



**Budget and Financial Statement Cover Sheet
For the 12/12/2010 Congregational meeting
First UU Church of Austin**

Dear Member:

We hope that the following materials will help you understand the congregation's current financial situation and what we and the board believe is the best way to allocate our resources according to our mission for next year.

Please review these documents before the Congregational Meeting on Sunday, December 12, 2010, as they will form the basis for a significant part of the agenda.

Should you have any questions, comments, or concerns about any of these materials, please contact Executive Director Sean Hale.

Sincerely,

Ed Brock
Interim Minister

Sean Hale
Executive Director
sean@austinuu.org; 452-6168 x 308

Attached Documents:

- FUUCA Net Worth
- 2011 Budget Proposal Narrative
- 2011 Budget Proposal Summary
- October 2010 Financial Statement

FUUCA Net Worth

Thanks to many decades of frugality and careful stewardship, First UU Church of Austin has a strong financial position that would be the envy of most churches and non-profits. With no debt, valuable land, and healthy savings, the church has the strength and reserves to consider loosening its belt in order to serious investments in living its mission.

The following information seeks to disentangle for the board and congregation what can be confusing financial data. By putting it into a framework that most families understand, we seek to facilitate decision-making by the church on important financial matters through a more thorough understanding of the data.

Financial Report Term	Operating Fund	Memorial Savings Fund	Other Restricted Funds	Permanent Endowment	Fixed Assets	Debt
Household Analogy	Main Family Checking Account	Regular Savings Account	Savings earmarked for college; checking for individuals in family.	Long-Term Investment	Home, other property	Mortgage, loans, outstanding credit card bills
Approx Value (Oct 2010)	\$86,000	\$270,000	\$167,000	\$117,000	\$2,181,000	\$0
Net Worth						\$2,820,000

Operating Fund

Just like most household checking accounts, this is where day-to-day income and expenses go. The budget the congregation approves flows exclusively through the operating fund.

In months (or years) when income exceeds expenses, the operating fund (just like your checking account) grows, and vice versa. Just like a family may spend more in one year than it takes in without going broke, taking out a loan, or declaring bankruptcy, a healthy operating fund can permit the church to continue functioning during temporary drops in income.

Memorial Savings Fund

Much like a family that puts money away for a rainy day or emergency, the Memorial Savings Fund represents the result of many years of frugality and a careful control of expenses.

However, while most families allow themselves to access their savings at any time, the congregation has, through the FAMP (Financial Assets Management Policy), restricted its own ability to access its savings. Even during a severe crisis or a sudden opportunity, the rules the congregation has imposed upon itself require it to vote twice, at two regularly-scheduled congregational meetings (which occur in May and December). Thus, should the church in January experience an emergency and want to access its savings, it would have to wait until December to actually withdraw the funds (following affirmative votes in May and December). Likewise, should we have a golden opportunity appear, like the option to purchase a neighboring property, we could not access savings to make that purchase for 6 to 12 months, depending on when that opportunity appeared.

Other Restricted Funds

Then we have more than thirty restricted funds. Some, like the Emergency Fund, represent money earmarked for a specific purpose in the future, like a family saving for when it has to repair the roof or send a child to college. Others, like the Paradox Players Fund or Library Fund, operate something like savings or checking accounts that individual family members have, separate from the main family account and separate from the family budget.

Permanent Endowment

The permanent endowment functions something like a long-term investment, or even a pension. The intention is, in an ideal world, to use it to generate income through interest and dividends. To do this best, the original investment remains intact so that it will generate regular, stable income for years to come.

Only in extreme emergencies would a family dip into a pension or liquidate a long-term investment. In the case of the church, it is much easier for the congregation to vote to abolish the church entirely than it is to spend any of the permanent endowment.

Most churches and non-profits build their endowments through designated gifts for that purpose, often in the form of bequests.

Fixed Assets

The church's principal fixed assets are the building and the land, much like a family's home. The church has the good fortune of owning its building and land free of all debt and mortgage.

