

The First Unitarian Church of Des Moines
Discussion on Financial Statements
June 2020

1. For the month of June, revenues exceeded expenses by \$12,224, and for the twelve months ended June 30, revenues exceeded expenses by \$9,379.
2. That we ended the year with a surplus is entire due to the success of the Post Pandemic Party effort to raise money in place of the usual year-end Fabulously Fantastic Food Fair. This effort raised over \$13,700(!!!), and while that would be a disappointing result for the Food Fair, it is a phenomenal result under these circumstances.
3. The use of the Paycheck Protection Program loan funds, along with the extension authorized by Congress giving us the ability to extend through the end of June before applying for forgiveness, completely replaced the necessity to use reserves to balance the budget as originally planned AND offset a shortfall of pledge revenue of over \$20,000. The surplus of over \$9,000 falls in line with my original expectations that we would end up breaking even or generating a modest surplus for the year. I'll be applying for loan forgiveness in the coming weeks, so we'll see how the final numbers play out. I do not anticipate 100% forgiveness based on overall employment levels and hours worked during the recent period versus the comparison period of last year. My initial estimate is that all but about \$17,000 will be forgiven with that to be converted to a 10-year loan at 4% interest. Once that is done and a final answer is received from the bank, I will consult with the Financial Oversight Committee on whether to recommend to the Board to pay off the unforgiven portion in total immediately or accept the finance terms. In either case, usage of this government program has allowed us to enter the 20-21 Fiscal Year in much better shape than anticipated.

Ongoing Comments

- Waste Connections (Pg 1 under Contracted Services) has used a significant portion of their annual budget already. This is due to cleaning out our storage spaces over the summer and having the junk hauled away. A significant portion of the material removed from the closet by the bottom level of the chair lift that has had water leak problems was covered in mold and so we were charged for the removal of potentially toxic materials. Waste Connections was not the vendor involved, but that was the appropriate budget line for the expense.
- Building Maintenance (Pg 2 under Building & Grounds) has pretty much used up its budget due to costs associated with the unplanned replacement of the anti-freeze for the geothermal system (\$4,200) and having to replace a bearing assembly (\$2,500).
- Office Operations (Pg 2) is exceeding budget overall due to several unplanned purchases of computers or parts unable to limp along until the next fiscal year or simply inadequate to meet changing needs.
- Community Building (Pg 3 under Committees/Spec Int) is over budget. Without Misti Craig in charge of Wednesday Dinners, those costs have risen quite a bit. There have also been more events than originally planned. We will budget accordingly for next year.