Treasurer's Report

The end-of-year data for Fiscal Year 2019 which ended July 31, 2019 was a mixed bag. Pledge donations were significantly below expectations, while Unpledged Donations and Prior Year Pledges were significantly higher. The Prior Year Pledge excess can be partly explained by the accounting change that was made at the end of FY18, but was still higher than anticipated. The changes to the Spring Auction this year resulted in significantly less income than in prior years. Overall, our income for the past year was $21,000 lower than budgeted.

On the other hand, expenses were also significantly lower than expected. The only major program to show excess expense was Faith Witness-External, and the total excess there was due to the generosity the congregation showed to the recipients of the Social Action Collections. Since this item is revenue-neutral in that all Social Action donations made are distributed to the recipients, this excess expense is one I am glad to see.

The other expenses were held down by a combination of good luck (no major unanticipated costs) and the hard work of the staff, particularly our outgoing DAF, Christina Rivera.. These efforts resulted in our total expenses being over $17,000 less than budgeted.

This was particularly important given that we had a significant revenue shortfall in a year with a budgeted deficit of over $16,000. Bottom line, our deficit for FY19 was ONLY $3600 more than anticipated. As a result, we were still able to cover our expenses without yet activating the line of credit.

One area of concern, though, is how our income is distributed during the year. There were cash flow issues that became serious around the December through February time frame. While these issues resolved before we were forced to borrow money this time, we need to put more effort into being clear that we need the income year-round, especially now. When our reserves are small, a single month of lower than needed income could force us to borrow to pay staff and utilities.

At the moment there is still a significant deficit in the FY20 proposed budget. While there have been some pledge increases and new pledges since my letters of the last two weeks, it hasn't yet been enough to cover the deficit. The Finance Committee and I see no way to reduce expenses further.

However, there are large one-time expenses this year. The back insurance premiums we owe to two of the staff, and the amount we are paying our outgoing DAF while also paying the new DAF total nearly $40,000. I am comfortable activating the line of credit if necessary since we will not be relying on borrowed money in order to pay ongoing expenses.

Stan Walker
Treasurer