

First Universalist Church Board of Trustees
November 15, 2018
Board Packet

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First Universalist Church of Minneapolis

Board of Trustees Meeting

November 15, 2018

6:30 p.m. Cummins Room

Agenda

I. Call to Order (6:30).

- Lighting of the Chalice

May this flame that burns before us light our way, informed by the wisdom of leaders gone before, and inspired by the trust that we have been given as stewards of this Church. May we have vision, compassion, and courage as we serve this congregation now and for the generations to come.

- Reading (see SM report)
- Spiritual reflection question (see CSM report)

II. Consent Agenda (6:50)

- Approval of minutes from October meeting.
- Monitoring: Acceptance of attendance and membership numbers
- Monitoring: Acceptance of staff and significant volunteer changes
- Monitoring: Protection of Assets, Staff/Volunteer Grievances, Exit Interviews.
- Co-Senior Minister Report, including updates on:
 - Cummins Internship progress
 - Shir Tikvah discussion status
 - Long-range sabbatical planning

III. Financial (7:00)

- A. Review of first quarter results (Jen).

IV. Annual Work Plan (7:15)

Following up on last month's discussion, the Board will review the staff's annual work plan for executing our four visionary goals.

V. Grievance Policy (7:30)

*The packet includes an **updated draft** of the proposed policy for congregant grievances against the Co-Senior Ministers, including courtesy copies of materials that accompanied this agenda item last month.*

BREAK (7:55 – 8:05)

VI. Congregational Covenant. (8:05)

The packet includes a copy of the Covenant of Right Relations that was approved by the Board in May 2015 but tabled at the 2015 annual meeting, as well as an excerpt from the GPH about the Board's covenant and an article from the UUA website about developing a covenant.

A. Review and discussion of the Covenant itself.

a. Do we as a Board follow these guidelines?

b. Does the Covenant adequately address racial justice issues?

B. Designing a process for engaging the congregation in developing a covenant.

What are the logistics of putting a process in place?

VII. Adjournment (8:30)

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**First Universalist Church of Minneapolis
Board of Trustees Meeting
October 18, 2018**

Trustees and Ministers present: Richard Spratt, Bryana French, Dick Niemiec, Christa Anders, Lillie Pang, Jen Crow, Eric Cooperstein, Cindy Marsh, Justin Schroeder, Kristin Siegesmund, Richard Spratt, Keven Ambrus

I. Call to Order

- a. Lighting of the Chalice
- b. Reading
- c. Spiritual Reflection

II. Consent Agenda

- a. Approval of Minutes from September meeting
- b. Monitoring: Acceptance of attendance and membership numbers
- c. Acceptance of staff and significant volunteer changes
- d. Co-Senior Minister Report

APPROVED

Important Dates: Please note these on your calendars:

- **State of the Church, Sunday Feb. 10, 2019, 12:45 p.m.**
- **Congregational Budget meetings**, Sunday April 28, 2019, 12:45 p.m. and Tuesday, April 30, 2019, at 6:30 p.m.
- **Annual Meeting, followed by Board brunch, Sunday June 2, 2019, 11:30 a.m.**

III. Financial

A. Review of August 2018 results

We are on track. Income and expenses followed the budget and our general expectations in August. We did close the 17 -18 church year with a \$30,000+ excess. People are paying their annual pledges and their capital pledges.

B. Authorization to payoff mortgage

We need \$660,000 to pay off the mortgage. Because of the pause in implementing the capital campaign building plan while we discuss co-locating with Shir Tikvah, we have

money sitting in accounts from the capital campaign that is not earning much, if any, interest. We have to refinance our mortgage in 2020 anyway. We would have to pay expenses of an appraisal in 2020 or 2021 in connection with a construction loan.

By paying off the mortgage, we would save the interest we are paying on the mortgage which is budgeted for this year at \$29,544. The 4.5% interest rate on the mortgage is essentially a guaranteed return on that money. In addition, we would not be using reserves or operating funds for the principal payments on the mortgage, which is \$42,193 for this year.

