

A FISCAL YEAR IN REVIEW

by Monica Nolan, Executive Director

Our fiscal year, which came to a close on June 30, 2019, was a bit out of the ordinary. However, like years past, many aspects of our financial landscape are cause for tremendous gratitude. Across all funds (operating, capital, and designated) we had a \$315k surplus. We renegotiated our insurance claim for the hail damage we experienced back in 2017, and more than doubled our total payout to over \$750k. The operating fund had a tiny deficit of \$1,500, and unpledged contributions in the operating fund were up \$60k over last year totaling about \$120k.

On the other hand, pledge payments continue to trend down as they have for the last eight years. This year's decline was more pronounced with \$68k less in pledge payments than last year. As we discussed at the Financial Forum last May, (if you didn't have a chance to attend, you may wish to watch the video on our website) there are a number of factors we theorize are at play. Whatever the diverse array of reasons for the decline, we understand that what we can control is our reaction to it. Having staff, lay leaders, and members that are firmly committed to strengthening our congregation by reimagining, reengaging, and reenergizing will help us continue to live into our mission in a way that could increase support for current community members and attract new ones. If you're feeling concerned about pledge numbers, I'd urge you to lean in and strive to embody the level of commitment you wish to see perpetuated.

Thank you all for the many ways in which you've each contributed to making FUS so plentiful! Together we successfully sustain a safe and nurturing environment where we, and those that proceed us, can explore the most pressing spiritual, ethical, and social issues of our times, and commit to being a force for good in our world.

Below is a high-level overview of the 2018-2019 financials.

Balance Sheet

Starting with the numbers contained in our "Statement of Financial Position" report, as of June 30, we had \$2.18 million in cash and cash equivalents, which is approximately \$195k more than last year at this time. Our fixed assets, such as our land, building, furniture, and equipment have an estimated value of \$10.26 million.

Capital

Our Building a Legacy—Capital Campaign has exceeded its income goals for the year and is looking at expenses that are well within budget. We've seen nearly \$968k in income this fiscal year, \$746k in expenses and transfers, resulting in \$221k in net income. We anticipate spending the remaining \$1.88 million in capital funds on the roof, solar, atrium enhancements, HVAC capital projects, and mortgage pay down over the next two fiscal years.

Designated & Restricted

In our Designated & Restricted Fund account, we began the year with nearly \$109k, have accepted \$24k in new donations, completed \$43k in parish-approved transfers to the operating fund, spent \$18k, and thus ended the quarter with approximately \$73k in these 11 funds.

Operating

In the Operating Fund, we anticipated \$1,910,000 in income and expenses, projecting a net gain of \$1. Ultimately, our actual income was approximately \$1,874,500 and our expenses were \$1,876,000, therefore ending the year with a \$1,500 deficit, which is about \$16k less than last year's relatively small deficit.

I hope you'll take a minute to review our Combined Statement of Financial Activities on the next page. As always, please don't hesitate to reach out to myself or the Finance Committee if you have questions about our financial state.

Please note these financials are preliminary and have yet to be fully vetted by the Finance Committee and Board of Trustees. Final financials reports will be available on our website on September 1, 2019.

First Unitarian Society of Madison
Combined Statement of Financial Activities Condensed
July 2018 through June 2019

	18-19 Actuals	18-19 Budget	Variance	17-18 Actuals	Variance from 17-18
Operating Income					
Pledge Payments	1,109,591	1,195,000	-85,409	1,177,760	-68,169
Rentals	254,581	240,204	14,377	224,323	30,258
Foundation Income	138,384	135,400	2,984	136,725	1,659
Collection & Gifts	185,297	145,537	39,760	126,542	58,755
Fundraising	35,345	38,225	-2,880	50,671	-15,326
Program Income	45,007	50,000	-4,993	44,752	255
Fund Transfers	99,952	99,573	379	141,863	-41,911
Other Income	6,340	6,102	238	8,382	-2,042
TOTAL Operating Income	1,874,497	1,910,041	-35,544	1,911,018	-36,521
Operating Expenses					
Personnel Expenses	878,254	901,477	-23,223	912,273	-34,019
Personnel Benefits/Taxes	258,076	273,748	-15,672	263,668	-5,592
Mortgage	294,229	294,228	1	294,229	0
Building	219,216	196,948	22,268	202,688	16,528
Program	132,196	149,588	-17,392	139,130	-6,934
Administrative	73,120	64,101	9,019	81,810	-8,690
Communications	13,104	19,450	-6,346	15,120	-2,016
Fundraising/Membership	7,808	10,500	-2,692	19,149	-11,341
Other Expenses	0	0	0	585	-585
TOTAL Operating Expenses	1,876,003	1,910,040	-34,037	1,928,652	-52,649
NET OPERATING INCOME	-1,506	1	-1,507	-17,634	16,128
Other Income					
Des/Res Income	37,165	16,484	20,681	79,914	-42,749
Capital Income	968,191	603,050	365,141	1,413,368	-445,177
Transfer to Cap from Des/Res	0	0	0	10,000	-10,000
Mortgage Principal Paydown	130,662	130,662	0	125,559	5,103
TOTAL Other Income	1,136,018	750,196	385,822	1,628,841	-492,823
Other Expenses					
Expenses from Capital	701,852	2,035,465	-1,333,613	123,220	578,632
Expenses of Restr or Board Desg	17,997	21,898	-3,901	57,461	-39,464
Transfer from Cap Funds to Ops	45,000	45,000	0	45,000	0
Transfer from Des/Res to Ops	43,452	43,073	379	75,826	-32,374
Transfer from Des/Res to Cap	0	0	0	10,000	-10,000
TOTAL Other Expenses	808,301	2,145,436	-1,337,135	311,507	496,794
NET OTHER INCOME	327,717	-1,395,240	1,722,957	1,317,334	-989,617