

# Treasurer's Report – April 30 2023

## MEMBERSHIP AND PLEDGING

Per UUFSD's recently updated [bylaws](#), "Any person who is in agreement with the purposes of this Fellowship shall become a Voting Member 30 days after signing the membership form/book and making an annual contribution of record to the General Fund of UUFSD."

This contribution of record is most often in the form of an annual pledge. Members who are married or domestic partners may, and usually do, pledge or contribute together. We also have a few pledging friends, people who pledge but choose not to sign the book and become members. This is why the number of voting members and number of pledges is not the same.

Currently we have 168 members, 13 pledging friends, and 117 pledges:

- 63% of pledges are from individuals (a year ago was 61%)
- 37% of pledges are from couples (a year ago was 39%)
- 93% of pledges are from voting members (a year ago was 96%)
- 7% of pledges are from pledging friends (a year ago was 4%)

This pledging pattern is pretty consistent year to year.

## MEMBERSHIP AND PLEDGE CHANGES SINCE LAST PLEDGE DRIVE

At the end of the pledge drive last year, we had 165 members and 115 pledges, totaling \$335k pledged. This year we have 168 members and 117 pledges, totaling \$344k pledged for FY23-24. This is a small, but encouraging, increase after the troubles of the previous year.

Every year we have a few households reduce their pledge, while many more stay the same, or even increase their pledges compared to the previous year. This year:

- 53 households maintained their pledge at the same level
- 50 households raised their pledge for a total increase of \$29k
- 14 households reduced their pledges for a total decrease \$17k, and
- 3 households resigned for a loss of \$3k

Since the end of the last pledge drive (and as just alluded to), we had 4 members from 3 households resign, mostly because they moved out of state. We also had 10 members join and added three new pledging friends, whom we hope intend on becoming members soon.

We do have eight people whose status is currently undetermined. They may wish to continue to be voting members of UUFSD, or they may be choosing to be inactive for now, or they may have resigned without yet telling anyone. We are in the process of reaching out to them to ask after their well-being and to try to confirm their intentions with respect to UUFSD.

Based on the results of the current pledge drive and the proposed FY23-24 budget, it now costs about \$2,400 per member to operate UUFSD.

## UPDATE ON BOARD DESIGNATED RESERVES

Net Income in the General Fund is extraordinarily high this year due to collecting more revenue than anticipated and not spending everything that was budgeted for FY22-23. This year's original budget allocates enough funds for a full-time minister, a part time RE coordinator, and child care staff. None of which will be spent. This is in addition to the unspent funds left over from the Covid grants we received in 2020 and 2021.

The Finance Committee has determined, and the Board has approved, that a significant portion of this windfall will be placed into Board Designated Reserves and the funds invested. This will both create an additional source of income for the General Fund going forward, and hopefully reduce the need to budget significant amounts of money for reserves in future years.

The Finance Committee, the Board of Directors, and Rev Ellie have all agreed that this is the most responsible thing UUFSD can do with this windfall. The goal is to maintain a **Facilities Reserve of \$50k** and an **Operations Reserve of \$86k** (three months of operating expenses). Whatever is used in any given year from these two reserves, the intention will be to make every effort to replace the funds withdrawn in the subsequent year/s.

In addition to the Board Designated Facilities and Operations Reserves, UUFSD maintains a Minister Reserve and a new Programs Reserve.

**Minister Reserve:** There are costs, over and above salary and benefits, associated with having a minister. These include the costs of a search, of moving, of installation, and of honoraria during a sabbatical. This reserve currently stands at about \$13k.

**Programs Reserve:** For historical reasons, UUFSD has maintained a large number of small equity accounts under the heading of "Other Funds" on our Balance Sheet. These are essentially small savings accounts for programs and committees that are largely invisible to the vast majority of members. This approach does not contribute to transparency and inclusivity in the budgeting process and it complicates our accounting. After many discussions among members of the Board, Rev Ellie, the Finance Committee, and current committee heads, the Board has approved consolidating a number of these "other funds" into a new Board Designated Program Reserve. This fund will be available to the Music, RE, and Fun& Fellowship programs/committees for any initiative proposed by the leadership and approved by the Board that is outside the scope of their annual program/committee budgets.

The Board is also committing to ensuring that, going forward, UUFSD programs are adequately funded, obviating the need that these small funds were created to address.

The small equity funds that will be rolled into this new Board-Designated Programs Reserve, creating a total reserve of \$5.2k, are:

- FND.CON.04 - Concert Fund
- FND.FNF.04 – Fun & Fellowship Fund
- FND.MUS.04 - Music Fund
- FND.REL.04 - RE Fund

## SO THAT WE DON'T FORGET...

### UUFSD IS A TAX-EXEMPT ORGANIZATION

What does that mean?

UUFSD is a religious organization and as such is not required to file Form 990 with the IRS, nor the equivalent Form 190 with CA, and so does not.

We do pay ~ \$4000/year in property taxes to San Diego County for utilities and services. We are not charged taxes on the value of the land or the improvements.

Per Finance Committee recommendation and Board of Directors approval, UUFSD does not do depreciation accounting. The rationale is we don't file taxes and we can't sell the property, so we don't need to track the value of our assets. So we don't.

As a religious organization, we are also exempted from paying California's unemployment insurance and short-term disability insurance taxes. So we don't.