Debt

The church has the good fortune of having no debt. No mortgage. No outstanding loans.

Net Worth

In summary, the church has a solid net worth of nearly \$3 million. This represents a solid financial foundation on which to build our future and enter our next phase of development.

2011 Budget Proposal

11/22/2010

Recommended Budget:

The Board and Executive Team recommend a 2011 budget designed to maximize the success of our settled minister search and build the foundation for us to fully live our mission. To that end, this budget prioritizes those budget items that will attract the largest number of qualified candidates and allow us to retain the best possible match.

Highlights	
Minister's Package	Full Package. Midpoint plus all UUA recommended benefits (health insurance, long-term disability, pension, and life insurance), plus moving expenses and professional expenses at UUA recommended rate.
Staff Compensation	Full Package. Midpoint for all staff, same benefits for FT staff as the minister, appropriate compensation for staff (per responsibilities).
Settled Minister Search Committee	Fully funded per UUA recommendations.
Other	Other department and committee budgets frozen at 2010 levels with the exception of costs beyond our control like utilities and insurance.

In order to do this without any meaningful reduction of the operating fund or using savings, the Executive Team recommends that the lay leadership organize and execute a fundraising event. \$19,000 represents a reasonable estimate of what a well-run volunteer effort could raise. This fundraiser should require no staff support beyond identifying and recruiting event leaders.

2011 Budget Proposal

	2010 BUDGET	2010 ACTUALS (Jan-June)	2011 PROPSAL
INCOME			
Contributions			
Forum	\$0	\$961	\$2,000
Pledge (per 11/16/10 est)	\$450,000	\$218,461	\$552,444
Sunday Plate	\$65,000	\$13,952	\$45,000
Sunday Coffee Service	\$4,000	\$1,455	\$3,000
Other	\$5,000	\$3,929	\$7,000
Rental	\$50,000	\$26,469	\$55,000
Misc. Income	\$2,000	\$5,784	\$10,000
Fundraiser *	\$0	\$0	\$18,000
Interest & Dividends	\$72	\$187	\$300
	\$576,072	\$271,198	\$692,744
EXPENSES			
Ministry Department	\$104,292	\$47,710	\$137,272
Music Department	\$80,431	\$36,388	\$86,762
Religious Ed Department			
2010 Categories	\$107,897	\$44,569	\$124,236
Sunday Kitchen			\$13,508
Program Support Dept	\$190,204	\$77,536	\$210,048
Infrastructure Dept	\$68,525	\$37,487	\$66,864
Committees			
Board/Council	\$0	\$0	\$0
Congregational Care	\$50	\$0	\$50
Facilities	\$20,000	\$5,621	\$20,000
Fellowship	\$1,000	\$177	\$1,000
Finance	\$0	\$0	\$0
Forum	\$250	\$0	\$250
Grounds	\$6,000	\$2,955	\$6,000
Media	\$625	\$621	\$625
Membership	\$500	\$0	\$500
Nominating	\$1,000	\$324	\$1,000
Settled Minister Search	\$750	\$37	\$8,300
Social Action	\$1,500	\$228	\$1,500
Webteam	\$0	\$0	\$0
Stewardship	\$2,250	\$432	\$2,250
Other Operating Fund			
Income Offsets	\$0	\$4,563	\$10,730
Misc Expenses	\$9,692	\$2,105	\$5,161
Charitable Contributions	\$12,350	\$3,150	\$12,350
	\$607,316	\$263,904	\$708,405
Net Budget Income/Expense	-\$31,244	\$7,294	-\$15,661
Annual MSF Transfer to Operating Fund	\$0	\$0	\$14,394
Net Change to Operating Fund			-\$1,267

The Infrastructure Department includes what was previously called the Facilities and Grounds department, less the facilities and grounds committees budgets.

The Sunday Kitchen 2010 budget and actuals appear in the Other Operating Fund and Infrastructure budgets.

