

Second Congregational Meeting House Society, Unitarian Universalist, Nantucket
Statement of Net Assets (unaudited)
As of June 30, 2020

PRELIMINARY-FOR MEMBER DISCUSSION PURPOSES ONLY

ASSETS:

BofA Checking	\$98,108
BofA Debit Card	783
Rockland Trust Checking	117,322
Undeposited Funds	<u>0</u>
Cash and cash equivalents	216,213
Accounts receivable	0
Pledges receivable (1)	17,395
Prepaid expenses	<u>0</u>
Total current assets	<u>233,608</u>
Vanguard (2)	1,702,154
UU Common Endowment Fund	126,177
TIAA Organ Fund	<u>82,824</u>
Investments	<u>1,911,155</u>
Total assets	<u>\$2,144,763</u>

LIABILITIES:

Accounts payable	\$0
Event deposits	0
Deferred pledge revenue (1)	<u>4,968</u>
Total current liabilities	<u>4,968</u>
Restricted funds (3)	172,109
PPP loan payable (4)	<u>24,630</u>
Total long-term liabilities	<u>196,739</u>
Total liabilities	<u>\$201,707</u>

NET ASSETS: \$1,943,056

(1) Pledges receivable are in the process of being reconciled. Pledge revenues are reported on an accrual basis in the accompanying Statement of Changes in Net Assets.

(2) The Vanguard investment balance includes \$100,000 that was transferred from Rockland Trust in February 2020, so it may yield earnings to be used for annual budgetary purposes, i.e., \$2,000 of interest income per 2020 Budget approved by the membership. These monies may be moved back to UU Nantucket's bank accounts and used for general operating purposes at a later date.

(3) See attached supporting schedule for a detailed list of restricted funds.

(4) The PPP loan was received in May 2020, which we anticipate will be entirely forgivable. Thus, before this year ends, we anticipate that the loan will be extinguished and a corresponding gain will be recorded in the Statement of Changes in Net Assets for the year ending December 31, 2020.

Second Congregational Meeting House Society, Unitarian Universalist, Nantucket
 Restricted Funds (unaudited)
 As of June 30, 2020

PRELIMINARY-FOR MEMBER DISCUSSION PURPOSES ONLY

RESTRICTED FUNDS:

American Tower Overpayment Reserve (\$78,168 RD
Back Yard and Garden Fund	2,764 R
Caring Team Fund	733 R
Coffee Hour Supplies Fund	445 RD
Food Rescue Fridge Reserve (2)	521 RD
Hanner Memorial Music Fund (3)	3,419 RD
Honoring Rev. Linda Fund	21 RD
IRS Duplicate Refund Reserve (4)	4,688 RD
Immigration Resource Center	42 RD
Lay Led Committee Fund	1,075 R
Membership Committee Fund	749 R
Minister's Discretionary Fund	5,099 RD
Monday Night Suppers	164 RD
Music Enlivenment Fund (3)	4,450 RD
Noonday Concert Series Fund (3)	1,800 RD
Organ Maintenance Reserve	3,448 RD
Organ Playing Fund	750 RD
Parsonage Capital Maintenance Reserve	53,009 R
RE Committee Fund	703 R
Sabbatical Provision Reserve	9,282 R
Social Action Fund	779 R
Total restricted funds	<u>\$172,109</u>

(1) This fund represents what is believed to be an overpayment by American Tower for UU Nantucket's share of rents and revenues in connection with AT's tenants' (e.g., Verizon, etc.) use of the steeple to facilitate cellular services. The matter is being researched currently in an effort to resolve whether this reserve needs to be returned to ATC or is truly due to UU Nantucket. The Finance Committee/Board will report back to the membership with an update on this matter no later than, but hopefully prior to, the next Annual Meeting.

(2) This fund was substantially used in May 2020, as a result of a payment made to ACK Energy in the amount of \$6,828 for solar panels installed on the Food Rescue Fridge site. The remaining balance and future rebates received are/will be reserved for future fridge maintenance.

(3) The Music Enlivenment Fund was established by the Board in 2019, to support and expand music programming. The Board voted to transfer a total of \$2,500 from the Hanner Memorial Fund (\$1,032) and the summer 2019 gate from the Noonday Concert Series Fund (\$1,468). Additionally, the June 30 balance reflects 2020 donations of \$1,950 to the MEF. Separately, the MEF Task Force also raised \$1,800 funding for this summer's virtual Noonday concerts.

