

2024-2025 Proposed Budget

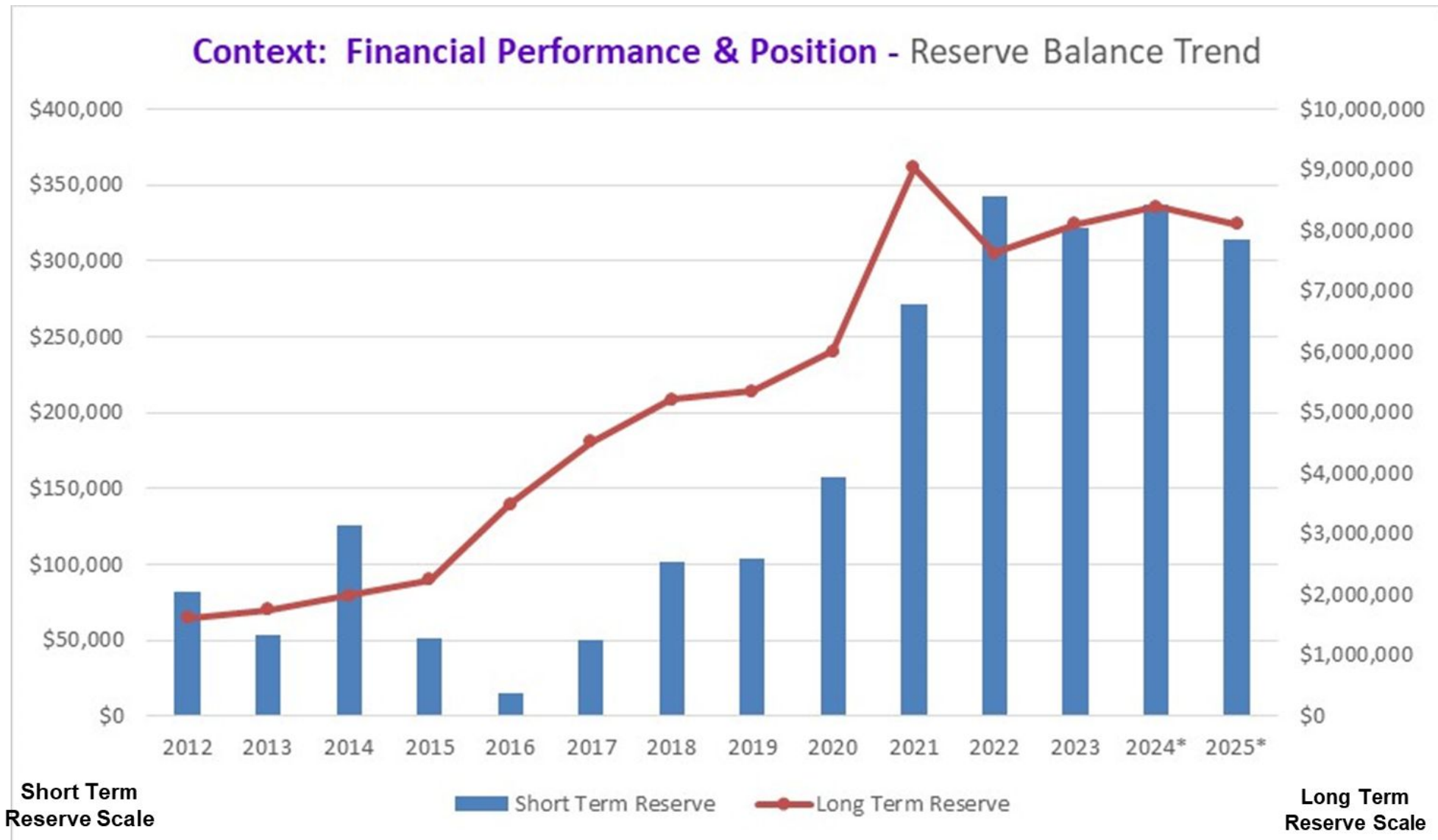
For Vote at Annual Meeting of the Congregation, June 9, 2024

The Board of Trustees recommends the proposed July 1, 2024- June 30, 2025 budget for congregational approval at the annual meeting on June 9, 2024.