The annual transfer to operating fund is based on 5.5% of 9/30/10 Memorial Savings Fund Balance of \$261,707. This is not a true income item, but rather the removal of restriction from funds as provided for by the FAMP, making the funds available to the operating fund.

Criteria for the budget: 2010 budget plus minister at midpoint, midpoint and benefits and appropriate pay levels for current staff, and fully-funded search committee. Only other adjustments are those beyond our control like utilities and insurance.

The fundraiser assumes a 95% lay leader role, with Executive Team's role being limited to recruiting volunteers to lead and organize the event.

Updated: 11/16/10, as approved by the Board of Trustees.

First Unitarian Universalist Church of Austin

Balance Sheet

As of October 31, 2010

	<u>Oct 31, 10</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash & Investments	
1100 · Bank	
1140 · THCU CDs	45,115.85
1130 · THCU Money Market	43,501.49
1110 · THCU Checking	22,900.44
1120 · THCU Savings	29.23
Total 1100 · Bank	<u>111,547.01</u>
1200 · Schwab Accounts	
1210 · Permanent Endowment Account	115,330.54
1220 · Mixed Investment Account	370,164.92
1230 · Murr Music Account	38,663.46
Total 1200 · Schwab Accounts	<u>524,158.92</u>
1300 · Annuity 2014	11,283.28
Total 1000 · Cash & Investments	<u>646,989.21</u>
Total Checking/Savings	646,989.21
Accounts Receivable	
11000 · Accounts Receivable	-172.00
Total Accounts Receivable	<u>-172.00</u>
Total Current Assets	646,817.21
Fixed Assets	
1500 · Fixed Assets	
1510 · Building - at cost	672,232.75
1530 · Land - Travis CAD '09 Value	1,508,930.00
Total 1500 · Fixed Assets	<u>2,181,162.75</u>
Total Fixed Assets	<u>2,181,162.75</u>
TOTAL ASSETS	<u><u>2,827,979.96</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2000 · Liabilities	
2400 · Payroll Liabilities	7,775.76
2200 · Security Deposits	80.00
Total 2000 · Liabilities	<u>7,855.76</u>
Total Other Current Liabilities	<u>7,855.76</u>
Total Current Liabilities	<u>7,855.76</u>

First Unitarian Universalist Church of Austin

Balance Sheet

As of October 31, 2010

	<u>Oct 31, 10</u>
Total Liabilities	7,855.76
Equity	
3001 · Fixed Assets - Equity	2,181,162.75
3100 · Restricted Funds	
3200 · Cong. Restricted Funds	
3220 · Permanent Endowment Fund	116,850.54
3240 · Memorial Savings Fund	269,550.14
3260 · Murr Music Fund	39,027.46
Total 3200 · Cong. Restricted Funds	<u>425,428.14</u>
3400 · Board Restricted Funds	
3560 · Worship Services Fund	1,000.00
3555 · Forum Fund	1,000.00
3406 · Bridge Builder Action Team Fund	6,812.10
3405 · Long Range Fund	41,282.73
3410 · Capital Campaign Fund	10,000.00
3415 · Paradox Players Fund	17,860.47
3420 · Religious Education Fund	
3422 · CampUU/Hogwarts Fund	6,553.61
3424 · Junior High Fund	3,304.66
3426 · Senior High Fund	4,601.12
3427 · Lecture Series Fund	368.43
3428 · Adult RE Fund	4,553.92
3429 · Children's RE Fund	587.97
Total 3420 · Religious Education Fund	<u>19,969.71</u>
3440 · Caring Fund	3,988.20
3450 · Music Fund	
3452 · Children's Choir Fund	4,717.52
3456 · Music Other Fund	2,456.06
3450 · Music Fund - Other	674.00
Total 3450 · Music Fund	<u>7,847.58</u>
3460 · Bookstore Fund	2,890.07
3465 · Denominational Affairs Fund	70.02
3470 · Facility Fund	
3478 · Grounds Fund	703.48
3472 · Emergency Fund	2,923.63
3474 · Green Sanctuary Fund	1,586.55
3476 · Recycling Program Fund	778.71
Total 3470 · Facility Fund	<u>5,992.37</u>
3480 · Flowers Fund	329.34
3490 · Technology Fund	
3492 · Internet Ministries Fund	2,797.67
3494 · Media Team Fund	976.67
Total 3490 · Technology Fund	<u>3,774.34</u>

