

Finance Committee Report and Budget Commentary 2025

The Finance Committee met quarterly, and also had a number of Budget Subcommittee meetings. We spent most of our effort on the FY26 budget. This was complicated by a number of factors, which are described in the budget commentary below.

The Finance Clerk, Treasurer, NEYM Secretary, and Accounts Manager also worked on updating the Financial Handbook. This effort is still ongoing.

This brings us to the FY 26 budget. The first thing to note is that without knowing what form Sessions will take in summer of 2026 we cannot come up with good estimates of either its costs or its income. The budget spreadsheet has a rightmost yellow column entitled "FY2026 Rough Draft Sessions." These costs are hypothetical, projecting the continuation of costs and income that we have seen in recent years. However, the model that we have been using in recent years is the least likely outcome of the Sessions Visioning Process that NEYM has undertaken. We don't know at this time what model will replace it.

Fortunately, we do not need to know what model will replace the current Sessions model in order to estimate its effect on the budget. Sessions fees have been set to cover direct Sessions costs, plus a small fraction of the staff time that goes into planning and running sessions. Historically the amount of income above the direct sessions costs has usually been around \$30,000. Therefore the important figure in the yellow column is \$31,000, the amount that appears in the Net Operating Income line for that column. This can be viewed as a guideline. Whatever Sessions model is chosen should generate \$31,000 of income in excess of direct costs to cover a small part of the staff time devoted to Sessions. Finding a sustainable model for Sessions should relieve budget pressure in future years.

A second thing to note is that for the third budget in a row we budget no funds to other organizations. We regret this, but other cuts that we considered were even more painful.

A third thing to note is that the bottom line of this budget is a small surplus. This does not begin to rebuild our reserves, but it is better than a deficit.

The Secretary has consulted with Michael Wadja, a professional fundraiser who is a member of NEYM, to estimate the amount of individual and meeting contributions that we can expect to receive with the fundraising efforts that staff and some volunteers intend to make. Footnotes 1 and 3 explain the reasoning behind these numbers.

NEYM has budgeted some of the Future Uses Fund to support development efforts. The plan is that in future years we will grow our income at a rate faster than our spending increases, and thereby get to a surplus budget that will begin to restore our

reserves to the level specified in our policy and to allow us to again give to other organizations.

A lot of effort went into cutting costs. As noted in Footnote 7, some mutually-agreed on reductions in staff hours and COLAs (Cost of Living Adjustments) kept the increase in staff expenses lower than previous years. We are suggesting a cap on travel expenses. The Honoraria for Volunteer Leadership has dropped from \$15,000 to \$4,500, and will go to \$0 in a few years, after the volunteers who were offered this when they accepted their jobs rotate out of those jobs. (Laying down these honoraria was approved at last sessions, but other methods of encouraging volunteer leadership may require additional spending.) As noted in Footnote 12, we are asking Friends Camp to pay for their accreditation expense, which saves a few thousand dollars.

We also propose to add an administration fee of 0.6% on the income from the Pooled Funds that goes to NEYM (but not that that goes to monthly meetings or other investors in the funds). This would cover part of the time that the Accounts Manager spends allocating this money to various endowed funds and accounting for it, part of the time that the Secretary spends administering these endowed accounts, and part of time that the Office Manager's spends supporting the Legacy Gift Committee and arranging Mosher Book and Tract Fund publications.

In the last few years we have run deficits, in spite of making assumptions that seemed reasonable at the time. Why should this budget be different? NEYM is mounting a new development effort, which will be much more extensive than we have done in recent years. We are also looking for a new, sustainable model for sessions that we expect to eliminate the shortfalls in our budgeting for sessions over the last two years. If these do not prove sufficient to balance our budget we will have to look at deeper cuts in program and staff in future budgets.