

Finance Report to the Board
For the Meeting of February 16, 2016

This has been a challenging year for the UUCGT in a number of ways and that has now extended to finances. The Business Administrator and the Finance Committee are closely monitoring the financial effects of the recent discord in our congregation. Our projections have reached a point that we feel the Board may need to take some action.

Pledges appear to be coming in at a slower rate than they have in previous years. At this point in time, 40% of our pledgers are either behind schedule or have not made pledge payments at all. If pledge payments and donations continue at the current rate, we project that our income could be as short as \$30,000 by June 30, 2016. Some of this shortage could be offset by new pledges but that is an unknown variable. Without action, we project that this could translate to a deficit of up to \$24,000 ¹⁾ and result in a weakened cash position. As of the end of January, our unrestricted cash reserves were 8.65% of our budget compared to our target of 12% to 25%.

So, what does this mean?

We feel that action needs to be taken to bring in as many unpaid pledges as we can and to reduce expenses.

The Finance Committee has asked the Business Administrator to contact all delinquent pledgers via a letter and a phone call to determine if they intend to pay all or part of their pledge.

We also suggest that the Board take action to reduce or freeze spending on selected line items. **At the Board's direction, the Finance Committee is willing to work with the Business Administrator and bring a recommendation to the Board for reducing expenses.** Examples of areas that could be considered for reduction are:

- Limiting the building cleaning to once per week
- Freezing spending on the Board line-item
- Freezing spending on Professional expenses for the Director of Music
- Reduction of 4th quarter UUA and/or Mid-America Dues
- Freezing any additional underspending anticipated for the Director of Music – Contract Services from February 1st through the date of our new hire. ¹⁾note: the excess budget for this line item as of January 31st was already used in the projections of the \$24,000 potential deficit noted above.