



UUA Board Meeting – January 2026

FYE25 AUDIT UPDATE & FY26 FORECAST 1



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- FY25 Audit process update
- FY26 Forecast 1
- Update to 3-year plan



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FY25 Audit process update

- Audit processes were finalized in early December and the Audit committee met on December 2nd to review with our accounting firm CBIZ.
- The audit was clean, and no items were raised in the management comment letter that were material. There is more work to do on updating our accounting processes, but an outstanding job done by our Director of Finance & Accounting, Carol Gable.
- The Audit Committee will be establishing time this spring to review the audit with the full board



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FY27 – 30 Budget & Projection

As a reminder...



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FY27 – 30 Budget & Projection

- Formally started the process of identifying our path towards financial sustainability in three years – **In process**
- A refresh of the strategic plan is viewed as a key element providing clarity of purpose for UUA and allowing for the prioritization of projects and programs – **In process**
- Reaffirmed that multiple channels of revenue growth is part of what will bring a successful, sustainable, financial future – **Conversations started**
- Will take a strategic approach to headcount reductions employing several strategies and ensuring appropriate support for affected staff – **the first step, a retirement incentive program, was completed in early December with a net savings of 4-5 positions**
- **Unrestricted cash balance of \$10.6M at FYE25 on unaudited financial statements reduced to \$3.7M by designations for UUA loan program (\$4.8M) and Beacon Press (\$2M)**



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Towards Financial Sustainability – 3 Year Plan

Increase UUA's resource streams

- Stewardship & Development
 - APF congregational giving
 - Fundraising
- Endowment management
- Church Staff Finances

Still the Areas of Focus

Reduce our expense footprint

- Program prioritization through execution of a strategic plan
- Staff reductions from FY26 – 28
 - Open positions
 - Retirement incentives
 - Programmatic prioritization
- Target specific operating expenses



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FY26 Forecast 1 Update

- We are trending in a much more favorable direction (\$400K loss for F1 vs. \$2.3M budgeted) with increased giving and lower compensation costs driving the differential
- One main concern is that the bulk of the increased giving is coming from bequest dollars. We want to re-purpose the bequest dollars as look beyond the current 3-year timeframe
- We are in negotiations with a tenant for the 6th floor and will hope to have positive news for you at your next meeting. The market does seem to be recovering, but the pace is still much lighter than in the past.
- We do have liquidity needs and we are building a rolling quarterly view that will cover two fiscal years. A key element that gets captured here is income that is "released from restrictions". That transactions shows up as income, but it is cash that already sitting in our bank accounts. About \$2.5M that is reflected as income is not new cash, but cash that was already in our bank accounts.