Shari Halliday-Quan, Lead Minister
Robert Lyubomirsky, Treasurer
Florence Jessup, Director of Operations

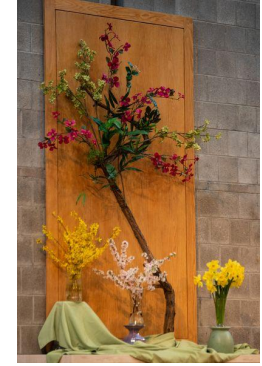
Location: [2024-2025 Proposed BUDGET vAnnual Meeting.pptx - Google Slides](#)

- Context Setting: Financial Performance & Position (Page 3)
- Executive Summary (Page 4-5)
- 2023-2024 Financial Projections (Page 6)
- Key Assumptions for 2024-2025 Year (Page 7 - 8)
- 2024-2025 Budget Proposal & Trends (Page 9 - 11)
- Senior Minister Compensation Proposal (Page 12)
- The Vote (Page 13)
- Detail Budget Link (Page 14)



Message: Short Term Reserve (**Blue Bar**) is **3x+** over 2012, Long Term Reserve (**Red Line**) is **4x+** over 2012

Exec Summary



- **2023-2024 year is ending strong financially.** We'll exceed budgeted pledge income & a new income stream was introduced: Interest on our cash reserves. We anticipate a return of \$ to Operating Cash Reserve (i.e. short term savings).
- With the switch to two in-person and online services and a lot of newcomers among us, attendance is up significantly. And everything costs more than it used to. To balance this past year's budget, we reduced some staff support by cutting the hours of a position this past year and have felt those effects.
- The number of households giving more than the cost/member has declined. This is typical for congregations and non-profits, but it is an unsustainable financial model. This proposed budget continues in the trend of recent years of relying increasingly on "passive" sources of funding (endowment draw) rather than "active" congregant giving.
- Still, many households increased their giving or are giving for the first time. **Your generosity is what allows us to propose this 24-25 budget, which is grounded in our Values, Mission, and Ends**

Exec Summary

Key areas of focus for 2024-2025:

- Leadership development and support for new and experienced lay leaders and staff.
- Build a deeper bench for covenant repair to support our becoming the multigenerational, multicultural justice-oriented spiritual community we are called to be.
- Develop programming for retirement-age adults and young adults (18-25, 20's & 30's)
- We are a community of communities. Build relationships between places of vibrancy and grow the collaborations between congregations and teams within First Unitarian
- Our digital ministry continues to serve longtime members who join us on Sundays, as well as newcomers and returnees asynchronously across many platforms. This requires constant learning.
- We continue a multi-year process to align our staffing with local, national, and UUA compensation guidelines, changing organizational needs, and our values as an employer
- Rev. Verdis continues the work of helping us grow our souls and institutional identity. He will begin programming in the coming year.

It is anticipated that the transfer into the Operating Reserve account at the end of 2023/2024 will fund the use of the reserve to balance the budget for 24/25.

2023-2024 Financial Projections (Based 3Q Forecast)



2023-2024 year is ending strong financially.

Why? Because we collected additional Pledge Income and managed expenses well and slightly exceeded our “other income” category (example: Financial Income, Contributions, Plate Collection).

Note: Projection of 2023/24 took place post March Results

2023/2024 I&E View (Projected vs. Budget)			
Category	Budget 2023/24 <small>(7/1/23 - 6/30/24)</small>	Projected 2023/2024 <small>(7/1/23 - 6/30/24)</small>	Comments
Pledge Collections	\$680,000	\$680,000	Increased Prior Year Pledge Income. Better than expected Uncollectables. Additional in-Year Pledge Units.
Building Use Fees	\$50,000	\$54,143	Maintain Winton Road Nursery School thru out the year; Welcome back New Horizon.
Fund Raising	\$15,000	\$21,433	Improve Fundraising Results
From Income Endowment Fund	\$335,534	\$335,535	In line with Projections
From Operating Cash Reserve Fund	\$39,000	\$39,000	In line with Projections
Other Income	\$73,000	\$82,171	Increase Financial Income, Contribution, Misc Income & Service Plate Income
TOTAL INCOME	\$1,192,534	\$1,212,282	
Administration & Finance	\$255,338	\$223,097	Less Administration Staffing, Web Design & Publication/Advertisement Cost
Building Operations	\$196,346	\$202,038	Incr in City Taxes; Maint Contracts, City Utility Charges
Denominational	\$65,269	\$65,269	In line
Child Religious Education	\$98,162	\$93,774	Less RE staffing Expenses
Social Justice	\$5,227	\$4,093	
Leadership & Governance	\$9,700	\$4,700	Less Training cost needed
Congregational Care and Outreach	\$46,960	\$38,895	
Worship, Music & Arts	\$105,707	\$98,966	Additional Guest Speakers
Ministerial Staff	\$232,206	\$224,430	Less Comp due to Leave Insurance
Staff Benefits	\$177,619	\$170,869	Less Required Benefits, based on Staff Level
TOTAL EXPENSES	\$1,192,533	\$1,126,129	
Move to Operating Cash Reserve	\$1	\$86,153	Project Year End Operating Cash Reserve Account increases to ~300K+

