

Analysis of the UUFLG FY 2009 P&L Statement

Summary

Leaving out the special collection and disbursement of money to pay part of the PCD-UUA dues, the actual total income for the year equaled the budgeted total. This was achieved by a special Budget Builder drive during the year which brought in \$13,400 plus a successful auction which brought in \$4,000 about the amount budgeted. This additional income covered the deficits in pledges made, \$6,100, and non-pledge contributions, \$6,100 plus \$4,000 more pledge write-offs than budgeted.

Leaving out the disbursement of the PCD-UUA dues, the total expenses for the year were \$6,200 under budget. The major contributors to the savings in expenditures were DRE Salary, \$2,100, Administrator Salary, \$1,900, Teacher's Salaries, \$1,000 and the associated payroll taxes, \$900.

The budget had a \$2,600 deficit so that actual income and expenses show a \$3,600 surplus. This surplus for the year will be saved in account 241 – Operating Reserve shown on the balance sheet. This reserve, which will total \$8,000, is available to the Board to use for critical non-budgeted expenses and to cover potential future deficits.

Income highlights:

1. 400 Pledges Made: The 2008 budget drive had not been completed by the time the FY09 budget had to be presented to the Membership for approval at the Annual Business Meeting on May 4. Based on previous pledges from those who had not yet responded, we estimated a final total of \$126,000 from the budget drive. Also, based upon the previous year, we estimated \$6,000 in new pledges during the year to give a total of \$132,000 in pledges by the end of the year. Instead the total pledges from the budget drive was \$3,000 short and the new pledges during the year were \$3,000 short of the estimates. The total \$6,000 deficit in actual pledges was most likely a result of two factors: 1. Not anticipating the severity of the economic downturn, and 2. Not completing the budget drive early enough to have an accurate figure for total pledges. We compensated for both of these factors in preparing the FY10 budget.

2. 405 Pledges Written Off: The approved budget estimated a 4.5% writeoff. This was based the expectation that the 7% writeoff of the previous year was high due to some members dropping out without completing their pledges and that the remaining members would be likely to complete their pledges for FY09. Again, the economic downturn was not anticipated. The actual writeoff rate was 8%.

3. 410 Contributions: These are non-pledge donations to the general budget paid by check or in cash in a named envelope so that the donation is recordable to a person. This is another case where the need to prepare the budget before the end of the year resulted in a major error in estimation. Contributions in the FY07 year were \$10,000 due to many members contributing beyond their pledge. That was expected to repeat in

FY08 and was thus included in the FY09 budget. Contributions were \$6,000 in FY08 and only \$4,000 in FY09.

4. Directed Donations: Generally, donations directed to a particular budget line item are not shown on the P&L Statement, but are accumulated and spent from a fund line item shown on the Balance Sheet. Two exceptions to that were requested by the Board. These are the money collected in a special drive to make some payment of our PCD-UUA dues, and the increase in the child care salary funded out of the income from the Unrestricted Endowment Fund. The purpose was to make these particular expenditures more visible.

5. 411 Budget Builder Drive: By January 2009 a \$14,000 deficit was projected to accumulate by the end of the fiscal year. A one-time fund drive was successfully completed before the annual budget drive was begun. This drive effectively cleared the projected deficit.

6. 431 Auction: The \$8,000 in proceeds achieved by the auction in FY08 was thought to be exceptional. Therefore, the previously high figure of \$5,000 was used in the approved budget. It turned out that the lessons learned in the FY08 auction were successfully applied to bring in \$9,000 for FY09.

Expenditure Highlights:

1. 513 Minister Professional Expense: The minister's professional expense budget is split between two fiscal years because the minister's contract year is different than the UUFLG fiscal year. The contract year begins August 15 whereas the UUFLG year begins July 1. This complicates the bookkeeping for those parts of the minister's compensation that cannot be accurately scheduled, as can salary. The budget for professional expense is spread evenly over the minister's contract year – 10 months in FY09 and 2 months in FY10. In order to be able to close the books at the end of the fiscal year, the difference between the budgeted and actual professional expense is included in the end-of-year budget and the projected professional expenses for FY10 will be adjusted to provide the proper amount for the minister's contract year.

2. 521 DRE Salary: The DRE, Tamara, was budgeted for 50 hours a month. She worked an average of 41 hours/month.

3. 541.1 Administrator Salary: Dorice was budgeted for 10 hrs/week at \$15/hr. Shelley is working between 8 and 10 hours/week at \$10/hr.

4. 551 Bldg. Oper. & Maint.: Double the amount budgeted because two carpet cleanings and purchase of mats for the East Room were unanticipated.

5. 554 Gardening Service: Noe's Gardening Service was cut back to every other week from March on saving \$525 in the FY09 budget. That frequency will continue through FY10, saving \$1,800.