Other than balancing the budget for this coming year, there is no plan to use the savings to pay ongoing expenses. We would be taking advantage of the time value of money in the short term. We would not be any worse off in 2020 most likely.

Reverend Crow recommends paying off the mortgage and line of credit in full for all of the above reasons.

MOTION: A motion was made to pay off the mortgage with the money sitting in the capital campaign.

APPROVED.

C. Cummins Ministerial Internship Fund update

The Cummins Fund was launched in honor of Minister John Cummins and his wife Dru Cummins. It was a direct ask campaign to create an endowment. A Cummins Fund Investment Policy was created and can be found here:

http://firstuniversalistchurch.org/wp-content/uploads/2014/02/First_U_Cummins_Investment_Policy_FINAL-APPROVED.pdf

The most relevant parts of the policy read:

The fundraising goal for the initial establishment of the Fund is \$200,000 - with an ultimate goal of \$550,000. Except as provided below, the annual payout shall be a maximum of 5% of the Fund's value, based on a 12 quarter trailing average of the market value of the Fund, with the 12th quarter ending on December 31st of the year prior to the church fiscal year in which the funds will be used. However, during the first five years of the Fund or until the ultimate fundraising goal is achieved, the Trustees may elect a payout of 10% of the contributions received by the Fund during the calendar year prior to the fiscal year in which it will be used, instead of 5% of the Fund's value as described above. Payout amounts that are not used in the fiscal year for which

they are intended may be carried forward to the following fiscal year for the purpose stated in Section I of these Policies.

No funds have been used from the Cummins fund for the past three years and the Senior Co-Ministers are proposing to take the allowable, accumulated payout to fund a Ministerial Intern of Color. The position would be posted soon with the position to start in August 2019. We would like to support an intern of color with a mentor of color, as well as coaches to support Jen and Justin in their work. There would also be a multi-member committee that would support this work. Jen and Justin would like to be in a learning table with other congregations so that UU ministers of color have churches they could serve.

A grant application will be sent to the UUA. That grant would be for \$10,000 the first year and half that amount the second year. Anticipating that we would fly the top two applicants in for interviews. Ministers stated we are really lucky to have this fund. Our policies allow us to take out 5% for year. The money has been accumulating and so the ministers are going to withdraw the money according to that policy. They are not proposing to dip into the principal.

There are about 55 UU seminary students of color right now in Schools across the country.

MOTION: A motion was made to support the ministers' decision to go forward and hire an intern of color.

APPROVED.

IV. Grievance Policy

The GPH has a Board grievance policy, which is mostly focused on complaints of the Board violating its own policies. It does not address complaints regarding how the ministers have carried out their responsibilities. We discussed whether we need an additional policy to address such complaints and what the parameters of such a policy should be:

We took a look at a draft grievance policy drafted by the Board Chair. We don't have any policies about what happens when congregants have concerns about other congregants or complaints about the ministers. The GPH does address what happens when a congregant believes that the Board or the ministers have violated the boundaries of Policy Governance. We could say that Grievances against the ministers are covered by the Grievance Policy. And then maybe we need something else to help congregants resolve their conflicts.

Several years ago, the Board, through the Governance Committee, drafted a Congregational Covenant. The Congregational Covenant was tabled at the annual meeting for different

reasons: some people felt it needed to be more grass roots and others felt that we did not need it because our seven UU principles covered it.

We reviewed examples from other UU churches including the UUSB Disruptive Behavior and Internal Conflict Resolution Policy from Bangor, Maine and the Conflict Resolution Policy and Process and All Souls Church, Unitarian.

People want the sense that they have some kind of voice and that they are heard and they are respected. Concerns with having a committee is that they we need parameters on what they can review and would need to make sure that you have impartial participants who represent the values.

It was agreed that we will revisit in November.

V. Board Retreat

We agreed to a Board Retreat on February 2 from 9 to 1. Christa will check out a meeting location.

