

## FINANCE COMMITTEE ANNUAL REPORT AS OF June 30, 2013

The UUFLG began the 2013 Fiscal Year on 1 July, 2012 with a Membership approved baseline budget expenditure of \$124,785 and anticipated income of \$119,083, which would have resulted in a deficit of \$5,876 for the year. The year's deficit was planned to be covered from an Operating Reserve which stood at \$24,496 at the beginning of the year.

There have been several adjustments to the budget as the year progressed;

- A decision was made to use \$9,000 of the Operating Reserve to retire two outstanding loans - this will avoid continuing yearly interest payments and deferring payback of the principal to burden future budgets. The holder of the remaining loan of \$15,000 has agreed to interest only payments for the year, letting the UUFLG defer full loan repayment.
- A bequest was received from the estate of Cal Clauer for \$2,878 which was added to the Operating Reserve.
- Other smaller adjustments of increases and decreases were made as the year progressed in order to maintain a current, accurate estimate of year-end income and expenses.

The operation of the Finance Committee has been improved through better processes and definitions and the self-audit process.

- A policy concerning definition and management of Operational Reserves was developed within the Finance Committee and approved by the UUFLG Board of Trustees. Future budget planning objectives will include Operational Reserves equal to one month's average expenditure and Building and Ground's reserves equal to \$6,000.
- The internal audit process was continued in accordance with requirements of the UUFLG Bylaws. An audit in June 2012 resulted in a set of recommended changes to our finance and committee operations which have now been fully implemented.
- A new process was developed for recording Directed Donations that avoids confusion within the budget accounting. A Directed Donation is a donation of cash specifically directed toward a non-budget purpose.

The final reports for end of fiscal year 2013 shows an improvement in the budgeted year-end deficit of \$5,876 to a surplus of \$4,092. The final amounts for the Operational Reserve and the Building and Grounds Reserve available at the beginning of the next fiscal year are \$22,211 and \$5,954 respectively. The beginning fiscal year 2014 reserves will collectively satisfy reserve objectives.

The 2013 pledge drive for fiscal year 2014 was very successful with a total pledged of nearly \$100,000 which is \$10,000 higher than the previous year. A starting budget for fiscal year 2014 has been approved by the UUFLG Board and membership.

**Finance Committee Members:** Irving Yabroff (UUFLG Treasurer and Committee Chair), Merritt Benson, Ann Campbell, Yvonne Liu, Jim Stahl and Eric Pierson.

**Unitarian Universalist Fellowship of Los Gatos**  
**Actual vs. Starting Budget for FY13**  
**Final Version**

	Actual For Year	Approved Starting Budget	Actual Minus Budget	Explanation of variation from Budget
<b>Operating Income</b>				
Pledges received during the drive	88,412	96,104	-7,692	Directed donations removed from budget
New Pledges received	5,740	3,000	2,740	
400 Pledges Made	94,152	99,104	-4,952	
405 Pledges Written Off	-2,489	-3,000	511	
410 Contributions	3,885	3,000	885	
411 Holiday Donations	3,915	3,000	915	
420 Sunday Collections	3,064	3,300	-236	
425 Outreach Collections and Donations				
426 Collections	4,179	5,000	-821	
427 Donations	-4,179	-5,000	821	
<b>Total 425 Outreach Collections and Donations</b>	<b>0</b>	<b>0</b>	<b>0</b>	
430 Fund Raising				
431 Auction	6,918	5,000	1,918	
432 Boutique	1,055	1,800	-745	
433 Pancake Breakfast	124	200	-76	
438 Special Fund Raising	204	500	-296	
<b>Total 430 Fund Raising</b>	<b>8,301</b>	<b>7,500</b>	<b>801</b>	
460 Building Rental	8,254	6,000	2,254	
465 Interest and Dividends	1	5	-4	
<b>Total Operating Income</b>	<b>119,083</b>	<b>118,909</b>	<b>174</b>	
<b>Operating Expenses</b>				
500 Board of Trustees				
501 Discretionary Expense	209	300	-91	
508 Pledge Drive Expense	925	1,000	-75	
<b>Total 500 Board of Trustees</b>	<b>1,134</b>	<b>1,300</b>	<b>-166</b>	
510 Minister				
511 Salary and Housing plus In-Lieu Fica	27,558	27,558	0	
512 Insurance plus Retirement	9,201	9,201	0	
513 Professional Expense	4,553	4,553	0	
<b>Total 510 Minister</b>	<b>41,312</b>	<b>41,312</b>	<b>0</b>	
520 Lifespan Learning Director				
521 Salary	4,410	8,000	-3,590	Charging less hours than contracted for.
522 Professional Expense		340	-340	
<b>Total 520 R.E. Director</b>	<b>4,410</b>	<b>8,340</b>	<b>-3,930</b>	
530 Finance Committee				
532 Bookkeeping Expenses	1,300	800	500	Payroll charges increased
<b>Total 530 Finance Committee</b>	<b>1,300</b>	<b>800</b>	<b>500</b>	
540 Administration				
541 Administrator				
541.1 Salary	18,720	18,720	0	
<b>Total 541 Administrator</b>	<b>18,720</b>	<b>18,720</b>	<b>0</b>	

