

UUFLG INCOME AND EXPENSES VS. APPROVED BUDGET DURING FISCAL YEAR 2011-2012

Summary:

This past year has seen much improvement in both our financial stability and in our program. Major accomplishments include the addition of a effectively functioning half-time minister and a new Lifespan Learning Director. The Lifespan Learning program has been effectively expanded to meet the needs of our growing child and youth group. Our Sunday Services program has been improved and modernized by the minister plus one of our contract ministers, and by the addition of television display capability in the Sanctuary. Our Social Action program continues to build bridges to the community and to provide a meaningful outreach program. Our financial stability has been improved by paying off some of our loans and, through effective budget controls, to maintain an Operating Reserve balance consistent with the financial uncertainties ahead.

Background:

During the previous fiscal year, 2010-2011, we had no regular minister and were searching for a half-time minister. With the exception of our Sunday Services program which added two contract ministers, our program expenses were minimal. Our income from new pledges, the annual auction, and building rentals was significantly less than expected. We also had a loss from pledge write-offs due to the death of two of our long time members and financial hardship of several of our families. However, the reduction in expenses was much greater than the loss in income, allowing us to develop a large Operating Reserve, \$34,000, for the next fiscal year.

The budget approved by the membership in May, 2011, and used as the starting budget for the new fiscal year, FY12, envisioned a new half-time minister and a part-time Lifespan Learning Director starting work at the beginning of the year. A minimum Lifespan Learning program with one part-time teacher and depending heavily upon parent and volunteer support was planned. None of our Fair Share of UUA-PCD dues were to be paid but, instead, three of our member loans were to be paid off. Enough Operating Reserve was saved, \$16,000, to cover uncertainties in our expenses during the coming 2011-2012 year plus the recognition that the economy is not likely to have shown major improvement by the time of the annual spring pledge drive.

Although we began the 2011-2012 year with our approved budget, that budget changed during the year in response to the realities of delays in hiring and continual reevaluation of our goals vs. our financial capabilities. As a result, our estimated income and expenses for the year were adjusted monthly to make the best use of our financial resources in achieving our goals. The net result is budget a surplus of \$4,700 whereas

the approved budget showed a budget deficit of \$3,000. This surplus, added to the existing Operating Reserve will give an Operating Reserve of \$19,400 for next year, FY13.

Detail of changes during the year from the Approved Budget: A comparison of the line-items of the income and expense accounts for the fiscal year with the Approved Budget is summarized below:

Income: Losses from the approved budget were made up by gains in income to produce a net gain of \$800 for the year.

- **400 Pledges Made:** We received \$2000 less than anticipated. Much of this was due to a lack of new member pledges. Some of the new members were already pledging as Friends at the time they joined.
- **405 Pledges Written Off:** It was hoped that the pledges made for FY12 would reflect the financial outlook of the families and would be reduced from \$17,000 in FY11 to the \$3,000 in FY12 shown in the approved budget. The actual write-offs for FY12 were \$7,400 which represents \$4,400 less than the approved budget.
- **410 Contributions:** We received a \$3,000 bequest from the estate of long-time member Hugh Warner.
- **411 Holiday Donations:** A new tradition was initiated to ask for extra donations in December. This first request brought in \$4,500.
- **430 Fund Raising:** Both the annual Christmas Boutique and the spring Auction were highly successful. Net proceeds from the two were \$3,000 more than anticipated.
- **460 Building Rental:** Building rentals were \$2,000 below the approved budget, probably due to the difficult economy.

Expenses: Expenses were \$7,000 below the approved budget.

- **510 Minister:** Rev. Lisa Wiggins started work in September, giving two months of this fiscal year without one. That reduced expenses by \$6,000.

- **520 Lifespan Learning Director:** Rev. Christopher (Fa Jun) Real didn't start work until March 15, 2012. That reduced expenses by \$8,500.
- **541 Administrator Salary:** Sharon Potts received a \$2,000 raise at the beginning of the fiscal year which was not reflected in the approved budget.
- **560 Sunday Programs:** The adjustments to the Sunday Programs to one contract minister, Rev. Chris Schriener, having speakers for 1-2 Sundays a month and adding a choir netted a reduction of expenses of \$1,000 below the approved budget.
- **580 Lifespan Learning Program:** The addition of 2 teachers plus a workshop increased expenses by \$3,000.
- **610 UUA and PCD Support:** In light of the money saved by the two month delay from the approved budget in the new minister starting work, the Board decided we could afford to pay half the PCD/UUA dues for FY12. The congregation was consulted. So \$4,000 of dues were paid which were not included in the approved budget.