First Unitarian Universalist Church of Austin
Balance Sheet
As of October 31, 2010

	<u>Oct 31, 10</u>
3505 - Meet & Eat Fund	391.15
3515 - Social Action Fund	2,891.00
3525 - Voyagers Fund	211.39
3530 - YARN Fund	208.24
3535 - Yew Grove Fund	91.29
3540 - Library Fund	453.02
3545 - Special Plate Fund	911.69
Total 3400 - Board Restricted Funds	<u>127,974.71</u>
Total 3100 - Restricted Funds	553,402.85
3900 - Unrestricted Net Assets	109,235.92
Net Income	-23,677.32
Total Equity	<u>2,820,124.20</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,827,979.96</u></u>

First Unitarian Universalist Church of Austin
Profit & Loss Budget vs. Actual
January through October 2010

	Total Committees		Facility & Grounds (Departments)		Ministry (Departments)		Music Dept (Departments)		Program Support (Departments)	
	Jan - Oct 10	Budget	Jan - Oct 10	Budget	Jan - Oct 10	Budget	Jan - Oct 10	Budget	Jan - Oct 10	Budget
Ordinary Income/Expense										
Income										
4000 · Unrestricted Income										
4100 · Contributions										
4140 · Forum	0.00		0.00		0.00		0.00		0.00	
4110 · Pledge	0.00		0.00		0.00		0.00		0.00	
4120 · Sunday Plate	0.00		0.00		0.00		0.00		0.00	
4130 · Sunday Coffee Service	0.00		0.00		0.00		0.00		0.00	
4190 · Other	0.00		50.00		0.00		0.00		0.00	
4100 · Contributions - Other	0.00		0.00		0.00		0.00		0.00	
Total 4100 · Contributions	0.00		50.00		0.00		0.00		0.00	
4200 · Rental	0.00		0.00		0.00		0.00		0.00	
4400 · Misc Income	0.00		0.00		0.00		0.00		0.00	
Total 4000 · Unrestricted Income	0.00		50.00		0.00		0.00		0.00	
4300 · Interest & Dividends	0.00		0.00		0.00		0.00		0.00	
4900 · Other Income										
4920 · Event	874.00		0.00		0.00		0.00		0.00	
Total 4900 · Other Income	874.00		0.00		0.00		0.00		0.00	
Total Income	874.00		50.00		0.00		0.00		0.00	
Expense										
6000 · General Expenses	0.00	7,925.00	0.00		0.00		0.00	6,500.00	0.00	
Total 6100 · Ministry Support	142.00		0.00		7,285.77	7,200.00	1,475.00		0.00	
Total 6200 · Supplies & Materials	1,934.68		33.36		43.19		1,126.91	0.00	2,189.17	4,500.00
Total 6300 · Repairs and Upkeep	0.00		54,944.95	74,760.00	0.00		0.00		0.00	
Total 6400 · In house services	996.65		0.00		0.70		26.83		16,178.40	30,300.00
Total 6500 · Miscellaneous	1,857.19		25.00		5,975.31	7,500.00	110.62	1,000.00	580.99	4,300.00
Total 6600 · Employee Expenses	739.33		17,735.88	19,765.00	74,680.57	89,592.00	57,874.26	72,931.00	116,080.58	151,104.00
Total 6700 · Charitable Contributions	0.00		0.00		0.00		0.00		0.00	
Total Expense	5,669.85	7,925.00	72,739.19	94,525.00	87,985.54	104,292.00	60,613.62	80,431.00	135,029.14	190,204.00
Net Ordinary Income	-4,795.85	-7,925.00	-72,689.19	-94,525.00	-87,985.54	-104,292.00	-60,613.62	-80,431.00	-135,029.14	-190,204.00
Net Income	-4,795.85	-7,925.00	-72,689.19	-94,525.00	-87,985.54	-104,292.00	-60,613.62	-80,431.00	-135,029.14	-190,204.00

