

Endowment Committee

<u>Fund Sources</u>	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Newberger Berman	\$ 1,210,899	\$1,067,550
UUA Common Fund	\$ 709,215	\$ 646,523
Loan to church	\$ 582,750	\$ 582,750 *
Bernhard Music Fund	\$ 171,242	\$ 172,202 **
Vanguard fund	\$ 93,318***	\$ 42,318
Total Endowment	\$ 2,766,424	\$ 2,511,343

Committee Comments:

*The loan to the church was for the purpose of acquiring the Sheila Lane property. It was made on an interest free basis until February 1, 2012. Following an agreement between the Board of Trustees and the Endowment committee, the interest to be paid is at the rate of 2.0 percent. To offset this expense to the church, the Endowment Committee reimbursed the church for this interest expense of \$11,655. The net effect is no change in the principal amount of the loan.

** The music fund provided a special payment of \$5,087 to support the music program of the church not covered in the church budget.

*** In October 2012, a special gift of \$50,000 was made to the endowment fund.

Respectfully submitted

Neil Coleman, Chair, David Thompson, Marie Claire Bue, Brian LaVoie and Bob Trefry

Treasurer's Report

The Treasurer is the member of the Board of Trustees who oversees the finances of the church with the support of the Assistant Treasurer (if one exists) and the support and supervision of the Finance Committee. This report reviews the church financial results for the 2012 fiscal year which started on July 1, 2011 and ended on June 30, 2012. It also contains 11 month results for fiscal year 2013, but these numbers are subject to revisions when we close out the year. Please refer to the 2012 financial statements that follow this report. The fiscal year 2014 budget is reported by the Finance Committee.

Summary - The congregational operating budget ended the 2011-2012 fiscal year with a \$40,860 surplus. Sheila Lane ended the year with a \$43,135 loss, resulting in a consolidated loss of \$2,275. This is \$25,000 better than we had budgeted for, due to a combination of somewhat increased income, decreased operating expenses and less than expected Sheila Lane losses.

Comments - Since the annual meeting was moved to June, before the close of the financial year, the treasurer and finance committee can only report final numbers for Fiscal Year 2012 (11 months after the fact). In particular, the balance sheet shows a preview of the May 31 balance sheet with the Sheila Lane transaction factored in.

Significant events of the 2013 fiscal year:

- Adding a membership coordinator position, filled by increasing the hours to full time of David Vita, our social justice director. This increase will be offset by a congregant's gift through fiscal year 2015.
- Paying \$300,000 on the Sheila Lane bank mortgage by borrowing \$300,000 from church operating reserves – money the church has in the bank, not the endowment.
- The likely sale of Sheila Lane (scheduled for mid-June), which will result in a \$359,000 gap between the sale price and the bank mortgage. The first 300K of this gap is covered by the prepayment in the preceding item, the additional 59K will also be borrowed from reserves. The board plans to repay the capital reserves through fundraising and by an annual payment from the operating budget.

Respectfully submitted,

Ken Vogel, Treasurer

Annual Budget Report FYE 2012

	FYE 6/30/2012	12 mo Actual	FYE 6/30/2013	FYE 6/30/2014
	Annual Budget	Jul '11 - Jun 12	Annual Budget	Annual Budget
Congregation Operating				
Income				
Pledge & Gift Trust	678,108	683,611	674,370	674,370
Voluntary Contributions	41,700	36,573	38,000	38,000
Fundraising	17,900	19,956	22,500	13,500
Facility Use	127,992	132,639	122,992	132,336
Other	8,700	5,048	19,655	47,827
Total Income	874,400	877,827	877,517	906,033
Expenses				
Compensation	599,438	604,550	569,433	667,072
Utilities	36,200	31,172	33,600	27,600
Building Maintenance	59,000	55,786	59,000	60,000
Ground Maintenance	16,500	15,175	11,700	11,200
Church Insurance	10,300	10,335	11,400	10,700
Programs & Services	38,700	30,636	34,500	36,600
Office Supplies/Services	14,600	17,137	14,400	14,300
Office Equipment	10,400	14,016	13,000	15,700
Denominational	31,742	32,113	30,170	41,586
Other Expenses	25,880	26,047	24,180	32,020
Total Expense	842,760	836,967	801,383	916,778
Net Income	31,640	40,860	76,134	-10,745
Sheila Lane				
Income				
Rental Income		37,200		
Interest Income		824		
Total Income	37,200	38,024		
Expenses				
Mortgage Interest		64,989	44,200	
Loan Interest			11,655	12,000
Property Taxes		11,506		
Insurance		800		
Other		3,864		24,000
Total Expenses	96,200	81,158	55,855	36,000
Net Income	-59,000	-43,135	-55,855	-36,000
Congregation & SL Consolidated				
Income	911,600	915,851	877,517	906,033
Expenses	938,960	918,126	857,238	952,778
Net Income	-27,360	-2,275	20,279	-46,745

