

**Executive Director Report
Board meeting – 20 Sept. 2016**

Facilities & systems:

The Lift project contract has been signed with APC and we anticipate work starting any day now. According to the information I have to-date, the timetable for completion is expected to be end of October but this may have changed.

The roof of the main building had several rounds of leaks during the summer. One affects the stage near the piano in the sanctuary and likely comes from the skylight and the other is near the border of the old roof and new roof affecting the music closet next to Ed's room. Our roofing contractor was able to patch up the latter but the current dry weather doesn't give it a good test yet. For the sanctuary one, however, the repairs would involve a more major effort.

The Wertheim landscaping project is largely completed. This project started last fall and redid several areas around the playground. In June they removed the old plants and planted new ones in the courtyard. In August they planted ground cover in the area to the right of the sanctuary. Additional grounds keeping efforts included significant brush removal, and large dead tree removal which is critical for safety. The majority of this work has been done by our sexton while some was done by professional companies, such as tree removal, done by Bartlett.

Additional repairs were completed over the summer, including bathroom vent fans, Rev John's airco unit exhaust, glass repairs, lighting replacement in Rev John's room, and various repairs to the downstairs lighting, wiring, glass safety coating and painting. As has happened in the past, the Weston-Westport Cooperative Nursery School undertakes at their own expense many of the repairs and upgrades to downstairs.

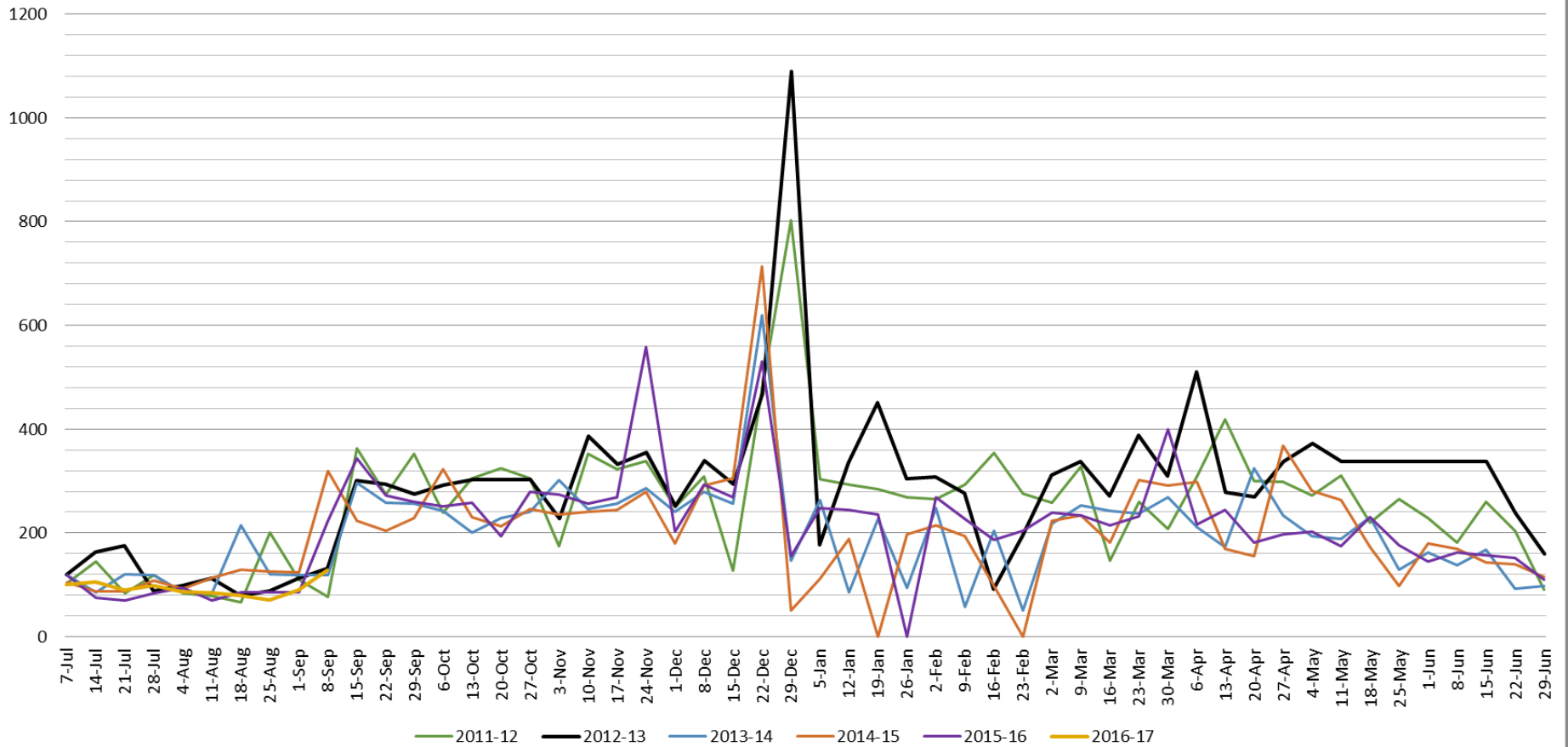
Previous systems improvements that are worth noting include the upgraded Wifi on the east side, a new phone system and repairs to the coax distribution network done by Cablevision. This occurred between December 2015 and April 2016.

