

**General Update**

- 1) December Financials: Revenue continues to trend higher than Budget, and Expenses continue to trend lower than Budget. Because of this, the December 31<sup>st</sup> NOI is \$69K better than Budget. A good sign is that Pledge Income has increased almost to Budget. The numbers should balance themselves out as we move forward in the fiscal year. See page 2 for a summary of the December 31<sup>st</sup> Financials.
- 2) 2021-2022 Annual Budget: This year’s Budget projects a Budget Gap of \$199K, and TUCW cannot continue to operate in the negative. **A reminder that this is a Transitional Year. The 2022-2023 Budget will be a “balanced budget”, which means we much either raise more Revenue or reduce the Expenses (primarily by cutting Payroll). February will start the Budget Reforecast/2022-2023 Draft Budget cycle.**
- 3) Capital Campaign/Building Renovations: The glass replacement work continues. Flooring work is next.
- 4) Capital Campaign Funds ADM Internet Account: To fund construction payments, **we drew down \$400,000** last month. Current balance as of 12/31/2021 = \$327,750.37.
- 5) Finance & Audit Committees: Bob Bailey (Hope & Hernandez) will be at our January meeting to discuss the 2020-2021 “Review” (not a full audit this year) and tax return Form 990. All is in good order.
- 6) Fiscal Targets: **Our Fiscal Targets should be reviewed (see #7 below)**. Current target for Endowment Funds is 2-3 times Annual Expense Budget. Current target for Available Cash is 3 times Monthly Expenses (NB: See also #7 below). As of December 31<sup>st</sup>, the balances are:

Endowment Funds* = \$3,517,543	Available Cash** = \$326,487 (FCB Checking/Savings-no organ)
Annual Expense Budget = \$882,244	Monthly Expenses = \$73,520
Multiple = 3.99 x	Multiple = 4.44 x

NB: TUCW also has a \$250K Line of Credit at Fairfield County Bank (FCB), which remains unused and is available until 02/14/2023. Interest rate is 1% over prime = 4.75%. There are no guarantees or mortgage type liens attached to the Line of Credit.

\*70% of Endowment Funds are in “Restricted” accounts      \*\*47% of Available Cash is earmarked for “Reserves”

- 7) Fiscal Policies: The Endowment and Finance Committees continue to discuss an issue with our “Available Cash” Fiscal Target, as it relates to the Budget Gaps that we have been experiencing the last couple of years. Since Endowment funds are “earning assets” but Cash in the bank earns nothing, Endowment has suggested that we use Available Cash to the maximum extent possible to fill the Budget Gap, rather than asking Endowment to liquidate a portion of our earning assets. Since Endowment funds are always available to support TUCW as needed, they are in essence a form of “Available Cash”. For Fiscal Target purposes, it has been suggested that Endowment funds could be added to our cash balances, to ensure our “Available Cash” Fiscal Target never falls below 3x Monthly Expenses. When Cash is needed, Endowment could quickly liquidate some of its investments and transfer funds over to the Operating Budget. Funds in “Restricted” accounts make this more complicated. As it has in the past, Endowment will continue to contribute \$30,000 annually to the Operating Budget.

## Monthly Financial Statements – As of December 31<sup>st</sup>, 2022

### Balance Sheet

- 1) Total Assets\* = \$8.247M, up \$210K since June 2021 = 02.61% increase
- 2) Total Liabilities = 23K, down \$92K since June 2021 = 98% decrease, due to the reallocation of 2021 Advance Pledge Payments.
- 3) Total Equity = \$8.245M, up \$302K since June 2021 = 3.80% increase since June 2021
- 4) Current Liabilities and Total Liabilities remain extremely low compared to Current Assets and Total Assets. The most important factor is that we do not have a mortgage on our property.
- 5) Capital Campaign funds available totaled \$615K as of December 31<sup>st</sup>, with an additional \$350K due from the Endowment match.

### Profit & Loss Statement (for October 31<sup>st</sup>)

- 1) YTD Income = \$486K, **\$66K over Budget** = 15.72% increase, mostly due to Unrestricted Contributions
- 2) YTD Expenses = \$425K, **\$3K under Budget** = 0.70% improvement, due to several items trending lower
- 3) **Net Income = \$61K**, up **\$69K improvement over Budget** = Vast improvement over Budget, but it's still early in the year, and income/expenses should realign as the year proceeds

\*Due to the lack of historical cost data, the Book Value of our Land and Buildings was estimated to be = \$3.000M in 2014. However, as of October 2020, the Town has valued our land and buildings at = \$8.629M. Since we do not pay real estate taxes, any change in value (up or down) does not affect our finances.

### To-Do's

- 1) Found \$400 in a CT list of "unclaimed funds" showing it belongs to TUCW. I have applied to have the funds returned to us. State of CT has sent additional forms to be completed. I will keep you informed.
- 2) February will start the 2021-2022 Budget Reforecast and 2022-2023 Draft Budget cycle.

**Nursery School Lease:** A new lease was signed as of July 1<sup>st</sup>. Rent for this Fiscal Year will be \$6,400/month. But we must remain mindful of new Covid Variants, which could adversely affect Nursery School attendance and thus the school's ability to pay, similar to what happened last year.