

UUFCO Financial Updates

October 2023

Five topics for October financial update:

Fiscal 22-23 final financial report (brief summary)

Q1 fy23-24 operating activity (brief summary)

Pledging views shared with Stewardship Committee (brief overview)

Contributions by congregants including designated giving

Designated funds, purposes, and policy gaps

FY 22-23 Final Financial Report Summary

Operating Reserve was used to fund **\$8747 operating loss last fiscal year**

Revenue was ~\$14000 below budget, shortfall in rental income and pledge payments

Operating expenses were ~\$5000 below budget

Payroll expenses were ~\$24,500 below budget
(choir director and accompanist are most of this)

Facilities and equipment were ~\$22,000 over budget
(a couple large repair bills and high snow removal costs)

Process improvements have been identified for next year that should prevent the long delay we had this time in closing out our fiscal year

Q1 Operating Activity Summary

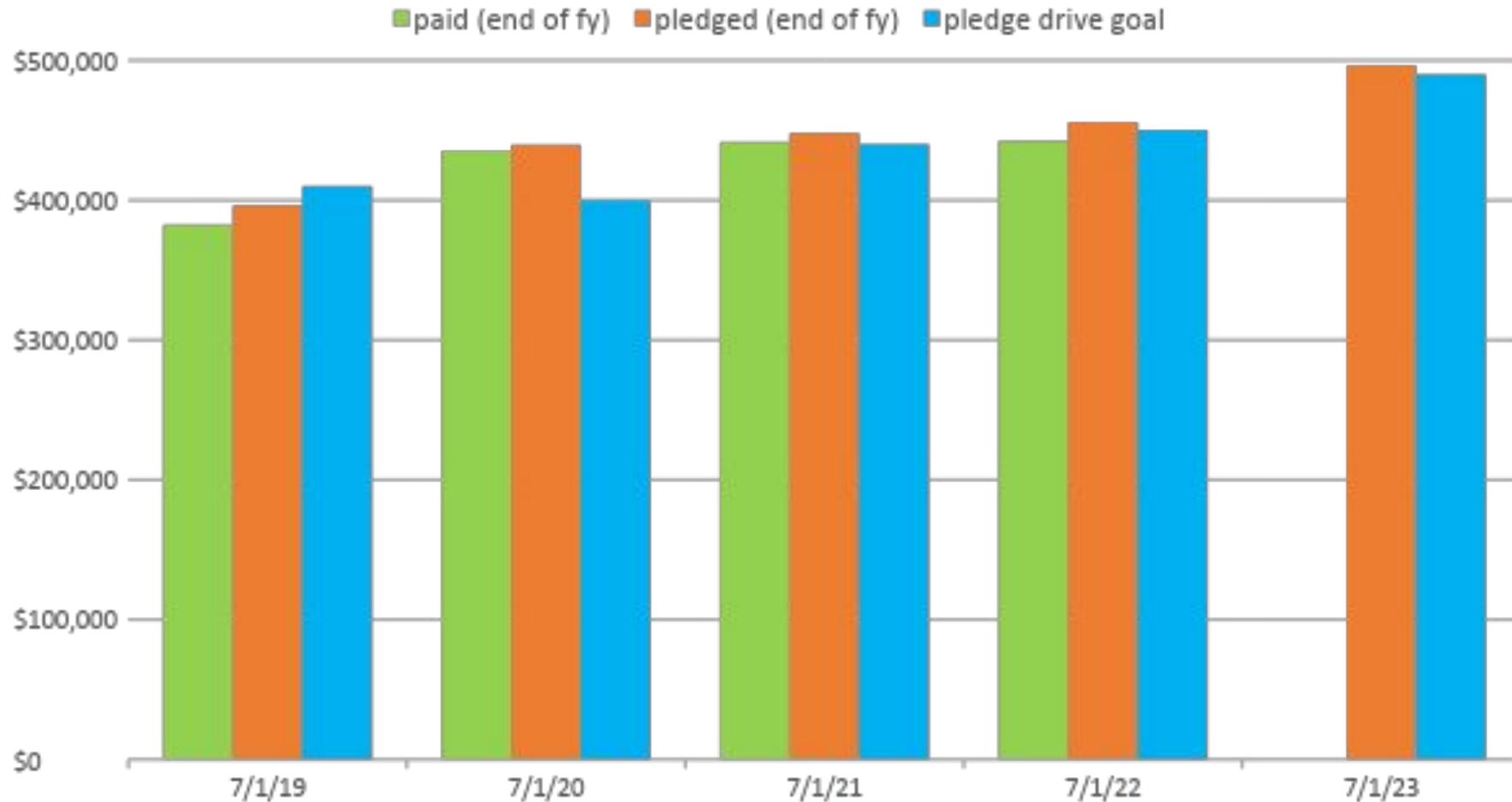
Operating Income and expenses very similar to last fy Q1