Attendance:

From an analysis of the weekly upstairs attendance over the last several years (see graph below), one can see that the years 2012-13 and 2013-14 have a number of weeks which were higher than recent years, affected by Rev Hall's departure. However, there is no evidence of a significant permanent drop in attendance. We have much seasonality because of snow storms (Jan & Feb), and the known lower level in summer.

Fortunately, data for attendance upstairs has been fairly consistently recorded over the last 5 years. When we revisit the attendance analysis next quarter, we will have more on the children's attendance in the LFD programs.

Upstairs weekly attendance count by fiscal year



Staffing:

Over the summer, we have a few changes and new faces. Lara, our intern minister has arrived and settled in. One of our Sunday teachers has left and we have hired a new person, Joanna Fanuko, for that part-time job. Otherwise, we have had relative stability in our staff, which is quite fortunate.

Financial Overview:

TUCW Balance Sheet		June 30, 2016	Comments
ASSETS			
Current Assets			
Checking/Savings			
Total Current Assets		367,669	
Fixed Assets			
1400 · Land & Land Improvements		1,000,000	not yet including investment in paving
1401 · Church Building		1,000,000	not yet including investment in roof
1404 · Meeting House		900,000	
1408 · Furniture, Fixtures & Equipment		106,880	
1450 · Accumulated Depreciation		-66,444	
Total Fixed Assets		2,940,436	
Other Assets			
Total 1500 · Endowment Investment Accounts		1,981,774	value as of 30 June
1256 · Security Deposit* SCG (Gas)		1,000	
Total Other Assets		1,982,774	
TOTAL ASSETS		5,290,879	
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
2111 · 403(B) TIAA-CREF (ET)		1,768	
Total 2120 · Pass Thru to other Charities		1,040	
2295 · Advance Pledge Payment		59,095	
2296 · Prepaid Facility Rent		3,400	
Total Other Current Liabilities		65,304	
Total Current Liabilities		65,304	
Total Liabilities		65,304	
Equity			
Total 2115 · Invested in Capital Assets		2,940,436	
2130 · Reserves			
2528 · Memorial Garden Reserve		7,887	
2542 · Major Maintenance Reserve(Bldg)		119,082	
2554 · General Reserves		10,000	
2555 · Groundskeeping Reserve		39,976	
2760 · Sabbatical Reserve		7,200	
Total 2720 · RE Reserve		7,633	
2730 · Social Justice Reserve		10,909	
Total 2740 · Music Reserves		24,872	
Total 2750 · Church Service & Ministry		9,319	
Total 2130 · Reserves		236,878	
2135 · Restricted Net Assets			
2405 · Social Justice-JP Gift		61,325	
2407 · Lay Leadership Scholarship		1,856	
Total 2135 · Restricted Net Assets		63,181	
3900 · General Fund Balance *BOY		1,026,161	
3901 · Perm Restricted Net Assets-NeuB		1,273,161	
Net Income		-314,242	
Total Equity		5,225,575	
TOTAL LIABILITIES & EQUITY		5,290,879	

Year-end 2015-16 – preliminary, unaudited.

Balance Sheet:

Our 2015-16 fiscal year ended well. From a balance sheet perspective, we have on the plus side \$35k (18%) increase in Reserves, but the Endowment decreased by \$310k or 13% during the year due to the effect of the stock market. Please note that when the auditor has finished the audit, our fixed assets will increase by the amount of the investment we made during 2015-16 in our roof and our parking lot (roughly \$147k). Also we are now depreciating to keep up with GAAP.

Income & Expenses for 2015-16: For the Ordinary Income and Expenses, Income during the year was \$952k which was \$103k or 12% higher than budget. This was due to restricted and unrestricted contributions, other income and fundraising event proceeds being higher than expected. The pledge income, both for the 2015-16 year and that collected on the prior year pledges was also slightly higher.

