

	C	D	E	F	G	H	I
2	Unitarian Universalist Association	FY22	FY23	FY23	FY24	Percent	FY25
3	Budget Overview	Results	Budget	3Q23 Fcst	Budget	Inc/(Dec)	Budget
4	Current Operations						
5							
6	\$ in Thousands						
7	Income:						
8	Income for General Support						
9	Annual Program Fund	8,441	8,125	8,125	7,972	-1.9%	8,171
10	Unrestricted Gifts	1,536	1,400	1,700	1,900	11.8%	1,900
11	Leadership Annual Giving	331	500	0	0	-	0
12	Bequest Income	1,742	750	750	1,000	33.3%	1,000
13	Administrative Fees	2,343	2,823	2,751	2,771	0.7%	2,771
14	Investment Income	2,368	2,571	2,571	2,576	0.2%	2,576
15	Publications Income	641	864	870	919	5.6%	919
16	Net Lease Income	1,236	1,111	1,218	1,195	-1.9%	1,195
17	Other Current Fund Income	767	751	976	648	-33.6%	648
18	Total Income for General Support	19,405	18,895	18,961	18,981	0.1%	19,180
19							
20	Income for Designated Purposes						
21	Campaign Income	1,113	1,192	813	955	17.4%	955
22	UUCSR Veatch Grants	2,018	2,466	2,471	2,457	-0.6%	2,457
23	Grants and Scholarships	838	921	1,007	1,012	0.5%	1,012
24	Ministerial Aid Funds	512	469	469	469	0.1%	469
25	Holdeen and International Trusts	1,185	2,073	1,991	1,636	-17.8%	1,636
26	Income for Other Purposes	2,317	2,057	2,235	2,256	0.9%	2,250
27	Total Inc for Designated Purposes	7,983	9,179	8,986	8,785	-2.2%	8,779
28	Total Income	27,387	28,074	27,947	27,767	-0.6%	27,960
29							
30	Expenses:						
31	Board & Volunteer Leadership	233	369	399	354	-11.2%	354
32							
33	Programs:						
34	Organizing Strategy	981	1,310	1,272	1,244	-2.2%	1,327
35	International Programs	1,678	2,144	2,105	1,697	-19.4%	1,699
36	Congregational Life	4,733	5,251	5,130	5,130	0.0%	5,165
37	Ministries and Faith Development	5,621	6,480	6,632	7,133	7.6%	7,026
38	UU Funding Program	1,043	1,491	1,496	1,482	-0.9%	1,483
39	Crisis Relief & Misc. Programs	281	143	186	135	-27.4%	135
40	Communications	1,328	1,558	1,482	1,559	5.2%	1,643
41	Publications	1,235	1,287	1,317	1,355	2.9%	1,374
42							
43	Total Programs	16,899	19,663	19,620	19,735	0.6%	19,853
44							
45	Administration	2,068	2,126	2,195	2,209	0.6%	2,221
46	Contingency/Salary Increase	0	739	0	833	-	833
47							
48	Infrastructure						
49	Stewardship and Development	2,212	2,541	2,448	2,678	9.4%	2,729
50	Information Technology Services	1,663	1,718	1,740	1,804	3.7%	1,685
51	Internal Services	3,034	3,481	3,585	3,498	-2.4%	3,609
52	Total Infrastructure	6,910	7,739	7,773	7,980	2.7%	8,023
53							
54	Total Expenses	26,110	30,636	29,987	31,111	3.7%	31,283
55							
56	Depreciation Spending	0	620	620	624		624
57	Depreciation Spending Laptops	0	40	40	21		21
58	Church Staff Finances Reserve	0	125	125	125		125
59	Beacon Press Occupancy Cost	0	300	260	0		0
60	UU the Vote releases	0	0	0	422		0
61	One-time data system projects	0	0	0	180		0
62	UUCEF release from BP Investment	0	0	0	45		45
63	Subtotal - Current Excess/(Deficit)	1,277	(1,477)	(995)	(1,927)		(2,508)
64	before Prior Period Surplus						
65							
66	PPP Loan Usage	0	575	537	874		470
67	COIC Implementation Funds	0	507	161	526		174
68	Received Prior Year Surplus	0	395	395	395		395
69							
70	Current Section Excess/(Deficit)	1,277	(0)	98	(132)		(1,469)
71							

