

Treasurer's Report – December, 2021

Tom von Alten

January 20, 2022

This month’s report has a brief snapshot of our preliminary income statement as of Dec 31, halfway through FY2022 (page 4), and two detailed proposals for the Board’s consideration:

- 1) **Restructuring our Equity / Net Asset funds;** and
- 2) **Amending the current FY2022 operating budget** to reflect mid-year changes in expected revenue, and the Personnel Committee’s proposal for staff compensation.

The first proposal has been under discussion since last summer, including my presentation of the history of our equity funds at the board retreat, and reflects suggestions and feedback from Rev. Sara, Rachel Strong, Debbie Johnson, Linden Boice, and Sue Langley.

The desired finished product will simplify the Balance Sheet reporting considerably, for the benefit of staff and board oversight. If accepted, and when implemented, the equity funds section would be about half as long as it is now, and would look like this:

Equity Funds after proposed restructuring		
		Balance (est.)
310	Permanent Assets	1,917,494
320	Undesignated Net Assets	221,744
350	Board-designated Net Assets	
	350.12 Building Major Repair & Capital	23,161
	350.25 Engaging Space	39,079
370	Net Assets with Donor Restrictions	
	370.08 Boston Bounders	20,228
	370.15 CCT - Pay It Forward	11,253
	370.17 Building Major Repair	50,000
	370.22 Interfaith Sanctuary Meals	1,257
	370.37 Jeremiah's Garden	229
	370.43 Library	1,398
	370.59 Outdoor Sanctuary	51,909
	370.60 Partner Church	24,988
	370.64 Quest Steering Committee	4,678
	370.65 Quilt Raffle	198
	370.73 Social Justice	439
	370.80 Asylum Seekers	36,165
		2,404,219

Restructuring Equity / Net Asset funds Proposal

Describing the component steps of the restructuring in two groups, (mostly) from “top to bottom” of the Equity Funds portion of the balance sheet (following), with items highlighted:

RENAMING and RECOMBINING

- 1) Rename **320** Operating Fund to **Undesignated Net Assets**
- 2) Rename **350** Directed Funds to **Board-designated Net Assets**
- 3) Rename **350.12** Building Repair Reserve to **Building Major Repair & Capital**
- 4) Stop using the 350.19 Camping Fund, and account for expense and revenue within the operating budget (with nominal net revenue of 0).
- 5) Rename **350.25** Capital Expenditures to **Engaging Space**
- 6) Merge 350.27 Durable Equipment Reserve to **350.12 Building Major Repair & Capital**
- 7) Rename 370 Restricted Funds to **Net Assets with Donor Restrictions**
- 8) Rename **370.17** Charles and Dorothy Hansen to **Building Major Repair**
- 9) Merge 370.56 Memorial Bricks with **370.59 Outdoor Sanctuary**
- 10) Merge 370.67 Rainbow Outreach with **370.73 Social Justice**
- 11) Merge 370.79 Youth Resources with **370.08 Boston Bounders**

MOVING MONIES

- 1) Reclassify balances from the Camping Fund, Douglas Fund, and Music Committee to 320 Undesignated Net Assets
- 2) Reclassify the balance of the Restricted Hansen, and Durable Equipment Reserve funds to 350.12 Building Major Repair & Capital. The former is predicated on the affirmation that the donor restriction has been met, with the hearing loop, door access enhancements, and other completed accessibility projects.
- 3) Reclassify the balance of Auction 2017 Interiors to Engaging Space
- 4) Reclassify 370.09 BEC after its final accounting to Undesignated

The four mergers preserve the historical transactions in Quickbooks, and combine the balances of the merged accounts.

The anonymous donor unrestricted gift (\$50,000) was placed in the Douglas Fund. A portion of it will be used to “make ends meet” in this year’s operating budget, discussed later.

The Schwartzmans’ legacy gift (\$100,000) was placed in the Capital Expenditures (directed) fund, and will be reclassified to the restricted Building Major Repair and Outdoor Sanctuary funds, in accordance with the donors’ letter of gift.

Explanatory views from my Excel workbook are included at the end of this report.

FY2022 BUDGET AMENDMENT

In anticipation of the Personnel Committee's recommendation for FY2022 staff bonuses, on this month's agenda, and because the final AGD result and anonymous special gift all impinge on the budget, I propose we amend the FY2022 budget as follows, assuming that the Personnel recommendation is approved:

- 1) Reduce budgeted pledge income to "actual," 345,006
- 2) Reduce cancellation estimate to 2% (believed accurate for this year)
- 3) Add \$21k additional in "Other donations (100%)"
- 4) Reduce BEC gross income from \$12,000 to 0.

Those four changes to Revenue have net effect of +\$6,539.

