



**Unitarian Universalist
Congregation of Fairfax**

MEMO

Date: August 31, 2016
To: The Congregation
From: Coordinating Team
Subject: **2015-2016 Year End Financial Report**

Attached to this memo you will find four reports:

- Operating Fund Statement of Income and Expenses for the 2015-2106 fiscal year
- Reach Campaign financial report as of June 30, 2016
- Cash on hand by account as of June 30, 2016
- 2015-2016 contributions to entities and causes external to UUCF

Operating Fund Statement of Income and Expenses

UUCF ended the year in a strong Operating Fund financial position thanks to three primary factors:

- A lower than budgeted default rate on pledge payments - Operating pledge payments exceeded budget by 1 %, which means the overall default rate was 4 % instead of the 5 % budgeted.
- Careful management of expenses - The report shows overall expenses to have exceeded budget by .1 %, but that includes \$35,000 we were able to move to the Operating Reserve at the end of the year to meet the 2016-2017 approved budget deficit. Taking that \$35,000 out of the expense total, expenses were actually 2.7 % under budget.
- A generous bequest from the estate of Stan Richards - \$68,000 from this bequest went into the Operating Fund (Other Revenues) to cover staff wage increases and other planned budget cuts (UUA/JPD fair share dues and a 2-week staff furlough)

It's also notable that rental income exceeded budget by \$15,000. We've been growing that income line consistently, although it's not without cost in terms on wear and tear on the facilities and staff time. Personnel costs were 4.3 % under budget due primarily to the delay in hiring a Music Director and the decision to not hire a part-time Social Justice Coordinator. Facilities costs exceeded budget, largely due to higher than budgeted snow removal costs.

Reach Campaign report as of June 30, 2016

The Reach report includes all expenses and income to date. We have spent relatively small amounts in this year as we attempt to accumulate cash in anticipation of the mortgage balloon payment due in December 2016. Our goal is to pay off at least \$650,000, about half the current debt, at that time. That will reduce what we need for the Operating budget for next year by about \$55,000. Cash available for Reach projects, including debt reduction, as of Jun. 30 was \$507,708.

A supplemental campaign will be launched this fall with a goal to raise at least \$100,000 in additional funds for debt reduction and the other remaining projects from members who have joined since the original Reach Campaign. We will also encourage members with outstanding Reach pledge balances to pay off their pledges by December if possible. The primary projects remaining to be funded, in addition to debt reduction, are the public sewer connection, various energy reduction/efficiency initiatives, some additional grounds improvements and social justice projects utilizing the 10% set-aside funds.

Cash on hand as of June 30, 2016

The Stan Richards bequest also provided us with the opportunity to significantly increase operating and capital reserve funds, a most welcome development given that just a little over a year ago, the Operating Reserve fund was less than \$10,000. \$250,000 from the bequest funded an Innovation Fund, fulfilling Stan's desire to provide funding for creative and innovative initiatives to increase the impact of Unitarian Universalism. Those funds are held in the Special Projects reserve fund.

The Operating Reserve fund balance of \$140,810 as of Jun. 30 includes the \$35,000 in positive net income at the end of the year transferred to this account. Since this will fund the 2016-2017 fiscal year budget deficit, unless net income exceeds the budget in the coming year, the Operating Reserve fund will likely be reduced by that amount in the coming year.

The Custodial account is the account we use for designated contributions to non-budgeted activities, causes and organizations and is essentially a pass-through account. The non-budget giving reported in the External Contributions report is all run through the Custodial account. The Capital account is the Reach Campaign account.

External Contributions

In 2015-2016, of all the funds contributed or raised at UUCF, 11.2% or \$145,722 were given to entities and causes external to UUCF. This is about 4.6 % more than last year. The increase is largely due to the fact that UUCF did not meet its UUA/JPD fair share dues commitment in the prior year of transition.

Unitarian Universalist Congregation of Fairfax
Statement of Income and Expenses
July 2015 - June 2016

| | Actual | Budget | Variance | Comments |
|--|------------------------|---------------------|-------------|----------------------------|
| Revenues | | | | |
| Pledges and Contributions | | | | |
| Operating pledge payments | 940,546.31 | 931,000.00 | 1.0% | Budget includes 5% default |
| Other congregant contributions | 45,143.42 | 42,000.00 | 7.0% | |
| Plate collections | 13,149.00 | 20,000.00 | -52.1% | |
| Total Contributions | 998,838.73 | 993,000.00 | 0.6% | |
| Rental Revenues | 120,833.06 | 105,878.00 | 12.4% | |
| Auction income | 41,959.06 | 50,000.00 | -19.2% | |
| Other Revenues | 102,858.75 | 107,000.00 | -4.0% | See memo for explanation |
| Total Revenues | 1,264,489.60 | 1,255,878.00 | 0.7% | |
| Expenses | | | | |
| Programs | 39,929.82 | 39,950.00 | -0.1% | Lay Ministries |
| Program administration | 63,783.15 | 64,850.00 | -1.7% | CT, Board, UUA, JPD |
| Personnel | 868,813.79 | 906,169.54 | -4.3% | |
| Facilities administration | 85,163.68 | 76,200.00 | 10.5% | See memo for explanation |
| Office administration | 55,800.64 | 60,350.00 | -8.2% | |
| Debt service | 108,354.48 | 108,354.48 | 0.0% | |
| Operating reserve transfer | 35,000.00 | 0.00 | 100.0% | See memo for explanation |
| Total Expenses | 1,256,845.56 | 1,255,874.02 | 0.1% | |
| Excess of Revenues over Expenses (Budgeted) | <u>7,644.04</u> | <u>3.98</u> | | |

