

2018-19 Proposed Operating Budget
Prepared by Rev. Jen Crow
May 2018

Overview

The draft budget presented here and approved by the board at its April meeting is a deficit budget (\$53,000). Unlike in years past, this budget includes the payment of the principal of the mortgage and line of credit (\$42,000) in the budget. This deficit budget is in effect very similar to the “balanced” budget of last year.

In this budget, we assume that our annual giving will return to pre-capital campaign levels and reach a total of \$1,175,000, and that rental of our building will continue at the same rate. This budget includes expense increases that provide the balance needed to ensure continued alignment of our values with our employment practices while also allowing us to make strides toward the realization of specific visionary goals.

In particular, the Senior Ministers and the Board believe that is critical for our congregation to focus our attention and our resources on our visionary goal that calls us to become a multi-cultural, multi-racial, intergenerational community, where our sense of who we are is ever-expanding. In service of that vision, this budget allows the church to better support the employees of color currently on staff, and further increase the diversity of our worship and ministry staff. This budget also includes necessary increases in expenses, such as meeting the increased cost of health insurance and retirement benefits for employees.

While it is unusual for the Senior Ministers and the Board to present a deficit budget to the congregation, we believe that the time is right for the essential changes that are proposed, and we are beginning a conversation about how to retire our mortgage, which continues to be a significant expense in our operating budget (\$72,000/year), so that we will not run a deficit budget year over year.

A recently received bequest allows us to confidently anticipate a surplus of \$10,000 for our 2017-18 operating budget which can then be applied to our 2018-19 operating budget.

In previous years, the Board has permitted the expense of the mortgage and line of credit principal (\$42,000) to be paid “below the line,” meaning that this expense was not considered a part of the operating budget. The Board has changed this practice for our 2018-19 operating budget, resulting in an increase of \$42,000 to be included in our annual expenses. This \$42,000 represents the remainder of the deficit.

Income

This budget includes the following:

- Annual Giving reaches the goal of \$1,174,500
- Fundraising set at \$12,000
- Rental income equal to 2017-18 budget
- Increase in offering plate to the church by \$10,000, corresponding decrease of offering plate to the community of \$10,000
- Release of temporarily restricted funds whose identified use has past, History Hounds and Audio Visual Fund, (\$7800)

Expenses

This budget includes the following:

- Decrease of Guest Speaker line (\$1200)
- Decrease to General Maintenance and Repairs (\$4000)
- CPR training for Ushers and Staff (\$1700)
- Salary and benefit increases that include:
 - funding for additional hours for our pianist, funding to support staff of color attending Finding Your Way Home - an annual conference for Unitarian Universalist religious professionals of color, hiring of a part-time Minister of color, employees who have been employed for more than a year becoming eligible for retirement benefits, increased costs of health insurance, adjustment of salaries to bring them closer to appropriate salary ranges, professional expenses for operations staff, a small pool for merit increases (under 2%), (\$48,000)

First Universalist Church of Minneapolis
July 2018 to June 2019

Headings and Account	Operating Budget 2018-19	Year End Projections (2017-18) as of 12/31/17	Operating Budget 2017-18
Revenues			
Pledges			
Unpaid - Current Year	\$ (58,725.00)	\$ -	\$ (58,725.00)
Unrestricted Pledge Donations	\$ 1,174,500.00	\$ 1,050,000.00	\$ 1,174,500.00
Total Pledges	\$ 1,115,775.00	\$ 1,050,000.00	\$ 1,115,775.00
Contributions Unrestricted			
Hospitality Donations	\$ 600.00	\$ 600.00	\$ 700.00
Legacy Fund Contribution	\$ 47,000.00	\$ 38,000.00	\$ 38,000.00
Memorials Designated	\$ -	\$ 5,300.00	\$ -
Offering Plate for Church	\$ 48,000.00	\$ 35,000.00	\$ 38,000.00
Unrestricted Donations	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00
Unrestricted RE Donations	\$ 500.00	\$ 400.00	\$ -
Total Contributions Unrestricted	\$ 161,100.00	\$ 144,300.00	\$ 141,700.00
Contrib Released from Restr			
Families Moving Forward *	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Holiday Giving *	\$ -	\$ 23,472.00	\$ 45,000.00
Offering Plate for Community *	\$ 30,000.00	\$ 40,000.00	\$ 40,000.00
Release of temp. restricted funds	\$ 7,800.00	\$ -	\$ 5,927.67
Total Contrib Released from Restr	\$ 42,800.00	\$ 68,472.00	\$ 95,927.67
Fundraisers			
Boston Youth Trips	\$ 10,000.00	\$ 15,000.00	\$ 10,000.00
Families Moving Forward 10%	\$ 500.00	\$ 500.00	\$ 500.00
Holiday Giving 10%	\$ -	\$ 2,900.00	\$ 5,000.00
Miscellaneous Fundraisers	\$ 12,000.00	\$ 20,000.00	\$ 20,000.00
Senior High Youth Trips	\$ 500.00	\$ 500.00	\$ -
YCE	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00
Total Fundraisers	\$ 34,000.00	\$ 49,900.00	\$ 46,500.00

