MEMORANDUM

TO: Finance Committee

FROM: Tim Brennan

RE: UUA Budget Forecast 1st Quarter FY 14

CC: Board of Trustees, Peter Morales, Harlan Limpert, Terasa Cooley

DATE: October 15, 2013

Summary

This memorandum describes the key differences between the adopted budget for Fiscal Year 2014 and the first quarter forecast. The biggest change from budget is a modest shortfall in projected APF revenue. This is largely offset by some savings in certain salary lines and drawing down the contingency by $76,000.

Notes on Variances from Budget FY14 to 1st Quarter Forecast

Overall Income – on budget

Annual Program Fund – down by 2.2%
In March, we were projecting that the economic recovery would lead to modest growth in APF revenue. But now, six months later, based on pledges received to date and outreach to key congregations, we believe that APF revenue will be flat with the last two years.

Campaign Income – up by 3.4%
The increase is due to the release of $59K in temporarily restricted funds received in previous years.

Holdeen and International Trusts – up 2.2%
Increase is from additional UU United Nations Office income of $31K.

Income for other purposes – up 2.8%
Increase is from departmental income consisting of conference registrations and other fees.

Overall Expenses – on budget
Projected expenses are on budget.

Board and Volunteer Leadership – up by 2.0%
Reflects the expenses of the Presidential Nominating Committee, not included in the budget submitted to the Board in April.

Program and Strategy – up by 173.6%

This reflects a reorganization that was implemented after the FY 2014 budget was adopted. The budget has been restated to reflect the reorganization. The overage of $540K is offset by reductions in Congregational Life of the same amount.

Congregational Life – down by 14.9%
See Program and Strategy above.

Administration – up by 5.9%
Increase is due to a higher estimate for medical insurance premiums and executive severance.

Information Technology Services – down 3.1%
Due primarily to lower salary and benefit expenses arising from a position that will not be filled until March.

Internal Services – down 2.7%
Replacement employees came in at lower salaries.

Current Section Excess (Deficit) – $0K
Overall, we are projecting a breakeven year.