2015-16 Income & Expense Actual compared to total Annual Budget		July 2015 - June 2016	Annual Budget 2015-16	over/under budget	% variance to budget	Formulas
Ordinary Income/Expense						
Income						
	4009 · Pledge & Gift Trust Income	624,609	600,000	24,609	4.1%	
	4049 · Other-Unrestr Contributions	57,969	42,000	15,969	38.0%	
	4040 · Restricted Contributions	35,781	18,300	17,481	95.5%	
	4185 · Event Proceeds	52,486	27,650	24,836	89.8%	
	4190 · Pass Thru Income FR & STP	20,281	17,720	2,561	14.5%	
	4269 · Facility Use Fees	134,271	134,300	-29	0.0%	
	4719 · Other Income	27,519	9,900	17,619	178.0%	
	Total Income	952,916	849,870	103,046	12.1%	A
Expense						
	5450 · Total People Cost - BL	627,498	647,703	-20,205	-3.1%	
	5305 · B & G Projects - BL	165,899	121,850	44,049	36.2%	
	5380 · Maint & Insurance - BL	80,346	68,506	11,840	17.3%	
	5549 · Programs & Church Services-BL	62,790	42,297	20,493	48.4%	
	5630 · Office & Utilities - BL	68,388	75,444	-7,056	-9.4%	
	5709 · Denominational - BL	10,000	10,000	0	0.0%	
	5810 · Fundraising Expenses - BL	15,955	16,555	-600	-3.6%	
	5850 · Pass Thru to Charity - BL	30,942	19,720	11,222	56.9%	
	5945 · Audit,Pmt Process&Bank Fees-BL	16,707	14,805	1,902	12.8%	
	5949 · Miscellaneous Expense - BL	27,904	30,172	-2,268	-7.5%	
	Total Expense	1,106,430	1,047,052	59,378	5.7%	B
	Net Ordinary Income (C)	-153,514	-197,182	43,669		C=A-B
Other Income/Expense						
Other Income						
	4850 · Other sources - Use of Reserves	237,701	204,966	32,735		
	Total Other Income	237,701	204,966	32,735		D
Other Expense						
	5800 · Other Uses - Moves to reserves	84,077	7,200	76,877		E
	Net Income Budget View (F)	110	584	-474		F=C+D-E
	4800 · Net Changes in Investment Accts	314,352				G
	Net Income	-314,242				F-G=H

Expenses were 5.7% higher than budgeted. The shortfall on the staffing expense was counter-balanced by the higher than expected Maintenance & Insurance, Program costs. The B&G Projects level of spend was planned – it will decrease by \$147k when the above fixed asset investments are capitalized. The higher costs of Programs & Church/Worship Services was off-set by the increased restricted income and other fee income generated for those programs, such as for Camp Jewel. Higher Maint&Insurance was from higher grounds costs (Wertheim project and dead tree removal).

Working down from Net Ordinary Income, we add the other income which is not real income but rather the use of our reserves and distributions from Endowment which was \$153,500 for 2015-16. Similarly the other expenses are not real cash out but rather movement of funds to reserves. Overall the Net Income Budget view for the year was \$110 or in effect \$0, as was planned. At the bottom of the table you see the Net changes in Endowment Investment Accounts, an expense, which was withdrawal of funds from the Endowment accounts (\$153,500 above) as well as the changes in the value (losses) due to the stock market. The net result is a loss of (\$314,242).

Classes – how we segment our income and expenses by purpose:

Classes are what our accounting system calls funds, fund accounting being the norm for nonprofits. Classes reflect the purpose of the activity, so for example, our program areas, such as Music, or LFD, are classes; activities relating to income and expenses happen for the purpose of the program. A restricted donation to one of these program areas is then treated as restricted income in that class and used for the expenses that belong to that class. We also have some sub-classes that cluster into the main classes when it is needed for tracking designated or restricted income at a finer level. Many of the classes are net users of funds and so should not be seen as a “profit” center. That is normal -- a single organization acts as the foundation for the programs and activities it wants to provide and unrestricted income is there to support it all. We want to avoid restricting income at levels below the main classes or key sub-class level.

As we move forward, we need to keep both simplicity and transparency in mind when we look at our accounting and financial reporting. We made a few changes in the definitions of the classes to better reflect efforts to “go beyond”, namely we created a class for Outreach. Next summer we can make further adjustments if needed. The following diagram gives an overview of the classes that we currently maintain in our accounting.

