Financial Report to DCC Cabinet
For month ending 4/30/2017

This report to the Cabinet was developed from information included in the DCC Financial Summary through 4/30/2017 provided to the Cabinet in a separate document, as well as the complete Balance Sheet and Profit and Loss statements, which are available to anyone wishing a copy. Highlights are as follows:

- Total assets at year end 2016 were $111,325 and have been significantly reduced to $81,637; a reduction of $29,688. The primary causes for this drain are as follows:

$8,752	Heater repairs paid from designated Savings (Contingency). This essentially depletes the contingency reserves.
$5,698	Moving expenses – While these were not budgeted, they were expected to be $8000 - $9000. These expenses were paid from undesignated funds in the checking account and no other moving expenses are expected.
$3,990	2016 mowing expenses (House & Grounds), which were not billed until 2017. These expenses were paid from undesignated funds in the checking account. The House & Grounds Chair has requested 2017 work be billed at the end of each month.
$11,473	This is the deficit between actual giving and actual expenses. See below for additional detail on giving.
$29,913	Total (Essentially equal to the $29,688 reduction noted above.)

Please note, the heater repairs, moving expenses, and 2016 mowing expenses noted above have been stripped out of the Budget Summary portion of the DCC Financial Summary through 4/30/2017.

- A summary of 2017 Budget versus Actual (BvA) giving and expenses through the end of April reflects the following:
    - Actual giving ($52,307) continues to significantly underrun budgeted giving ($62,586) with the current deficit being $10,279.
    - Actual expenses ($63,781) continue to underrun budgeted expenses ($70,473) with the current deficit being $6,692; remembering, this does not include the heater repairs, moving expenses or mowing expenses noted above.
    - As noted above, giving was budgeted to underrun expenses ($7,886 budgeted year to date), however, they are doing so at a greater pace than budgeted ($11,473 actual year to date). <u>The main issue is the deficit between actual and budgeted giving ($10,279) is greater than the underrun of actual versus budgeted expenses ($6,692).</u>

- To help us better understand the $10,279 deficit between actual giving and budgeted giving, Jenny Downey, the Financial Secretary, has reviewed the 2016 and 2017 actual giving versus pledged giving. She is the only one who knows the pledged and/or actual giving of any individual or family; however, the following data can be shared:

	2016 Budget	2016 Actuals	2017 Budget	Final 2017 Pledge Campaign
Pledged Giving	$156,500	$140,795	$155,760	$158,760 (1)
Non-pledged Giving	$32,026	$52,571	$32,000	
	$188,526	$193,366	$187,760	

Note (1) – The 2017 pledge campaign was "officially" completed after the 2017 budget was approved. Following the budget approval and completion of the budget campaign, at least one family, which historically pledged and gave significantly to the church, has left in 2017. That 2017 pledge is included in the final 2017 campaign totals noted above; however, that pledge is not expected to be fulfilled.

Based on this and some other information, the deficit (-10,279) between the actual giving ($52,307) and budgeted giving ($62,586) can be partially or totally explained as follows:

$2,400	Two 2017 pledges were either totally or partially paid and recorded as income in 2016. This coding has been changed to reflect a 2016 liability and 2017 income. This was done on 5/4 and should show up in next month's financial summary. It will not change the total assets picture, but will reflect increased giving associated with the 2017 budget.
$1,100	Actual pledged giving is below budgeted pledged giving by this amount at the end of Q1. This could be a timing issue and pledged giving may get back on track over the full year. (Please note, this does not include the loss of one family noted above.
$4,500	Actual non-pledged giving is below budgeted non-pledged giving by this amount at the end of Q1. It is unclear if this is a long-term trend.
$8,000	Total for 3 lines above; this explains a major of the $10,279 deficit.
?	At least one family, which pledged significantly, has left. This could explain at least part of the variance ($2,279) between the total deficit ($10,279) and the sum of the three causes noted above ($8,000).

- One other issue not reflected in the 4/30 financial summary is the known increased expenditure required over the next quarter for the Admin Assistant. With Lori Hibbard leaving, our new Admin Assistant, Dianne Crow, is working with Lori for two weeks. Dianne is employed through a local temp service, which means we'll be paying the temp agency more than we would normally pay a direct hire. Our agreement with the temp agency, which in my experience is somewhat standard with temp agencies, requires Dianne to be employed through the temp agency for at least 3 months before she can be directly hired by us. Assuming Dianne works through the temp agency for her two week overlap with Lori and remains with us for the full three months before being employed directly by us, expected additional cost for the Admin Assistant is projected to be $1500 - $2000 for this year.

- There is a little good news on the horizon in the form of potential sources of savings. These include moving expenses being below what was expected/projected and health insurance reimbursement expected to be below budget. Unfortunately, these savings will not completely mitigate the giving shortfall and additional expense needed for the Admin Assistant summarized above.

Respectfully submitted,

Tim Collins
Treasurer