<b>542 Office Expenses</b>				
542.1 Office Supplies	521	1,800	-1,279	Purchasing less office furniture.
542.3 Kitchen Supplies	330	400	-70	
<b>Total 542 Office Expenses</b>	<b>850</b>	<b>2,200</b>	<b>-1,350</b>	
543 Web Site	149	120	29	
544 Newsletter Pub. & Mailing	119	250	-131	
545 Publicity	47	250	-203	
546 Telephone + DSL	951	1,000	-49	
<b>Total 540 Administration</b>	<b>20,836</b>	<b>22,540</b>	<b>-1,704</b>	
<b>550 Building Committee</b>				
551 Bldg. Oper. & Maint.	1,588	1,200	388	Added cost of new chairs
552 Janitorial Services	5,400	4,800	600	increase cost of new janitor
553 Grounds Oper. & Maint.	660	900	-240	
554 Gardening Service	2,040	2,040	0	
<b>Total 550 Building Committee</b>	<b>9,688</b>	<b>8,940</b>	<b>748</b>	
<b>560 Sunday Programs</b>				
561 Ministers	3,850	3,500	350	
562 Speakers	2,100	4,500	-2,400	Increased use of in-house speakers
<b>563 Program Costs</b>				
563.1 Musicians	6,625	6,500	125	
563.2 Service Supplies	96	120	-24	
563.3 Choir Expenses	1,108	900	208	
563.4 Special Music Programs		300	-300	
<b>Total 563 Program Costs</b>	<b>7,829</b>	<b>7,820</b>	<b>9</b>	
565 Mileage	1,078	1,400	-322	
<b>Total 560 Sunday Programs</b>	<b>14,857</b>	<b>17,220</b>	<b>-2,363</b>	
574 Social Action Expenses	0	0	0	
575 Visibility Committee	0	0	0	
<b>580 Lifespan Education Committee</b>				
581 Supplies	322	1,340	-1,018	
582 Services	-159	0	-159	Outside donations for adult ed classes.
583 RE Aides		864	-864	
584 Teachers Salaries	3,900	4,800	-900	
585 Background Checks	45	50	-5	
<b>Total 580 Lifespan Education Committee</b>	<b>4,108</b>	<b>7,054</b>	<b>-2,946</b>	
<b>590 Membership Committee</b>				
591 Directory and Brochures	309	200	109	
592 Member Information System	100	100	0	
<b>Total 590 Membership Committee</b>	<b>409</b>	<b>300</b>	<b>109</b>	
593 Caring Committee	154	0	154	Requested for expenses
610 Fellowship Obligations			0	
611 UUA Support	2,262	2,842	-580	Recorded membership dropped from 98 to 78
612 PCD Support	936	1,176	-240	Recorded membership dropped from 98 to 78
613 Bldg. Reserve Payment	0	0	0	
<b>Total 610 Fellowship Obligations</b>	<b>3,198</b>	<b>4,018</b>	<b>-820</b>	
<b>620 Utilities</b>				
621 Water	1,016	800	216	
622 PG&E	2,404	1,900	504	
623 West Valley Disposal	312	300	12	
<b>Total 620 Utilities</b>	<b>3,732</b>	<b>3,000</b>	<b>732</b>	
<b>630 Insurance</b>				

631 Building Insurance	2,786	2,711	75	
632 Workman's Comp.	854	732	122	
<b>Total 630 Insurance</b>	<b>3,640</b>	<b>3,443</b>	197	
<b>640 Taxes and Fees</b>				
642 Payroll Taxes	4,091	3,524	567	
646 Fees and Assessments	1,278	1,500	-222	
<b>Total 640 Taxes and Fees</b>	<b>5,370</b>	<b>5,024</b>	346	
<b>650 Loan Payments</b>				
652 Principal		0	0	
653 Interest	842	1,493	-651	Saved interest payments by paying off early
<b>Total 650 Loan Payments</b>	<b>842</b>	<b>1,493</b>	-651	
<b>Total Operating Expenses</b>	<b>114,991</b>	<b>124,784</b>	-9,793	
<b>Net Operating Income</b>	<b>4,092</b>	<b>-5,875</b>	9,967	

