



UUA Board Meeting – April 2026

FYE26 FORECAST 2 UPDATE & FY27 PROPOSED CONSOLIDATED OPERATING BUDGET

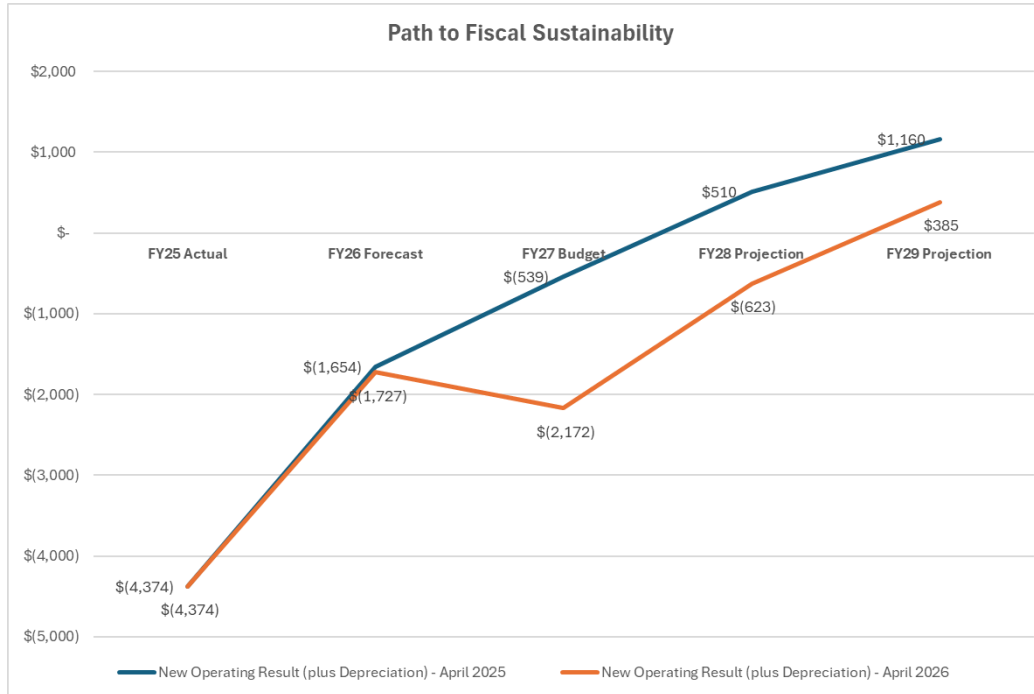


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- FYE26 Forecast 2 update
- FY27 Proposed Consolidated Operating Budget
- Update to the 3-year plan for fiscal sustainability



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- The UUA board approved the 3 Year Plan (Blue Line) in April of 2025
- Deficits were approved by the Board through FY27, but we are trending well to the FY26 target
- This view includes projected income increases, expense reductions, and eliminates depreciation
- As the projections move to actuals, we will highlight the specific drivers of change
- The deficit spending is supporting the necessary investments in new staff, systems, and processes needed to move us into fiscal sustainability



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FYE26 Forecast 2 Update

- **FYE gross forecasted deficit (\$2.1M) less depreciation (\$0.4M) nets to (\$1.7M). The gross deficit is currently \$0.9M lower than the board approved budget deficit of \$3M**
- The waterfall includes revenue drivers of bequest income (+\$1.5M v budget), unrestricted revenue (+\$0.2M v budget), and slowing growth in overall expenses (-\$0.3M v budget) which offset an overall decline (-\$0.5M v budget) across remaining revenue categories
- An uptick in closed congregations has resulted in greater revenue contribution
- While bequest income significantly outperformed its target (\$2.6M vs. \$1.1M), this doesn't replace the need for our daily operations to be covered by more standard and repeatable revenue sources
- Now that we are preparing for our Forecast 3 review, we will monitor revenues and expenses more closely as we look to reach the \$1M of improvement in our deficit



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FY27 Proposed Budget

- The proposed budget for Fiscal Year 2027 is a loss of (\$2.6M). Eliminate depreciation (\$0.4M) and the loss drops to (\$2.2M).
- The submitted budgets do include the proposed increases in revenue or reductions in expense reflected in the 3-Year Plan. As the proposals move to actual steps the UUA is formally taking, the projected dollars will be rolled into the budget.
- This budget reflects the higher costs of the in person general assembly in San Jose, CA.
- The retirement incentive program headcount reductions will impact FY27 but will be offset by the approval of new roles that are needed to meet the UUAs strategic objectives. Net savings will be in the ~\$300K range.



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FY26 – 29 Budget & Projection

- **Formally** started 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, Work will begin in April of 2026**
- Reaffirmed that multiple channels of revenue growth is part of what will bring a successful, sustainable, financial future – **Conversations started; New leadership in StewDev and at the Director levels in Congregational Life and MFD; AFP 2-day retreat in July to map a way forward**
- Will take strategic approaches to headcount reductions employing several strategies and ensuring appropriate support for affected staff – **the first step is completed with the retirement incentive program driving approximately \$300K of net savings; Additional steps will need to be taken in FY27**
- **Unrestricted cash balance of \$9.M at 3/31/26 (unreconciled) with UUA (\$3.5M), UUA loan program (\$2.2M) and Beacon Press (\$3.3M); \$2M of UUAs balance is a transfer from the endowment**



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QUESTIONS & ANSWERS