6. 584 Teachers Salaries: The budget called for one teacher for 40 Sundays at \$50/Sunday. The Board increased this to two teachers, Melinda and Kari, teaching a combined total of 60 Sundays. For FY10, the budget has been reduced to 38 Sundays with one teacher, Melinda.

7. 610 Fellowship Obligations: The \$2,167 in donations shown under Income were disbursed to provide partial payment of our UUA and PCD dues, which were not in the budget.

8. 621 Utilities: Water: Budget figure of \$1,100 was based on an expected increase from the actual cost of \$918 in FY07. Instead, the FY08 actual was \$673 and that for FY09 was \$479. The garden drip system is the primary water user. So, we have been doing less and less watering.

9. 642 Payroll Taxes: The reduction of DRE and Administrative salaries significantly reduced the resulting payroll taxes by \$880.

Unitarian Universalist Fellowship of Los Gatos
Approved Budget vs. Actuals for Fiscal Year 2009
 July 2008 - June 2009

	Year Actual	Approved Budget	Actual - Budget	Explanation of Variation from Budget
Income				
400 Pledges Made	125,932	132,000	-6,068	Final Canvass & new pledges lower than expected
405 Pledges Written Off	-9,908	-5,940	-3,968	Pledge writeoffs much higher than expected
410 Contributions	3,885	10,000	-6,115	Non-pledge contributions much lower than previous year
PCD-UUA Dues Donations	2,168	0	2,168	Special collection done for PCD-UUA Dues
Child Care Salary Increase Cntrbtn	390	0	390	Endowment fund income used to increase child care salary
411 Budget Builder Drive	13,431	0	13,431	Special drive to cover anticipated budget deficit
420 Sunday Collections	3,017	3,500	-483	Sunday collections lower than previous year
430 Fund Raising				
431 Auction	9,005	5,000	4,005	Auction much more successful than anticipated

432 Boutique	1,736	2,000	-264	Boutique less profitable than previous year
433 Pancake Breakfast		200	-200	No volunteer to organize pancake breakfast
437 Fair Trade Coffee	137	100	37	
438 Special Fund Raising	484	500	-16	
Total 430 Fund Raising	11,362	7,800	3,562	
460 Building Rental	8,320	8,000	320	
465 Interest and Dividends	222	1,250	-1,028	Result of economic downturn
Total Income	158,819	156,610	2,209	
Expenses				
500 Board of Trustees				
501 Discretionary Expense Account	46	0	46	Books purchased for education of the Board
507 Meeting Costs	42	0	42	Annual meeting mailing
508 Canvass Expenses	985	1,200	-215	
Total 500 Board of Trustees	1,073	1,200	-127	
510 Minister				
511 Salary and Housing	60,967	60,966	1	
512 Insurance plus	18,336	17,862	474	
513 Professional Expense	5,439	6,093	-654	Unspent remainder applied to the budget.
Total 510 Minister	84,741	84,921	-180	
520 R.E. Director				
521 Salary	9,945	12,000	-2,055	DRE worked fewer hours than budgeted
522 Professional Expenses	200	400	-200	Remaining professional expenses deleted from budget
Total 520 R.E. Director	10,145	12,400	-2,255	
530 Finance Committee				
532 Bookkeeping Expenses	366	600	-234	Shift in payment schedule for QuickBooks - 3yr. vs. 1 yr.
Total 530 Finance Committee	366	600	-234	
540 Administration				
541 Administrator				
541.1 Salary	5,910	7,800	-1,890	Shift to lower paid administrator in April
Total 541 Administrator	5,910	7,800	-1,890	
542 Office Expenses				
542.1 Office Supplies	1,624	1,500	124	
542.3 Kitchen Supplies	328	400	-72	
Total 542 Office Expenses	1,952	1,900	52	
543 Web Site plus DSL	461	432	29	
544 Newsletter Pub. & Mailing	481	500	-19	
545 Publicity	30	20	10	
546 Telephone	1,101	800	301	More long distance calls from office than last year