**Unitarian Universalist Fellowship of Los Gatos
Actual vs. Baseline Budget for FY12
Final**

	Actual For FY12	Approved Baseline Budget	Actual Minus Budget	Explanation of Variation from
Operating Income				
Pledges received during the drive	90,175	91,000	-825	
New Pledges received	1,830	3,000	-1,170	New pledges for this year didn't show up
400 Pledges Made	92,005	94,000	-1,995	
405 Pledges Written Off	-7,400	-3,000	-4,400	
410 Contributions	5,325	3,000	2,325	Unexpected \$3,000 Hugh Warner bequest
411 Holiday Donations	4,587	0	4,587	Initiated annual special collection.
420 Sunday Collections	2,910	3,500	-590	
425 Outreach Collections and Donations				
426 Collections	4,609	0	4,609	
427 Donations	-4,609	0	-4,609	
Total 425 Collections not donated yet.	0	0	0	
430 Fund Raising			0	
431 Auction	7,286	5,000	2,286	Highly successful auction.

432 Boutique	2,297	1,677	620	Highly successful boutique.
433 Pancake Breakfast	206		206	Reinitiated the pancake breakfast Chocolate and furniture sold, picture drawing income
438 Special Fund Raising	313	500	-187	
Total 430 Fund Raising	10,102	7,177	2,925	
460 Building Rental	5,980	8,000	-2,020	
465 Interest and Dividends	2	75	-73	
Total Operating Income	113,511	112,752	759	
Operating Expenses				
500 Board of Trustees				
501 Discretionary Expense	438	300	138	Mainly food for planning meetings and Li celebration
508 Pledge Drive Expense	929	0	929	Mainly Round Up Barbeque food and acti
Total 500 Board of Trustees	1,367	300	1,067	
510 Minister				
511 Salary and Housing	22,965	29,500	-6,535	
512 Insurance plus	7,668	8,862	-1,194	
513 Professional Expense	4,500	2,950	1,550	
Total 510 Minister	35,133	41,312	-6,179	Minister hired late and worked 10 months
520 Lifespan Learning Director				
521 Salary	1,420	10,000	-8,580	LL Director hired late in year.
522 Professional Expense				
Total 520 Lifespan Learning Director	1,420	10,000	-8,580	
530 Finance Committee				
532 Bookkeeping Expenses	1,039	800	239	Added online donor payment fees
Total 530 Finance Committee	1,039	800	239	
540 Administration				
541 Administrator				
541.1 Salary	18,720	16,640	2,080	Received raise as of July 1, 2011.
Total 541 Administrator	18,720	16,640	2,080	
542 Office Expenses				
542.1 Office Supplies	1,599	1,800	-201	
542.3 Kitchen Supplies	434	400	34	
Total 542 Office Expenses	2,033	2,200	-167	
543 Web Site	139	120	19	
544 Newsletter Pub. & Mailing	221	500	-279	Fewer hard copies mailed. Many use web
545 Publicity	42	500	-458	Publicity activity used free advertising op
546 Telephone + DSL	996	1,600	-604	Less expensive telephone phone plans us
Total 540 Administration	22,151	21,560	591	
550 Building Committee				
551 Bldg. Oper. & Maint.	992	1,200	-208	
552 Janitorial Services	4,800	4,800	0	
553 Grounds Oper. & Maint.	879	900	-21	

554 Gardening Service	2,040	2,040	0	
Total 550 Building Committee	8,711	8,940	-229	
560 Sunday Programs				
561 Ministers	6,100	12,000	-5,900	One service/month covered by contract r
562 Speakers	3,200		3,200	two. Guest speaker program instead of contra
563 Program Costs				
563.1 Musicians	6,650	6,500	150	Additional guest musician
563.2 Service Supplies	162	100	62	
563.3 Choir Expenses	407	0	407	Choir initiated during the year.
563.4 Special Music Programs	15	0	15	
Total 563 Program Costs	7,234	6,600	634	
565 Mileage	906	0	906	Guest speaker program instead of contra
Total 560 Sunday Programs	17,439	18,600	-1,161	
574 Social Action Expenses	0	0	0	
575 Visibility Committee	43		43	
580 Lifespan Education Committee				
581 Children & Youth Education	911	400	511	
583 RE Aides		0	0	
584 Teachers Salaries	3,060	600	2,460	2 teachers added to approved budget.
585 Background Checks	23	50	-27	
Total 580 Lifespan Education Committee	3,994	1,050	2,944	
590 Membership Committee				
591 Directory and Brochures	31	200	-169	Directory and brochures costs donated.
592 Member Information System	100	100	0	
Total 590 Membership Committee	131	300	-169	
610 Fellowship Obligations				
611 UUA Support	2,842	0	2,842	Half fair share approved and paid
612 PCD Support	1,176	0	1,176	Half fair share approved and paid
Total 610 Fellowship Obligations	4,018	0	4,018	
620 Utilities				
621 Water	757	800	-43	
622 PG&E	2,126	1,900	226	
623 West Valley Disposal	291	250	41	
Total 620 Utilities	3,175	2,950	225	
630 Insurance				
631 Building Insurance	2,711	2,720	-9	
632 Worker's Compensation	732	1,224	-492	
Total 630 Insurance	3,443	3,944	-501	
640 Taxes and Fees				
642 Payroll Taxes	3,675	3,524	151	
646 Fees and Assessments	1,366	1,500	-134	
Total 640 Taxes and Fees	5,040	5,024	16	
650 Loan Payments				

