

UUFB Treasurer's Report for December 2016 and Year End 2016

Financial Reports: (See reports attached to email to board)

- **Bank Account Balances as of 12/31/16** (from the Balance Sheet):

Capital Account:	\$ 28,415
Operations Checking and Money Market Accounts (combined):	\$128,779
Endowment Fund:	\$ 11,029

- **Total Assets:** \$955,807
- **Total Liabilities:** \$217,342
- **Total Equity:** \$738,465

- **Net Operating Income – December:** \$ 16,155
- **Net Operating Income – Full Year 2016:** \$ 22,808

Financial Position – the Balance Sheet: The overall financial health of the fellowship is best reflected in the Balance Sheet (see attached report for details). In spite of spending more than \$215,000 for the building project to renovate and improve our sanctuary, the overall financial health of the fellowship improved in 2016. Thus, even though total bank account balances decreased by \$170,619 from January 1 through December 31, 2016, total assets increased and liabilities decreased, resulting in a \$43,000 increase in accumulated surplus (total equity).

	2015	2016	Change
Total Assets	\$915,375	\$955,807	+ \$40,432
Total Liabilities	\$220,242	\$217,342	-\$ 2,900
Accumulated Surplus (Equity)	\$695,133	\$738,465	+ \$43,332

Operations: From a financial point of view UUFB had a very successful year in 2016, thanks to the generosity, hard work, and dedication of our members. Because of the costs associated with our search for a new settled minister, we had predicted an operating budget deficit of \$18,779 for 2016, and yet wound up with net operating income of \$22,808. (See Full Year Budget vs. Actual Income and Expenses through December 31, 2016, and Statement of Revenue and Expenses Reports for details.) The \$18,000 deficit prediction included payment of mortgage principal, but as I have pointed out previously, the mortgage principal expense, is not included in the actuals, because the principal payment is applied to reduce long-term liabilities. We keep the total mortgage payment in the budget prediction as a reminder of that cash expense. In addition, the minister's moving expenses have been deferred to 2017. Independent of the mortgage principal and minister's moving expenses, other expenses came within \$700 of budget for the year. Community Presence Expenses

predominately reflect activities of the Social and Environmental Justice Committee (SEJ), particularly providing funds for local community and national not-for-profit organizations, whose activities are consistent with UUFB's mission for social and environmental justice. Some years ago the fellowship set a goal of allocating 10% of income for SEJ activities. Since purchasing our property, we have not been able to fund the full 10%. This year we distributed approximately 6% of income (minus GLScrip pass-through income) and 7% of expenses, similar to distributions for 2014 and 2015.

When we examine operating income, the generosity of our members and friends becomes obvious. Financial commitment income (pledge income) met budget, and exceeded it slightly. The budgeted amount was somewhat aggressive, because it reflected only a 2.5% reduction from actual pledges over the year. In general, we might expect a 5% to 7% reduction in the actual pledges received, because of changing financial and life circumstances for those pledging. However, the reduction was only 2% from total pledges in 2016. A significant portion of pledge income was received in the final few weeks of the year. Non-pledged income greatly exceeded budget, as many members and friends made additional generous donations beyond their pledges. Although we had budgeted an aggressive \$12,300 net income from our annual auction, we realized a phenomenal \$18,000, far exceeding expectations.

UUFB Full Year Budget vs. Actual Total Operating Income

	Actual	Budget
Income:	\$191,947	\$168,400

Note:

- \$17,104 pledges prepaid in 2015 included in 2016 budget but not in actuals.
- \$ 17,750 pledges for 2017/18 have been prepaid - included in 2016 actuals.
- GLScrip Fundraiser Income is \$23,803, but net GLS income is only \$869.

UUFB Full Year Budget vs. Actual Total Operating Expenses

	Actual	Budget
Total Expenses:	\$169,139	\$187,179

Note:

