

## Treasurer's Report to the Congregation for mid-2021

The end of June is the end of the first half of our 2021 annual budget. This is my report to the congregation for that period. Thanks to your continued generosity, our finances are in good condition.

Most of the projections on which we built our 2021 budget have already proven to be reliable.

- The pledges we projected have come in, and payments on those pledges are on schedule.
- The \$24,630 Paycheck Protection Program (PPP) loan we received in 2020 has been forgiven.

Our other income items are coming in reasonably on schedule and budget. The Auction, Quilt Raffle, Yard Sale, and other FUNdraising events are starting to come in (none were scheduled to occur in the first half of the year); we'll get the details on those as each event wraps up.

Most of our annual budget expenses are predictable or steady (employee costs, utilities, insurance, etc.), but some costs are episodic or unpredictable (emergency repairs, COVID costs, etc.) Most expenses are running according to budget so far this year, with the exception of a few of those episodic/unpredictable items. For one example, we incurred some unbudgeted costs for new equipment to support the 'hybrid' (combined in-person and Zoom) Services that restarted May 30.

Fortunately, we now have a good handle on the 2020 Annual Budget surplus and, due to extremely generous gifts in 2020, and with your permission at the upcoming Summer Congregational Meeting (August 22 at 11:30AM), that surplus is fully capable of covering those unpredictable 2021 expenses and more. See further details in the Motion and explanation on page 3 hereof.

There has been significant activity in some of our 'Restricted Funds in our main bank accounts'. Here is the situation as of mid-year:

	A	B	C	D	E	F	G
1	<b>Restricted Funds in main bank accounts</b>			<b>1/1/2021</b>	<b>Deposits</b>	<b>Withdrawals</b>	<b>6/30/2021</b>
2	Activities Room Renovation	(CSHY \$8K?)	R	\$ (1,222)	\$ -	\$ -	\$ (1,222)
3	Back Yard and Garden (==> Remembrance Garden)		R	\$ 2,102	\$ -	\$ (2,102)	\$ -
4	Caring Team		R	\$ 340	\$ 350	\$ -	\$ 690
5	Coffee Hour Supplies		RD	\$ 983	\$ -	\$ -	\$ 983
6	COVID Recovery, Hybrid, Operations, ...	(est. 8/2021?)	R	\$ -	\$ -	\$ -	\$ -
7	Food Rescue Fridge		RD	\$ 319	\$ 139	\$ -	\$ 458
8	Growing Connections between Friends and Members (r		R		\$ 1,174	\$ -	\$ 1,174
9	Hanner Memorial Music	(est. 8/2018)	RD	\$ 3,419	\$ -	\$ -	\$ 3,419
10	Honoring Ministry (==> Minister's Discretionary)		RD	\$ 21	\$ -	\$ (21)	\$ -
11	Immigration Resource Center	(and in BofA)	RD	\$ 190	\$ 5,000	\$ (50)	\$ 5,140
12	Lay Led Committee		R	\$ 500	\$ 450	\$ (100)	\$ 850
13	Make It Stop (==> Minister's Discretionary)		RD	\$ 45	\$ -	\$ (45)	\$ -
14	Membership Committee (==> Growing Connections bet		R	\$ 924	\$ -	\$ (924)	\$ -
15	Meeting House Capital Maintenance		RD	\$ -	\$ -	\$ -	\$ -
16	Minister's Discretionary		RD	\$ 4,370	\$ 3,636	\$ (6,868)	\$ 1,138
17	Monday Night Suppers (==> Minister's Discretionary)		RD	\$ 160	\$ -	\$ (160)	\$ -
18	Music Enlivenment (==> 2021 Budget)		RD	\$ 1,713	\$ -	\$ (1,713)	\$ -
19	Noonday Concerts		RD	\$ 83	\$ -	\$ -	\$ 83
20	Organ Maintenance	(and at TIAA)	RD	\$ 2,577	\$ -	\$ (825)	\$ 1,752
21	Organ Playing		RD	\$ 1,750	\$ 1,000	\$ -	\$ 2,750
22	Parsonage Capital Maintenance		R	\$ 28,676	\$ 7,244	\$ -	\$ 35,920
23	RE Committee		R	\$ 528	\$ -	\$ -	\$ 528
24	Remembrance Garden	(est. 2/2021)	RD		\$ 27,037	\$ (26,548)	\$ 489
25	Sabbatical Provision	(est. 1/2015)	R	\$ 9,282	\$ -	\$ -	\$ 9,282
26	Social Action (but not IRC)		R	\$ 1,767	\$ 350	\$ -	\$ 2,117
27	Tuesday Lunch Grant	(est. 3/2021)	RD		\$ 3,205	\$ (3,205)	\$ -
28	<b>Total Restricted Funds</b>			<b>\$ 58,527</b>	<b>\$ 46,381</b>	<b>\$ (39,356)</b>	<b>\$ 65,552</b>
29			R	= Restricted as to purpose			
30			RD	= Restricted as to purpose by Donor			