EXECUTIVE SESSION

VI. Co-Minister Goals for 2018-19

The Board moved into Executive Session to discuss the ministers' employment goals for 2018-2019.

V. Adjournment

The meeting was adjourned at a relatively reasonable time which the secretary did not note.

October Attendance							
			2018				2017
Adults	9:30	11:15			9:30	11:15	
1st week			0*		212	227	439
2nd week	258	203	461		334	245	579
3rd week	188	247	435		328	297	625
4th week	261	283	544		256	249	505
5th week					343	278	621
Monthly Total	707	733	1440		1473	1296	2769
Average for October	235.67	244.33	480		294.6	259.2	553.8
RE							
1st week	214	186	400		200	195	395
2nd week	209	176	385		197	157	354
3rd week	51	45	96*		229	172	401
4th week	223	176	399		53	47	100
5th week					200	160	360
Monthly Total	697	583	1280		879	731	1610
Average for October	174.25	145.75	320		175.8	146.2	322
Combined Average	409.92	390.08	800		470.4	405.4	875.8
					*MEA weekend, youth friendly service		
	*No attendance figures reported						
	*MEA Weekend, no RE, childcare only for nursery-5th grade						

**2018 Statistical Report
October 2018
Board Meeting November 15, 2018**

MEMORIAL SERVICES: 0

MARRIAGES/SERVICES OF COMMITMENT: 0

MEMBERS FOR APPROVAL: 22

Frank & Pamela Sanchez, Minneapolis
Rebecca Larrabee, Minneapolis
Marit Appeldoorn, Minneapolis
Betsy Born, Minneapolis
Paola Gonzalez & Jody Johnson, Mpls.
Carlos & Erika Lamboglia, Minneapolis
Andy Pugh & Kaitlin Hallett Pugh, Edina
Steve Eberly & MariAn Klein, Mpls.
Joel Fortgang

Mary Scavotto, Minneapolis
Ashley Tomechko, Richfield
Kevin Walsh, Minneapolis
Sojourner Beth Mahutchin & Sandy
Culpepper, Mpls.
Lindsey Myrick, Minneapolis
Karl Hillstrom, Mpls.
Jen McVann, Edina

MEMBERS REINSTATED: 3

Lane Ayres and Marion McNurlen, Edina
Kay Johnson, Minneapolis

MEMBERS FOR REMOVAL: 0

CHILDREN DEDICATED: 8

Julius David Callender, Margaret Rose Davidson, Torsten Kesler Pappajohn, Thora Kesler Pappajohn, Rose Giovanna Bernett, Vivienne Tiger Carlozzi, Anders Lachlan Hollenkamp, Annalise Elaine Polonsky

	To Date		End of Year Totals		
MEMBERS	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
(Fiscal Year)	43	66	109	54	58
TOTAL MEMBERS:	1075	1049	1,011	934	920

Total members as of the last meeting: 1050

To be added: 25
To be removed : 0
TOTAL MEMBERS: 1075

Opening Reading/Reflection

“A New National Anthem” by Ada Limon

The truth is, I've never cared for the National Anthem. If you think about it, it's not a good song. Too high for most of us with “the rockets red glare” and then there are the bombs. (Always, always, there is war and bombs.) Once, I sang it at homecoming and threw even the tenacious high school band off key. But the song didn't mean anything, just a call to the field, something to get through before the pummeling of youth. And what of the stanzas we never sing, the third that mentions “no refuge could save the hireling and the slave”? Perhaps, the truth is, every song of this country has an unsung third stanza, something brutal snaking underneath us as we blindly sing the high notes with a beer sloshing in the stands hoping our team wins. Don't get me wrong, I do like the flag, how it undulates in the wind like water, elemental, and best when it's humbled, brought to its knees, clung to by someone who has lost everything, when it's not a weapon, when it flickers, when it folds up so perfectly you can keep it until it's needed, until you can love it again, until the song in your mouth feels like sustenance, a song where the notes are sung by even the ageless woods, the short-grass plains, the Red River Gorge, the fistful of land left unpoisoned, that song that's our birthright, that's sung in silence when it's too hard to go on, that sounds like someone's rough fingers weaving into another's, that sounds like a match being lit in an endless cave, the song that says my bones are your bones, and your bones are my bones, and isn't that enough?