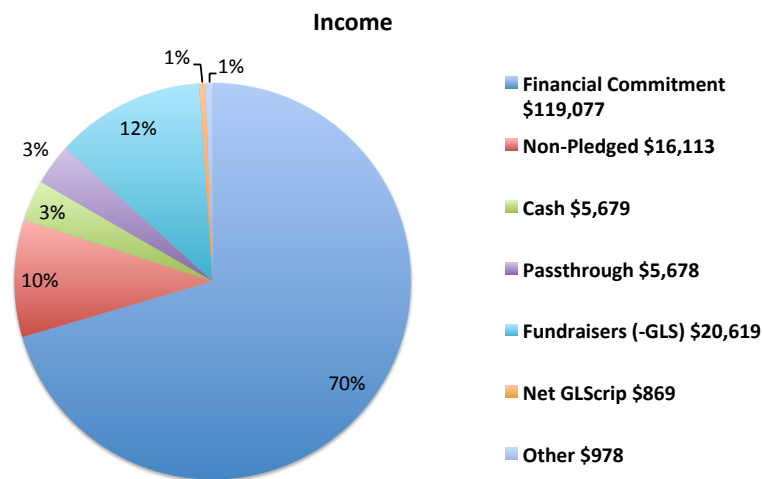
Budget includes minister's moving expenses. Actual moving expenses will be deferred to 2017.

Budget includes mortgage principal and interest (\$21,305); actuals include only interest (\$10,700). Principal payment is applied to reduce long-term liabilities on balance sheet.

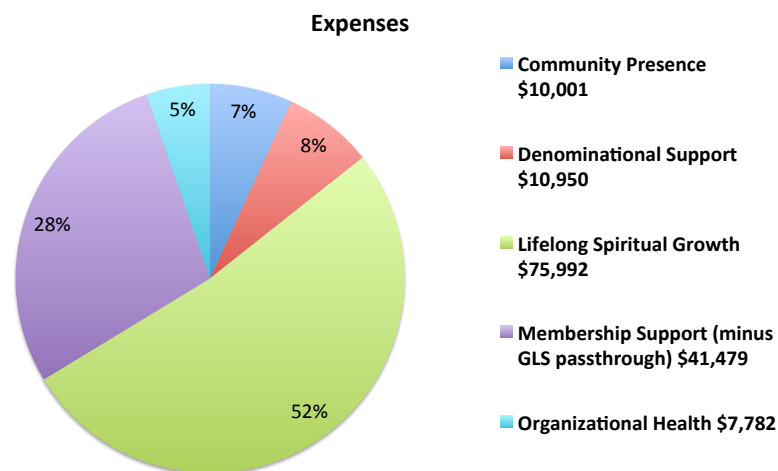
UUFB Net Operating Income 2016

Actual	Budget
\$22,808	-\$18,779
1. Actuals include mortgage interest expense only, not principal.	1. Budget includes mortgage interest & principal. Principal applied to reduce long-term liabilities.
2. Minister's moving expenses deferred to 2017.	2. Includes minister's moving expenses.

UUFB Income Distribution 2016



UUFB Expenses Distribution 2016



2017 Stewardship Campaign: As the stewardship campaign comes to a close, 2017 pledges total \$124,221 from 50 pledging households. That is \$4,769 more than 2016, when there also were 50 pledging households. The large spread between the average pledge (\$2,484) and the median (middle) pledge (\$1,350), and the fact that 14% of pledging households account for more than half of the pledges continues to be a concern for the future financial stability.

Total Household Units/Pledge Units: 50

Total Pledges: \$124,221 (Quartile = \$31,055)

Mean Pledge (Average): \$2,484

Median Pledge (Middle): \$1,350

Quartile	1st	2nd	3rd	4th
Pledge Units	2(4%) (10% ideal)	5(10%) (15% ideal)	12(24%) (30% ideal)	31(62%) (45% ideal)
Total	\$36,000	\$28,770	\$29,161	\$30,290
Mean	\$18,000	\$5,754	\$2,430	\$97

Building Project: Renovations to the sanctuary building are complete. All expenses have been paid from capital donations, without acquiring debt to finance any of the project. Total expenses in 2016 were \$215,595. An additional \$37,530 for architectural and engineering expenses had been spent in 2014 and 2015 in preparation for the construction. Approximately \$28,415 remains in the capital bank account, some of which will be used for additional capital improvements to the sanctuary, fellowship building, and grounds. The board has recommended retaining between \$10,000 and \$15,000 for future contingencies. Summary of the capital project in 2016 is as follows:

UUFB Building Project 2016 (Construction Complete):

Capital Bank Account:

- Balance as of 1/31/16 \$223,427
- Additional Donations \$ 20,158
- Interest Earned \$ 425

Construction Expenses **\$208,984**
Other Building Expenses **\$ 6,611**

Capital Bank Balance as of 12/6/16 \$ 28,415
(Contingency funds for additions)

Jim Miller, Treasurer
1/14/17