Unitarian Universalist Congregation of Fairfax
Reach Campaign Financial Report
As of June 30, 2016

| | Actual | Total Project Budget | Comments |
|--|-----------------------|-----------------------|-----------------------------------|
| Reach Campaign income | \$1,811,660.78 | \$2,367,295.00 | Includes projected pledge default |
| Balance from prior capital campaign | \$275,808.84 | \$275,808.84 | |
| Fall 2016 supplemental campaign | | \$100,000.00 | See memo for explanation |
| Interest | \$1,906.25 | \$3,500.00 | |
| Total revenue | \$2,089,375.87 | \$2,746,603.84 | |
| Reach Campaign expenses | | | |
| Consulting and administration | \$225,386.06 | \$225,000.00 | |
| Buildings and grounds improvements | \$86,074.80 | \$193,500.00 | |
| Sewer project engineering and fees | \$52,581.55 | \$193,000.00 | |
| Technology upgrades, equipment, staffing and website | \$290,874.65 | \$290,000.00 | |
| Parking lot | \$898,678.90 | \$898,000.00 | |
| Parking phase II study | \$10,000.00 | \$10,000.00 | |
| Debt reduction | \$0.00 | \$700,000.00 | |
| Reserves | \$0.00 | \$0.00 | |
| Social justice/outreach | \$18,072.14 | \$236,729.50 | |
| Total expenses | \$1,581,668.10 | \$2,746,229.50 | |
| Net Income | \$507,707.77 | \$374.34 | |

Cash at end of period (06/30/2016)

| | Operating | Custodial | Capital | Endowment | Totals |
|-------------------------|----------------|----------------|----------------|----------------|--------------------|
| Endowment Fund account | | | | 420,396 | \$420,396 |
| Operating account | 21,629 | | | | \$21,629 |
| Capital account | | | 507,730 | | \$507,730 |
| Custodial account | | 101,748 | | | \$101,748 |
| Reserve accounts | | | | | |
| Capital reserve | 97,057 | | | | \$97,057 |
| Operating reserve | 140,810 | | | | \$140,810 |
| Special projects | 274,024 | | | | \$274,024 |
| Petty cash | 310 | | | | \$310 |
| Totals | 533,830 | 101,748 | 507,730 | 420,396 | \$1,563,704 |

2015-2016 External Contributions

| Purpose | Non-Budget Giving | Budgeted Giving | Total |
|---|-------------------|-----------------|------------------|
| UUAAPF | | \$42,420 | \$42,420 |
| Partner Church | \$21,005 | | \$21,005 |
| JPD | | \$19,796 | \$19,796 |
| Share the Plate | \$19,307 | | \$19,307 |
| Our Daily Bread | \$9,000 | | \$9,000 |
| FUUSE | \$4,680 | | \$4,680 |
| Yard Sale - Shepherd's Center | \$4,321 | | \$4,321 |
| Minister's discretionary fund | \$4,265 | | \$4,265 |
| Yard Sale - NAMI | \$3,788 | | \$3,788 |
| Disaster relief - Syrian refugees | \$3,721 | | \$3,721 |
| Weekend of Service/MLK Day | | \$2,721 | \$2,721 |
| Refugee resettlement | | \$2,709 | \$2,709 |
| Carbon Tax Fund | \$1,989 | | \$1,989 |
| Hypothermia program | \$1,800 | | \$1,800 |
| UUSJ | | \$1,000 | \$1,000 |
| FACS | | \$800 | \$800 |
| Equality UUCF | \$250 | \$500 | \$750 |
| Rebuilding Together | \$170 | \$500 | \$670 |
| Misc. church projects (Hot Meals, ESOL) | | \$616 | \$616 |
| Dating Abuse Stops Here | \$364 | | \$364 |
| Total Non-Budgeted Giving | \$74,660 | | |
| Total Budgeted Giving | | \$71,062 | |
| Grand Total | | | \$145,722 |
| Internal expenses | \$1,150,784 | | |
| External as a % of Internal | 12.7% | | |
| Last year's total | \$139,323 | | |
| Last year's % | 11.7% | | |
| Total internal and external expenses | \$1,296,506 | | |
| External as % of total | 11.24% | | |