

2017 ANNUAL MEETING BUDGET PRESENTATION

CURRENT FISCAL YEAR (FY2016-17) OPERATING BUDGET

Operating Income

Our stewardship drive for funding the operating budget for the current year, FY2016-17 as of April 30, 2017 has resulted in a total of \$908,000 in pledge commitments, an average of \$1789 per pledge. While the average pledge has increased about 2% over the previous year, the challenge is that we have lost a number of members over the past few years and have had fewer people pledging (508 to date versus 523 in the previous year). As a result, it appears we may not reach our goal of \$936,000 in pledges and may fall short of the \$910,000 in pledge income assumed in the budget.

This shortfall may be made up by more income in gifts and fundraisers than budgeted and further offset by lower costs in personnel, facility, and program expenses.

Operating Expenses:

We expect to come in somewhat under our \$1,309,044 budget for expenses for the current 2016-17 Fiscal Year.

Operating Deficit

Subtracting projected expenses from income we expect our operating deficit to be less than the \$114,000 included in the budget.

FY2016-17 BUDGET AND PROJECTED RESULTS

	Approved FY2016-17	Projected FY2016-17
INCOME		
Pledge Income	\$910,000	\$900,000
Plate and Gifts	\$90,000	\$102,000
Rental Income	\$105,500	\$103,000
Program Income	\$39,400	\$39,400
Fund Raisers	\$50,500	\$52,000
Totals	\$1,195,400	\$1,196,400
 EXPENSES		
Personnel	\$945,000	\$940,000
Administration	\$72,050	\$71,000
Facilities	\$99,950	\$95,000
Programs	\$192,044	\$190,730
Totals	\$1,309,044	\$1,296,730
 Deficit		(\$113,644)
		(\$100,330)

NEXT FISCAL YEAR (FY2017-18) Operating Budget

We want to share our general approach to budgeting this year and also share more analysis of the pledge results than normal.

First, the budget —

Our budget is about \$1,300,000 and over 70% of that consists of salary and personnel expense. The FY2017-18 budget is based on the strategic direction developed in the Vision 2020 process and approved by the congregation at the May 2016 Annual Meeting, and subsequent discussions including the Social Justice Summit.

FY2017-18 BUDGET

	FY 2017-18
INCOME	Recommended
Pledge Income	\$935,000
Plate and Gifts	\$92,000
Rental Income	\$103,000
Program Income	\$39,400
Spirit Experience	\$12,000
Fund Raisers	\$50,000
Totals	\$1,231,400
EXPENSES	
Personnel	\$958,635
Administration	\$74,260
Facilities	\$84,765
Programs	\$187,089
Total	\$1,304,749
Deficit	(\$73,349)

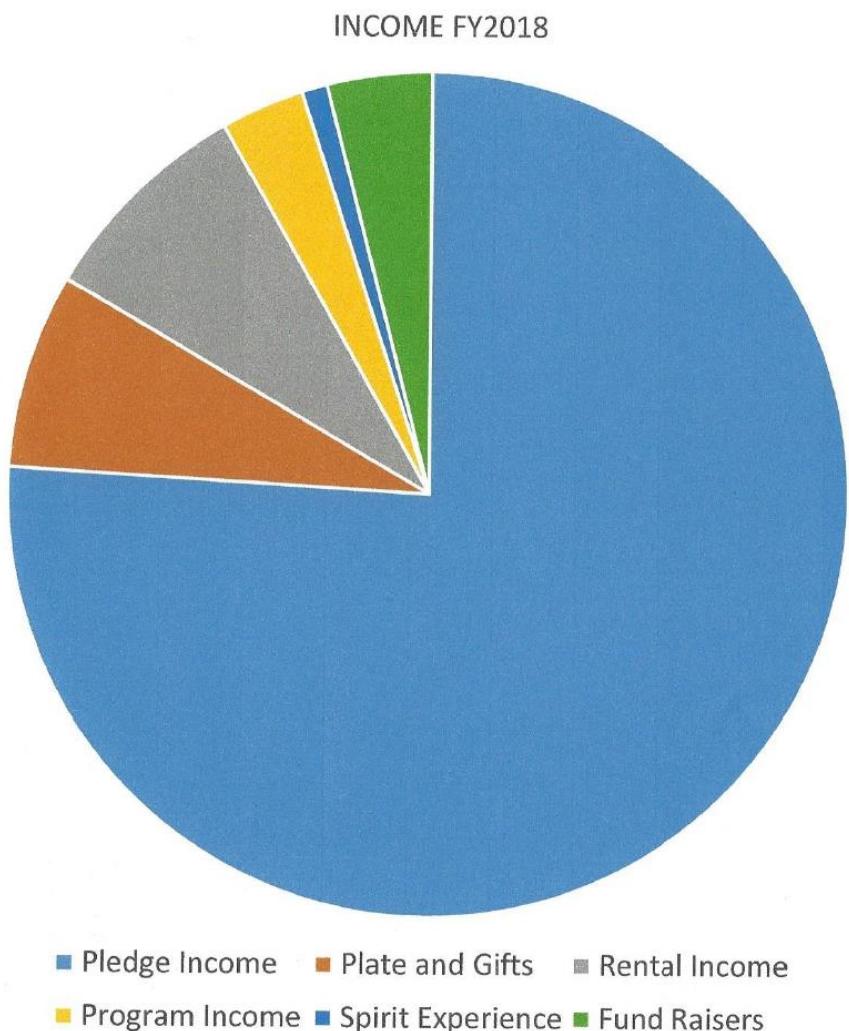
Recommended FY2017-18 budget keeps expenses below the \$1,309,344 cap, and reduces the deficit from budgeted \$114,044 in FY2016-17 to \$73,349 in FY2017-18, a reduction of \$40,695.

