

We'll discuss this first page; the others are for reference only.

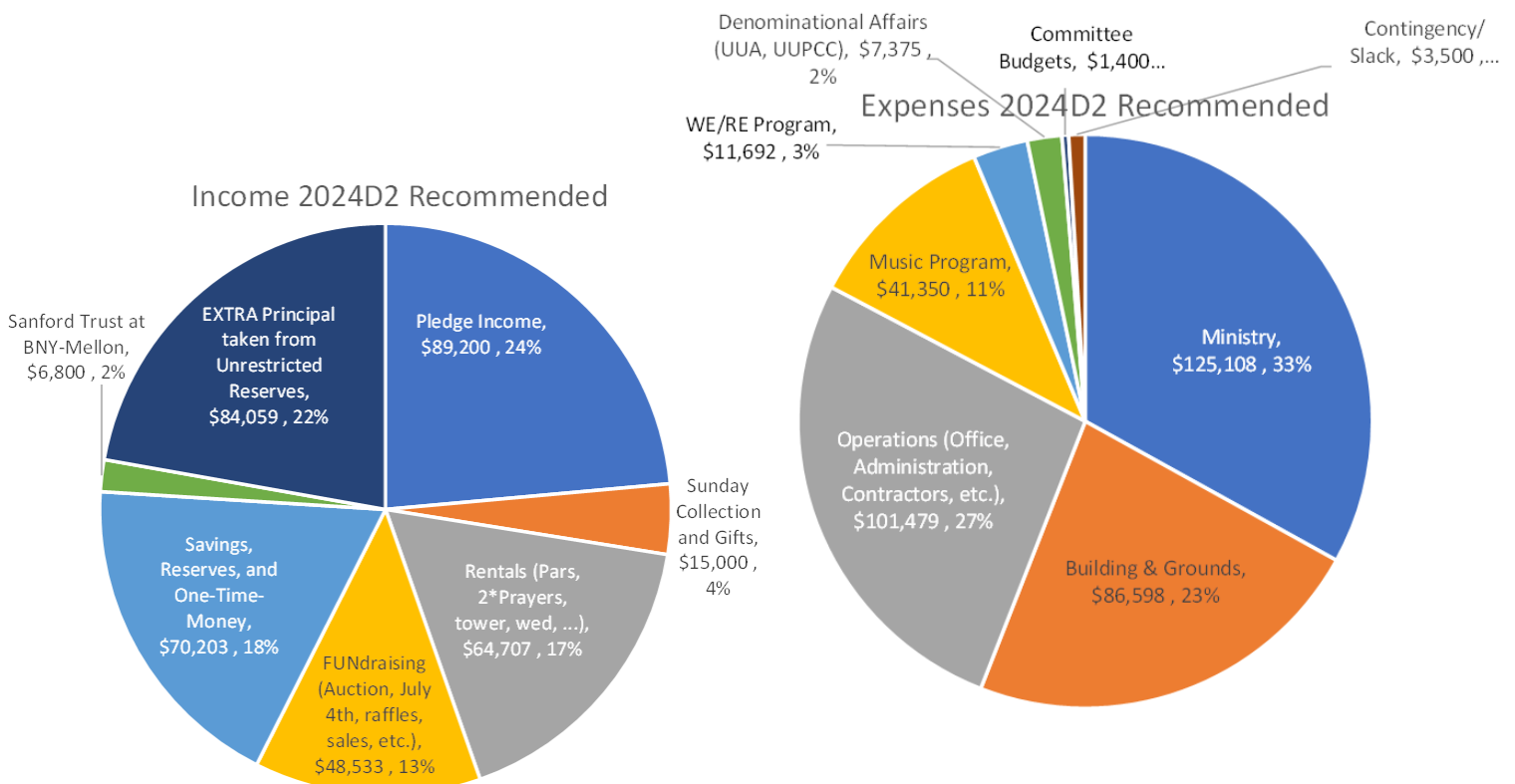
## Handout to Congregational Conversation about our Finances and 2024 Budget

Paul Stewart, Treasurer – January 21, 2024

The details supporting these summary statements are either in the 2024 Recommended Budget document at [UnitarianChurchNantucket.org/congregational-documents](http://UnitarianChurchNantucket.org/congregational-documents) or in our 2023 Annual Report which will be published on that same webpage sometime this week.