The **Immigration Resource Center** (IRC) is a subcommittee of the 7<sup>th</sup> Principle Project (née Social Action). The IRC has money both in our main bank accounts (above) and in their own separate BofA bank accounts (below). Prior to COVID, the IRC provided mainly referrals to legal advice and resources for immigrants. Since the pandemic started, the IRC has received grants through the Community Foundation for Nantucket to provide direct financial assistance to immigrant Islanders in need. Those CFN grant receipts have totaled \$144,600 since COVID started. An additional \$55,000 grant was recently received from the EOS Foundation of Harwich Port, which, with a grant from the Siasconset Union Chapel, brings the IRC grant total received in 2020 – 2021 to \$219,600. Most of the prior grants have been disbursed and the recent grants are in the process of being distributed.

The **Remembrance Garden**, under the leadership of Nancy Mack and Joanne Polster, was designed and created this Spring, with minor work continuing (we may install some lighting, for example). Several generous donations supported the construction. Now the sale of plants and engraved remembrance items will continue to provide income for the foreseeable future. See <https://fundraiser.support/NantucketUURemembranceGarden> for details.

We are close to breaking even so far. The total construction cost in the first half of 2021 stands at around \$27K, less construction-related donations (walls, stairs, irrigation) of around \$10K. The total other income is around \$15K, plus initial seed money of \$2K. Your Treasurer recommends we build an ‘endowment’ for the garden operation and maintenance costs. An endowment for 10 years would require a \$25K fund, and ‘in perpetuity’ would require closer to \$80K. Assuming the continued sale of plants and engraved remembrances, income over future years is projected to be within that range.

Special thanks to Nancy and Joanne for their vision and leadership in moving this project forward.

**Our financial assets** continue to do well (in a rising market with moderate inflation). Here is a summary of those assets for selected periods:

	A	B	C	D	E	H	K	L
2		Institution	Account	Start Jan	Start Jan	End March	End June	End July
3	Amounts directly from statements		'As of' date:	1/1/2020	1/1/2021	3/31/2021	6/30/2021	7/31/2021
4	IRC Restricted Fund	Bank of America *3260	Immigrat. Res. Ctr.	opened 1/27/2021	\$ 14,197	\$ 57,120	\$ 25,700	
5	IRC Restricted Fund	Bank of America *8805	Immigrat. Res. Ctr.	opened in 2020	\$ 16,030	\$ 30,599	\$ 9,872	\$ 4,499
6	IRC Restricted Fund Subtotal		Rows 4:5		\$ 16,030	\$ 44,796	\$ 66,992	\$ 30,199
7	General Operating \$\$	Bank of America *6218	Main Checking		\$ 35,779	\$ 89,499	\$ 107,153	\$ 104,440
8	General Operating \$\$	Bank of America *5490	Debit Card	\$ 11,326	\$ 8,570	\$ 12,720	\$ 10,697	
9	General Operating \$\$	Rockland Trust/NanBank	Checking	\$ 198,829	\$ 168,551	\$ 104,934	\$ 83,628	\$ 91,976
10	General Operating \$\$ Subtotal		Rows 7:9	\$ 198,829	\$ 215,656	\$ 203,004	\$ 203,500	\$ 207,113
11	Unrestricted Reserves	UUCOMMONENDOWFUND	est. 2/2015 w/\$100K	\$ 130,458	\$ 150,096	\$ 152,809	\$ 160,196	\$ 160,196
12	Unrestricted Reserves	Vanguard	all	\$1,590,170	\$1,953,598	\$ 1,964,805	\$ 2,056,114	\$ 2,058,512
13	Subtotal Unrestricted Reserves		Rows 11:12	\$1,720,628	\$2,103,694	\$ 2,117,614	\$ 2,216,310	\$ 2,218,708
14	Subtotal all Unrestricted (include General Op \$\$)		Rows 7:12	\$1,919,457	\$2,335,381	\$ 2,351,216	\$ 2,429,682	\$ 2,430,320
15	Restricted Reserves	TIAA Nuveen	Organ Maintenance	\$ 82,863	\$ 91,839	\$ 92,762	\$ 96,376	\$ 96,376
16	Subtotal Restricted Accounts		Rows 4+5+15	\$ 82,863	\$ 107,870	\$ 137,557	\$ 163,368	\$ 126,575
17	Subtotal all above		Rows 4:15	\$2,002,320	\$2,427,220	\$ 2,458,175	\$ 2,583,178	\$ 2,552,396
18	Subtotal all above except IRC		Rows 7:15	\$2,002,320	\$2,411,189	\$ 2,413,379	\$ 2,516,186	\$ 2,522,197
19	vs prior				\$ 408,869	\$ 6,743	\$ 64,742	\$ 6,011
20	vs 1/1/2021					\$ 30,955	\$ 155,958	\$ 125,177

