income during the 2019-2020 church year.

The value of the Capital Trust itself is not shown on the balance sheet, but is given in the Capital Trust annual report. As of April 14, 2020, it was \$561,010.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Will J. J. J. J.", is written below the text "Respectfully submitted,".

FIRST UNITARIAN CHURCH TREASURER'S REPORT

ANNUAL CONGREGATION MEETING - MAY 3, 2020

	2019/2020 Last Year's Budget	Change From Last Year's Budget	2020/2021 Proposed Budget
Income:			
Pledged Contributions	237,000	13,000	250,000
Investment Income	38,880	(4,880)	34,000
Fund Raising	15,000	(500)	14,500
Use of Facilities	22,550	(10,050)	12,500
Total Plate Collections	10,300	(3,100)	7,200
Non-Pledged Contributions	15,000	(10,000)	5,000
Memorial Gifts	5,000	(4,000)	1,000
Other Income - Interest	4,520	(520)	4,000
Other Income - Misc	800	100	900
Barb Ross Bequest	21,087	(21,087)	
Holland Fund Contribution	25,000	(5,000)	20,000
Transfer from Reserves	5,821	19,179	25,000
Proceeds from PPP Program		41,000	41,000
Total Income	400,958	14,142	415,100
Expenses:			
Minister	127,882	9,920	137,802
Office & Administration	93,125	3,916	97,041
House & Grounds	37,116	(132)	36,984
Religious Services (incl music)	31,129	1,658	32,787
Religious Education	57,292	(694)	56,598
Denominational Affairs	23,453	1,452	24,905
Discretionary & Team Funds	30,961	(1,978)	28,983
		-	
Total Expenses	400,958	14,142	415,100
Surplus or (Deficit)	(0)		(0)

Balance Sheet (as of 3/31/20)

ASSETS

Premier Bank - Checking	98,267
Premier Bank - Savings	2,844
Office Petty Cash	190
Certificats of Deposit	201,991
Accrued Inc/Prepaid Exp	3,657

TOTAL ASSETS 306,949

LIABILITIES

Payroll Deductions	558
Minister's Discretion Fund	250
Deposits - Building Rent	6,150
Capital Trust Cash Account	6,501
Prepaid Pledges	23,473
Unallocated Bequests	15,027
Wilson Bequest - Music	24,725
Holland Contribution	50,000
Tubach Church Painting	500
Sanctuary Windows Project	22,911
Anniversary 150 - Donation	958
Preserve Our Building Fund	78,275
YRUU/OCUUPs/WA	8,608
WA Merrit Education Fund	707
YES / Community Meals	3,098
Financial Aid/Caring Funds	4,388
Music Donation Income	5,595
RE Donation - Nather 2014	2,321
Partner Church Fund	510
Prior Year's Transactions	(2,486)

TOTAL LIABILITIES 252,069

NET ASSETS

Curr Yr's Surplus/Deficit	(2,764)
Prior Surplus/Deficit	57,644

TOTAL EQUITY 54,880

TOTAL LIABILITIES AND EQUITY 306,949

SPECIAL FUNDS (as of 4/14/2020)

Board Investment Fund	478,553
-----------------------	---------

Music Fund	7,676
Women's Alliance Fund	<u>12,946</u>
TOTAL INCLUDING SPECIAL FUNDS	<u><u>806,124</u></u>