- 5) Reduce Facilities Event Coord wages to 2,500 (from 5,400) to reflect est. BEC net loss for the year (2,500 + 1,000 Event support staff = 3,500). \$2,900 reduction plus 7.65% employer FICA is net **\$3,122 reduction** in expense.
- 6) Staff bonuses proposed by the personnel committee are \$8,518 (NOT including employer FICA or benefits that scale with salary). Estimating +7.65% and 10% for those adders, is approximately \$10,000.

The net revenue of those combined changes is **(\$339)**.

Item #3 proposes to use \$21,000 (rather than only 15,000) of the anonymous extraordinary gift of \$50,000 for this year, responding to the Personnel proposal.

BOISE UNITARIAN UNIVERSALIST FELLOWSHIP
Budget vs. Actuals: Operating Budget FY22 - FY22 P&L Classes
July - December, 2021

	HALF YEAR			
	Actual	Budget	over Budget	% of Budget
Revenue				
410 Pledge Contributions	204,947	170,283	34,663	120%
415 Ordinary Donations	5,546	7,000	(1,454)	79%
420 Fundraising	0	5,500	(5,500)	
440 BEC Gross Income		6,000	(6,000)	
468 Building Rental	5,153	6,400	(1,247)	81%
470 Other Income	1,452	3,100	(1,648)	47%
Total Revenue	217,097	198,283	18,814	109%
Gross Profit	217,097	198,283	18,814	109%
Expenditures				
510 Financial Services	2,795	2,695	100	104%
530 Insurance	5,836	2,910	2,926	201%
540 Office	12,579	9,150	3,429	137%
610 RE Program Expenses	587	1,250	(663)	47%
630 Fellowship Strand	284	650	(366)	44%
650 Worship Strand	3,813	2,750	1,063	139%
660 Justice Outreach Ministry	361	1,000	(639)	36%
680 Finance Committees	803	3,000	(2,197)	27%
690 Committees to the Board		1,500	(1,500)	0%
700 Building and Grounds	12,665	15,708	(3,042)	81%
720 Utilities	4,565	5,330	(765)	86%
760 Denominational Affairs	11,240	11,240	0	100%
770 Board & Minister Discretionary	(107)	500	(607)	-21%
780 Program Ministry Council		425	(425)	
810 Minister	55,094	56,998	(1,903)	97%
830 DRE	19,491	20,841	(1,350)	94%
850 Office Staff	41,853	47,357	(5,504)	88%
880 Music	6,303	8,853	(2,550)	71%
910 Other	(535)	1,355	(1,890)	-39%
922 Payroll Expenses	4,004	4,773	(770)	84%
Total Expenditures	181,630	198,284	(16,654)	92%
Net Operating Revenue	35,467	(0)	35,467	
Net Revenue	35,467	(0)	35,467	

Thursday, Jan 20, 2022 02:39:23 PM GMT-8 - Cash Basis

Restructuring BUUF Equity (Net Assets) funds - proposal - Jan. 20, 2022

Existing structure		Proposed Revision
310 Permanent Assets	310	Permanent Assets
320 Operating Fund	<i>rename</i>	Undesignated Net Assets
350 Directed Funds	<i>rename</i>	Board-designated Net Assets
350.12 Building Repair Reserve	<i>rename</i>	350.12 Building Major Repair & Capital
350.19 Camping Fund		<i>Move activity to operating budget rev + exp</i>
350.25 Capital Expenditures	<i>rename</i>	350.25 Engaging Space
350.27 Durable Equipment Reserve		Merge with 350.12 Building Major Repair & Capital
350.35 Jo & David Douglas Fund		<i>Reclassify balance to 320 Undesignated Net Assets</i>
370 Restricted Funds	<i>rename</i>	Net Assets with Donor Restrictions
370.04 Auction 2017 Interiors		<i>Reclassify balance to 350.25 Engaging Space</i>
370.08 Boston Bounders		370.08 Boston Bounders
370.09 BEC		<i>Finalize accounting, reclassify net to 320 Undesignated</i>
370.15 CCT - Pay It Forward		370.15 CCT - Pay It Forward
370.17 Charles and Dorothy Hansen	<i>Rename*</i>	370.17 Building Major Repair
370.22 Interfaith Sanctuary Meals		370.22 Interfaith Sanctuary Meals
370.37 Jeremiah's Garden		370.37 Jeremiah's Garden
370.43 Library		370.43 Library
370.56 Memorial Bricks		Merge with 370.59 Outdoor Sanctuary
370.57 Music Committee		<i>Reclassify balance to 320 Undesignated</i>
370.59 Outdoor Sanctuary		370.59 Outdoor Sanctuary
370.60 Partner Church		370.60 Partner Church
370.64 Quest Steering Committee		370.64 Quest Steering Committee
370.65 Quilt Raffle		370.65 Quilt Raffle
370.67 Rainbow Outreach		Merge with 370.73 Social Justice
370.73 Social Justice		370.73 Social Justice
370.79 Youth Resource		Merge with 370.08 Boston Bounders
370.80 Asylum Seekers		370.80 Asylum Seekers

