

FINANCE COMMITTEE ANNUAL REPORT for July 1, 2018 – June 30, 2019

The Finance Committee has the responsibility for stewardship of the financial resources of the Meeting, which allows the Meeting to continue its work. The Finance Committee is responsible for:

- 1) Fundraising, collection of donations, and payment of Meeting obligations.
- 2) Working closely with Meeting Treasurer to maintain an accounting of income and expenditures, the Meeting's bank and investment accounts, and a financial reserve for use in case of emergencies.
- 3) Preparation of an annual budget for allocation of funds, according to the needs of the committees and as directed by Meeting for Worship with Attention to Business, for maintenance of the Meeting House as well as for funding committee activities and benevolences.

The goals of the Finance Committee are to support the stewardship of the financial resources of the Chapel Hill friends Meeting through the following: maintain a balanced budget; to support work of vital committees and provide support for designated Quaker organizations and other local organizations approved by Meeting for Worship with Attention to Business (benevolences); to provide savings for routine and unanticipated repairs for our facilities and flexibility to cover contingencies; and to maintain sufficient assets and savings to meet future needs. Throughout last year, the Treasurer reported to the Finance Committee monthly on income and expenses, and worked with the Committee in the preparation of the 2017-18 fiscal year report, the quarterly reports to the Meeting for Worship with Attention to Business, and the budget for the 2019-2020 fiscal year. Clerks of the Meeting's committees advised us on their needs for additional funds, if any, and provided information necessary for budget preparation. The Treasurer kept on-going records to assist in our task. We continue to use QuickBooks to track our finances and Servant Keeper to track our fund raising.

The financial plan for the Meeting has two segments. The first part is the budget that includes ordinary income and expenses for operation of the Meeting. At the end of each fiscal year, these accounts should be balanced and are reset by the new year's budget. This section does not include the Building Renovations, which are discussed separately.

1. Operating income and expenses

Income: Income from contributions, building rental and parking fees this year was \$90,036, which exceeded our planned level of \$73,035. We budgeted for contributions of \$67,535, but this year we received a record-breaking \$84,945. In comparison, contributions in the past five years have varied from \$76,883 (FY 2014-2015) to \$67,602 (FY 2017-2018). The number of donors each year ranged from 109 in 2015-2016 to 94 this past year. A process for on-line or credit card donations was initiated this year and has not yet resulted in many new donors. We anticipate that this may develop over time, particularly among younger attenders and members.

Expenses: Overall, we spent 79% (\$61,424) of our operating budget this year. Benevolences from Archives, Ministry and Worship, and Peace and Justice constitute about 36% of the total operating budget, and these funds were spent as expected. However, Committees, which constitute 29% of our budget, spent just two-thirds of their approved funds; six of the thirteen spent less than half of their approved budgets. We note that committee expenditures were lower than projected the previous year also. As planned, administrative expenses constituted about 18% of the expenditures.

As a result of the increased income and reduced spending by committees, we show an overage in the operating budget (net income) of \$32,219 (FY 2018-19 income less expenses) for the year. Last fiscal year when both income and expenses were lower than expected, the net operating income was \$13,197. Those funds were used to replenish the Building Renovation fund.

We prepared a budget for July 1, 2019- June 30, 2020 for review and approval by Meeting for Worship with Attention to Business. During the budget preparation process the Finance Committee encouraged committees to request amounts that they expect to use. The budget assumed that Committee spending will be close to the prior year spending and that contributions would be similar to last year's level. Given underspending by committees for the past two years, the Finance Committee encourages Committees to be mindful of their available resources and make good use of the funds allotted to them. The Finance Committee will provide budget balance information to each committee in January to aid in managing the current year's resources and in making budget estimates for the following fiscal year. Committee members are welcome to contact the Treasurer at any time during the fiscal year to get an update on their budget.

2. Special funds and Accounts

The second segment of our financial plan includes funds that may carry over from one year to the next such as building renovation, special endowments (e.g., Shotts Leadership) and other projects and grants such as Returning Citizens, Refugee Assistance, and the Pickett fund grant for the work of Claire Bates. At the request of Peace and Justice Committee we closed out the Refugee Assistance Fund by making a contribution to Church World Service, and we made final disbursements from the Pickett Fund grant for Claire Bates's work as it came to a close. Monitoring the availability of funds and costs for the building projects was our major activity.

Building Renovations: Work on the Meeting House projects for the downstairs and Meeting room has now been completed. Total costs for designing, furnishing and renovations were \$322,622 over about four and a half years. The downstairs project constituted most (83%) of the expenses; it was completed with a small budget over-run (11%). The initial estimate for the

upper level renovations was \$37,500. Largely due to unforeseen structural problems, actual costs were 50% higher.

Most of the costs for both projects were covered by contributions specifically designated for the building fund. Finance Committee allocated an additional \$30,000 the General Fund at Friends Fiduciary to complete the projects.

Building renovation fund 6/30/2015	85,650.00
Designated building fund contributions	209,959.39
Additional allocation by Finance committee	30,000.00
Total revenue	325,609.39
Lower level renovation	266,396.68
Upper level renovation	56,224.91
Total expense	322,621.59
Funds remaining	2,987.80

The year end income: This figure combines the operating income and operating expenses as well as income from building renovation and donations and miscellaneous sources and the building expenses and other special expenses (e.g., Shotts Leadership). This year the net income/loss was - \$26,863. This loss was mitigated by the net operating income.

Management of Assets: (see Balance Sheet)

Approximately 40% of the Meeting's financial assets are held at Friends Fiduciary Corporation in Philadelphia, PA. The remaining 60% are in accounts with BB&T. The Finance Committee monitors their returns and allocates Meeting funds between investment, checking, savings, and monitors bequests and other specific designated accounts.

Other activities

The committee received a suggestion to shift some of its banking operations to the Latino Community Credit Union. Due to the logistics of their routine banking activities and operation of one only location in the community, which would have made it difficult for the committee to carry out its routine banking operations, we decided not to make a change at this time. The Committee suggested that information about the credit union be made available to Friends interested in supporting it through the newsletter. The committee considered all local banking options, with an eye for increasing our community involvement when we established our current banking arrangements.

The committee reviewed and revised the name and definition of the Contingency Fund. This fund currently has a budget of \$1000. Subsequently, a request was made for a donation to support the sanctuary work of a local church. Consistent with the definition of the Contingency Fund, the committee determined that such special requests for unanticipated outside needs

beyond usual committee budget should go to Meeting for Worship with Attention to Business for approval.

Near the end of the fiscal year the Ministry and Worship committee requested funding for an automatic electronic defibrillator (AED). This item was purchased as part of the FY 2019-2020 Building and Grounds budge.

We thank all who contributed for their generosity and stewardship of resources. We encourage Friends to continue to support the work of the Meeting and to consider including the Meeting as a bequest in their wills.

The 2018-19 members of the Finance Committee were: Emilie Condon, Mike Jokinen, Tom Ludlow, Geoff Metcalf, Ann Miller (Co-Clerk), Ric Shepherd (Co-Clerk), Monteze Snyder, and Maura Murphy (Treasurer and ex officio member). We appreciated the work of Kitty Bergel and Loren Hintz who completed their terms during this year and welcome new members Gwynne Pomeroy and Bob Durovich.