**FY13 expenses to be paid from Operating Reserve**

	Expense	Income	Balance	Status
Actual Op. Res. Balance as of 7/1/2012			24,496	
Walt Main Loan Payoff	3,200			Paid
Cal Clauer Loan Payoff	6,065			Paid
Cal Clauer Bequest		2888		
Adjusted by estimated surplus/deficit			<u>4,092</u>	
Est. Oper. Res. Balance as of 7/1/2013			22,211	

**FY13 expenses to be paid from Building Reserve**

	Expense	Income	Balance	Status
Actual Balance as of 7/1/2012			7,143	
Sprinkler System Repair	1189			Paid
Est. Bldg. Res. Balance as of 7/1/2013			<u>5,954</u>	

**FY13 Directed Donations Received**

Donations	Cost
Sanctuary TV	4,069
2 Lavalier Microphones	2,130
Hot Water Heater	1,454
Sealing West Fence	1,600
Bistro Tables	972
Total Donations	10,225

**Unitarian Universalist Fellowship of Los  
Gatos  
Balance Sheet  
As of June 30, 2013  
Final**

	<u>Total</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
101 Checking Account	23,716
<b>Total Bank Accounts</b>	<b>23,716</b>
<b>Accounts Receivable</b>	
120 Pledges Unpaid	446
<b>Total Accounts Receivable</b>	<b>446</b>
<b>Other current assets</b>	
<b>130 Invested Cash</b>	
131 Fidelity Cash Reserves - FDRXX	13,823
132 Fidelity Money Market - FTEXX	0
<b>Total 130 Invested Cash</b>	<b>13,823</b>
135 Next Year's Expenses	4,062
140 Endowment Funds Invested	0
141 Partner Church Fund	7,863
142 CA Children Fund	3,968
143 CC Grants & Loans Fund	3,968
144 Unrestricted Fund	12,868
145 Building Fund	5,353
<b>Total 140 Endowment Funds Invested</b>	<b>34,020</b>
<b>Total Other current assets</b>	<b>51,906</b>
<b>Total Current Assets</b>	<b>76,068</b>
<b>Fixed Assets</b>	
161 Land & Bldg. - Original Cost	344,524
162 Building Additions	132,630

163 Bldg. & Grnds Improvements	14,163
<b>Total Fixed Assets</b>	<b>491,317</b>
<b>Other Assets</b>	
164 Directed Donations	10,225
<b>Total Other Assets</b>	<b>10,225</b>
<b>TOTAL ASSETS</b>	<b>577,610</b>

**LIABILITIES AND EQUITY**

**Liabilities**

**Current Liabilities**

**Credit Cards**

202 Master Credit Card 9607	138
203 Minister's 9897	87
205 Admin - Sharon 4801	60
<b>Total Credit Cards</b>	<b>285</b>

**Other Current Liabilities**

**210 Payroll Liabilities**

211 Federal Payroll Liabilities	948
212 State Payroll Liabilities	486

<b>Total 210 Payroll Liabilities</b>	<b>1,434</b>
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228 Pledges Paid in Advance	14,487
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**240 Funds and Reserves**

241 Operating Reserve	18,119
242 Bldg. & Grnds. Reserve	5,954

243 Sound System Fund	149
244 Minister's Discretionary Fund	378
245 Music Fund	50
248 Easter Sox Reserve	81
249 Social Action holding fund	52
<b>Total 240 Funds and Reserves</b>	<b><u>24,783</u></b>
<b>Total Other Current Liabilities</b>	<b><u>40,703</u></b>
<b>Total Current Liabilities</b>	<b>40,988</b>
<b>Long-Term Liabilities</b>	
270 Loans Outstanding	
274 4th Loan Set	14,495
<b>Total 270 Loans Outstanding</b>	<b><u>14,495</u></b>
<b>Total Long-Term Liabilities</b>	<b><u>14,495</u></b>
<b>Total Liabilities</b>	<b>55,483</b>
<b>Equity</b>	
300 Opening Balance Equity {4}	398,443
310 Net Asset Changes	62,608
390 Retained Earnings	56,984
Net Income	4,092
<b>Total Equity</b>	<b><u>522,127</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>577,610</b>