

Treasurer's Report – March 19, 2024
Submitted by Brian Myers

Two key critical items are on my mind at this point in the year. The Council needs to adopt a sense of urgency regarding the balanced budget as communicated in the recent Annual meeting. At that time, it was communicated to the congregation that a balanced budget was adopted with the last balancing item of about \$270k in expense reduction coming in the form of salary reductions. Our current performance if unchanged will result in a negative cash flow of more than \$364k for this year as you can see from the cash flow statement provided. Significant actions must be taken as quickly as possible before balanced operations become an impossibility for the year.

The second critical item regards organizing and revising aspects of our financial reports so that we may better communicate position and impacts of actions to Council, the congregation and other interested parties. I expect that the Council and Wardens will communicate to the Finance Committee and me the planned reductions and timing so that we might lay the proposed actions into scenario planning to see if the proposed actions manage to achieve balanced operations for the year.

Current Actions

We are working to make the financials more meaningful through some seasonalizing of the expense and income data and the addition of more data into the income statements. Critical to this effort is getting a handle on pledges particularly those missed in 2023 due to the change in gift payment software last year and for 2024 from non-submittal of a number of pledge cards.

A number of us have worked to craft a Gift Intent Form to serve as a worksheet for documenting gifts to SMEC. In addition, I have documented a recent gift so that Council can properly accept it and use it appropriately.

As a secondary priority, we will also organize to continue to consolidate and resolve restricted accounts.

I have informed the Finance Committee that Jacob Buchen will be assuming the Chair of that Committee in accordance with current governance as I cannot serve as Treasurer and Chair the Finance Committee. I welcome Jacob into that expanded role and am confident that his gifts will be well utilized in this role. I trust the Council will confirm this change in our March meeting.

Looking Forward

I look forward to the aforementioned timing and plan for expense cutting. It is critical to get this plan into place and begin actions. The longer we wait the deeper the cuts will need to be to balance operations for the year.

I am looking forward to our Q1 income and expense reforecast. This will take place following publication of financials for March and will be a new effort to provide more timely information to Council and the congregation regarding financial outlook.

After we develop and begin execution of a balanced budget plan, then we will need to take up planning for loan payoffs and other debts which are substantial.

Respectfully submitted.