Program Fees						
Adult Ed Fees	\$	-	\$	7.00	\$	-
Daytime Connections	\$	1,000.00	\$	1,000.00	\$	-
Summer Camp Fees	\$	-	\$	-	\$	6,600.00
Total Program Fees	\$	1,000.00	\$	1,007.00	\$	6,600.00
Dividends & Interest						
Don Carter Fund Div & Int - Admin	\$	3,250.00	\$	3,250.00	\$	-
Unrestricted Dividends & Interest	\$	15,000.00	\$	15,000.00	\$	15,000.00
Total Dividends & Interest	\$	18,250.00	\$	18,250.00	\$	15,000.00
Rental Income						
Miscellaneous Room Rentals	\$	14,000.00	\$	9,000.00	\$	9,000.00
Shir Tikvah	\$	-	\$	4,800.00	\$	5,000.00
Southside Child Development Center	\$	103,992.00	\$	103,992.00	\$	103,992.00
T-Mobile Antennae Lease	\$	14,200.00	\$	14,025.00	\$	13,950.00
Weddings & Commitments	\$	1,000.00	\$	1,000.00	\$	1,000.00
Weight Watchers	\$	4,800.00	\$	4,800.00	\$	4,800.00
Total Rental Income	\$	137,992.00	\$	137,617.00	\$	137,742.00
Realized Gains & Losses						
Realized Gains/Losses - Fundr	\$	-	\$	-	\$	-
Total Realized Gains & Losses			\$	-	\$	-
Unrealized Gains & Losses						
Unrlzd Gain/Loss Oper A/C - Fundr	\$	-	\$	8,500.00	\$	-
Total Unrealized Gains & Losses			\$	8,500.00	\$	-
Other Income						
Miscellaneous	\$	3,333.00	\$	3,333.33	\$	3,333.33
Total Other Income	\$	3,333.00	\$	3,333.33	\$	3,333.33
Total Revenues	\$	1,513,250.00	\$	1,481,379.33	\$	1,562,578.00

Expenses

Salaries & Wages

Salaries	\$	823,705.00	\$	786,280.00	\$	809,361.00
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Total Salaries & Wages	\$	823,705.00	\$	786,280.00	\$	809,361.00
Payroll Taxes						
FICA	\$	64,922.00	\$	60,220.00	\$	61,785.00
Total Payroll Taxes	\$	64,922.00	\$	60,220.00	\$	61,785.00
Employee Benefits						
Medical Insurance						
Medical Insurance	\$	95,036.00	\$	76,300.00	\$	70,001.00
Total Medical Insurance	\$	95,036.00	\$	76,300.00	\$	70,001.00
Long Term Disability Insurance						
LTD	\$	-	\$	-	\$	-
Total Long Term Disability Insurance	\$	-	\$	-	\$	-
Life Insurance						
Life Insurance	\$	2,378.00	\$	2,325.00	\$	2,378.00
Total Life Insurance	\$	2,378.00	\$	2,325.00	\$	2,378.00
403(b)						
403(b)	\$	67,330.00	\$	66,000.00	\$	66,088.00
Total 403(b)	\$	67,330.00	\$	66,000.00	\$	66,088.00
Total Employee Benefits	\$	164,744.00	\$	144,625.00	\$	138,467.00
Professional Expenses						
Total Professional Expenses	\$	26,900.00	\$	24,900.00	\$	24,900.00
Temporary Labor						
Childcare	\$	16,000.00	\$	18,500.00	\$	16,000.00
Guest Speakers	\$	600.00	\$	1,800.00	\$	1,800.00
Musicians	\$	14,800.00	\$	14,800.00	\$	14,800.00
Substitute Sound Technicians	\$	1,000.00	\$	1,000.00	\$	1,000.00
Temp Labor - Admin	\$	1,000.00	\$	1,000.00	\$	-
Total Temporary Labor	\$	33,400.00	\$	37,100.00	\$	33,600.00
Program Expenses						
7th Grade (NF)	\$	1,000.00	\$	1,000.00	\$	1,000.00
8th Grade (OWL)	\$	1,000.00	\$	1,000.00	\$	1,000.00
9th & 10th Grade (COA)	\$	4,500.00	\$	4,500.00	\$	4,500.00
Adult Ed	\$	1,200.00	\$	600.00	\$	1,700.00