Consolidated Balance Sheet as of May 31, 2013

	May 31, 13	Jun 30, 12
ASSETS		
Current Assets		
Checking/Savings		
1021 · FCSB OPERATING*CKG	49,785.32	178,783.60
1022 · FCSB * MONEY MARKET		61,383.11
1200 · Vanguard Money Market	141,099.60	141,079.70
Sheila Ln FCSB*CHECKING		32,579.08
FCSB*36 mth CD #5029		36,616.16
FCSB*TENANT SECURITY#4162		3,760.77
Total Checking/Savings	190,884.92	454,202.42
Total Current Assets	190,884.92	454,202.42
Fixed Assets		
1400 · Land & Land Improvements	1,000,000.00	1,000,000.00
1401 · Church Building	1,000,000.00	1,000,000.00
1404 · Meeting House	900,000.00	900,000.00
1406 · Sheila Lane Property*Land	790,000.00	900,000.00
1408 · Furniture, Fixtures & Equipment	100,000.00	100,000.00
Total Fixed Assets	3,790,000.00	3,900,000.00
Other Assets		
1251 · Due From Sheila Lane Property		
1256 · Security Deposit* SCG (Gas)	1,000.00	1,000.00
Total Other Assets	1,000.00	1,000.00
TOTAL ASSETS	3,981,884.92	4,355,202.42
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
2111 · 403(B) TIAA-CREF (ET)	1,277.12	1,277.12
2113 · Pershing (403) B Frank Hall	2,812.50	1,750.00
2121 · Clearance		
2119 · Special Performances	1,741.77	389.75
2122 · Outreach / Service Trips	0.62	-871.44
2124 · Beardsley School	1,537.13	2,434.48
2125 · Share the Plate	3,287.01	3,277.01
2126 · Children's Chapel	753.99	707.17
2315 · Camp Jewell	-1,158.14	115.72
2317 · Microfinance Fund	5,220.00	2,675.00
2321 · Camp Jewell * Scholarship Fund	1,153.16	1,153.16
2322 · Chalice Lighters	20.00	20.00

2537 · Teen Room Improvement Gift	44.29	3,050.02
2538 · Spring Speakers Series		809.36
2545 · COA Adult Trip	1,009.58	1,080.47
2547 · Minister's Discretionary Fund	5,562.02	5,587.02
2601 · Global Justice Committee Fund	634.94	634.94
2602 · Clearance * Misc	806.47	1,343.49
2603 · Plowing Donation	2,620.00	7,500.00
2121 · Clearance - Other	88.00	88.00
Total 2121 · Clearance	23,320.84	29,994.15
2208 · Loans & Exchanges		200.00
2218 · Flexible Spending Acct*Paychex		
2218.2 · FSA Year 2011	240.84	240.84
2218.3 · FSA Year 2012	121.08	135.62
Total 2218 · Flexible Spending Acct*Paychex	361.92	376.46
Sheila Ln Tenant Security Deposit		3,760.77
2295 · Advance Pledge Payment	31,225.00	47,089.66
2296 · Prepaid Facility Rent	1,050.00	
Total Other Current Liabilities	60,047.38	84,448.16
Total Current Liabilities	60,047.38	84,448.16
Long Term Liabilities		
2700 · DUE TO ENDOWMENT FUND	582,750.00	582,750.00
2800 · N/P FCSB MORTGAGE	792,250.00	1,092,250.00
Total Long Term Liabilities	1,375,000.00	1,675,000.00
Total Liabilities	1,435,047.38	1,759,448.16
Equity		
2115 · Invested in Capital Assets		
2500 · Capital Assets	3,000,000.00	3,000,000.00
Total 2115 · Invested in Capital Assets	3,000,000.00	3,000,000.00
2120 · Program Funds		
2305 · Membership Coordinator Fund	11,350.99	
2309 · COA Program Reserve	3,885.90	3,423.90
2310 · Rainbow Task Force Fund	369.00	369.00
2318 · Senior Group	324.33	358.21
2320 · Shawl Ministry	498.13	581.60
2323 · Environmental Action Committee	1,191.22	1,191.22
2400 · Partner Church	1,570.28	720.28
2405 · Social Justice Ministry	120.00	
2406 · Social Justice Fund		
2311 · Westbridge Fund	3,960.25	10,663.04
2316 · CT Food Bank	3,771.86	4,129.54
2325 · Labyrinth	0.00	126.00
2355 · Voices Cafe	1,396.74	683.37
2357 · Voices Cafe-Reserve Fund	0.00	0.00
2406 · Social Justice Fund - Other	3,682.26	4,124.71

