

FUUSB 2023/2024 Year End Financial Report
For Year Ending: June 2024

Christina Fulton, Director of Operations & Finance

The First Unitarian Universalist Society of Burlington, Vermont has had another somewhat difficult year financially. The Congregation passed a balanced budget for the 2023/2024 fiscal year that included the expectation of the congregation raising an additional \$47,000 in fundraising income. When all was said and done, we ended the year with a deficit of \$38,105.

Balance Sheet

Some things to note as you look at this year's Balance Sheet are:

1. The overall balance of our Trust Funds increased by 60.6%. This large increase is mostly due to the fact that we received two bequests to the First UU Trust Fund. In addition to our regular distributions, additional funds were taken for the Installation of our new minister and to ease the cash flow issues resulting from our low general fund balance. More information on our Trust Funds below.
2. Funds from our Money Market accounts were also transferred to our checking account to assist with cash flow. These funds are expected to be reimbursed upon receipt of the Employee Retention Tax Credit.
3. There is an 80% increase in the Temporary Restricted Funds. This section consists of small "Fund Accounts" that act in the same manner as a savings account. The money in these accounts may only be used for a specific purpose and carry over from year to year, unlike the money in the Treasurer's Report (budget). Examples of these funds are the Property Fund, the Discretionary Fund, the Sunday Morning Breakfast Fund, and the Climate Response Project fund. Often money will accumulate in these funds over time in order to pay for a large/expensive project. This is the case with the Property Fund, where they saved money for the Painting Project and didn't pay it until the 24/25 fiscal year.
4. There is a new line in the Balance Sheet called "Other Current Assets" which includes a line for "Pre-Paid Expenses. This line shows the \$7,692 that we paid Paychex to prepare and file our paperwork for the Employee Retention Tax Credit. When we receive the tax credit, it will zero out this line.

Treasurer's Report

Income: Our total revenues came in at 96.26% of budget. We budgeted income of \$934,165 and brought in \$899,197.

1. **Pledge/Contributions Income:** This section includes pledge payments for the current or prior fiscal years, Share the Plate, the Angel Fund, and all Non-Pledge Gifts.

- a. Pledges - Current Year came in 5% under budget or \$22,801 under budget. If all pledges were paid, our overall budget deficit would be much smaller.
 - b. Share the Plate contributions were over budget by \$3,400.
 - c. Non-pledge gifts included gifts from members over and above their pledge, gifts from non-members, and one gift of \$4,000 from LPL Financial that we've been unable to trace. If you made a pledge contribution to the Society through LPL Financial and it has not been credited to your pledge in Realm, please contact me.
 - d. Angel Fund, this is the final year of the Angel Fund, which collected \$3,300 to assist members unable to pay their pledge. It was created during the pandemic, when there was a higher than usual number of folks unable to pay their pledge. We thank everyone who has contributed to this fund over the past several years.
2. **Rental Income:** This section of the budget includes income from our rental buildings, income from renting our building out for concerts, memorials, weddings, etc, and income from renting out our parking lot. Overall, this section of the budget performed slightly over budget, mostly due to Space Use Income.
3. **Trust Income:** Trust income came in at budget.
4. **Other Income:**
- a. **Fundraiser Income & Board Supported Income:** This year the congregation had set itself a huge goal for fundraising. The normal amount (\$20,000) that we usually fundraise from the Holiday Bazaar and the Auction, AND the Board Supported Income (\$47,059). The Board created a Task Force to explore ways to raise this money, and Rev. Karen brought her own great ideas to mix. We ended up taking advantage of the Solar Eclipse and raised money by selling t-shirts (thank you Sarah Rosedahl for the amazing design) and by offering HomeStays for the weekend of the Eclipse. The Eclipse fundraising brought in \$25,000! Early in the congregational year, we also held a Text to Give event after a Sunday Service which raised tons of money and was a ton of fun! Overall, we raised over \$52,000 in these combined efforts. Thank you to every person who helped to make all these efforts such a huge success!
 - b. **Misc. Income** is where we see the money raised when you agree to help cover the processing fees when you give via credit or debit card. This added up to \$2,340. It really does help when you add that small amount onto your gift.

Expenses: Total expenses came in about 2% under budget or \$19,734 less than expected.

- 1. **Payroll and Benefits** came in \$17,982 over the budgeted amount. Reasons for this vary, but some reasons are that the cost of health insurance increased much more than was budgeted, two positions that ended last fiscal year still had payroll

and expenses remaining to be reimbursed after the new fiscal year began, one position was not added into the total when budgeting, and staff turnover. We had 5 staff positions turnover this past year. When this happens, unbudgeted expenses happen: paying unused vacation time, paying two people during the training period, paying any severance that we may owe as per our Employee Handbook. All of this contributed to us coming in over budget.

