

Finance Committee Report – 2016-2017

Chair: Dick Hildenbrand, Treasurer

Members: Dave Dessert, John Elder (Bookkeeper), Cindy Hadden, Steve Mason, Mike Owens

The Finance Committee is responsible for maintaining the fiscal health of the congregation. The church budget at the start of this fiscal year was balanced with income and expense projected at \$324,026. With two months left to go in the fiscal year, expenses have exceeded income by \$3,015 and we expect to end the year with a \$5,000 to \$6,000 deficit.

As of the March 2016 financials, we stand as follows:

FYTD through March 2017	Actual	Budget	Annual Budget
Total Income	\$265,505	\$276,227	\$324,026
Total Expense	\$268,520	\$269,841	\$324,026
Net Income	-\$3,015	\$6,386	\$0

The FYTD negative income variance is mostly due to current year pledges being behind budget (-\$7,803), “Loose Offering” – undesignated money collected in the plate on Sundays (-\$2,205), Balloon Festival Parking (-\$1,733) and lower than expected building rentals(-\$1,220). Pledges are being caught up but will not close the gap entirely due to some pledges that have been reduced or stopped.

The total Dedicated Funds balance as of the end of March is \$59,365 and this amount is not fully covered by the Legacy Money Market account and the Schwab Money Market account. It is owed \$26,500 that was borrowed to cover Major Repairs and is planned to be paid back subsequent to a land sale being considered. There is currently no cash reserve.

Investment Funds are reported separately by the Investment Committee (see).

Funding for the completion of Major Repairs and monitoring of those expenses was a major focus during the year. The \$100,000 loan from the Unrestricted Investment Fund (approved by the congregation in November 2015) was exhausted in April 2016 and at the May 2016 congregational meeting, opening a Line of Credit (LOC) for up to \$100,000 was approved. However, bills needed to be paid before this LOC could be initiated, so the Finance Committee recommended, and the Board approved, a temporary loan from Dedicated Funds in the amount of \$26,500. The LOC balance stands at \$49,300 and will be finalized at about \$59,000 once we are invoiced for the HVAC unit replacement above the church office. An Ad Hoc task force was commissioned in December to look at alternatives and make a recommendation on how to pay back the internal loans. The Finance Committee has also looked at paying back the LOC. The task force, with Board concurrence, recommends the sale of land (three lots) along Calaveras Way (NE corner of our property) to pay back the internal loans. The Finance Committee, with Board concurrence, recommends rolling our current mortgage (balance of ~\$260,000), LOC and associated loan costs into a single new mortgage.

Replacement of the roofs and other related damage from a hail storm cost \$103,757, all but \$2,500 of which was covered by an insurance claim. Other major damage repairs (mold assessment, removal, reconstruction, inspections, plus other non-mold-related projects) added up to approximately \$182,000 (not counting the as-yet uninvoiced HVAC unit replacement. All full accounting of these sources and uses of funds is available in the Members Portal of the church web site.

Other liabilities: In addition to the above loans, over the past three years, our Operating Funds have borrowed \$50,000 from the Unrestricted Planned Giving Fund managed by the Investment Committee. The status of these loans is as follows:

1. HVAC Upgrade: Borrowed \$40,000 in May 2014 to pay back \$45,000 over the course of the number of years of payback. To facilitate computation of payback, Electricity, Gas and HVAC repairs will continue to be budgeted as if we had not upgraded and the accumulated annual savings will be paid back to the Unrestricted Fund at the end of each fiscal year. On a monthly basis, we have been accruing the savings into a Dedicated Fund to ensure the money is available to pay back in this manner. We paid back \$3,300 in May 2015, \$4,700 in May 2016. Current balance is \$37,000. We have accrued another \$4,440 in savings since June 2016.
2. LOC Liquidation: Borrowed \$10,000 in December 2014 to pay back \$12,000 over the course of ten years. This is budgeted in future years' budgets and is being accrued into a Dedicated Fund for lump sum annual payments on May 31 of each year. At the end of FY 2015-2016, \$1,700 was transferred back to the Unrestricted Fund. Current balance is \$10,300. Another \$1,200 will be accrued this fiscal year.

An informal review of our financial accounting and records was conducted earlier this year for FY 15-16. No major discrepancies were noted; a few cases of missing or incomplete documentation were found.

Our Share the Plate program has netted \$3,720.36 in the first ten months of this fiscal year. Amounts and recipients are listed below. Additionally, \$4,427.50 was donated from a special end-of-year appeal to replenish the Minister's Discretionary Fund. We thank all who contributed for their generosity.

Mo	Recipient	Amount	Mo	Recipient	Amount
Jun	Human Rights Initiative	\$551.60	Dec	Minister's Discretionary	\$210.50
Jul	Gods Pantry	\$371.65	Jan	Community Harvest Garden	\$330.21
Aug	Barron Elementary	\$442.54	Feb	Texas UU Justice Ministry	\$502.53
Sep	Minister's Discretionary	\$388.50	Mar	UU Service Committee	\$439.05
Oct	UBarU	\$324.13	Apr	New Orleans Project	TBD
Nov	Plano Community Home	\$159.65	May	Minister's Discretionary	TBD