Reflection Questions: As a Unitarian Universalist, what speaks to you in this poem? What is provocative? Troubling? Comforting?

Monitoring Items:

Staff and Congregant Grievances: No staff or congregant grievances have been filled since we last reported on this item.

Exit Interview Summary

Recently, 3 staff have departed and this has offered an excellent opportunity to observe themes in their exit interviews. Here's what these departing employees consistently shared:

- Appreciate the opportunity to work somewhere that aligns with their values and a shared sense of mission
- Supervision and support have been excellent
- Enjoy the staff team and work environment, except for the temperature in the offices
- All said, this was a great place to land during a time of transition in their lives, and once they were back on their feet they needed to find positions that paid more and allowed for a chance to advance
- Benefits are excellent
- Appreciated the focus on racial justice and dismantling white supremacy culture

Particular feedback from our departing staff person of color included:

- The staff of color have a very different experience than other staff. Congregants did not always know what to do with her or recognize her as staff, she felt like they saw her as out of place. Some congregants approached her speaking Spanish, assuming she was the caterer at church events. Great appreciation for the work we are doing on racial justice, and we still have a long way to go. It is hard to recruit POC on staff because of our location. Felt very supported by staff and leadership.

Protection of Assets/Insurance Coverage

See attached summary of coverage.

Annual Work Plan, 2018-19, Draft (Goals for 2018-2019)

First Universalist's Visionary Goals

1. First Universalist is a faith community committed to a transformational spiritual path guided by Unitarian Universalism's theology and Seven Principles. Our worship, spiritual practices, and rituals unify us, challenge our assumptions, provide comfort, and connect us to the holy.
2. First Universalist is a multi-generational congregation where we connect to ageless wisdom, our ever-evolving religious tradition, listen for the call of love, and build meaningful relationships and community.
3. First Universalist is a multi-racial, multi-cultural, and intergenerational faith community of mutual caring and support where people bring all of who they are and welcome each other with joy. Our sense of who we are as a community of faith is ever expanding.

4. First Universalist is a faith community that acts with humility, bravery, and compassion to create a racially just and sustainable world.

-->**Note/question:** dismantling white supremacy culture is not named explicitly in this visionary goals. In subsequent visionary goals, should it be?

Grounded in our visionary goals, the staff of the church have outlined the following major themes for the work of the 2018-19 church year:

Creating a Multicultural, Multiracial, intergenerational community

- Continue the work of the Change Team, meeting regularly throughout the year.
 - Focus on Policy/Governance, budget/finances and continuing to center voices of POCI as key areas to leverage and impact.
- Continued study of how to build intentionally multicultural, multiracial, intergenerational congregations, with a commitment to racial justice
 - Over 2018-2019, the staff will hold at least three all staff retreats focused on identifying and dismantling white supremacy culture as it exists among staff culture and practices. We will use as our guide the “White Supremacy Culture” document by Kenneth Jones and Tema Okun.
 - A team comprised of Board members, Change Team members Racial Justice Education Team members and Faithful Action Council members will participate in the Sacred Solidarity Network (a network of historical white congregations committed to dismantling white supremacy.) Not only will this help us further our racial justice efforts, but it will invite information sharing/brainstorming and visioning among the key leadership bodies.
- Create a worship culture of celebration and inclusion
 - In 2018-2019, we will experiment with the location of the “Welcome” in the service. Currently, we have it right after the Cycle of Life, with musical underscoring, and this has led to a much more dynamic and vital welcoming and greeting of one another.
 - In 2018-2019, we will also experiment with the location of the offering. Currently, the offering follows the sermon, allowing us to link the preaching directly to the practice of generosity, as we celebrate our capacity to respond to the needs of the world.
 - Rev. Karen Hutt, who brings a very different set of life and cultural experiences related to worship, regularly invites the worship team to reconsider and re-imagine our current worship practices.
- Rev. Karen Hutt - intentional start up with her ministry
 - Create a covenant between the 5 ministers about how we will be together, as we do ministry at First Universalists.
 - The 5 ministers will meet regularly for spiritual deepening, reflection, team building, and debriefing.
- Preparation for ministerial intern of color program.