2. **Governance & Ministry:** overall this area of the budget was underspent by 13% or a total of \$6,482. Most lines in this area of the budget were underspent. However, Share the Plate expense is in this area and since we collected way more than budgeted, we also gave away more than budgeted. We gave away \$19,405 through the Share the Plate program this year! Just one small way in which we make a difference in our community.
3. **Operating Expenses** came in 22% or \$32,000 under budget. While most of this section of the budget came in at or slightly below budget, there is one line item that created this savings. During the second half of the year, when it was clear that we were going to have a large deficit budget, the Board made the decision to not pay our total pledge to the UUA. We paid approximately 38% or \$14,500 of our pledged amount.
4. **Building & Site** came in less than 1% over budget. In a year that included some surprise expenses, this is a true gift. We continue to find that the cost of labor continues to increase by unbelievable amounts. Finding contractors who are willing to take on smaller projects is a difficult task.

Trust Funds - FUUSB has two trust funds and is the beneficiary of another fund. Detailed information about the Endowment Team and the management of the trust funds can be found in the [Board Policy Book](#) on the website. Both of our trust funds and the Nims fund are managed by the Trust Company of Vermont, and overseen by our Endowment Team.

1. **First UU Trust Fund** - this fund is here to further the mission of FUUSB. Any unrestricted gift to the Society for over \$1,000, including bequests, is automatically deposited into this fund. The Society receives monthly distributions from this fund as budget income. During the 23/24 fiscal year, this fund received two bequests totaling more than \$454,500. This fund increase has therefore increased the amount received as income in the 24/25 fiscal year budget. We are expecting to receive one additional bequest of approximately \$150,000 in the next few months. Additional distributions from this fund account can be made by a recommendation of the Endowment Team and a vote of the Board.
2. **Meeting House Fund** - this fund is strictly for the use of maintenance and improvements to our long term fixed assets. This fund was once called The Building and Organ Fund. The Property Fund Account receives monthly distributions from this fund for smaller projects to maintain and improve our building. The Meeting House Fund is populated by restricted gifts to the Society. Additional distributions from this fund require a recommendation from the Endowment Team, a recommendation from the Board, and a vote of the congregation.

3. **Nims Fund** - this fund is not owned by the Society, rather the Society is the beneficiary of this fund. That is why you will not see this fund on our Balance Sheet as are the others. This fund currently has approximately 5 million dollars, and the Society receives monthly distributions to our budget and to the Property Team Fund. The Corporate Trustee of the fund is the Trust Company of Vermont, who works closely with the Endowment Team and is guided by the Society's Investment Guidelines. As this is not our fund, we are not allowed to take any additional distributions from this fund.

Conclusion

During the 23/24 fiscal year, there was much uncertainty and worry around the budget. Several large expenses presented themselves after the budget was passed at the congregational meeting which made the possibility of a large deficit budget seem very likely. In January, the Board held a congregational meeting to update the congregation. Some key decisions by the Board during the year helped to streamline spending and we ended the year with a deficit of \$38,105; a large number for sure, but much less than what was projected in January.

Pledge fulfillment is still an ongoing concern. While the amount of total pledge income was up considerably from last year, there was still nearly \$23,000 in unpaid pledges. The importance of membership fulfilling their pledges to the Society cannot be overstated. Members setting up automatic pledge payments is one of the best ways to ensure we receive all our pledges. As our senior-most members pass away, we need the next generation to increase their financial commitment to the Society when at all possible. And similarly, a focus on planned giving will have long lasting benefits to the financial health of our congregation.

A word about the Employee Retention Tax Credit (ERTC). You may have heard staff and the Board refer to the ERTC money. The ERTC is a tax credit on certain payroll taxes for eligible employers. *"To be eligible for the credit, the employer must have experienced a significant decline in gross receipts during a calendar quarter in 2020 and 2021 (at least 50% compared to the same quarter in the previous year) or been partially or fully suspended from a government order related to COVID-19."* The Society hired Paychex, our payroll specialists, to see if we were eligible and to prepare the tax credit application. Our application was submitted in November 2023. Processing of all applications was put on hold at the IRS from September 2023 until April 2024. They are just now beginning to process the applications again and it does not appear that we will receive this money for quite some time. The Board along with staff are working on a plan for how to apply this money when it is received. So stay tuned for more information on that.

As the person who has handled the Society's finances for the past 26 years, I must say that I am concerned about our current situation and I am dedicated to guide us through to the other side. I am extremely grateful to have so many who assist me in this process: the Finance Team, the Endowment Team, the Stewardship Team, the Planned Giving Team, the Board, and Rev Karen. You should feel proud to know that so many

people are dedicated to the continued financial health of this congregation and to transparency as we move through these difficult times. I encourage you to be a part of financial health in some way, all of these groups could use your help.

Respectfully submitted,

Christina Fulton
Director of Operations & Finance