(4) This fund was established in 2018, because it was believed that UU Nantucket had received an overpayment by the IRS for a duplicate payroll tax refund. In May 2020, the I.R.S. confirmed to the volunteer treasurer that it has no record of having made any such overpayment. Furthermore, the volunteer treasurer was unable to obtain any proof that such an overpayment was made. Rather, he believes that the two payments from the I.R.S. in question relate to (a) the return of employee payroll taxes to the Minister, and (b) the return of employer payroll taxes to UU Nantucket. The Finance Committee voted at its July 30, 2020 meeting to recommend to the Board that this reserve was not necessary and thus should be recorded as a special item in the third quarter of 2020. The Board will address this matter at its August 20, 2020 meeting.

R=Restricted as to purpose.

RD=Restricted as to purpose by a donor.

Second Congregational Meeting House Society, Unitarian Universalist, Nantucket
Reserves (unaudited)

As of June 30, 2020

PRELIMINARY-FOR MEMBER DISCUSSION PURPOSES ONLY

	<u>Vanguard</u> (1)	<u>UUCEF</u>	<u>TIAA Organ</u> (2)	<u>Total</u>
Beginning balance, January 1, 2020	\$1,524,541	\$130,305	\$82,863	\$1,737,709
Investments	100,000	0	0	100,000
Distributions	(23,956)	0	0	(23,956)
Investment income	13,679	588	546	14,813
Net gains (losses)	87,890	(4,043)	(585)	83,262
Investment fees and expenses	0	(673)	0	(673)
Ending balance, June 30, 2020	<u>\$1,702,154</u>	<u>\$126,177</u>	<u>\$82,824</u>	<u>\$1,911,155</u>

(1) The Vanguard investment balance includes \$100,000 that was transferred from Rockland Trust in February 2020, so it may yield earnings to be used for annual budgetary purposes, i.e., \$2,000 of interest income per 2020 Budget approved by the membership. These monies may be moved back to UU Nantucket's bank accounts and used for general operating purposes at a later date.

(2) The TIAA Organ Fund is a restricted fund by a donor for maintenance on the Goodrich organ.

Second Congregational Meeting House Society, Unitarian Universalist, Nantucket
 Statement of Changes in Net Assets (unaudited)
 for the six months ended June 30, 2020

PRELIMINARY-FOR MEMBER DISCUSSION PURPOSES ONLY

	FULL YEAR 2020 Budget	6 MONTHS Actual	6 MONTHS Reserves	6 MONTHS Total	COMMENTS
INCOME:					
Pledges (1)	\$87,600	\$84,580		\$84,580	See Note 1.
Contributions	12,679	65,056		65,056	\$6.9K Sunday Plate; \$8.2K gifts; \$50K special memorial gift
Rental income	85,253	41,095		41,095	Represents \$28.6K of outside rental income and \$12.5K virtual parsonage rent. See Note 2.
FUNDraising	16,848	429		429	Represents craft sale proceeds. See Note 3.
Other income:					
Sanford fund income	9,000	4,500		4,500	The Sanford Fund income has been recorded on an accrual basis, 50% of which has been received to date.
Endowment transfers	47,915	23,956	(23,956)	0	First two quarters' distributions (i.e., 50% of budget at 4-mo. point!)
Investment income	2,000	358	14,588	14,946	\$82 bank interest plus \$276 money market interest (estimated annual income \$1,700) Stock market has fluctuated dramatically in the first six months of 2020 due to pandemic and other global uncertainties. Expect continuing market volatility for foreseeable future.
Net gains (losses)			83,262	83,262	UUCEF fee allocation.
Investment fees and expenses			(673)	(673)	
Total income (loss)	261,295	219,974	73,221	293,195	
EXPENSES (4):					
Ministry	111,046	56,173		56,173	50.6% of budget
Building and Grounds	68,910	39,426		39,426	57.2% of budget
General and Administrative	37,379	18,059		18,059	48.3% of budget
Music Program	24,451	11,296		11,296	46.2% of budget; does not take into account Music Enlivenment Fund spending to come.
RE Program	8,408	3,965		3,965	47.2% of budget
Denominational Affairs	5,439	5,514		5,514	UUA contribution for its year ended June 30, plus one registration fee for UUA GA.
Committee Budgets	1,300	650		650	50% of budgeted accruals for the committees has been expensed through June 30.
Contingency	4,362	0		0	
Total expenses	261,295	135,083	0	135,083	
Change in net assets	\$0	\$84,891	\$73,221	\$158,112	
BEGINNING NET ASSETS				1,784,945	
ENDING NET ASSETS				\$1,943,056	

(1) Pledge revenues are recorded on an accrual basis. They reflect known pledges as of June 30, 2020. An additional \$7,000 of pledges was received in July.