Total 2406 · Social Justice Fund	12,811.11	19,726.66
2407 · Lay Leadership Scholarship	1,855.54	1,855.54
2521 · Computer Fund	263.74	762.74
2522 · Special Music Fund	21,178.61	17,744.36
2524 · Bernhard Music Fund Dist.	1,032.38	59.40
2527 · Youth Group	3,835.24	4,706.68
2528 · Memorial Area	34,137.99	33,040.99
2530 · Choir Accompanist Fund	1,552.63	1,552.63
2532 · UU Bookcart	855.23	855.23
2536 · Bell Choir Fund	89.08	89.08
2544 · Friday Night Forum	852.00	872.00
2550 · Spring Fling / Fall Follies		542.66
2120 · Program Funds - Other	-118.37	-118.37
Total 2120 · Program Funds	97,655.03	88,333.81
2130 · Reserves		
2539 · Capital Reserve	35,000.00	35,000.00
2542 · Major Maintenance Reserve	142,215.33	125,545.33
Total 2130 · Reserves	177,215.33	160,545.33
2140 · Net Loss Sheila Lane Purchase	-674,386.33	-564,386.33
2150 · Net Loss Sheila Lane Pre FY 2012	-141,218.43	-98,083.62
3900 · General Fund Balance *BOY	52,479.88	11,620.18
Net Income	35,092.06	-2,275.11
Total Equity	2,546,837.54	2,595,754.26
TOTAL LIABILITIES & EQUITY	3,981,884.92	4,355,202.42

Finance Committee

The Budgeting Process – The budgeting process always starts with the Finance Committee, which investigates the needs of the staff and committee heads, and then submits its proposed budget to the Board of Trustees for their approval. Then it is submitted to the congregation for their approval, as we are doing now at this Annual Meeting.

For FY 2014, we are budgeting a net loss of \$46,745. This loss is mitigated as follows:

- The actuals for 2013 are likely to be a \$20,000 surplus.
- We will have around \$20,000 in one-time expenses, including an overlap of the senior and interim minister, and interim minister travel expenses

We will likely be forced to look at more significant fundraising or cost cutting in the FY2015 budget.

Respectfully submitted by the Finance Committee,

Tom Comer (Chair), Art Ulrich, Howard Aibel, Neil Coleman, Hazen Goddard, Harvey Place, Ken Vogel, Treasurer, and John Carroll, Business Manager

2014 Budget Summary

Operating Budget for FYE 6/30/14		Diff vs. '12
Budget Income		
Pledge & Gift Rec.	674,370	0
Facility Use	132,336	9,344
Voluntary Contrib	38,000	0
Fundraising	13,500	-9,000
Other Income	47,827	28,072
Total Income	906,033	28,416
Budget Expenses		
Total Compensation	667,072	97,639
Utilities	27,600	-6,000
Maintenance	71,200	500
Insurance	10,700	-700
Programs & Services	36,600	2,100
Denominational	41,586	11,416
Office Supplies, Svcs, Equipment	30,000	2,600
Accounting, Audit, Bank & Cr. Card	18,220	5,540
BOT, Consulting, Ann Meet & Canvass	10,500	2,000
Sheila Lane Repayment	36,000	-19,855
Miscellaneous	3,300	300
Sub-Total Operating Expenses	952,778	95,540
Operating Net Income/Loss	-46,745	

Significant Expense Changes from Last Year	
Denominational to 100%	10,397
2% Staff increase (n/a to SM & IM)	8,430
External audit (not this year)	0
Accounting services increased	3,840
Membership Coord	29,272
Interim v. SM (includes relocation)	38,181
Frank 2 months	24,321
Total	114,441

Significant Additional Revenue or savings	
Parking Lot Rentals	5,000
Membership Fund (fm Gift)	29,272
Nursary School 3%	1,944
Total	36,216

Prior Years Actual			
	Church	Sheila Ln	Consol.
FYE 6/30/2012			
Income	877,827	38,024	915,851
Expenses	836,967	81,158	918,125
Net Income	40,860	-43,134	-2,274
FYE 6/30/2011			
Income	885,109	38,439	923,548
Expenses	868,121	77,416	945,537
Net Income	16,988	-38,977	-21,989
FYE 6/30/2010			
Income	880,581	45,372	925,953
Expenses	851,841	78,312	930,153
Net Income	28,740	-32,940	-4,200
FYE 6/30/2009			
Income	850,786	46,039	896,825
Expenses	1,003,077	68,884	1,071,961
Net Income	-152,291	-22,845	-175,136

FYE 6/30/2013 *			
(Estimated)	Church	Sheila Ln	Consol.
Income	890,000	14,725	904,725
Expenses	800,000	90,000	890,000
Net Income	90,000	-75,275	14,725

Upcoming Sheila Lane Balance Sheet Transactions	
Costs	-
Gap (Net Sale - Mortgage)	359,250
Payments	
Payment from Operating Reserves (now)	300,000
Payment from Operating Reserves (upon sale)	59,250
Close the gap Fundraiser (December 2013)	200,000
	-
Net impact to reserves	159,250
If we don't sell until Dec 2013	
Additional Cost and Debt Payments	-31,085