[Cell L11: we don't get the UUCEF statement until the third week of the following month.  
Cell L15: quarterly reports]

At this Summer Congregational Meeting I will **MOVE** we accept the recommendation of our Finance Committee and Board of Trustees on the following disposition of the 2020 annual budget surplus:

<b>Meeting House Capital Maintenance Fund</b> .....	<b>\$20,000</b>
<b>Parsonage Capital Maintenance Fund</b> .....	<b>\$10,000</b>
<b>Minister's Discretionary Fund</b> .....	<b>\$8,000</b>
<b>COVID Recovery, hybrid Service, and improved Operations Fund</b> .....	<b>\$7,000</b>

Allow me to explain these recommendations.

**Meeting House Capital Maintenance:** We are very fortunate that most of the capital maintenance of the Meeting House is done by the South Church Preservation Fund (SCPF), and the SCPF in return receives a large portion of its funding from the Nantucket Community Preservation Committee (CPC). However, the CPC is limited by law, and the SCPF by custom, to the preservation of the historic aspects of the Meeting House. We have several modern systems in the Meeting House that are solely the responsibility of our UU congregation.

In this instance, those modern systems include the two HVAC heat pump systems that heat and cool Hendrix Hall and the Activities Room. Those systems are now reaching the point where they could last a few more years or could fail without notice at any time. The \$20K recommended would allow us to replace one of those systems quickly when it fails.

**The Parsonage** is even older than the Meeting House, but it is neither a public building nor an Island icon. The maintenance of the Parsonage, as long as it is our property and the home of our Minister, is completely the responsibility of our UU congregation. Recognizing that the Parsonage has much deferred maintenance, we regularly move some or all of our annual surplus into the Parsonage Capital Maintenance Fund for that purpose.

**The Minister's Discretionary Fund** allows Rev. Linda to provide support to congregants, friends, and neighbors in need, and also to provide seed money for projects she feels are important. This fund has been drawn down by the pandemic at a much greater rate than in normal times, but at the same time several generous people have donated to this Fund this year. Still, this Fund is strained by current needs, while its purpose remains even more important than usual.

**The COVID Recovery, hybrid Service, and improved Operations Fund** is a new Fund. As explained in the Expenses section on page 1 of this report, we have already had a series of extraordinary unanticipated expenses related to COVID, preparing for the hybrid (Zoom and in-person) Services, and managing our operations in an unusual situation, and it is likely we'll continue to have a few more before COVID finally recedes. This Fund would help cover those unusual expenses.

As with all Funds such as the ones above into which we vote to put money, a later vote of the congregation can redesignate money not yet expended for its intended purpose. If it turns out that there are greater needs for any unexpended money in these Funds in later years, the congregation can vote then to repurpose it.

Respectfully Submitted,  
Paul P. Stewart, Treasurer  
August 13, 2021