Much higher OP income than OP expenses during Q1, typical for Q1
(income at 150% of budget, expenses at 96% of budget)

Nothing exceptional to report

Stewardship Data Views (Pledge data)

UUFCO Pledge History Since fy 19/20



Pledges jumped significantly in 2020, stayed fairly flat for 3 years, then jumped significantly for fy23-24

Pledge drive goal and ultimate pledge payments do not always align

Underpayment of pledges has varied from 1% - 3%, with last year being 3%

Pledging Quartiles by Pledge Amount

Our top 3 pledges make up 26% of our pledge dollars

Our top 25 pledges make up 51% of pledge dollars (10.7% of pledges)

Our 165 pledges at the “base of the pyramid” make up 70% of our pledges, and generate 25% of our pledge income

Pledging Quartiles by Length of Membership

Our longest term members (≥ 12 years) contribute most per pledge, make up 17% of our pledges, and 33% of our pledge income

Our very new members (≤ 3 years, all joined during COVID!!) make up 38% of our pledges, and 23% of our pledge income

Members who joined since Scott arrived (≤ 7 years) make up 68% of pledges and *49% of pledge income*

Pledging Quartiles by Pledge Amount

| UUFCO 22-23 Pledges as of 8/26/23 by pledge amount | | | | | |
|--|-----------|-------------|-----------|--------------|----------------|
| pledge \$ quartile | % pledges | % pledge \$ | # pledges | pledge \$\$ | average pledge |
| >= \$20k | 1.3% | 25.8% | 3 | \$128,000 | \$42,667 |
| \$4.5k - \$12k | 9.4% | 25.2% | 22 | \$125,140 | \$5,688 |
| \$2k-\$4.02k | 18.5% | 24.1% | 43 | \$119,910 | \$2,789 |
| < \$2k | 70.8% | 24.9% | 165 | \$123,490 | \$748 |
| all pledges | | | 233 | \$496,540.00 | \$2,131.07 |

Pledging Quartiles by Length of Membership

| UUFCO 22-23 Pledges as of 8/26/23 by years membership | | | | | |
|---|-----------|-------------|-----------|--------------|----------------|
| years membership | % pledges | % pledge \$ | # pledges | pledge \$\$ | average pledge |
| > = 12 | 16.7% | 33.5% | 39 | \$166,510 | \$4,269 |
| 8 - 11 | 15.5% | 18.7% | 36 | \$92,725 | \$2,576 |
| 4 - 7 | 29.6% | 24.4% | 69 | \$121,315 | \$1,758 |
| < = 3 | 38.2% | 23.4% | 89 | \$115,990 | \$1,303 |
| all pledges | | | 233 | \$496,540.00 | \$2,131.07 |

Beyond the OP Budget Views

Congregant Contributions Summary

~10% of annual contributions have been designated, not part of operating revenue

~30% of fy22-23 contributions were designated (solar was the big change)