Total 540 Administration	9,935	11,452	-1,517	
550 Building Committee				
551 Bldg. Oper. & Maint.	1,175	600	575	Two carpet cleanings and East Room mats unanticipated
552 Custodian Services	4,800	4,800	0	
553 Grounds Oper. & Maint.	283	700	-417	Less garden activity
554 Gardening Service	2,625	3,150	-525	Reduced garden service for last 4 months
Total 550 Building Committee	8,883	9,250	-367	
560 Sunday Programs				
562 Speakers	2,500	2,100	400	
563 Program Costs				
563.1 Music	6,200	6,000	200	
563.2 Service Supplies	71	100	-29	
Total 563 Program Costs	6,271	6,100	171	
565 Mileage	431	630	-199	
Total 560 Sunday Programs	9,202	8,830	372	
570 Social Action Committee	245	100	145	Extra supplies for Social Action Sunday
580 Lifespan Education Committee				
581 Children & Youth Education	269	400	-131	
583 Child Care	1,560	1,500	60	
584 Teachers Salaries	3,000	2,000	1,000	Board decision to increase teacher support No new hires for child care requiring background checks
585 Background Checks		50	-50	
Total 580 Lifespan Education Committee	4,829	3,950	879	
590 Membership Committee				
591 Directory and Brochures	173	800	-627	Expenses much less than expected Mistakenly included a one-time upgrade charge in budget
592 Member Information System	100	275	-175	
Total 590 Membership Committee	273	1,075	-802	
593 Caring Committee		100	-100	
610 Fellowship Obligations				
611 UUA Support	1,537	0	1,537	Special Contributions from 4 members + Endowment Income of \$167.
612 PCD Support	630	0	630	
Total 610 Fellowship Obligations	2,167	0	2,167	
620 Utilities				
621 Water	479	1,100	-621	Drip system under-watering + conserving
622 PG&E	1,772	1,900	-128	
623 West Valley Disposal	259	250	9	
Total 620 Utilities	2,510	3,250	-740	
630 Insurance	3,917	3,766	151	
640 Taxes and Fees				

642 Payroll Taxes	2,570	3,450	-880	Reduced administrative payroll
646 Fees and Assessments	1,728	2,000	-272	
Total 640 Taxes and Fees	4,298	5,450	-1,152	
650 Loan Payments				
652 4th Loan Set	8,591	8,891	-300	Error corrected in calculations
653 5th Loan Set	4,001	4,001	0	
Total 650 Loan Payments	12,592	12,892	-300	
Total Expenses	155,177	159,236	-4,059	
Net Operating Income	3,642	-2,626	6,268	The \$3,642 surplus will be added to the Operating Reserve

Description of Accounts in the UUFLG FY 2009 Balance Sheet

Cash Accounts available for current expenses

- 1. 101 Checking Account:** This is our US Bank checking account from which all expenses are paid and into which all income is deposited. A minimum \$10,000 balance is kept in this account to cover fluctuations in expenses and income without overdrawing.
- 2. 131 Fidelity Cash Reserves:** Cash not needed in the checking account is kept in our Fidelity Cash Reserve account. In normal times, this brings in around 5-6% in dividends. It is currently at 1.2%.
- 3. 132 Fidelity Money Market:** This is the core account of our brokerage account. Money comes into Fidelity or is disbursed from Fidelity through this account. Interest from this account is insignificant so that a minimum balance is maintained.

Endowment Funds

- 1. 140 Endowment Funds Invested:** Accounts 141-144 show the balance in our three restricted endowment accounts and one unrestricted account. The restrictions can be seen on our website in the Finance section. These funds are invested with the UUA Endowment Fund.
- 2. 230 Endowment Income:** Income from the Endowment Funds is recorded here and is disbursed annually by the Board in September. This has amounted to about \$1,200 a year.
- 3. 220 Building Endowment Fund:** This is a fund of \$10,000 contributed by Bob and Nan Bixler to be held for adding to our current building or purchasing a new

one. Income from this fund adds to its principal. It is currently invested in our Fidelity Cash Reserve account. Thus \$10,000 of this account is not available for current expenses.

Reserve Funds

- 1. 241 Operating Reserve:** At the end of each fiscal year, any operating surplus is added to this account and this account is reduced by any operating deficit. These funds are available to the Board for critical non-budget expenditures.
- 2. 242 Building Maintenance Reserve:** In normal times, a balance of \$20,000 is maintained in this fund for critical building or grounds maintenance tasks which have not been anticipated in the budget. It is now at \$11,000. We plan to include payments to this reserve in our annual budget to bring it back to the full amount as soon as our economic situation improves.

Committee Funds for Non-budgeted Expenses

- 1. 243 Sound System Fund:** Collected by the Building and Grounds Committee for improvements to the sound system. It is currently scheduled to pay for a new bulb for the projector being donated by Harry Campbell. The link to the sound system is that the projector works off a computer to project movies which use the sound system.
- 2. 244 Minister's Discretionary Fund:** Donations to this fund are used by our minister for charitable support of individuals as needed, determined by her.
- 3. 245 Music Fund:** Money collected by the Sunday Service Committee for music, hymnals, instruments and other enhancements of the music program.
- 4. 246 Outreach Donations:** Donations to outside charitable organizations are held in this account until disbursed.
- 5. 247 Sanctuary Improvement Fund:** This money was donated from the Unrestricted Endowment Fund income for Sanctuary Improvements.
- 6. 248 PCD-UUA Dues Fund:** Donations to pay our UUA-PCD dues will be held in this fund until disbursed.
- 7. 249 Social Action Holding Fund:** This money is income from the three Restricted Endowment Funds to be disbursed by the Social Action Committee.
- 8. 250 UUSC Card Sale:** This money is proceeds from a sale of UUSC cards to be donated to the UUSC.