	D	E	F	G	H	I	J
1	Unitarian Universalist Association	FY22	FY23	FY23	FY24	Percent	FY25
2	Forecast Summary	Results	Budget	3Q23 Fcst	Budget	Inc/(Dec)	Budget
3	Current Operations Expenses						
4							
5	<i>\$ in Thousands</i>						
6	Income:						
7	Income for UUA General Support						
8	Annual Program Fund	8,441	8,125	8,125	7,972	-1.9%	8,171
9	Unrestricted Gifts	1,536	1,400	1,700	1,900	11.8%	1,900
10	Leadership Annual Giving	331	500	0	0	0.0%	0
11	Bequest Income	1,742	750	750	1,000	33.3%	1,000
12	Administrative Fees	2,343	2,823	2,751	2,771	0.7%	2,771
13	Endowment Income	2,368	2,571	2,571	2,576	0.2%	2,576
14	Publications Income	641	864	870	919	5.6%	919
15	Net Lease Income	1,146	1,111	1,218	1,196	-1.8%	1,196
16	Other Current Income	745	751	976	648	-33.6%	648
17		19,293	18,895	18,961	18,981	0.1%	19,180
18	Income for Designated Purposes						
19	Campaign Income	1,113	1,192	813	955	17.4%	955
20	Veatch Grants	2,018	2,466	2,471	2,457	-0.6%	2,457
21	Grants and Scholarships	838	921	1,007	1,012	0.5%	1,012
22	Ministerial Aid Funds	512	469	469	469	0.1%	469
23	Holdeen & International Trusts	1,185	2,073	1,991	1,636	-17.8%	1,636
24	Income for Other Purposes	2,317	2,057	2,235	2,256	0.9%	2,250
25		7,983	9,179	8,986	8,785	-2.2%	8,779
26	Total Income	27,275	28,073	27,947	27,767	-0.6%	27,959
27							
28	Board & Volunteer Leadership						
29	Board of Trustees	79	136	151	111	-26.2%	111
30	Board Committees	88	88	98	98	0.3%	98
31	Moderator	10	20	20	20	0.0%	20
32	Nominating Committee	12	13	18	15	-16.7%	15
33	Commission on Appraisal	21	17	17	15	-14.1%	15
34	Ministerial Fellowship Committee	20	75	75	75	-0.3%	75
35	Commission on Social Witness	3	20	20	20	1.1%	20
36	Total Board & Volunteer Leadership	233	369	399	354	-11.2%	354
37							
38	Programs:						
39	Organizing Strategy	981	1,310	1,272	1,244	-2.2%	1,327
40							
41	International Office	228	249	268	286	6.7%	287
42	Holdeen International Partners	130	154	20	17	-13.0%	17
43	Holdeen India Program	1,136	1,473	1,565	1,194	-23.7%	1,194
44	UU-UNO	183	267	252	200	-20.6%	201
45	Total International	1,678	2,144	2,105	1,697	-19.4%	1,699
46							
47	Congregational Life						
48	Congregational Life	1,872	2,138	2,213	2,335	5.5%	2,361
49	Southern Region	646	739	800	817	2.1%	820
50	New England Region	865	901	902	830	-7.9%	833
51	CL-Combined Staff Costs	264	272	32	0	-100.0%	0
52	Central East Region	1,055	1,172	1,155	1,120	-3.0%	1,124
53	Office of Congregational Stewardship Services	31	28	28	27	-3.6%	27
54	Total Congregational Life	4,733	5,251	5,130	5,130	0.0%	5,165
55							
56	Ministries and Faith Development						
57	Resource Development Office	608	726	765	931	21.7%	861
58	Youth and Young Adult Ministries	705	1,020	983	1,136	15.6%	1,115
59	Director of Ministries and Faith Development	722	653	695	672	-3.4%	674
60	Multicultural Programs	273	407	408	556	36.2%	557
61	Director of Ministerial Credentialing	136	140	143	142	-0.5%	143
62	Director of Transitions	351	395	416	410	-1.6%	411
63	Office of Church Staff Finances	765	994	1,035	1,066	3.0%	1,069
64	Office of UUA Health Plan	297	214	172	203	18.0%	204
65	Director of Professional Development	202	209	215	217	0.7%	217
66	Worship Arts	117	208	148	184	24.7%	158
67	Scholarships and Ministerial Ed Grants	293	334	471	420	-10.9%	420
68	Continuing Education	55	105	105	105	0.1%	105
69	Aid Funds	574	537	537	539	0.4%	539
70	Panel on Theological Education	523	539	539	553	2.7%	553
71	Total Ministries and Faith Development	5,621	6,480	6,632	7,133	7.6%	7,026
72							
73	UU Funding Program	1,043	1,491	1,496	1,482	-0.9%	1,483