The Board needs to consider if the amount of financial “ask” for designated contributions is helping or hurting our ability to best achieve the goals of the fellowship

Total Contributions to UUFCCO

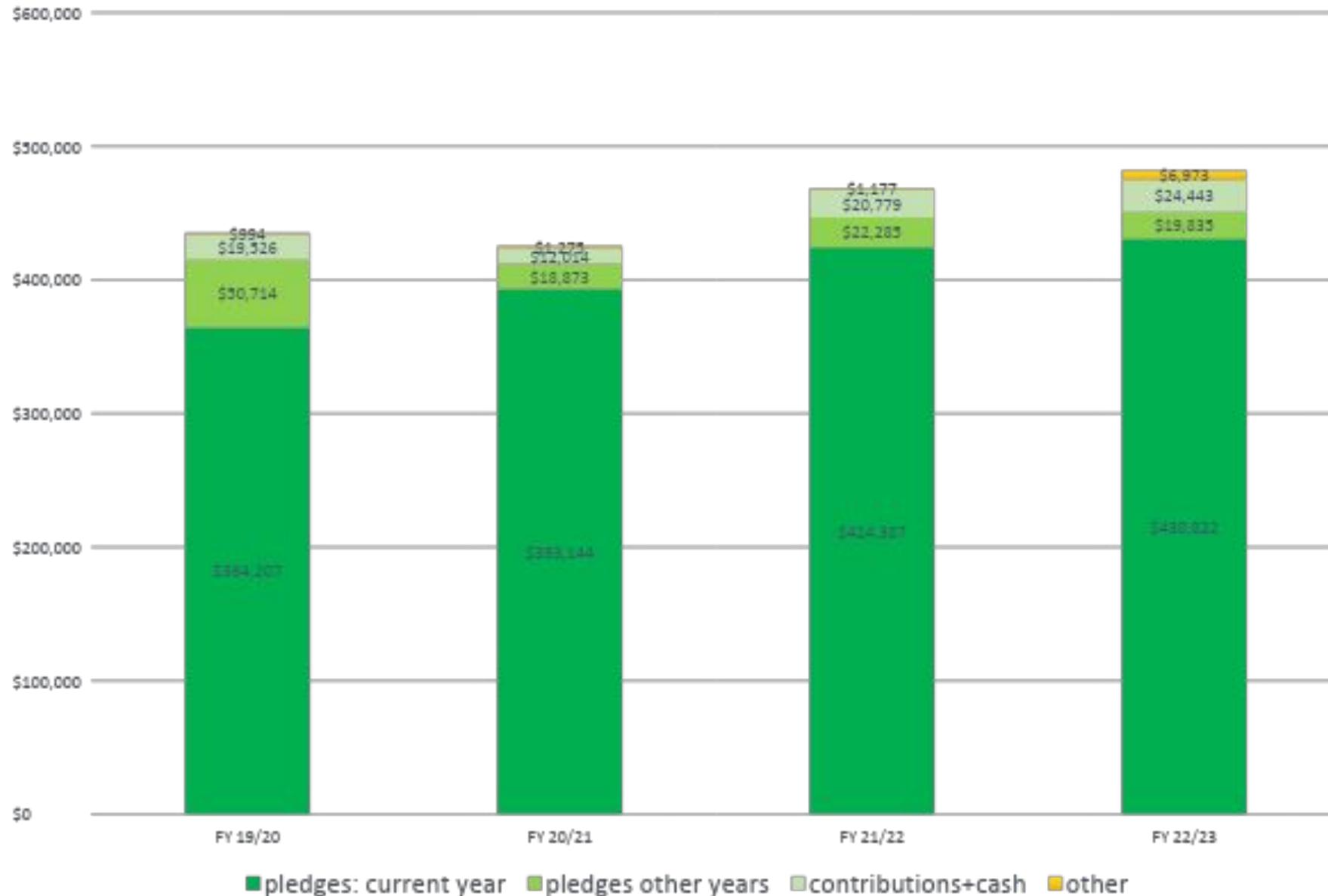
UUFCCO Contribution total (in Breeze) in last 4 fiscal years