- Invite multiple lay leaders and ministers, both within First Universalist and outside the church, to review the Position Description for the Internship, to help ensure it is clear why we offering this Internship to a seminarian of color, and how this Internship is not a 'set up' for a person of color coming into a historical white congregation.
- Apply for a grant from the UUA to help fund this internship.
- Create a multi-racial internship committee.
- Invite former interns, such as Laura Smidzik or Terri Burnor, to preach at First Universalist to remind the congregation of the impact we have on the formation of ministers.

In 2018-2019, enhanced hospitality will be a major focus; this goal will live within the entire staff, and church.

- We will recruit a dozen new Front Desk volunteers, and support them with a comprehensive orientation and training, so that the Front Office becomes a place that radiates our commitment to welcome and hospitality.
- We will evaluate our Sunday morning hospitality with a particular focus on improving our greeting and welcoming, and making these positions an appealing and attractive one for church members to take on.
- Beginning in the fall of 2018, a small team will pilot a Wednesday evening dinner and family worship evening. The intent is to use these gatherings to create a new culture of welcome and community building, intentionally using practices to dismantle white supremacy culture.
- In our Worship service, though written and spoken word, we will strive to welcome everyone, young families, elders, youth, POCl, trans people, etc.
 - We will experiment with a family welcome area, a place with a rocking chair, a plush rug, and space for families with very young ones to comfortably be during the service.
 - We will offer our Mental Health Sunday again.
- Utilizing ACS/Database to create greater connections
 - Ensure that the Database "belongs" to a particular staff person, who will support staff and congregant requests for data, and who will help congregants utilize the data, as well.

Moving Building Renovations/remodeling project forward

- Continue to explore ways to co-locate with Shir Tikvah, first determining if we can reach a Financial/Legal agreement with Shir Tikvah, and assessing whether or not our respected space needs can be met through a co-location agreement.
- Explore the possibility of retiring our debt during this "pause" time.

- Ensure timely and relevant communication with the congregation about the process and next steps with Shir Tikvah.

Continue our Racial Justice Ministry/Dismantling White Supremacy Efforts

- Launch 3 to 4 pilot circles of Beloved Conversations in the fall (with the intention to have this become an ongoing part of our RJ ministry)
- Weave somatic learning with our Racial Justice learning
 - Launch several book study circles of *My Grandmother's Hands*, Resmaa Menakem in the winter/spring of 2019.
 - Provide workshops for staff and key lay leaders to better understand how trauma, the body, and whiteness/racism intersect and live together.
- Provide ongoing education and training opportunities, such as "Racial Justice and Our UU Faith," *Mirrors of Privilege*, etc.

Stewardship and Development

- Continue to re-imagine how we do stewardship and annual giving at First Universalist.
 - In partnership with the Annual Giving Team, launch a mini-fall giving campaign, to invite people to set up their annual giving, move to a checking account, make their gift ongoing, or make a one time gift.
 - Move away from the pledge drive model and toward a model of year round giving, grounded in gifts that are ongoing.
 - Because of this new model, we are working to develop a yearly work plan for the Annual Giving Team to target specific members of the congregation for 1 x 1 visits with an Annual Giving Team member (and Justin).
 - Create a culture of appreciation and thank you
 - Gather top donors to the Capital Campaign for an update and Thank You event.

Notes: As with every work plan, unexpected work always emerges. This fall, we have experienced several staff departures, which has required a significant amount of work, as we've re-imagined several positions, interviewed dozens of candidates, and spent time training and orienting new hires. We've also spent significant time recruiting front desk volunteers, and have a team of about a dozen people ready to train and work with our new Administrative Assistant/Receptionist.