(2) Rents forecasted during the last six months of 2020 include \$900 HillTown, \$5,700 ATC, \$3,630 SHIM, \$3,500 Town, \$1,800 Nantucket Energy and \$12,500 Virtual Parsonage for a total of \$28,030, which, added to the first six months totals \$71,545. Thus, we anticipate to come in \$16,128 below the budgeted rental income amount of \$85,253 for the year.
 NOTE: Forecasted SHIM rents exclude September, due to Shirat usage, and November and December because the Sanctuary is not heated.

(3) The 4th of July fundraiser raised only ~\$350. The Communications Committee is planning a virtual auction to culminate some time in August. Additionally, the budget contemplated a yard sale and December Delight. Should these remaining fundraisers yield less than the budgeted ~\$17K fundraising goal, the Communications Committee plans to submit a grant to the Community Foundation to make up the difference under a special Covid-related program that the CF has put in place for not-for-profit organizations that fail to meet their fundraising goals on Nantucket in 2020.

(4) See attached supporting schedule for a detailed list of operating

SPECIAL COLLECTIONS: April 12, 2020 Share the Plate with the Food Pantry \$1,335.00

Second Congregational Meeting House Society, Unitarian Universalist, Nantucket
 Operating Expenses (unaudited)
 As of June 30, 2020

PRELIMINARY-FOR MEMBER DISCUSSION PURPOSES ONLY

EXPENSES:	FULL YEAR 2020 Budget	6 MONTHS Actual
Ministry	<u>\$111,046</u>	<u>\$56,173</u>
Minister's Salary	45,860	22,861
Minister's Housing (virtual parsonage)	25,000	12,500
Minister's Pension	7,086	3,536
In Lieu of Employer's FICA = SECA	5,421	2,470
Minister's Benefits	15,826	7,583
Minister's Professional Development	2,100	
Minister's Professional Expenses	8,503	6,724
Guest Speakers	1,250	500
Building and Grounds	<u>67,860</u>	<u>39,426</u>
Sexton's Payroll	11,710	4,681
Fire and Liability Insurance	29,000	22,884
Repairs and maintenance	5,868	1,379
Parsonage Capital Maintenance Provision	4,792	1,597
Utilities	15,190	7,934
Cleaning and building supplies	1,300	951
General and Administrative	<u>39,179</u>	<u>18,059</u>
Office Manager, Payroll	21,273	12,401
Advertising & PR	1,300	255
CC Processing Fees	750	790 (1)
Dues	150	514
Permits and licenses	0	50
Telephone and internet	2,970	1,480
Office supplies	3,596	745
Postage	300	286
Outside professionals	8,840	1,538
Music Program:	<u>24,451</u>	<u>11,296</u>
Music Director, Payroll	20,526	10,001
Music Director, Vacation Pay (replacements)	500	250
Music Director, Professional Development	1,090	
Music Director, Sick Pay (replacements)	500	
Supplemental guest musicians	1,000	200
Instrument maintenance/tuning	535	765
Sheet music and supplies	300	80
RE Program:	<u>8,408</u>	<u>3,965</u>
RE, Payroll	7,758	3,965
RE, Professional Development	150	
RE, Expenses	500	
Denominational Affairs	<u>5,439</u>	<u>5,514</u>
Committee Budgets:	<u>1,300</u>	<u>650</u>
Social Action Committee	350	175
Membership Committee	350	175
Caring Team	250	125
Lay Led Committee	350	175
Contingency	<u>4,362</u>	<u>0</u>
Total expenses	<u><u>\$262,045</u></u>	<u><u>\$135,083</u></u>

(1) Previously classified as contra-revenue in budget.