■ OP budget contributions ■ other contributions



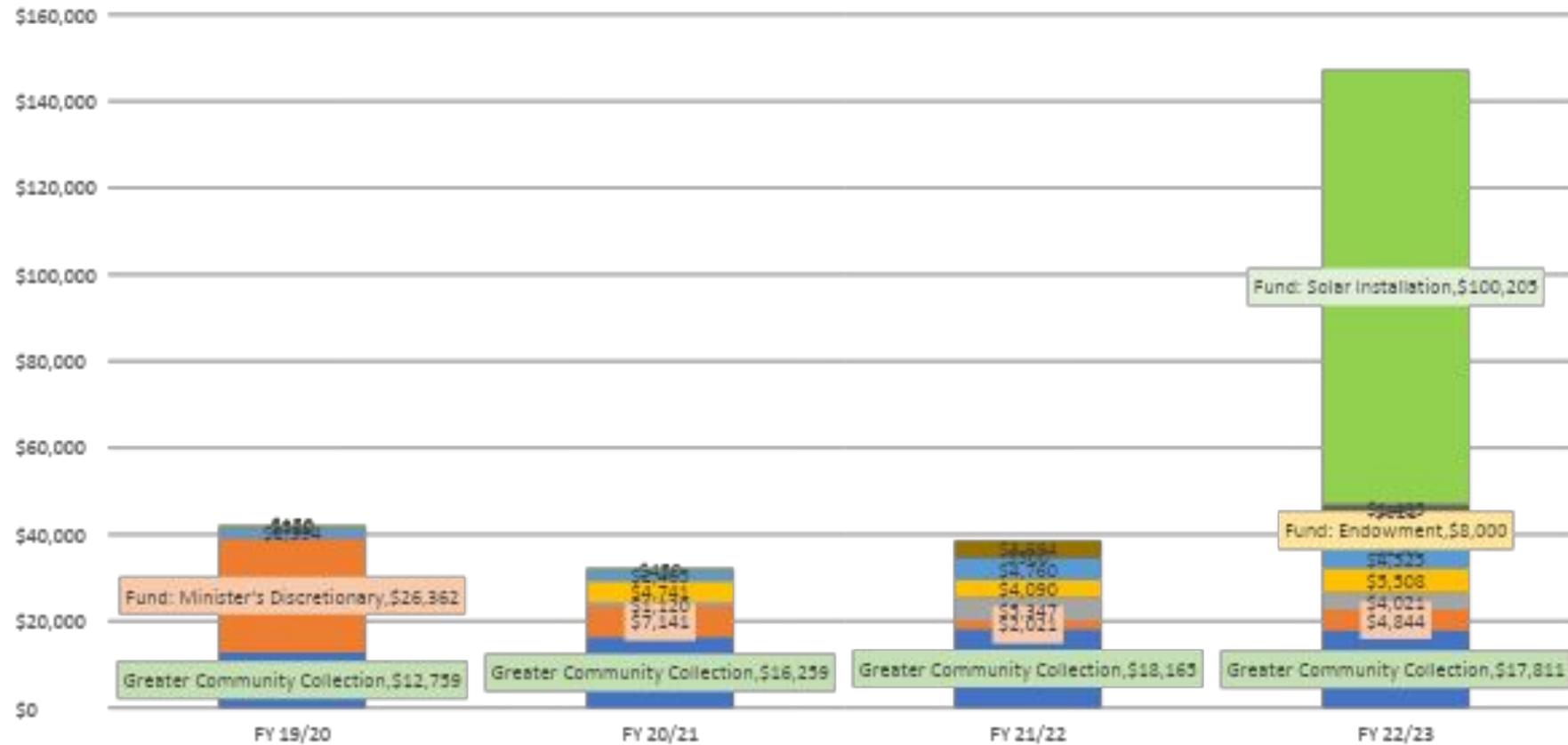
Operating Revenue Contribution Sources

UUFCA Giving towards OP budget last 4 years



Designated Gifts beyond Operating Revenue

UUFCC Giving to Non-op-budget items in last 4 years



- Greater Community Collection
- Fund: Minister's Discretionary
- Fund: Fireflies
- Fund: Social Justice
- Fireflies sales (non-deductible)
- Women's programs
- Fund: Endowment
- Fund: Ellen Mercer Fund for Social Justice
- Fund: Water for Warm Springs
- FUND: Memorial Garden
- Fund: Solar Installation

Restricted Funds Summary

Funds are an important part of the UUFCO Financial Picture

We do not yet have policy on many specific funds, or a generalized policy statement on restricted funds, and we need to create such a policy soon

Mark will work with the Finance Committee, and other interested players, to bring a proposed set of policies to the Board soon (draft is already written)

Several important topics have arguable answers, and we will need time for thoughtful discussion on these topics

Restricted Funds (preview to policy discussion)

| | Fund "purpose" | Funds ordered by "purpose" | 6/30/2023 fund value | policy? |
|--|---------------------------------------|--|----------------------|---------|
| Fund near-term activities or initiatives | specific programs/activities of UUFCO | 3105 Youth RE Program Discretionary FUND | \$875 | y |
| | | 3106 Library Discretionary FUND | \$500 | y |
| | | 3107 Adult SD Discretionary FUND | \$2,156 | y |
| | | 3113 Art Team FUND | \$425 | y |
| | | 3108 Education Leadership Development FUND | \$2,685 | y |
| | | 3111 Social Justice Team FUND | \$5,744 | np |
| | specific external "good causes" | 3109 Fireflies Team FUND | \$21,729 | np |
| | | 3114 Water for Warm Springs FUND | \$226 | np |