	D	E	F	G	H	I	J
1	Unitarian Universalist Association	FY22	FY23	FY23	FY24	Percent	FY25
2	Forecast Summary	Results	Budget	3Q23 Fcst	Budget	Inc/(Dec)	Budget
3	Current Operations Expenses						
74	Crisis Relief & Misc. Programs	281	143	186	135	-27.4%	135
75							
76	Communications						
77	IPW Office	541	725	778	701	-9.9%	783
78	Periodicals Office	787	832	704	857	21.8%	860
79	Total Communications	1,328	1,558	1,482	1,559	5.2%	1,643
80							
81	Publications						
82	Publications Administration	576	579	596	614	3.0%	616
83	UUA Bookstore	659	707	721	741	2.8%	758
84	Total Publications	1,235	1,287	1,317	1,355	2.9%	1,374
85							
86	Total Programs	16,899	19,663	19,620	19,735	0.6%	19,853
87							
88	Administration						
89	Office of the President	515	515	569	564	-0.9%	566
90	Office of the Executive Vice President	1,042	1,131	1,164	736	-36.8%	742
91	Contingency Expense	0	431	0	439	-	439
92	Salary Increase	0	308	0	394	-	394
93	Equity, Belonging and Change	0	0	0	498	-	499
94	Human Resources	511	479	462	412	-10.7%	414
95	Total Administration	2,068	2,865	2,195	3,042	38.6%	3,054
96							
97	Infrastructure:						
98	Stewardship and Development						
99	Vice President, Development	723	793	769	934	21.4%	981
100	APF Campaign	470	570	585	590	0.9%	592
101	StewDev Events	38	96	96	85	-11.0%	85
102	Friends Campaign	330	399	401	400	-0.3%	400
103	Charitable Gift and Estate Planning	198	209	203	211	3.7%	211
104	Comprehensive Campaign	453	473	394	458	16.2%	459
105	Total Stewardship and Development	2,212	2,541	2,448	2,678	9.4%	2,729
106							
107	Information Technology Services	1,663	1,718	1,740	1,804	3.7%	1,685
108							
109	Internal Services:						
110	Finance						
111	Treasurer and Vice President of Finance	468	418	446	450	0.9%	452
112	Financial Services	827	831	881	864	-1.9%	867
113	Total Finance	1,295	1,249	1,327	1,315	-0.9%	1,319
114							
115	Facilities						
116	24 Farnworth Street	1,628	2,232	2,258	2,183	-3.3%	2,290
117	Total Operations Services	1,628	2,232	2,258	2,183	-3.3%	2,290
118							
119	Total Internal Services	2,923	3,481	3,586	3,498	-2.5%	3,608
120							
121	Total Infrastructure	6,798	7,739	7,774	7,980	2.6%	8,022
122	Total Expenses	25,998	30,636	29,987	31,111	3.7%	31,283
123							
124	Depreciation Spending	0	620	620	624		624
125	Depreciation Spending Laptops	0	40	40	21		21
126	Church Staff Finances Reserve	0	125	125	125		125
127	Beacon Press Occupancy Cost	0	300	260	0		0
128	UU the Vote releases	0	0	0	422		0
129	One-time data system projects	0	0	0	180		0
130	UUCEF release from BP Investment	0	0	0	45		45
131	Subtotal - Current Excess/(Deficit) before Prior Year Surpluses	1,277	(1,477)	(995)	(1,927)		(2,508)
132							
133	PPP Loan Usage	0	575	537	874		470
134	COIC Implementation Funds	0	507	161	526		174
135	Received Prior Year Surplus	0	395	395	395		395
136							
137	Current Section Excess/(Deficit)	1,277	(0)	98	(132)		(1,469)
138							

Budget Fiscal Year 2024 – Flux Analysis

The following is an analysis of the changes from the FY23 Q3 forecast to the FY24 budget. Changes of 10% or more and \$100k or more are described.

Overall income – down 0.6% / \$180k

Annual Program Fund – down 1.9% / \$153k

FY23 has seen our post-pandemic increase in APF performance finally begin to fade. Expectations for the current year are that APF will fall by about 3.75% versus FY22. There's no single explanation for this, but the most common characteristic reported back to the UUA is that financial stress at mid-sized congregations is daunting and that several of them have had to reduce APF contributions to balance their budgets.

The budget for FY24 reflects further expected declines in APF. We made lower asks for congregations in FY24 due to smaller overall congregational budgets. However, we've recently received the certification data that will drive the FY25 APF ask, and we know that asks will rebound next year.

The APF decline for FY23 means that we will allocate \$342k of our reserved PPP income towards meeting the operating budget shortfall for the current year. Then, for FY24, this amount will increase to \$664k. Recall that the methodology for calculated theoretical APF performance incorporated a 2% year-over-year increase in APF, and since our forecast growth for FY24 is much less than 2%, it follows that we would expect a larger allocation of the PPP reserve in the FY24 budget. This required PPP draw related to APF is included in the below the line adjustment to the budget.

