

Treasurer's Report

First Quarter of FY 2013-14

November 12, 2012

Revenue Trends: July through September

Income was trending considerably ahead of budget projections as of the end of the first quarter of the fiscal year, mainly due to the early receipt of pledge payments. Income from all sources during the quarter totaled \$79,889, compared to \$61,012 in total expenditures. An unusually large number of members paid their entire annual pledge commitment during the final quarter of FY 2012-13 or the first quarter of FY 2013-14. As a result, FY 2013-14 pledge payments recorded during July through September totaled \$67,159, compared to the \$36,765 projected in the budget. With early payments already on the books, the differential between actual and projected receipts is expected to narrow throughout the remainder of the fiscal year.

Sunday service collections were trailing just slightly behind the budget projection as of the end of the first quarter of the fiscal year (-\$123). Since attendance during the summer months tends to decline, the first quarter results are not unexpected. Yard Sale revenue (\$5,808) was considerable higher than the budget projection (+\$1,808) and net receipts from grocery card sales were slightly above the amount projected (+\$70).

Expenditure Trends: July through September

Total UUCSV expenditures ran about \$3,700 below budget projections as of the close of the first quarter of the church's fiscal year. Expenditures totaled \$61,012 from July 1 through September 30, compared to the \$64,709 budgeted for the period. Due to higher than expected revenue, the church ended the quarter with a cash surplus of \$18,876. Again, as the early bump in pledge revenue evens out, the first quarter gap between revenue and expenditures is expected to narrow during the remaining months of the fiscal year.

Expenditures exceeded budget projections in the following major areas of activity: Sunday services (138%), Religious education (192%) and Operating expenses (113%). These overages were more than offset by lower than expected expenditures in the following major activity areas: Board and committee activities (16%), Staff salaries and benefits (93%), Building and grounds (87%) and Development expenses (54%).

It is still too early in the fiscal year to assign great importance to the status of expenditures in any given line item of the budget, since the rate of expenditures vary from activity to activity throughout the fiscal year. In order to foster responsible fiscal management practices, Pam Olinger, the church Bookkeeper, has begun to send committee chairs and staff regular reports tracking expenditures against budget projections in their respective areas of responsibilities.

A table comparing revenues and expenditures through September 30th with the original budget projections is attached for your information. This table contains line-by-line details on first quarter revenues and expenditures.

UUCSV's Overall Financial Status

As of September 30, 2013, the church's assets totaling \$1,363,802, including \$71,955 in cash, \$28,710 in investment accounts (mainly two certificates of deposit), and \$1,097,330 in fixed assets (primarily the value of the building and land). The church's liabilities included \$5,803 in accounts payable, \$1,351 in outstanding credit card charges, \$493,951 in future mortgage payments, \$70,371 set aside for Board-designated purposes, \$3,057 in temporarily-restricted accounts, \$160,196 in permanently-restricted accounts (the Endowment Fund), \$610,196 in unallocated reserves (mainly current equity in the building and land) and \$18,876 in net income for the month. Details regarding the church's financial status can be found in the September 30th balance sheet, located on the last two pages of the attachment.

Tracking and Reporting on Pledge Payments

Quarterly statements were sent to all pledge units in late October. Additional updates will be sent out in January, April and July. On November 20th, the Treasurer is scheduled to brief the Board on the status of pledge payments. As of October 29, sixty-nine pledge units (60%) had paid 25% or more of their annual pledge commitment. In fact, half had met 50% or more of their pledge commitment, including 17 pledge units (15%) that had paid their entire FY 2013-14 pledge. On the other side of the ledger, 46 pledge units (40%) had met less than a quarter of their annual pledge commitment, including 23 members and friends who had made no pledge payments as of October 29.

Other Financial Developments

The Treasurer continues to work closely with the Finance Committee and the Board on developing policies and procedures governing the management of the church's finances. During the first quarter of FY 2013-14, the following additional Financial Manual transmittals were prepared and approved by the Board of Directors:

- Financial Roles and Responsibilities within UUCSV. This transmittal outlines the intersecting duties of various church committees and staff members in managing church finances.
- Budget Development Process. This transmittal describes the process used in preparing and approving the church's annual operating budget and specifies responsibilities for completing various tasks.
- Budget Amendment Process. This transmittal outlines the process for amending the annual operating budget to account for expenditures and/or revenues that were not contemplated when the original budget was prepared and approved.
- Acceptance and Acknowledgement of Gifts and Donations. This transmittal outlines the procedures to be used in accepting gifts and donation. The procedures are designed to apply to both general operating fund and Endowment Fund gifts/donations.

Plans call for preparing additional Financial Manual transmittals in the coming month. The Treasurer's goal is to have the Manual completed by the end of the current fiscal year (June 2014). The next step in the process is to prepare a revised, working outline of the Manual. This document will include an organizational framework and summarize the remaining work to be completed. The outline will be used to solicit input on additional financial management topics that should be addressed in the Manual.

Conclusion

UUCSV ended the first quarter of the fiscal year in a sound financial position. Given the constraints imposed by a tight operating budget, however, church leaders and staff will have to continue to exercise financial discipline if expenditures are to remain within established budgetary limits.

Respectfully submitted,

Robert M. Gettings
UUCSV Treasurer