

## Treasurer's Report for the March 18,2020 BOT Meeting

1. Status of 19-20 Budget: Attached you will find the summary information for the income and expenses as well as the balance sheet through 66 2/3% of the year elapsed. What the figures show is that, as expected, receipts for pledge revenues continue to slow as the year progresses, but still remain above a straight line budget projection for the year. All other revenues continue to lag, but the net of all revenues is still a positive, though only 2/3 of what the net positive was last month. On the expenditure side, we continue slightly below budget overall, with the Religious Education category coming in above budget due to the sick leave and back filling of the DRE post. All things considered, we remain in good position to finish the year with a positive fund balance.

2. 20-21 Budget: The Financial Stewardship Team has reviewed the first draft of next year's budget and come up with recommendations for all non-pledge revenues. Salary increases have not yet been included in the proposed budget, nor have pledge revenues, so there isn't much meaningful that can be said at this time. Next month there will be more 'meat on the bones' to discuss.

### 3. Comments on for discussion on Proposed By-Laws Changes

I've reviewed the proposed by-laws changes and wanted to provide the Board with the Treasurer's perspective on some of the items that the Treasurer has interest in or responsibility for. As Dave mentioned last month, most of the changes are minor 'word-smithing'. I decided not to comment on those items.

1. In Article VI, Section B Officers, the wording related to the term of the Treasurer starting on August 1 and ending July 31 is 'cleaned up'--it is deleted from the 'preamble' and inserted under section 4b 'Treasurer'. I call the Board's attention to the dates of the term and the stated reasoning: 'allowing the Treasurer to complete the year-end financial summary in July.' This isn't a problem if what is meant is that it allows the Treasurer to present one final quarterly report to the congregation during the 2<sup>nd</sup> Sunday conversation in July. If it means the Treasurer has responsibility for official year-end financial documents, it isn't really accurate. The wording seems unclear. Perhaps the best way to deal with it if you want to leave the appointment dates the same is to delete the explanation for why. The by-laws don't address the reasons for the terms or appointment dates of any other officers.

2. Also in the same section on officers, I wonder if we want to limit the term of president to a maximum of two years at a time, as section B ,1,b calls for. There probably isn't a throng of presidents that would want to or agree to serve more than two years, but do you want to preclude the possibility?

3. Also in that section, the terms of Vice president and President 'line up', but the corporate secretary and Treasurer have no limits on the times she/he can be elected, other than the term limits for Board members in general, if applicable. Does this distinction make sense?

4. Nominating Committee Article VII Section C 1 adds a provision that the Leadership Development Committee will consult with the President of the Board for Board positions and the Chair of the Endowment for Endowment Fund nominations prior to proposing a name to

the BOT. It might make some sense for the Board President to be consulted for both Board and Endowment positions.

5. The only other major change comes in Article IX Endowment, Section C Investment of Funds. The maximum percentage of assets that can be invested in stock mutual funds would change from thirty to fifty percent of total fund value and the percentage that could be invested in Bond mutual funds would be changed from 70% to an allowed investment, no percentage maximum stated. A change of this sort has been a goal of the Endowment Fund Committee for several years due to the lesser returns from up to 70% of the fund being invested in lower yield (and lower risk) instruments. The change would somewhat increase risk, but would still have the goal of investing in a prudent manner that would protect the purchasing power as well as produce income from the fund. The current proposal is a result of negotiations held during the January Endowment Fund Committee, with the resulting proposal having unanimous support of the committee and the Treasurer .