- 1) We are in good financial (and physical) shape.
  - a. Our Unrestricted Reserves (our 'Endowment', our 'Savings', or our 'Investments' you might call them) have grown over the past decade from about \$1.7Million to \$1.9Million in 2023 dollars (after adjusting for inflation) We have used reasonable income from those investments to support our budget but we have not spent any of that principal.
  - b. We have no debts of any kind.
  - c. We are close to all caught up on deferred or necessary physical maintenance.
- 2) Our Annual Budgets are unbalanced, which may be unsustainable if continued too long.
  - a. Our 2023 annual budget was unbalanced (budgeted Expenses exceeded Income) by about \$92,000, but we spent less than was budgeted and the Actual deficit for 2023 will come in closer to \$60,000 (we're still working on the details to finalize that).
  - b. Our 2024 annual budget, unanimously recommended by both our Finance Committee and our Board of Trustees, is unbalanced by approximately \$84,000. This includes a 4% raise for all staff and no increase or decrease in staff or hours (and, in specific, assumes we'll continue to have a full-time minister for all of 2024).
  - c. Budgeted income for 2024 relies on two as-yet-unproven income numbers: final Pledge Income and significant sponsorships for the July 4<sup>th</sup> Event.

Here are the pie charts of our 2024 recommended budget:



## 2024 Recommended Budget

Paul Stewart, Treasurer – January 9, 2024

From the Finance Committee's report to the December 13, 2023, Board meeting:

### Finance Committee

1. General Purpose: The FC is responsible for making recommendations to the Board on all matters relating to Church finances, but it is not a canvas, pledge, or fundraising committee.
2. Specific Responsibilities: The responsibilities of the FC include but are not limited to the following:
  - a) Reviewing the Church's goals and needs as defined by the Board and articulating these in terms of short- and long-term financial strategies
  - b) The Finance Committee shall develop the Church's annual budget in conjunction with the various departments and committees, within the context of the actual financial realities and long term goals, and present a budget to the Board of Trustees for approval by December 15, and then to the congregation two weeks prior to the annual meeting.
  - c) Monitoring the Church's assets, liabilities, income and expenses and making periodic (at least annual) reports to the Board and the congregation
  - d) Advising the Board on investment strategies and long-term needs for raising funds. Arranging for an annual audit or review of the Church's financial records

from our Congregational Handbook on our website

Our 2023 Finance Committee consists of Randi Allfather, Bob Middleton, President Susan Richards, Rev. Althea Smith (non-voting), Treasurer Paul Stewart, Chair, and Jim Sulzer.

Pursuant to the above, and particularly 2.b), the FinCom held a Zoom meeting from Noon to 2:30PM on November 3 to discuss our finances and our 2024 budget recommendation in detail. Also attending that meeting were Trustees Carol, Suse, and Lora.

Then the FinCom zoomed on December 5 from Noon to 1PM to discuss the 2024 budget and agree on their recommendation to the Board (so it could be distributed to the Trustees before our Board meeting on December 13).

**The FinCom was unanimous in its recommendation of the 2024 budget in this document to the Board. However, no one would say it is a satisfactory or sustainable model for the long term.**

Paul explained that we are in a time of transition between called ministers and in our administration. We bid adieu to Rev. Linda (and Gary) at the end of February, 2023. We had a difficult time attracting an interim minister to help us in this transition, and we spent a lot of effort this year in that effort. Rev. Althea started after the usual Interim Minister start. We are mainly trying to keep things moving forward, including several unusual expenses (for example, we must budget \$10-\$15K of relocation costs for each of the Interim minister and the called minister). We'll have to work with our called minister to adjust our future expenses to our income.

At its December 13 meeting, after discussion, the Board voted unanimously to "(1) accept the Finance Committee's recommendation for the 2024 annual budget in column AO, (2) accept responsibility for the various FUNdraisers (especially the July 4<sup>th</sup> plan), and (3) distribute this budget to the congregation in early January so it can be the topic of one or more congregational discussions before Annual Meeting."

The recommended 2024 annual budget, ~~details~~, and support materials are on the following pages.



The annual budget recommended unanimously by both the Finance Committee and the Board of Trustees:

