

First Unitarian Society Foundation of Madison, Inc.

Minutes of Directors' Meeting held October 11, 2021 (by Zoom)

Adopted with Correction: February 21, 2022

Present: Connie Beam (President), Peter Marion (Treasurer), Kendall Harrison (Secretary), Kathy Luker (Vice President), David Kuenzi, Annette Hellmer, Carol Stang, and Kurt Stege.

Also present: Monica Nolan, Alyssa Ryanjoy, Mark Shults, Kelly Asprooth-Jackson, Emily Cusic Putnam, Chuck Stonecipher, Ann Schaffer, Lauri Schwartz, Dorit Bergen, Nancy Metzger.

Connie called the meeting to order at 7:02 p.m.

Minutes from April 12, 2021 Meeting

The July 12, 2021 meeting was cancelled because of technical difficulties related to the Zoom link. As such, we did not have an opportunity to review the April 12, 2021 minutes at that meeting.

David moves to approve the April 12, 2021 minutes. Kathy seconds. **Motion passes and the minutes are approved.**

Treasurer's Report (Pete)

Pete reported on both the final quarter of the last fiscal year (ending June 30th) and the first quarter of this fiscal year (ending September 30th):

Fiscal Year 2020-2021 Ended June 30, 2021

The Foundation enjoyed spectacular investment earnings and asset growth during the fiscal year.

- **TOTAL ASSETS** grew during the year by \$830,885, or 27%, to reach \$3,951,770. Fourth quarter asset growth was \$171,050, or 5% (see Assets and Funds Reports).
- **DONOR FUNDS** increased in the quarter by \$165,835, or 4%, and \$795,338 (26%) in the year to reach \$3,854,287 (see Fund Contributions Quarterly Report and Fiscal Year Summary).
- **INVESTMENT INCOME** for the year totaled \$941,499 and \$214,588 in the fourth quarter. Total investment income increased by \$784,542, or 500% over fiscal 2019. Investment income distributed to donor and custodial funds totaled \$922,724 in the year and \$212,121 in the quarter (see Income Distribution Reports).
- **DONOR CONTRIBUTIONS** for the year totaled a modest \$27,626 from five donors, including Roz Woodward's \$1,000 gift in the fourth quarter. \$2,000 was refunded to FUS

for Comer gifts not intended for the Foundation (see Quarterly Contributions Report and Fund Contributions Fiscal Year Summaries).

- **DISBURSEMENTS TO FUS** were \$41,571 in the fourth quarter and totaled \$141,465 for the year, including \$135,465 for FUS programs and \$6,000 for FUS administration. The two reimbursement donor funds ended the year with unspent balances totaling \$17,911 available for future use. Disbursements of \$149,328 were previously approved for current fiscal year 2020-21 and \$164,158 for next fiscal year 2021-22 (see Fund Disbursements Report and FY 2021-22 Proposed Quarterly Payout Schedule).
- **CUSTODIAL FUND** liabilities totaled \$97,483 at year end, including \$68,267 in the Friends of the Meeting House account and \$29,216 in the inactive UU Alliance account. Total custodial funds grew by \$5,215 in the quarter (6%) and \$35,547 (57%) in the fiscal year, including a \$16,000 deposit in the third quarter by the Friends of the Meeting House (see Assets and Funds Reports).
- **EXPENSES** for the quarter totaled \$2,468 in support to FUS and accounting fees. Expenses for the year totaled \$18,775 (2% of total investment income), including \$6,000 for FUS administrative support, audit fees of \$8,650, and \$4,126 for accounting services (see Income Distribution Report).
- **NET EARNINGS** distributed to donor and custodial funds totaled \$922,724 in the year and \$212,121 in the quarter. Distributions to donor funds were \$206,906 in the fourth quarter and \$903,177 in the year. Distributions to custodial funds totaled \$5,215 in the quarter and \$19,547 in the year (see Assets and Funds Report for the funds' balances and the Income Distribution Report for the realized and unrealized gains distributed to them).
- **AVAILABLE CASH** on June 30 totaled \$54,068, more than enough for next quarter's approved disbursement to FUS of \$35,842. Depending on earnings, additional cash may be needed in the subsequent quarter.

First Quarter Ended September 30, 2021

- **TOTAL ASSETS** fell by \$61,625, or 2%, to \$3,890,145 (see Assets and Funds Report).
- **DONOR FUNDS** fell by \$60,934, or 2%, to \$3,793,352 (see Assets and Funds Report).
- **INVESTMENT INCOME** was negative \$25,445 including positive dividend income of \$19,260 and negative \$44,706 in unrealized market losses (see Income Distribution Report).
- **DONOR CONTRIBUTIONS** were zero in the quarter. Next quarter the Foundation will pay a \$2,000 refund to FUS for Comer gifts misdirected to the Foundation.
- **DISBURSEMENTS TO FUS** were \$33,842 for FUS programs and \$2,000 for FUS administration (see Fund Disbursements Report).

- **CUSTODIAL FUND** liabilities totaled \$96,793 at end-September, with \$67,784 in the Friends of the Meeting House account and \$29,009 in the UU Alliance account (see Assets and Funds Report).
- **EXPENSES** were \$2,338 with \$2,000 for support to FUS and \$338 for accounting fees (see Income Distribution Report).
- **NET LOSS** distributed to donor funds totaled minus \$60,934, including minus \$27,092 in distributed losses and expenses, plus donor fund disbursements of minus \$33,842 (Income Distribution Report).
- **AVAILABLE CASH** on September 30 totaled \$38,149, slightly more than next quarter's approved total disbursement to FUS of \$35,842. Additional cash may be needed in the following quarter.

Update on Search for New Accountant (Connie/Pete)

We are now working with Kollath CPA. We like their work and are investigating the possibility of signing a contract with them soon.

Portfolio Review (David and Carol)

David shares portfolio spreadsheet and explains:

- Last fiscal year, the total return was 29.8 percent;
- We are currently overweighted by \$370,000 on US large cap and mid cap stocks;

David moves to sell the \$370,000 of overweight, to reallocate \$50,000 of that to cash to cover disbursements to FUS for the next two quarters, and to invest the remaining amount by bringing up the other stock categories to full weight and allocating the rest to bonds relative to their weightings. Annette seconds. **Motion passes.**

Election of FY22 Officers (Connie)

Kurt moves to nominate the current slate of officers to continue in fiscal year 2022, as well as a director who is authorized to execute trades for the Foundation:

Constance A. Beam, President
 Kathleen W. Luker, Vice President
 Kendall W. Harrison, Secretary
 John P. Marion, Treasurer
 Carol L. Stang, Director

Annette seconds. **Motion passes.**

New Corporate Resolution (Connie)

Connie will forward a new corporate resolution identifying the fiscal year 2022 officers and trading director to Kendall, who will execute it and return it to Connie.

Presentation on Socially Responsible Investing (David introduces)

David introduces his colleague Nancy Metzger, who makes a presentation on socially responsible investing. A discussion about the presentation follows.

Kathy, David, Kendall and Annette will form a subcommittee to review sustainable investing issues and make recommendations to the full committee regarding any potential changes to our current investments.

Staff Update (Monica)

We have added a minister since our last meeting, Kelly Asprooth-Jackson, who was in attendance at the meeting. In-person services have started again.

Meeting ends at 9:07 p.m. Next meeting is in February 2022.