Circles	\$	1,200.00	\$	600.00	\$	1,200.00
Classroom Supplies	\$	9,500.00	\$	9,000.00	\$	11,000.00
Memorials Exp - Past Care	\$	500.00	\$	400.00	\$	-
Music Purchases	\$	3,150.00	\$	3,000.00	\$	3,000.00
Other - Adult Ministries	\$	250.00	\$	50.00	\$	1,000.00
Other - CYFM	\$	250.00	\$	-	\$	1,000.00
Other - FIA	\$	1,000.00	\$	1,000.00	\$	1,000.00
Other - Membership	\$	250.00	\$	-	\$	1,000.00
Other - Pastoral Care	\$	750.00	\$	600.00	\$	600.00
Other - Worship	\$	250.00	\$	225.00	\$	1,300.00
Piano Tuning	\$	2,000.00	\$	4,000.00	\$	4,000.00
Senior High	\$	700.00	\$	700.00	\$	700.00
Summer Camps	\$	-	\$	-	\$	6,600.00
Teacher Workshops	\$	2,000.00	\$	1,250.00	\$	2,000.00
Worship Items Miscellaneous	\$	500.00	\$	500.00	\$	500.00
Youth Social Activities	\$	500.00	\$	400.00	\$	400.00
Total Program Expenses	\$	30,500.00	\$	28,825.00	\$	43,500.00
Miscellaneous Program Expenses						
Action Groups	\$	500.00	\$	500.00	\$	500.00
Boston Youth Trips	\$	10,000.00	\$	15,000.00	\$	10,000.00
Faithful Action Council	\$	1,500.00	\$	1,500.00	\$	1,500.00
Friendship Caring Corner	\$	100.00	\$	100.00	\$	100.00
Labyrinth - AE			\$	-	\$	-
Library	\$	250.00	\$	250.00	\$	500.00
Racial Justice	\$	7,500.00	\$	7,500.00	\$	7,500.00
Senior High Youth Trips			\$	500.00	\$	-
Winter Solstice *			\$	350.00	\$	-
YCE Supplies	\$	11,000.00	\$	11,000.00	\$	11,000.00
YCE Travel	\$	-	\$	-	\$	-
Total Miscellaneous Program Expenses	\$	30,850.00	\$	36,700.00	\$	31,100.00
Membership Program Expenses						
Hospitality	\$	8,500.00	\$	8,000.00	\$	8,500.00
New Member Programs	\$	2,000.00	\$	1,500.00	\$	2,000.00
Visitor Wecoming	\$	1,000.00	\$	500.00	\$	1,000.00

Total Membership Program Expenses	\$	11,500.00	\$	10,000.00	\$	11,500.00
Fundraising Expenses						
Miscellaneous Fundraisers	\$	-	\$	-	\$	3,000.00
Planned Giving	\$	1,000.00	\$	1,000.00	\$	1,000.00
Pledge Drive	\$	4,000.00	\$	4,000.00	\$	4,000.00
Total Fundraising Expenses	\$	5,000.00	\$	5,000.00	\$	8,000.00
Administrative Expenses						
Bank Service Charges	\$	750.00	\$	500.00	\$	1,000.00
Consultants	\$	11,500.00	\$	6,000.00	\$	11,500.00
Credit Card Discount Fees	\$	13,500.00	\$	14,000.00	\$	13,000.00
Staff Training (CPR/AED)		\$1,700				
Employee Appreciation	\$	1,000.00	\$	1,000.00	\$	1,000.00
Financial Review/Audit	\$	400.00	\$	300.00	\$	750.00
Internet	\$	1,500.00	\$	1,300.00	\$	1,500.00
Mileage	\$	500.00	\$	500.00	\$	1,000.00
Office Supplies	\$	5,000.00	\$	5,000.00	\$	5,000.00
Paper	\$	2,000.00	\$	2,000.00	\$	2,000.00
Payroll Fees	\$	5,500.00	\$	5,300.00	\$	3,100.00
Postage & Shipping	\$	5,500.00	\$	5,500.00	\$	5,500.00
Printing & Copying	\$	20,500.00	\$	20,000.00	\$	19,000.00
Software	\$	8,000.00	\$	7,800.00	\$	8,000.00
Telephone	\$	5,500.00	\$	5,300.00	\$	4,800.00
Volunteer Appreciation	\$	800.00	\$	500.00	\$	825.00
Volunteer Appreciation	\$	800.00	\$	400.00	\$	825.00
Website	\$	1,500.00	\$	1,400.00	\$	1,500.00
Total Administrative Expenses	\$	85,950.00	\$	76,800.00	\$	80,300.00
Miscellaneous Expenses						
Board Exp - Admin	\$	-	\$	20.00	\$	-
SPIFF	\$	2,000.00	\$	2,000.00	\$	2,000.00
Visual Arts	\$	4,200.00	\$	4,200.00	\$	4,200.00
Total Miscellaneous Expenses	\$	6,200.00	\$	6,220.00	\$	6,200.00
Insurance						