row	Summaries:	Column AD: 2022B Budget	Column AK: 2023B Budget	Column AM: 2023 Actual	Column AO: 2024D2	Column AO - Column AK
2	Income:					
209	Pledge Income Total	\$ 109,500	\$ 109,500	Work in progress	\$ 89,200	\$ (20,300) -19%
210	Sunday Collection and Gifts Total	\$ 17,000	\$ 15,800		\$ 15,000	\$ (800) -5%
211	Rentals (Pars, 2*Prayers, tower, wed, ...) Total	\$ 72,098	\$ 67,899		\$ 64,707	\$ (3,192) -5%
212	FUNdraising (Auction, July 4th, raffles, sales, etc.) Total	\$ 26,116	\$ 18,191		\$ 48,358	\$ 30,168 166%
213	Savings, Reserves, and One-Time-Money Total	\$ 79,275	\$ 73,945		\$ 70,203	\$ (3,742) -5%
214	Sanford Trust at BNY-Mellon	\$ 9,000	\$ 6,800		\$ 6,800	\$ - 0%
215	EXTRA Principal taken from Unrestricted Reserves	\$ -	\$ 92,472		\$ 84,233	\$ (8,239) -9%
216	Income Total	\$ 312,989	\$ 384,607		\$ 378,502	\$ 86,367 30%
217						
218	Expenses:	Based on 3Q2023 inflation of 3.7%, raises for all employees are computed at 4.0%				
219	Ministry Total	\$ 123,505	\$ 139,069	Work in progress	\$ 125,108	\$ (13,960) -10%
220	Building & Grounds Total	\$ 78,451	\$ 87,039		\$ 86,598	\$ (442) -1%
221	Operations Total (Office, Administration, Contractors, etc)	\$ 55,729	\$ 99,098		\$ 101,479	\$ 2,381 2%
222	Music Program Total	\$ 36,421	\$ 39,649		\$ 41,350	\$ 1,701 4%
223	WE/RE Program Total	\$ 8,994	\$ 11,350		\$ 11,692	\$ 342 3%
224	Denominational Affairs (UUA, UUPCC) Total	\$ 6,563	\$ 7,078		\$ 7,375	\$ 297 4%
225	Committee Budgets Total	\$ 1,400	\$ 1,400		\$ 1,400	\$ - 0%
226	Contingency/Slack	\$ 1,927	\$ 3,107		\$ 3,500	\$ 393 13%
227	Expenses Total	\$ 312,989	\$ 387,790		\$ 378,502	\$ (9,288) -2%



Row #	Column: B	C	D	E	F	S	AF	AR
	All Financial Assets at	Institution	Account	Start Jan '20	Start Jan '21	Start Jan '22	Start Jan '23	End Dec '23
	Amounts directly from statements		'As of' date:	1/1/2020	1/1/2021	1/1/2022	1/1/2023	12/31/2023
5	IRC Restricted Fund	Bank of America *3260	Immigrat. Res. Ctr.	opened 1/2021		\$ 12,836	\$ 8,780	\$ 3,719
10	General Operating \$\$	Bank of America *6218	Main Checking	opened 2020	\$ 35,779	\$ 132,628	\$ 96,176	\$ 41,106
11	General Operating \$\$	Bank of America *5490	Debit Card	opened 2020	\$ 11,326	\$ 9,094	\$ 7,005	\$ 6,726
12	General Operating \$\$	Rockland Trust/NanBank	Checking	\$ 198,829	\$ 168,551	\$ 99,158	\$ 102,730	\$ 73,716
13	General Operating \$\$ Subtotal (w/Funds)		Rows 10:12	\$ 198,829	\$ 215,656	\$ 240,880	\$ 205,911	\$ 121,548
14	Unrestricted Reserves	UUCOMMONENDOWFUND	est. 2/2015 \$100K	\$ 130,458	\$ 150,096	\$ 161,742	\$ 127,272	moved 1/2023
15	Unrestricted Reserves	Vanguard	all	\$ 1,590,170	\$ 1,953,598	\$ 2,075,319	\$ 1,636,342	\$ 1,963,873
16	Subtotal Unrestricted Reserves		Rows 14:15	\$ 1,720,628	\$ 2,103,694	\$ 2,237,061	\$ 1,763,614	\$ 1,963,873
17	Subtotal all Unrestricted (include General Op \$\$)		Rows 10:15	\$ 1,919,457	\$ 2,335,381	\$ 2,477,941	\$ 1,969,525	\$ 2,085,420
18	Restricted Reserves	TIAA Nuveen *8788	Organ Maintenance	\$ 82,863	\$ 91,839	\$ 98,103	\$ 85,680	\$ 94,714
19	Subtotal Restricted Accounts (separate accounts)		Rows 5:9 + 18	\$ 82,863	\$ 107,870	\$ 130,423	\$ 94,460	\$ 98,433
20	Subtotal all above		Rows 5:18	\$ 2,002,320	\$ 2,427,220	\$ 2,608,364	\$ 2,063,985	\$ 2,183,853
21	Subtotal all except 'IRC Restricted Fund'		Rows 10:18	\$ 2,002,320	\$ 2,411,189	\$ 2,576,043	\$ 2,055,206	\$ 2,180,134
22	vs prior visible	comparing row 21			\$ 408,869	\$ 164,854	\$ (520,838)	\$ 124,929
24								
25				Start Jan '20	Start Jan '21	Start Jan '22	Start Jan '23	End Dec '23
26	1/20/2024 10:53 AM	Consumer Price Index (CPI) = Inflation		256.974	260.474	278.802	296.797	306.746
27		inflation vs same date prior year		2.3%	1.4%	7.0%	6.5%	3.4%
29	Sanford Trust (not ours; right to income only)	BNY-Mellon		\$ 231,962	\$ 224,998	\$ 269,311	\$ 214,370	\$ 211,923