ACTIONS PROPOSED

"Merge" preserves Quickbooks history from both accounts in the target

"Move activity" and "Reclassify balance" leave account as-is, will no longer show in current reports

* "Rename" of the Charles and Dorothy Hansen restricted fund provides for two things:

1. Reclassify restricted funds as undesignated, affirming that restriction has been met, and
2. Provide for the Building/Grounds restricted portion of the Schwartzman gift

ADDITIONAL NOTES

* FY22 to date as of Thursday, January 20, 2022 09:27 AM GMT-07:00

Undesignated (fka "Operating") Net FYTD is current on-budget Net Revenue

Capital Expenditures includes Schwartzman legacy gift, restructured 50-50 to Restricted Building Major Repair, Outdoor Sanctuary

Douglas Fund includes 50k extraordinary gift; restructured undesignated, with 15k to budget Net Revenue (Ordinary donations)

Restructuring BUUF Equity (Net Assets) funds - proposal - Jan. 20, 2022

Existing structure	Proposed Revision	FY21 Close	Net activity FY22TD*	Interim Balance	Reclassify	Restructured
310 Permanent Assets	310 Permanent Assets	1,917,494		1,917,494		1,917,494
320 Operating Fund	<i>rename</i> Undesignated Net Assets	29,991	30,621	60,612	161,132	221,744
350 Directed Funds	<i>rename</i> Board-designated Net Assets					
350.12 Building Repair Reserve	<i>rename</i> 350.12 Building Major Repair & Capital	1,901		1,901	21,260	23,161
350.19 Camping Fund	<i>Move activity to operating budget rev + exp</i>	327	336	663	(663)	-
350.25 Capital Expenditures	<i>rename</i> 350.25 Engaging Space	39,198	99,529	138,727	(99,649)	39,079
350.27 Durable Equipment Reserve	<i>Merge with 350.12 Building Major Repair & Capital</i>	(526)		(526)	526	-
350.35 Jo & David Douglas Fund	<i>Reclassify balance to 320 Undesignated Net Assets</i>	115,477	47,432	162,909	(162,909)	-
370 Restricted Funds	<i>rename</i> Net Assets with Donor Restrictions					
370.04 Auction 2017 Interiors	<i>Reclassify balance to 350.25 Engaging Space</i>	351		351	(351)	-
370.08 Boston Bounders	370.08 Boston Bounders	18,524	1,336	19,860	368	20,228
370.09 BEC	<i>Finalize accounting, reclassify net to 320 Undesignated</i>		(2,694)	(2,694)	2,694	-
370.15 CCT - Pay It Forward	370.15 CCT - Pay It Forward	12,003	(750)	11,253		11,253
370.17 Charles and Dorothy Hansen	<i>Rename*</i> 370.17 Building Major Repair	30,273	(8,487)	21,786	28,214	50,000
370.22 Interfaith Sanctuary Meals	370.22 Interfaith Sanctuary Meals	1,702	(445)	1,257		1,257
370.37 Jeremiah's Garden	370.37 Jeremiah's Garden	1,140	(910)	229		229
370.43 Library	370.43 Library	1,398		1,398		1,398
370.56 Memorial Bricks	<i>Merge with 370.59 Outdoor Sanctuary</i>	300	(340)	(40)	40	-
370.57 Music Committee	<i>Reclassify balance to 320 Undesignated</i>	254		254	(254)	-
370.59 Outdoor Sanctuary	370.59 Outdoor Sanctuary	1,949		1,949	49,961	51,909
370.60 Partner Church	370.60 Partner Church	34,688	(9,700)	24,988		24,988
370.64 Quest Steering Committee	370.64 Quest Steering Committee	4,378	300	4,678		4,678
370.65 Quilt Raffle	370.65 Quilt Raffle	198		198		198
370.67 Rainbow Outreach	<i>Merge with 370.73 Social Justice</i>	235		235	(235)	-
370.73 Social Justice	370.73 Social Justice	399	(196)	203	235	439
370.79 Youth Resource	<i>Merge with 370.08 Boston Bounders</i>	368		368	(368)	-
370.80 Asylum Seekers	370.80 Asylum Seekers	39,062	(2,897)	36,165		36,165
		2,251,084	153,136	2,404,219	0	2,404,219