CLASSES	Music - Ed Budget Leader	Lifespan Faith Dev't-LFD (previously RE) Mary –Budget Leader	Worship & Ministries (previously Church Serv&Min), emphasis within Congr. -Rev John Budget Leader	Outreach & Social Justice - emphasis outward/Beyond; Rev John Budget Leader with David V continuing for SJ subclass Budget Leader	Congregational Events (previously Fundraisers; managed by subclass Leaders, Dorothy oversight)	Memorial Garden-Cttee- D. Thompson, N.Coleman, Budget Leaders	Gen'l &Admin (emphasis on facilities, governance, and other admin) –Dorothy Budget Leader
	Income-Yes from sale of hymnals, voice lessons etc and restricted donations	Income-Yes from fees, trip reimbursements, and restricted donations	Income-Yes fees for sessions/trips (i.e. yoga, Camp Jewel etc), restricted donations to some subclasses (MDF, UUFoodcards)	Income-Yes, restricted donations to SJ subclasses – passthru liabilities,	Income-Yes from event proceeds, unrestricted except for Voices which goes towards SJ; line on FR Approval form states if restricted; FR Approval form show estimated net income	Income-Yes from donations and plot fees, restricted to class	Income – yes from unrestricted rental fees, unrestricted contributions (pledge & non-pledge), occasional restricted contrib to Bldgs or Grounds
SUBCLASSES	- Bernhard - Special Music	-Youth - COA - Adult - OWL	-MDF - Shawl (Jan) -UUFoodcards -Misc Min incl yoga, SGM, PCC - Camp Jewel (Cathy M.)	- General Public - UU related - Social Justice (David V.) -Beardsly, -Kiva, -MLC -Food Acc, -CT Food Bank - UWK, FRE, etc - Share-the-plate	-Luongo Play (JL) - UGNO (TomC/Mark C) -Tag Sale (LH) - Jewelry (Chris P) - YRSC (M\$) - Story Slams (Tom C) - Voices concerts (David V.)		-Buildings -Grounds -Renters (including subsub classes Nursery, Parking, Renter-misc)

One benefit of using fund accounting is that we will gain insight into the picture of the effort or costs that goes with providing a particular program. As a service organization, key costs are staff's time and we have the ability to see where those efforts go as we currently account for staff time by class. Please note, however, that UWestport is one legal entity and thus needs to look at these classes not as silos but rather as branches of a single tree. In the next Financial Report, I will provide diagrams with relative emphasis expenditure-wise in the classes for the past year 2015-16 and the budgeted effort for the 2016-17 year.

2016-17 Income & expenditures to-date:

It is still early in the fiscal year for the income and expenses so not much to highlight. Pledges currently stand at \$627k as of mid-September and the number of pledge units who have made a 2016-17 pledge is 283. Compared to last year at this time, there were 316 units having pledged and \$652k in pledges made for that year. Below are the current actuals for July and August combined compared to budget with comments on specific lines.

Income & Expense Actual year-to date compared to total Annual Budget 2016- 2017		Actual July 2016- August 2016	Annual Budget 2016-2017	Remainder	Comments
Ordinary Income/Expense					
Income					
	4009 · Pledge & Gift Trust Income	107,407	667,830		mixed story: still hoping for \$73k additional 16-17 pledges
	4049 · Other-Unrestr Contributions	2,946	51,250		seasonal - will catch up in holiday season
	4040 · Restricted Contributions	500	12,400		typically lumpy income
	4185 · Event Proceeds	11,484	40,150		tag sale
	4190 · Pass Thru Income FR & STP	755	19,000		low summer season
	4269 · Facility Use Fees	25,043	136,490		higher than expected Aug rentals
	4719 · Other Income	1,128	15,470		typically lumpy income
	Total Income	149,264	942,590		
Expense					
	5450 · Total People Cost - BL	98,086	713,402	615,316	benefitted from slow summer season
	5305 · B & G Projects - BL	3,338	122,500	119,163	Lift project getting started
	5380 · Maint & Insurance - BL	11,292	60,078	48,786	
	5549 · Programs & Worship Services-BL	10,258	49,955	39,697	higher due to Beloved Conversation and Camp Jewel deposit
	5630 · Office & Utilities - BL	7,253	71,076	63,823	
	5709 · Denominational - BL		11,000	11,000	
	5810 · Fundraising Expenses - BL	257	19,823	19,566	tag sale particularly low cost
	5850 · Pass Thru to Charity - BL	872	21,000	20,128	
	5945 · Audit,Pmt Process&Bank Fees-BL	1,560	14,010	12,450	
	5949 · Miscellaneous Expense - BL	420	7,910	7,490	
	Total Expense	133,336	1,090,754	957,418	lower summer season costs
	Net Ordinary Income	15,927	-148,164		
Other Income/Expense					
Other Income					
	4850 · Other Sources of Cash	7,040	181,100		use of reserves for Beloved Conversations
	Total Other Income	7,040	181,100		
Other Expense					
	5800 · Other Uses of Cash	5,280	32,720	27,440	Sabatical accrual and rental contribution to Bldgs
	NET INCOME BUDGET VIEW	17,687	216		ahead of budget
	4800 · Net Changes in Investment Accts		38,500	38,500	planned distributions only
	Net Income	17,687	-38,284		