Cedar Lane is sustained by the generosity of our members -- there is no outside source of funds to pay our bills, to see to it that our hard-working ministers and staff receive fair compensation, to support our core ministries and programs, and to ensure that our building and campus are well maintained. And this year, the need for community and spiritual support, social justice, and public witness have never been greater.

More than 75 percent of our income comes from pledges. To enable us to more fully carry out our mission as envisioned in the Congregation's Vision 2020 and set forth in the strategic directions, and meet the extraordinary challenges that have arisen with the Presidential election, we set a goal of \$1.1 million in pledges for FY2017-18 which begins this July 1st.

After years of declining members from 873 ten years ago to less than 710 a few months ago, membership appears to be growing, thanks to Rev. Michelle, the Membership and Welcoming Team, and the welcoming culture within the Congregation. Since January 2017, we have welcomed 36 new members into our religious community. While we have lost several members who have passed or moved away, we have about 723 members now.

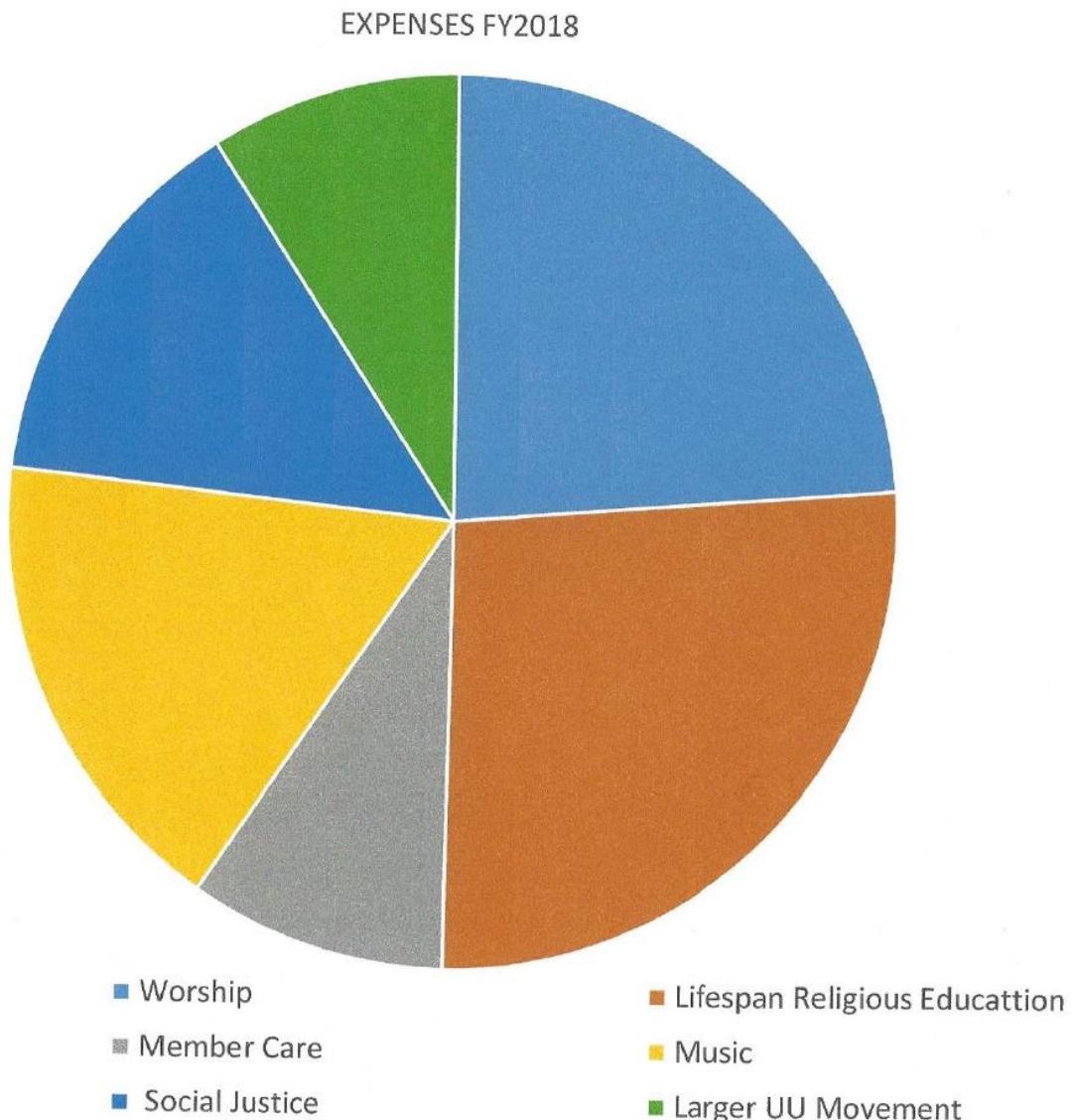
Not only is this growth evidence that we are providing the spiritual experience, community, and social justice opportunities that people are seeking, it is a critical factor in increasing the pledges that fuel our mission.