Unrestricted gifts – up 11.8% / \$200k

Note that we have chosen to combine our unrestricted gifts budget, mainly our Friends of the UUA program, and our major gift fundraising, Leadership Annual Giving, into a single line item on the FY24 budget. The combined amount of these accounts is forecast to increase to \$1.9 million next year versus this year's forecast of \$1.7 million. Performance in these line items is often linked to our plans for campaign income. In other words, we can ask donors for either unrestricted or restricted gifts, but strong performance in one often comes at the expense of the other.

Bequest Income – up 33.3% / \$250k

Bequest income is notoriously difficult to forecast, and we are mindful of the downside risk of assuming large bequest totals, as these funds can fail to materialize. Having said that, we are now amid a fourth straight year of strong bequest performance, and we must acknowledge the possibility that this is a new normal, one potentially influenced by the strong Wake Now our Vision campaign of 2017-2019. From FY20-FY23 we will have ended up averaging over \$1.1 million in bequest income. We feel comfortable with using this larger figure in the budget, especially since we are hedging some of the downside risk by not applying our FY22 surplus to the budget in the same manner we did last year with the FY21 surplus. In other words, we have the capacity to absorb a miss on the bequest budget, yet we believe this figure is supportable given recent trends.

Other Current Fund Income – down 33.6% / \$328k

This is a catch-all account for other unrestricted income that mainly includes outside trust income but also captures miscellaneous income items. The two drivers of the decline for next year are that the current year's forecast includes \$250k in unrestricted income to the UUA from the resolution of the Doolittle Home negotiations, and that the FY23 forecast also includes a \$50k transfer from General Assembly to the UUA operating budget to cover a portion of the extra cost we incur during years when there is an in-person GA. Because GA 2024 will be virtual, this transfer is eliminated in the FY24 budget.

Campaign Income – up 17.4% / \$142k

Even in stable times, the campaign income can be noisy because this figure results from releasing restricted funds towards their intended purpose, not from the underlying fundraising activity. Adding to the complexity this year is that we had planned to use a significant amount of UU the Vote reserve funds in the current fiscal year, but because of FY23 running well ahead of our financial expectations we can instead defer the release of some of these funds until FY24. This dynamic shows up in two different areas, both on the Campaign Income line item and below the line on the UU the Vote releases figure. Adding the two of these together results in expected restricted income releases of about \$1.38 million, or a number 69% higher than what we expect to release this year.

The ability to have so much restricted income to release ahead of the critical 2024 election cycle is only possible because of the ongoing success our Stewardship and Development team has had in raising funds under this campaign. Indeed, for FY24 alone, StewDev expects an additional \$350k of UU the Vote fundraising, and this campaign routinely attracts between \$250k and \$500k of contributions each year.

Holdeen and International Trusts – down 17.8% / \$355k

The declines in revenue supporting our international office come from two areas, distributions on the Holdeen Trusts and grants received from outside funders. We anticipate declines in both areas for FY24. For the Holdeen Trusts, the distributions from these investments are relatively volatile, using a trailing 12-month average market value as the basis for the distributions. Because market conditions were not as favorable in 2022 and 2023 as they were in 2021, we expect distributions from the Trusts to decline by about 15.6% for FY24. This follows a 23% increase in the current fiscal year, and what we are projecting for FY24 is still greater than FY22 and sufficient to support our ongoing international partnerships. We also are the recipients of outside trust money that we administer and distribute to our international colleagues, less any administrative fees assessed by the UUA. We know that one large outside grant will end during FY24. Note also that over the past several years the UUA International Office has built up reserves in its Holdeen India Program that would allow us to maintain our funding levels even if market conditions for the Trusts continue to weaken.

Overall Expenses – up 3.7% / \$1.12 million

International Programs – down 19.4% / \$408k

This decrease tracks the expected decline in outside grants and Holdeen Trust distributions discussed earlier. The declines in income are offset almost entirely by decreased grantmaking available from the Holdeen India program and by lower expected UUA administrative fees.

Ministries and Faith Development – up 7.6% / \$501k

Ministries and Faith Development has seen a few new positions added over the past couple years and the staff group is at work on several projects and curriculum updates, much of whose cost is offset using COIC implementation funds shown below the line. In particular, the COIC funds are earmarked to pay for a full year of the Revitalizing Children and Family Ministries Associate, and project work around Children and Family Ministries, the Mosaic Curricula, update the Our Whole Lives materials and project funds toward Youth Ministry Visioning.