Sabbatical Update: We are grateful to serve a congregation that offers sabbatical time to its ministers. Per our letters of agreement, we accrue a month of sabbatical per year of service. Currently, Rev. Crow uses her accrued month every year, in June. Rev Schroeder has taken two short sabbaticals (2 months each), since he began in 2009. Over the past year, Eric Cooperstein, Rev. Crow and Rev. Schroeder have been in conversation about Rev. Schroeder taking a 6 month sabbatical in January of 2020 through June of 2020. We are sharing this with the Board as a heads up, with the intention of asking for formal approval of this sabbatical at an upcoming Board meeting.

Cummins Internship Update: We applied for, and received a \$10,000 grant to help fund the internship in 2019-2020. However, it is not clear whether or not we will be able to have an intern this year. According to Rev. David Pettee at the UUA, “More and more seminaries are attracting people who want the low residency approach. Fewer and fewer people are prepared to move. There also seems to be movement toward more folks seeking pastoral ministry, too. Put these dynamics together and the demand is low... unless students happen to live nearby.” We have been reaching out to a number Seminaries (UU and otherwise) to let them know we are offering this internship.

Discussions with Shir Tikvah - Update

Over the last 2 months, we have been working diligently to address the two threshold questions regarding co-locating with Shir Tikvah at 3400 Dupont. These two questions include:

- Can we fit together, or is it impossible for us to fit at 3400 Dupont?
- What are the potential financial/legal agreements for co-locating, and are there options that are acceptable to both parties?

Thanks to the work of Shawn Gaither, First U member, architect and member of the Building Team and his work with First U staff, we determined again the space needs of First U. Shir Tikvah provided their space need requirements, and representatives from both First U and Shir Tikvah met and agreed that it is possible for us to fit together at 3400 Dupont with the addition of a third floor. This was not a time for discussion of specifics, but rather a chance to explore a “fit plan.” We determined that we can fit together and this first threshold question is cleared.

Our financial/legal team, consisting of Nancy Gaschott, Tom McLeod, Keven Ambrus, and newly added Dick Niemic and Cindy Marsh has been meeting to determine the possible legal and financial options for this co-location. They will be meeting with Shir Tikvah’s team in the upcoming weeks to share information and discuss options. We hope to know whether we can clear this second threshold question by early December.

At the invitation of the Shir Tikvah rabbis, Revs. Schroeder and Crow preached at Shir Tikvah’s shabbat service on Friday, November 9th, affirming our mutual appreciation and rapport and the “why” of our desire to explore co-locating. We were well-received and there was much enthusiasm for the exploration.

SUMMARY OF COVERAGES FOR FIRST UNIVERSALIST CHURCH & FOUNDATION MINNEAPOLIS, MN

MULTI PERIL POLICY **\$14,247 annual**
Policy runs through 1/1/19

PROPERTY: Blanketed at \$8,980,200

\$2500 Deductible per occurrence
Agreed Value-Replacement Cost
90% coverage
Includes Systems and Equipment Breakdown Coverage and
Sewer Backup Coverage to the policy limits

Additional Insured: Xerox Financial Services, Bellevue, WA-Loss Payee
Sunrise Banks, Minneapolis, MN-Mortgagee
True Friends, Annandale, MN-Certificate Holder
Hennepin Co. Environment & Energy, Minneapolis, MN-Additional Insured

BUILDING/ITEM	COVERAGE AMOUNT
Church	\$8,559,000
Contents	\$1,419,000

Enhanced Coverage:
Institutional Income/Extra Expenses \$100,000 (default is \$10,000)

LIABILITY:

Premises/Operations & Lessor's Risk	\$2M per occurrence/5M annual
Med Pay (slip and fall insurance)	\$5,000
Loss of Life	None
Legal Defense Coverage	\$5,000/15,000
Sexual Misconduct/Molestation	\$500,000/1,000,000

CRIME COVERAGE:

Theft of Money and Securities	\$20,000 weekly (\$250 deductible)
Blanket Bond Embezzlement Protection	\$75,000 (full coverage)
Forgery and Alterations	None

PROFESSIONAL LIABILITY:

Professional Counseling	\$2M per occurrence/5M annual, coverage basis-3
Director's Officer's Trustee's coverage	\$1M/1M (\$1,000 retention) Retro Date 11/1/97
Employment Practices Liability	\$500,000/\$500,000 (\$5,000 retention) Retro Date 10/7/99
Employee Benefits Liability	None

HIRED NON-OWNED AUTO:

Additional Insured, Hired Auto Liability	
Non Owned Auto Liability, Rental Auto Liability	
Rental Auto Contractual Liability	\$2M per occurrence/5M annual
Rental Auto Physical coverage	\$100,000 in any 1 year period

WORK COMP POLICY
Policy runs through 1/1/19**\$8,925 annual**

Coverage levels, \$500,000 accident, \$500,000 disease/employee, \$500,000 policy limit
Coverage basis, \$767,785 professional/clerical, \$107,241 custodial

UMBRELLA POLICY
Policy runs through 1/1/19**\$700 annual**

\$2 Million Liability Coverage

Financial Summary
November 2018
Prepared by Rev. Crow

First Quarter Review

Summary

At the end of the 1st quarter, expenses (\$389,000) exceed income (\$301,000) by roughly \$88,000. It is typical for there to be a front-loading of start-up expenses in our fiscal year and a smaller portion of pledge payments in the first quarter, and these items account for some of this deficit. There are also income items that will come in throughout the year that are not represented in this quarter's income, including late payment of rent by Southside (\$8,000) and contributions from the Legacy Fund.

When we look to our year-end projections, we see an expected income of \$1,607,000 and expected expenses of \$1,620,000. This includes the reduction in interest expenses that will come from paying off the mortgage and line of credit. Given that the approved budget included a \$6,000 deficit (and \$42,000 more in principal payments), it is not surprising to see a projected deficit of roughly \$13,000 at this point in the year. We are working off of conservative income projections, and will continue to adjust expenses as needed throughout the year.

Income

While overall income is projected to come in above budget, it is important to recognize that the biggest increases to income that were not represented in our original budget are strictly in/out items as noted in the section "Contributions released from restricted funds." These account for a \$30,000 increase in total income.

Annual gifts are projected to come in roughly \$16,000 under budget.

Expenses

Expenses are tracking largely as expected, with a few notable exceptions. Utilities are running higher than budgeted, for a projected \$5,000 increase, and alarm expenses are up \$1300. We are also expecting to spend \$2,000 on temporary administrative support that was not originally expected. Significant savings are expected in the category of interest expenses for a total decrease of \$17,000. We also anticipate spending \$2,000 less in our hospitality line and \$2500 less on payroll expenses. We will continue to control expenses as we work diligently to bring in a balanced budget at the close of the year.

Capital Campaign/Project

Capital campaign gifts continue to come in as expected, with gifts received totalling \$2,036,000 as of the end of September. Recent expenditures include payments for the tuckpointing and roofing work in progress. Pay off of the mortgage and line of credit was approved at the last board meeting, and will occur within the next 2 weeks.