First Unitarian Universalist Church of Austin
Profit & Loss Budget vs. Actual
January through October 2010

	Religious Ed Dept (Departments)		Other Operating Fund		TOTAL			
	Jan - Oct 10	Budget	Jan - Oct 10	Budget	Jan - Oct 10	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
4000 · Unrestricted Income								
4100 · Contributions								
4140 · Forum	0.00		1,096.34		1,096.34	0.00	1,096.34	100.0%
4110 · Pledge	0.00		352,265.10	450,000.00	352,265.10	450,000.00	-97,734.90	78.28%
4120 · Sunday Plate	0.00		28,658.33	65,000.00	28,658.33	65,000.00	-36,341.67	44.09%
4130 · Sunday Coffee Service	0.00		2,289.28	4,000.00	2,289.28	4,000.00	-1,710.72	57.23%
4190 · Other	0.00		9,524.31	5,000.00	9,574.31	5,000.00	4,574.31	191.49%
4100 · Contributions - Other	0.00		0.00		0.00	0.00	0.00	0.0%
Total 4100 · Contributions	0.00		393,833.36	524,000.00	393,883.36	524,000.00	-130,116.64	75.17%
4200 · Rental	0.00		46,053.01	50,000.00	46,053.01	50,000.00	-3,946.99	92.11%
4400 · Misc Income	0.00		6,961.60	2,000.00	6,961.60	2,000.00	4,961.60	348.08%
Total 4000 · Unrestricted Income	0.00		446,847.97	576,000.00	446,897.97	576,000.00	-129,102.03	77.59%
4300 · Interest & Dividends	0.00		248.66	72.00	248.66	72.00	176.66	345.36%
4900 · Other Income								
4920 · Event	0.00		0.00		874.00	0.00	874.00	100.0%
Total 4900 · Other Income	0.00		0.00		874.00	0.00	874.00	100.0%
Total Income	0.00		447,096.63	576,072.00	448,020.63	576,072.00	-128,051.37	77.77%
Expense								
6000 · General Expenses	0.00	1,150.00	0.00		0.00	15,575.00	-15,575.00	0.0%
Total 6100 · Ministry Support	0.00		0.00		8,902.77	7,200.00	1,702.77	123.65%
Total 6200 · Supplies & Materials	365.40		3,063.28	5,000.00	8,755.99	9,500.00	-744.01	92.17%
Total 6300 · Repairs and Upkeep	0.00		-451.52		54,493.43	74,760.00	-20,266.57	72.89%
Total 6400 · In house services	0.00		0.00		17,202.58	30,300.00	-13,097.42	56.77%
Total 6500 · Miscellaneous	655.80		3,096.53		12,301.44	12,800.00	-498.56	96.11%
Total 6600 · Employee Expenses	88,294.12	106,837.00	3,487.00	4,692.00	358,891.74	444,921.00	-86,029.26	80.66%
Total 6700 · Charitable Contributions	0.00		11,150.00	12,350.00	11,150.00	12,350.00	-1,200.00	90.28%
Total Expense	89,315.32	107,987.00	20,345.29	22,042.00	471,697.95	607,406.00	-135,708.05	77.66%
Net Ordinary Income	-89,315.32	-107,987.00	426,751.34	554,030.00	-23,677.32	-31,334.00	7,656.68	75.56%
Net Income	-89,315.32	-107,987.00	426,751.34	554,030.00	-23,677.32	-31,334.00	7,656.68	75.56%