Crisis Relief and Miscellaneous Programs – down 27.4% / \$51k

For budget purposes, we assume a figure for UU Disaster Relief Fund grants consistent with the long run average for the program. Because FY23 saw increased donations to the Disaster Relief Fund and large grants distributed to affected congregations, this causes the FY24 budget to look like a significant decrease.

Stewardship and Development – up 9.4% / \$230k

The large increase in the StewDev line it on here stems from salary and benefit expense, and the scale of the increase is skewed by the fact that this staff group has had several position vacancies in FY23 that has depressed the baseline figure for this comparison. In the original FY23 budget, we expected total salaries and benefits for StewDev to be \$1.69 million. The current forecast has the department over \$50k below this, and the gap would be close to double that if we applied the observed COLA adjustment to the FY23 budget figure. The FY24 budget assumes all vacancies will be filled and a full year of the new gift processing position that was approved in last year's budget. Additionally, the budget includes \$30k for the first phase of work in identifying a replacement platform for our Raisers Edge donor relationship management system.

Contingency/Salary Increase

Contingency is set in the by-laws as 3% of unrestricted expenses and amounts to \$438k.

We have also budgeted for a 3% cost of living adjustment for staff effective 7-1-23. We have also included smaller amounts for grade and job changes and funds intended to address the findings our compensation equity study. Overall, \$394k is budgeted for these items. Note that the 3% COLA for staff centers equity and creates larger percentage raises for employees earning below the median wage and smaller increases for higher paid staff.

Depreciation Spending

A more comprehensive review of our FY24 and beyond capital budget will be shared at the May meeting. For the purposes of this budget, we have input the anticipated depreciation costs for FY24 of \$624k. The operating budget does include significant depreciation expense in the Information Technology Services and Internal Services lines of the budget. However, depreciation expense is a non-cash expense, and this \$624k below the line adjustment corrects for the non-cash nature of

these expenses. Such an approach must be accompanied by a detailed look at upcoming capital expense projects to make sure that the cash outlays involved for capital expenses are in line with UUA's funding capabilities.

We also have included an additional \$21k in depreciation expense used in the operating budget related to the administration's decision to begin expensing the purchase of laptops and other hardware peripherals. The current UUA policy calls for items under \$2,500 to be expensed rather than set up as fixed assets, but our practice had been to aggregate such purchases and capitalize the hardware. This practice led to problems such as unpredictable fixed asset write offs on disposed equipment. Expensing all laptop purchases causes extra expense in the short term as we finish depreciating existing equipment while expensing all new purchases. This effect should be finished after FY25 and after that the accounting cost to the UUA will be the same. However, for FY24, we have \$21k in extra expense, and we propose including this additional amount of allowable depreciation spending in the operating budget.

Church Staff Finances Reserve

The Office of Church Staff Finances, which oversees the benefit programs for congregations and the UUA, has accumulated a significant cash reserve over the years. These funds are unrestricted but have been held aside for special projects. In FY24 the reserve will be tapped for continued support of the UUA operating budget at a level equal to the transfer made in FY23. Because these funds were received in past years, the cash expended is not technically income in FY24, and is therefore shown on a separate line below the expense section.

Beacon Occupancy Cost Transfer

The new finalized memorandum of understanding between UUA and Beacon Press asks Beacon to contribute 55% of its total occupancy costs toward the UUA operating budget. For FY24, this amount is \$363k. Depending on Beacon's results, an amount up to the full occupancy cost for Beacon, currently \$660k, could potentially be transferred to UUA for use in our operating budget. However, based on Beacon's FY24 budget, we do not expect any supplemental occupancy costs to be transferred to the UUA next year. The base amount of \$363k is included in the Income for Other Purposes line, and the zero for supplemental occupancy transfer can be seen in the below the line section of the budget.

Notes on Fiscal Year 2025 "Out-year" Budget

The purpose of creating a budget for the year following the upcoming budget year is to see where current income and spending trends are pointing. Last year, we shared a much longer forecast with the Values and Resources group to see how the UUA operating budget will fare after we more fully deplete some of the limited use funds (COIC Implementation, PPP, etc.), and we should update and review this document with this group in the weeks ahead.

The FY25 budget presented on this sheet only adjusts our personnel costs when we have positions in for just a portion of FY24 but expect full year costs in FY25. As such, the income figures are virtually unchanged, and the expense column shows just modest increases. Changes to fundraising, investment, administrative and outside income, as well as programmatic changes at the UUA will become the dominant factor as FY25 budget season approaches, but these items are hard to predict in advance.