Liability	\$	15,500.00	\$	14,500.00	\$	16,867.00
Workers Compensation	\$	7,000.00	\$	6,500.00	\$	7,120.50
Total Insurance	\$	22,500.00	\$	21,000.00	\$	23,987.50
Dues & Memberships						
Mid America	\$	10,584.00	\$	10,584.00	\$	10,584.00
Other Membership Fees and Dues	\$	-	\$	-	\$	800.00
UUA	\$	34,618.50	\$	34,618.50	\$	34,618.50
Total Dues & Memberships	\$	45,202.50	\$	45,202.50	\$	46,002.50
Utilities						
Electricity	\$	30,000.00	\$	30,000.00	\$	28,000.00
Gas	\$	16,000.00	\$	16,000.00	\$	16,000.00
Water & Sewer	\$	8,000.00	\$	8,000.00	\$	7,000.00
Total Utilities	\$	54,000.00	\$	54,000.00	\$	51,000.00
Repairs & Maintenance						
Alarm System	\$	500.00	\$	400.00	\$	1,500.00
Elevator Maintenance	\$	3,300.00	\$	3,300.00	\$	3,300.00
General Repairs & Maintenance	\$	12,000.00	\$	12,000.00	\$	16,000.00
HVAC	\$	8,000.00	\$	7,000.00	\$	10,000.00
Total Repairs & Maintenance	\$	23,800.00	\$	22,700.00	\$	30,800.00
Other Building Related Expense						
Equipment Leases	\$	-	\$	-	\$	175.00
Groundskeeping	\$	15,000.00	\$	16,800.00	\$	16,800.00
Interest Expense	\$	29,544.00	\$	35,400.00	\$	37,500.00
Janitorial Supplies	\$	8,500.00	\$	8,500.00	\$	7,500.00
Other Exp - Facility *	\$		\$	4,000.00	\$	-
Other Admin Expense	\$	250.00	\$	-	\$	750.00
Other Facility Expense	\$	250.00	\$	-	\$	750.00
Pest Control	\$	600.00	\$	600.00	\$	600.00
Sound System	\$	500.00	\$	1,000.00	\$	3,000.00
Trash & Recycling	\$	5,000.00	\$	5,000.00	\$	5,000.00
Total Other Building Related Expense	\$	59,644.00	\$	71,300.00	\$	72,075.00

Offering Plate for Community						
Habitat for Humanity *	\$	-	\$	-	\$	-
Offering Plate for Community *	\$	30,000.00	\$	38,000.00	\$	38,000.00
Simpson Meals *	\$	-	\$	-	\$	-
TRUST *	\$	-	\$	2,000.00	\$	2,000.00
Total Offering Plate for Community	\$	30,000.00	\$	40,000.00	\$	40,000.00
Other Charitable Contributions						
Families Moving Forward *	\$	5,000.00	\$	5,000.00	\$	5,000.00
Holiday Giving *	\$	-	\$	23,472.00	\$	45,000.00
Total Other Charitable Contributions	\$	5,000.00	\$	28,472.00	\$	50,000.00
Total Expenses	\$	1,523,817.50	\$	1,499,344.50	\$	1,562,578.00
Net Total before principal payment	\$	(10,567.50)	\$	(17,965.17)	\$	-
Principal on Mortgage & Line of Credit	\$	(42,193.00)		(\$39,000)	\$	(39,000.00)
Net Total after principal payment	\$	(52,760.50)	\$	(56,965.17)	\$	(39,000.00)

* Release from Restriction Account (No Net Impact)