652 Principal		0	0
653 Interest	1,713	1,092	621
Total 650 Loan Payments	1,713	1,092	621
Total Operating Expenses	108,816	115,872	-7,056
Net Operating Income	4,695	-3,120	7,815

Paid off two instead of the three lenders

FY12 expenses paid from Operating Reserve

	Expense	Balance
Actual Op. Res. Balance as of 7/1/2011		33,897
Charlie Walton's Loan	10,987	
Bob Bixler's Loan	3,108	
New Microphone	1,065	
Sanctuary TV Hardware	4,069	
Total expenses paid from Op. Res.	19,229	
Adjusted by surplus/deficit		4,695
Est. Oper. Res. Balance as of 7/1/2012		19,363

FY12 expenses to be paid from Building Reserve

	Expense	Income
Actual Balance as of 7/1/2011		5234
A Holiday Donation		2,000
Payment to landscape fence area		1,000
Laptop and Videocam	591	
Office Carpet	853	
New Microphone	713	
Total expenses paid from Bldg. Res.	2157	
Bldg. Res. Balance as of 7/1/2012		6,077

Unitarian Universalist Fellowship of Los Gatos

Balance Sheet

As of June 30, 2012

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
101 Checking Account	25,047

Total Bank Accounts	25,047
Accounts Receivable	
120 Pledges Unpaid	0
Total Accounts Receivable	0
Other Current Assets	
130 Invested Cash	
131 Fidelity Cash Reserves - FDRXX	13,822
132 Fidelity Money Market - FTEXX	0
Total 130 Invested Cash	13,822
135 Next Year's Expenses	4,236
140 Endowment Funds Invested	0
141 Partner Church Fund	7,385
142 CA Children Fund	3,727
143 CC Grants & Loans Fund	3,727
144 Unrestricted Fund	12,085
145 Building Fund	6,047
Total 140 Endowment Funds Invested	32,969
Total Other Current Assets	51,027
Total Current Assets	76,074
Fixed Assets	
161 Land & Bldg. - Original Cost	344,524
162 Building Additions	132,630
163 Bldg. & Grnds Improvements	14,163
Total Fixed Assets	491,317
TOTAL ASSETS	567,391

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Credit Cards

202 Master Credit Card 9607	0
203 Minister's 9897	30
205 Admin - Sharon	0
Total Credit Cards	30

Other Current Liabilities

210 Payroll Liabilities

211 Federal Payroll Liabilities	908
212 State Payroll Liabilities	526

Total 210 Payroll Liabilities **1,434**

213 Minister Retirement 0

228 Pledges Paid in Advance 17,848

240 Funds and Reserves

 241 Operating Reserve 14,668

 242 Bldg. & Grnds. Reserve 6,078

 243 Sound System Fund 149

 244 Minister's Discretionary Fund 649

245 Music Fund	50
248 Easter Sox Reserve	81
249 Social Action holding fund	<u>52</u>
Total 240 Funds and Reserves	<u>21,725</u>
Total Other Current Liabilities	<u>41,007</u>
Total Current Liabilities	41,037
Long-Term Liabilities	
270 Loans Outstanding	
274 4th Loan Set	14,495
275 5th Loan Set	<u>9,601</u>
Total 270 Loans Outstanding	<u>24,096</u>
Total Long-Term Liabilities	<u>24,096</u>
Total Liabilities	65,133
Equity	
300 Opening Balance Equity {4}	398,443
310 Net Asset Changes	46,426
390 Retained Earnings	52,283
Net Income	<u>4,695</u>
Total Equity	<u>501,847</u>
TOTAL LIABILITIES AND EQUITY	566,980