| | unanticipated "good causes" | 3104 Minister Discretionary FUND | \$13,953 | y |
| | specific major capital expenses | 3236 Solar Installation FUND | \$18,874 | np |
| Memorial Garden Fund (now closed) | | \$0 | np | |

Restricted Funds (preview to policy discussion)

| | | | | |
|-----------------------------------|---|--|-----------|----|
| Reserves for our long-term Future | Longest term funding source, "legacy" | 3300 Endowment FUND | \$460,102 | y |
| | Reserves for unplanned but defined types of expenses | 3102 Cash Reserve FUND | \$52,196 | np |
| | | 3103 Operating Reserve FUND | \$130,802 | y |
| | | 3233 Art Procurement FUND | \$48,490 | np |
| | | 3235 Building Reserve FUND | \$249,282 | y |
| | Reserves for expected expensive but intermittent expenses | 3110 Minister's Sabbatical FUND | \$22,655 | np |
| | | 3231 Asphalt Maintenance FUND | \$8,105 | np |
| | | 3232 Capital Replacement FUND | \$37,568 | np |
| | Accounting location to <u>reflect the expected value of a note-receivable</u> | 3112 Minister Housing FUND | \$100,000 | np |

Restricted Funds (preview to policy discussion)

| | | | | |
|--|--|------------------------|-----|----|
| Defining the long term possible uses of expected future UUFCO income | To ensure that <u>income from sales of UUFCO owned items will be put to a specific future use in perpetuity,</u> (income from bird sales will always be used for bird purchases in the future) | Memorial Bird Fund ??? | \$0 | NP |
|--|--|------------------------|-----|----|

Alternatives for revenue from bird sales include:

- Pay back Art Procurement fund, treat money spent as a “loan”
- Use money from bird sales as operating revenue, like we use income from art team sales as operating revenue
- Create a new fund dedicated to using money from bird sales for purchasing more birds in the future