It will take time to reach our bold goal of raising \$1.1 M in pledges. As of April 30, members and friends have pledged about \$866,000. But we are still behind our ambitious goal of \$1.1 million. Our best estimate is that pledges, at the current rate, will fall short of our goal and total approximately \$935,000. We urge those who have not yet pledged to do so.

The basic financial health of Cedar Lane is good. We have worked hard to reduce operating deficits while still supporting programs and ministries that sustain Cedar Lane's mission and vision. But we will need to deal directly with this income shortfall.

In the meantime, to put our financial house in order, and begin to eliminate the deficit, the Board decided cap expenses at the level set in the FY2016-17 budget - \$1,309,044. The staff and Board have collaborated in proposing some limited reductions in next year's FY2017-18 budget such as hiring an assistant minister rather than an associate minister, eliminating the social justice coordinator position, and continuing with a part-time membership coordinator rather than a membership director, to offset expected increases in others, such as cost of living and benefit increases and some individual salary adjustments to bring staff salaries and benefits more in line with UUA guidelines.



This will cushion the impact of the shortfall for one year. It will not, however, cover the entire shortfall. We will be required to reduce expenditures by approximately \$30,000 in the next year. It will take some time for us to determine exactly what adjustments will be required to achieve that reduction. It will certainly involve considering reductions in staff, but it will take some time to work through the specifics.

Please remember: this is a one-year plan. There are reasons to hope that pledge income will rebound, including signs of health in this year's pledge drive and the positive feeling about the ministry we are offering in these difficult times.