UUA Financial Sustainability - 3 Year Plan; F1 Update							
		Revenue Growth		3.35%	3.54%	5.80%	4.83%
Item	FY25 (orig budget)	FYE25	FY26 (Orig Budget)	FY26 (Forecast1)	FY27 (Orig Bgt)	FY27 (F1)	Notes for FY26 Forecast
Income							
APF	\$ 7,899	\$ 7,941	\$ 7,908	\$ 7,924	\$ 8,066	\$ 8,066	
Bequests	\$ 1,000	\$ 1,476	\$ 1,100	\$ 1,901	\$ 1,100	\$ 1,100	Bequests are already \$801K better than FY26 budget
Donor Fundraising (res + unres)	\$ 3,270	\$ 3,580	\$ 3,105	\$ 3,890	\$ 3,686	\$ 3,686	
Veatch Grants	\$ 2,389	\$ 2,339	\$ 2,370	\$ 2,370	\$ 2,494	\$ 2,494	
Administrative Fees	\$ 2,830	\$ 2,720	\$ 2,938	\$ 2,776	\$ 3,030	\$ 3,030	
Endowment	\$ 2,663	\$ 2,526	\$ 2,783	\$ 2,524	\$ 2,908	\$ 2,908	
Aid & Scholarships	\$ 1,949	\$ 1,552	\$ 1,936	\$ 1,959	\$ 1,885	\$ 1,885	
Holdeen Trusts	\$ 1,520	\$ 1,531	\$ 1,695	\$ 1,480	\$ 1,697	\$ 1,697	
Other (Leasing)	\$ 1,355	\$ 637	\$ 637	\$ 637	\$ 637	\$ 637	
Other (Grants, GIP, GA, & Regional Shr)	\$ 5,676	\$ 7,173	\$ 7,275	\$ 6,953	\$ 8,103	\$ 8,103	
Other (Misc)		\$ 729	\$ 1,121	\$ 749	\$ 1,177	\$ 1,177	
Publications	\$ 950	\$ 806	\$ 998	\$ 1,017	\$ 1,048	\$ 1,048	
Revenue Baseline - Current	\$ 31,501	\$ 33,010	\$ 33,866	\$ 34,180	\$ 35,831	\$ 35,831	
Additional Revenue Growth*			\$ 250	\$ -	\$ 250	\$ 250	
New Revenue Baseline			\$ 34,116	\$ 34,180	\$ 36,081	\$ 36,081	
Expense							
		Expense Growth		-3.95%	-8.35%	4.68%	10.42%
Expense Baseline - Current; no contingency	\$ 34,011	\$ 37,733	\$ 36,480	\$ 34,582	\$ 38,187	\$ 38,187	FY26 F1 Drivers are compensation and contingency
Additional Expense Reduction**			\$ -	\$ -	\$ (500)	\$ (500)	
New Expense Baseline	\$ 34,011	\$ 37,733	\$ 36,480	\$ 34,582	\$ 37,687	\$ 37,687	
New Operating Result							
	\$ (2,510)	\$ (4,723)	\$ (2,614)	\$ (402)	\$ (1,606)	\$ (1,606)	
Allowable Depreciation	\$ 1,336	\$ 627	\$ 771	\$ 735	\$ 771	\$ 771	
New Operating Result (Plus Depreciation)	\$ (1,174)	\$ (4,096)	\$ (1,843)	\$ 333	\$ (835)	\$ (835)	
Impact on Unrestricted Cash:							
Starting Cash Balance		\$ 9,445	\$ 5,349	\$ 5,349	\$ 3,506	\$ 5,682	
New Operating Result (Plus Depreciation)		\$ (4,096)	\$ (1,843)	\$ 333	\$ (835)	\$ (835)	
Ending Cash Balance		\$ 5,349	\$ 3,506	\$ 5,682	\$ 2,671	\$ 4,847	
Less Restricted - Actuals as of FYE25 and for Q1 FY26		\$ 5,000	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	In Q1 FY26 we added \$1.5M and released almost \$3M
Available Cash		\$ 349	\$ (94)	\$ 2,082	\$ (929)	\$ 1,247	
*Additional Revenue Growth - current budget growth of x%; potential new lessee with rent starting in Q4 of FY27; Potential endowment growth to +\$300M							
**Additional Expense Reduction - retirement incentive program impact in FY27; holding open positions							



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Towards Financial Sustainability – 3 Year Plan

FY26 Year One – On the revenue side focus on fee structures (APF, Health Care Plan, Endowment management, etc...) to reach the additional \$250K in revenue; On the expense side focus on open positions, a retirement incentive program, and specific reductions in certain expense line items; Develop UUAs strategic plan over the course of the fiscal year to go into FY27 with focus and clarity around program goals and objectives

FY27 Year Two – On the revenue side add additional focus on fundraising guided by the strategic plan; On the expense side add stabilizing building rental income; Have a new reporting structure that will enable UUA management to meet its financial sustainability goals

FY28 Year Three – On both revenue and expense ensure execution doesn't lose traction and that reporting keeps the overall goals and objectives transparent through to completion

No Changes to Strategy

FY25 Loss moves things up one year

Better performance through Forecast 1 in FY26

Cash management is an issue



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QUESTIONS & ANSWERS