Guiding Values in our Planning Process

Our Ends name the impact that we aim to have in the world. This guides our investments (of time, planning, and of course, money):

1. We are an inclusive spiritual community of belonging, welcoming all people to find their spiritual home with us:

- a. Caring for each other in times of joy, sorrow and transition.
- b. Giving generously of our time, talent and treasure to make our vision real.

2. We cherish and respect our children and youth, supporting their spiritual journey, and preparing them to live a life aligned with our Unitarian Universalist principles.

3. We engage in spiritual growth and development:

- a. Providing inspiration, support and courage to explore our whole selves.
- b. Recognizing our racial bias and confronting its impact on our relationships and behaviors
- c. Developing our ability to communicate openly and with loving kindness.
- d. Strengthening our spiritual connections within our own community and beyond.

4. We act in partnership with others to end racial, social and economic injustice within our own community, in greater Rochester and the world.

- First Unitarian—our members and our message—plays an important role in the lives of individuals, families, and our wider community.
- We can and should take wise risks. Past experience and our current context makes our income estimates based on written financial commitments increasingly less reliable, but we are outperforming our past conservatism.
- Staff are key to our congregational success and health. We prioritized retaining staffing levels and have budgeted COLAs for those who did not get one last year.

Key Environment Assumptions for 2024-2025 Year



Church Services:

- Scale to one service over the summer starting May 19 to conserve volunteer and staff energy, and return to two services in the fall

Diverse Community

- Long time members and older adults have different needs than newcomers and emerging adults (age 18-25). We cannot meet everyone's needs perfectly, but we can foster the "spiritual connection in community" of our mission that helps groups meet each other's needs for spiritual growth

Income:

- Newcomers rarely give at the level of long time members. This reflects that they are just beginning to participate and may not fully see themselves as yet as partners, but also this is in line with wealth distribution across generations
- Winton Road Nursery School, new agreement shifts responsibility for cleaning to WRNS
- 5% increase in New Horizons rent plus addition of Encore Chorus. (Eastman Community Music School program)

Just Employer

- Reduction in very part-time unfilled RE position helps scale to appropriate RE staffing.
- 12 % Health insurance increase effective 1/1/2025

2024-2025 Operating Income Proposal & Trends




OPERATING INCOME TREND


Category	Budget 2023/24 <small>(7/1/23 - 6/30/24)</small>	Projected 2023/24 <small>(7/1/23 - 6/30/24)</small>	Proposed Budget 2024/25 <small>(7/1/23 - 6/30/24)</small>
Pledges Collected	\$ 680,000	\$ 680,000	\$ 680,000
Building Usage	\$ 50,000	\$ 54,143	\$ 47,118
Fund-Raising	\$ 15,000	\$ 21,433	\$ 17,000
Income Endowment Draw	\$ 335,534	\$ 335,535	\$ 365,107
Op Cash Reserve Draw	\$ 39,000	\$ 39,000	\$ 45,832
Other Income	\$73,000	\$ 82,171	\$ 72,600
Total	\$ 1,192,534	\$ 1,212,282	\$ 1,227,657

Comments (Arrows - H/(L) over Pr Yr Plan)


Pledges Collected:

Reason: Lower Pledge Unit Count, but higher avg per PU. Improving Uncollectable thru Business Operations discipline 

Building Usage:

Reason: 3 Major Tenants, 1 reduced scope of services & 2 agreed to a very modest Rate increase 


Fundraising:

Reason: Fundraising Activity Focus (multiple Events) 


Income Endowment (IE) Draw:

Reason: In line with Invst. Comm. Recommendation. 

