

General Update

- 1) **October Financials:** Revenues are slightly higher than Budget (+\$25K), but Expenses are also slightly above Budget (+\$3K). It's early in the Fiscal Year, and the numbers will change as the year progresses. Pledge Income is below Budget (-\$12K). Other Unrestricted Contributions, Restricted Contributions, Event Proceeds, and Facility Use Fees are all higher than Budget (+\$35K), and this gives us an NOI which is \$22K above Budget. See page 2 for a summary of the September 30th Financials.
- 2) **Employee Retention Credits (ERC):** We have applied for and expect to receive two tranches of Employee Retention Credits totaling \$77,482. These dollars should be received by next February.
- 3) **Cash Flow:** We are in a serious downward trajectory (see attached Cash Flow #1 + Cash Flow #2 spreadsheets). Our target for Net Cash Available is \$100K or more. Looking at Cash Flow #1, you can see that we will fall below our target every month for the remainder of the 2022/23 Fiscal Year. In fact, at the end of March, our Net Cash Available will be negative! I am proposing that the Board ask Endowment to fund two of its budgeted cash assistance items now, rather than waiting for next May or June. In Cash Flow #2, I added both Endowment requests and the anticipated ERC funding to our Cash Flow, but we still run below \$100K in Net Cash Available for the period April – June.
- 4) **2022-2023 Budget:** The projected Budget Gap this year = (\$183K). We anticipate this Budget Gap will be covered mostly by using funds from the Endowment.
- 5) **Capital Campaign Funds:** Sept 30th balance in the ADM account = \$229K. Total Capital Campaign Funds = \$288K in Cash, \$350K due for Endowment match, and \$137K in Unpaid Pledges = \$775K
- 6) **Fiscal Targets:** Current Fiscal Target for Endowment Funds is 2-3 times Annual Expense Budget. Current Fiscal Target for Available Cash is \$100,000 (~1.5 x Monthly Expenses). As of October 31st:

Endowment Funds* = \$3,332,108
 Annual Expense Budget = \$858,630
 Multiple = 3.88 x

Available Cash** = \$155,000 (FCB Checking/Savings/Venmo)
 Monthly Expenses = \$71,553
 Multiple = 2.17 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 = 7.25%. There are no guarantees or mortgage type liens attached to the Line of Credit.

*72% of Endowment Funds are in "Restricted" accounts

**"Reserves" now exceed Total Available Cash

- 7) **Other Financial News:**
 - (a) We have signed a contract with Stewardship for Us (Rachel Maxwell and Barry Finkelstein) to help TUCW do a Strategic Financial Resource Plan. This effort will take 3-4 months and will cost \$5K - \$10K, which will be covered mostly/entirely by Endowment. The goal is to provide a financial plan that extends for at least five years and leads to the elimination of our annual Budget Gap.

(b) If approved by the Board, TUCW will enter into a contract with a consultant who will assist the congregation in a Healing & Resilience Plan, to help our congregation heal and learn from recent issues and to be better able to deal with future complications. This contract will cost \$15K - \$20K and a member of our congregation has generously offered to cover the cost.

Monthly Financial Statements – As of October 31, 2022

Balance Sheet

- 1) Total Assets* = \$7.876M, **down \$25K** since June 2022 = 0.32% increase
- 2) Total Liabilities = \$2K, down \$102K since June 2022, due mostly to Advance Pledge Payments = 97.74% decrease.
- 3) Total Equity = \$7.874M, up \$78K since June 2022 = 1.00% increase
- 4) Current Liabilities and Total Liabilities remain extremely low compared to Current Assets and Total Assets. The key factor is that we do not have a mortgage on our property.
- 5) Capital Campaign funds available total \$287K as of October 31st, with an additional \$350K due from the Endowment match and \$137K due from unmet Pledges. If all Capital Campaign pledges are received, we will have a total of \$775K available.

Profit & Loss Statement

- 1) YTD Income = \$279K = **\$25K over Budget** = 9.84% increase, due to higher Unrestricted Contributions, Restricted Contributions, Event Proceeds, and Facility Use Fees
- 2) YTD Expenses = \$254K = **\$3K over Budget** = 1.02% increase, due to higher Maintenance & Insurance and Materials for Program & Worship.
- 3) **Net Income = \$25K = \$22K better than Budget** = A large increase over Budget. But it's early in the Fiscal Year, and the numbers will change as the year progresses. At year-end, we still anticipate a Budget Gap of (**\$182K**).

*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) Implement the Financial Sustainability contract work. Initial Townhall at TUCW is set for next Sunday, Nov 20th.