



MEMORANDUM

TO: Finance Committee

FROM: Tim Brennan

RE: UUA Budget Forecast 3rd Quarter FY 13

CC: Board of Trustees, Peter Morales, Kay Montgomery, Harlan Limpert

DATE: April 5, 2013

Summary

This memorandum describes the key differences between the adopted budget for Fiscal Year 2013 and the third quarter forecast. At this time, we are forecasting a deficit of \$279,000. This is being caused by three major factors:

- 1) \$250,000 budgeted from Association Sunday will not be realized.
- 2) Bequests are projected to be \$250,000 below budget.
- 3) Layoffs of 10 FTEs made necessary in the budgeting for next fiscal year will trigger severance payments in this fiscal year.

Staff group directors have been taking steps to reduce spending, which as reduced what would otherwise be a much larger deficit, and we will continue to take steps to further lower the deficit for the year.

Notes on Variances from Budget FY12 to 2nd Quarter Forecast

Overall Income – down 3.0%

Except as noted below, there are no material changes from the second quarter report.

Unrestricted Gifts – down \$230,000

Budget included revenue of \$250,000 from Association Sunday, which was subsequently cancelled.

Bequest Income – down 28.6%

Forecast is based on known bequests that are being processed now. The total is down substantially from recent trends.

Overall Expenses – down 1.9%

Projected expenses are very close budget. Savings from unfilled positions are reflected throughout.

Information Technology Services – down 7.1%

Due primarily to lower salary and benefit expenses arising from a position that was not immediately filled upon the departure of an employee.

Current Section Deficit – \$279K

The Leadership Council is in the process of identifying expense savings to offset as much of this shortfall as is prudent. Since the most of our expenses are personnel related, eliminating positions does not reduce short-term expenses because of related severance costs. Positions that become open due to voluntary departures are being filled only as necessary.