Operating Cash Reserve:

Reason: Offsets Building Usage Losses. Due to 3Q Forecasted Rollover. 

Other Income:

Reason: Increased Financial Income 

2024-2025 Operating Expense Proposal & Trends



OPERATING EXPENSE

Category	Budget 2023/24 <small>(7/1/23 - 6/30/24)</small>	Projected 2023/24 <small>(7/1/23 - 6/30/24)</small>	Proposed Budget 2024/25 <small>(7/1/23 - 6/30/24)</small>
Administration & Finance	\$ 255,338	\$ 223,097	\$ 253,744
Building Operations	\$ 196,346	\$ 202,038	\$ 221,412
Denominational	\$ 65,269	\$ 65,269	\$ 67,217
Child Religious Education	\$ 98,162	\$ 93,774	\$ 92,198
Social Justice	\$ 5,227	\$ 4,093	\$ 5,227
Leadership & Governance	\$ 9,700	\$ 4,700	\$ 9,700
Congregational Care and Outreach	\$ 46,960	\$ 38,895	\$ 46,360
Worship, Music & Arts	\$ 105,707	\$ 98,966	\$ 105,430
Ministerial Staff	\$ 232,206	\$ 224,430	\$ 232,206
Staff Benefits	\$ 177,619	\$ 170,869	\$ 194,163
Total	\$ 1,192,533	\$ 1,126,129	\$1,227,657

Comments (Arrows - H/(L) over Pr Yr Plan)

Admin & Finance:

Reason: Increase Property Insurance, Decrease some categories in line with usage, decrease in hours allocated for Communications position.



Building Ops:

Reason: Incr/Adjust Utilities/Services in line with usage; incr in HVAC and other maintenance contracts, increased cost of labor.



Religious Education:

Reason: In line with demand



Leadership & Governance:

Reason: Continue focusing on Leadership Training



Congr. Care & Outreach

Reason:



Worship, Music & Arts:

Reason: Reduction in line with actual expenses



Minister Staff:

Reason: Equal YOY



Staff Benefits:

Reason: Projected 12% increase in Health Insurance



Proposed 2024-2025 Budget

OPERATING INCOME

Category	Budget 2023/24	Proposed Budget 2024/25
Pledges Collected	\$ 680,000	\$ 680,000
Building Usage	\$ 50,000	\$ 47,118
Fund-Raising	\$ 15,000	\$ 17,000
Income Endowment Draw	\$ 335,534	\$ 365,107
Op Cash Reserve Draw	\$ 39,000	\$ 45,832
Other Income	\$73,000	\$ 72,600
Total	\$ 1,192,534	\$ 1,227,657

OPERATING EXPENSE

Category	Budget 2023/24	Proposed Budget 2024/25
Administration & Finance	\$ 255,338	\$ 253,744
Building Operations	\$ 196,346	\$ 221,412
Denominational	\$ 65,269	\$ 67,217
Child Religious Education	\$ 98,162	\$ 92,198
Social Justice	\$ 5,227	\$ 5,227
Leadership & Governance	\$ 9,700	\$ 9,700
Congregational Care and Outreach	\$ 46,960	\$ 46,360
Worship, Music & Arts	\$ 105,707	\$ 105,430
Ministerial Staff	\$ 232,206	\$ 232,206
Staff Benefits	\$ 177,619	\$ 194,163
Total	\$ 1,192,533	\$ 1,227,657

To be voted on

Senior Minister Compensation

Senior Minister Compensation & Professional Expenses

	Budget 2023/24	Proposed Budget 2024/25
Senior Minister Salary (including Housing Allowance)	\$112,405	\$112,405
Professional Expenses	\$11,700	\$11,700
Total	\$124,105	\$124,105

To be voted on

To be Voted On

- **Sr Minister Compensation**
- **'24-25 Proposed Budget**

Detail Budget Link

Location: [Proposed Budget 2024-2025_Detail.xlsx - Google Sheets](#)