270 Secured Loans from Members: Recorded here is the balance still owed to five members who loaned UUFLG money to pay for the building addition. These members have generously agreed to accept interest only payments for this and the next fiscal year to help support the UUFLG budget. These loans are secured by mortgages on the property. These loans will be paid off in 2015.

Special Accounts: These accounts are used to hold temporary records.

1. **120 Pledges Unpaid:** Usually called "Accounts Receivable", this account holds the unpaid pledge balances. If all pledges are either paid or written off, this account will be zero at the end of the year. In this case, \$410 has been promised but has not been received from two members.
2. **135 Next Year's Expenses:** Insurance premiums for our FY10 insurance were prepaid in June. These charges will be transferred to FY10 expenses in July.
3. **228 Pledges Paid in Advance:** This account holds a record of the pledge payments made by members to be saved for application to their FY10 pledge. These payments will be transferred to their pledge accounts in July.

Unitarian Universalist Fellowship of Los Gatos

Balance Sheet

As of June 30, 2009

	Total
ASSETS	
Current Assets	
Bank Accounts	
101 Checking Account	19,767.29
Total Bank Accounts	\$ 19,767.29
Accounts Receivable	
120 Pledges Unpaid	410.00
Total Accounts Receivable	\$ 410.00
Other Current Assets	
129 Undeposited Funds	0.00
130 Invested Cash	
131 Fidelity Cash Reserves - FDRXX	20,261.29
132 Fidelity Money Market - FTEXX	46.16
Total 130 Invested Cash	\$ 20,307.45
135 Next Year's Expenses	3,427.74
140 Endowment Funds Invested	
141 Partner Church Fund	4,691.63
142 CA Children Fund	2,346.77
143 CC Grants & Loans Fund	2,346.77
144 Unrestricted Fund	7,559.06
Total 140 Endowment Funds Invested	\$ 16,944.23
Total Other Current Assets	\$ 40,679.42

Total Current Assets	\$	60,856.71
Fixed Assets		
161 Land & Bldg. - Original Cost		344,524.23
162 Building Additions		132,629.75
163 Bldg. & Grnds Improvements		14,162.77
Total Fixed Assets	\$	491,316.75
TOTAL ASSETS	\$	552,173.46

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Credit Cards

202 Master Credit Card	9.95
203 Minister's Credit Card	0.00
204 Buyer's Credit Card	0.00
205 Administrator	0.00
206 Admin - Dorice Piraino	0.00
207 DRE	4.09

Total Credit Cards	\$	14.04
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Other Current Liabilities

210 Payroll Liabilities

211 Federal Payroll Liabilities	1,352.32
212 State Payroll Liabilities	562.32

Total 210 Payroll Liabilities	\$	1,914.64
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213 Minister Retirement	0.00
220 Building Endowment Fund	10,000.00
228 Pledges Paid in Advance	12,945.26
230 Endowment Income	
231 Partner Church Fund	253.89
232 Central Am. Children Fund	126.98
233 CC Grants and Loans Fund	126.98
234 Unrestricted Fund	409.10

Total 230 Endowment Income	\$	916.95
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240 Funds and Reserves

241 Operating Reserve	4,377.05
242 Building Maintenance Reserve	10,874.59
243 Sound System Fund	308.51
244 Minister's Discretionary Fund	318.00
245 Music Fund	50.00
246 Outreach Donations	0.00
247 Sanctuary Improvement Fund	547.40
248 PCD-UUA Dues Reserve	0.00
249 Social Action holding fund	692.63
250 UUSC Card Sale	390.00

Total 240 Funds and Reserves	\$	17,558.18
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Total Other Current Liabilities	\$	43,335.03
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Total Current Liabilities	\$	43,349.07
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Long Term Liabilities

270 Loans Outstanding		
274 4th Loan Set		25,481.75

275 5th Loan Set		12,709.60
Total 270 Loans Outstanding	\$	<u>38,191.35</u>
Total Long Term Liabilities	\$	<u>38,191.35</u>
Total Liabilities	\$	<u>81,540.42</u>
Equity		
300 Opening Balance Equity {4}		398,443.11
310 Net Asset Changes		45,219.13
390 Retained Earnings		23,329.19
Net Income		<u>3,641.61</u>
Total Equity	\$	<u>470,633.04</u>
TOTAL LIABILITIES AND EQUITY	\$	<u><u>552,173.46</u></u>