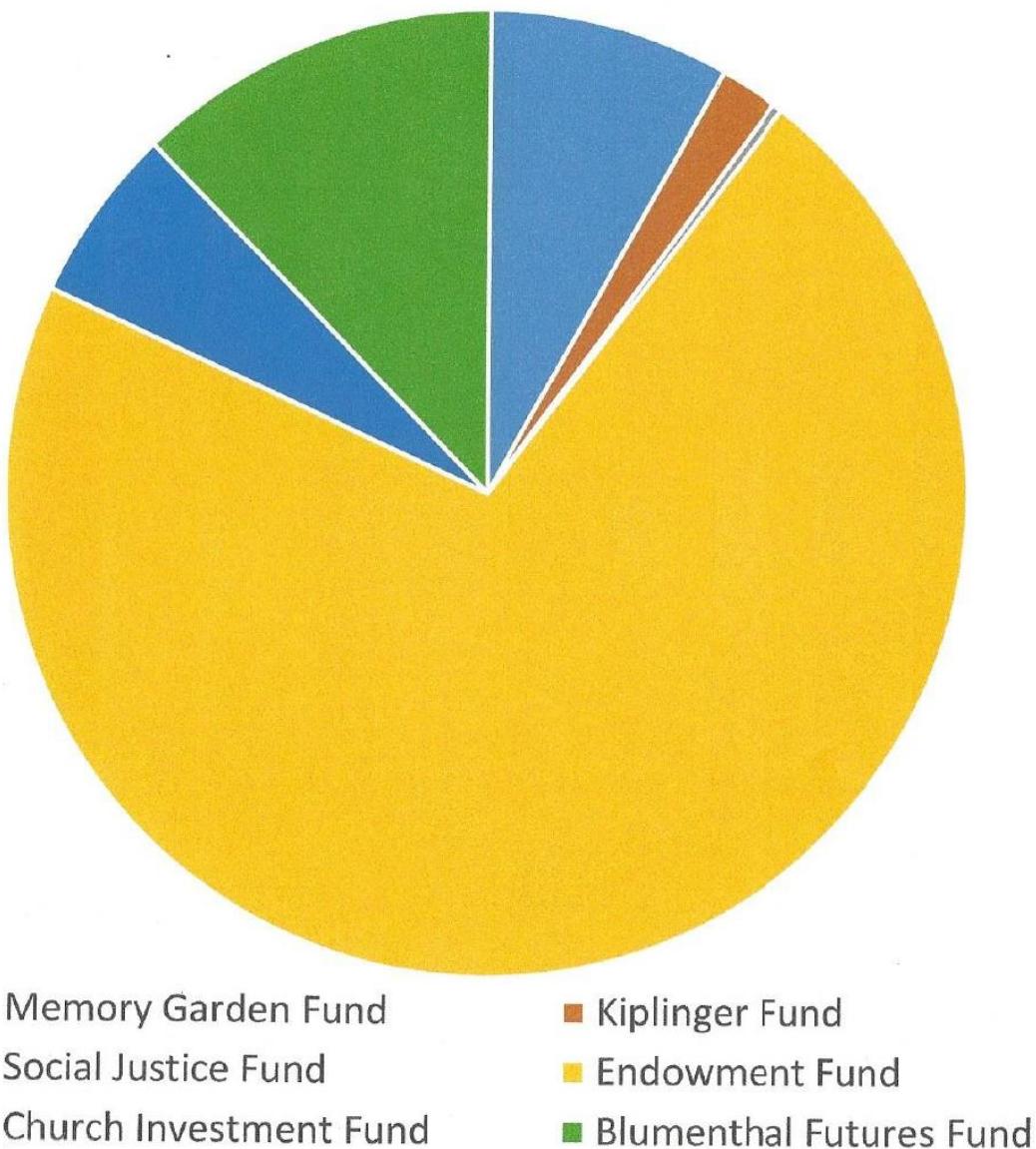
By volunteering our time and talents and becoming more engaged in the work of the Congregation, we can overcome most if not all of the effects of these reductions. And, when we meet our goal of \$1.1M in pledges, we can not only restore these cuts, we can fund even more of the social justice, lifespan RE, and worship initiatives identified in our vision for 2020.

Capital Budget: Funds and Expenditures

Endowment Committee has done an outstanding job of investing in funds achieving a high rate of return. We have very healthy endowment and investment accounts, totaling more than 5 million dollars. Major investments in our infrastructure this year included funding the much-needed new HVAC system with a loan from the Endowment Fund of \$1.3 million dollars, which is to be repaid within 10 years, and a new roof.

Church Assets	Proposed Disbursements for FY2017-18
	Current Amounts
Endowment Funds	\$4,387,609
Memory Garden Fund	\$430,869
Kiplinger Fund	\$105,701
Social Justice Fund	\$17,994
Endowment Fund	\$3,833,045
Current funds	\$2,201,621
Owed to Endowment Fund (e.g., HVAC)	\$1,631,424
Church Investment Fund	\$314,678
Blumenthal Futures Fund	\$657,989
Totals	\$5,360,276
	\$744,427

FY2018 ASSETS



Disbursements from the Endowment Fund earnings, Church Investment Fund, and Blumenthal Futures Fund will be used to pay for maintaining the grounds; capital expenses, such as removal of dead and dying trees, database upgrade, and new chairs for the Chalice House; the proposed capital campaign, sidewalk, and social justice and outreach activities; new initiatives to respond to the new challenges we face; and covering the deficit.

Disbursements FY2017-18

Grounds Budget	\$20,493
(Funded by Memory Garden Disbursement)	

Endowment Disbursements to Capital Budget

(Funded by the Endowment Disbursement)

Intern	\$6,000
Trees	\$30,000
Replacement chairs and tables	\$5,000
AV camera & projector	\$20,000
Realm Database upgrade	\$5,000
Contingency	\$32,385
Cover deficit	\$50,000
Total	\$148,385

Church Investment Fund Disbursement

Cover deficit	\$23,349
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Blumenthal Futures Fund Disbursements

Capital Campaign	\$250,000
Architect	\$50,000
Sidewalk replacements	\$130,000
Blumenthal Outreach and Social Justice	\$100,000
New Initiatives	\$22,200
Total	\$552,200

Total	\$744,427
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New initiatives will respond to pressing challenges such as providing sanctuary for undocumented immigrants (if approved by the congregation), support for refugee families, and new forms of worship and music to help us become a more multicultural and inclusive congregation. These initiatives will be funded in FY2017-18 from the Blumenthal social justice and outreach funds.

Our commitment remains to operate Cedar Lane within our means, as does our commitment to living out our mission. Fulfilling both of those commitments will challenge us in the coming year when the need for our ministry is so clear and so pressing.

Again, thank you to everyone who has been involved for your continued support and generosity toward Cedar Lane and for working with us in strengthening our beloved community.