First Universalist Church of Minneapolis					
Analysis of Revenues & Expenses - Detail					
July to September 2018					
Headings and Account	Last Year YTD Actual	Current Balance (This Year)	YTD Budget (This Year)	Q1 Year End Projections (This Year)	Annual Budget (This Year)
Revenues					
Pledges					
Est Unpaid Pledge Donations	\$ -	\$ -	\$ (14,681.25)	\$ -	\$ (58,725.00)
Unrestricted Pledge Donations	\$ 244,423.77	\$ 233,243.42	\$ 239,737.53	\$ 1,100,000.00	\$ 1,174,500.00
Total Pledges	\$ 244,423.77	\$ 233,243.42	\$ 225,056.28	\$ 1,100,000.00	\$ 1,115,775.00
Contributions Unrestricted					
Close the Gap	\$ -	\$ 1,332.40	\$ -	\$ 1,332.40	\$ -
Hospitality Donations	\$ 122.80	\$ 112.38	\$ 150.00	\$ 600.00	\$ 600.00
Legacy Fund Contribution	\$ -	\$ -	\$ -	\$ 47,000.00	\$ 47,000.00
Offering Plate for Church	\$ 5,364.58	\$ 5,759.74	\$ 12,000.00	\$ 48,000.00	\$ 48,000.00
Unrestricted Donations	\$ 10,738.91	\$ 1,725.74	\$ 16,250.01	\$ 65,000.00	\$ 65,000.00
Unrestricted RE Donations	\$ -	\$ 50.00	\$ 125.01	\$ 50.00	\$ 500.00
Total Contributions Unrestricted	\$ 16,226.29	\$ 8,980.26	\$ 28,525.02	\$ 161,982.40	\$ 161,100.00
Contrib Released from Restr					
Capital Campaign *	\$ -	\$ 10,834.36	\$ 17,499.99	\$ 70,000.00	\$ 70,000.00
Families Moving Forward *	\$ -	\$ -	\$ 1,250.01	\$ 5,000.00	\$ 5,000.00
Ministers Discretionary Fund *	\$ 3,430.00	\$ 1,491.16	\$ -	\$ 10,000.00	\$ -
Miscellaneous *	\$ 26,351.51	\$ 4,664.30	\$ 2,000.01	\$ 28,000.00	\$ 8,000.00
Offering Plate for the Community *	\$ 4,945.49	\$ 6,323.69	\$ 7,500.00	\$ 30,000.00	\$ 30,000.00
Total Contrib Released from Restr	\$ 34,727.00	\$ 23,313.51	\$ 28,250.01	\$ 143,000.00	\$ 113,000.00
Fundraisers					
Boston Youth Trips	\$ 6,966.59	\$ 3,932.44	\$ 2,499.99	\$ 10,000.00	\$ 10,000.00
Families Moving Forward 10%	\$ -	\$ -	\$ 125.01	\$ 500.00	\$ 500.00
Miscellaneous Fundraisers	\$ -	\$ -	\$ 3,000.00	\$ 12,000.00	\$ 12,000.00
Senior High Youth Trips	\$ -	\$ -	\$ 125.01	\$ 500.00	\$ 500.00
YCE	\$ 2,858.00	\$ 1,208.89	\$ 2,750.01	\$ 11,000.00	\$ 11,000.00
Total Fundraisers	\$ 9,824.59	\$ 5,141.33	\$ 8,500.02	\$ 34,000.00	\$ 34,000.00
Program Fees					
8th Grade (OWL)	\$ -	\$ 2,381.60	\$ -	\$ 6,000.00	\$ -
Adult Ed Fees	\$ 7.00	\$ -	\$ -	\$ -	\$ -
Daytime Connections	\$ -	\$ -	\$ 249.99	\$ 1,000.00	\$ 1,000.00
Total Program Fees	\$ 7.00	\$ 2,381.60	\$ 249.99	\$ 7,000.00	\$ 1,000.00
Dividends & Interest					
Don Carter Fund Div & Int - Admin	\$ 124.44	\$ 174.01	\$ 812.49	\$ 3,250.00	\$ 3,250.00
Unrestricted Dividends & Interest	\$ 784.57	\$ 1,044.83	\$ 3,750.00	\$ 15,000.00	\$ 15,000.00
Total Dividends & Interest	\$ 909.01	\$ 1,218.84	\$ 4,562.49	\$ 18,250.00	\$ 18,250.00
Rental Income					
Miscellaneous Room Rentals	\$ 1,250.00	\$ 2,120.00	\$ 3,375.00	\$ 13,500.00	\$ 13,500.00
Southside Child Development Center	\$ 8,937.00	\$ 17,667.00	\$ 25,998.00	\$ 103,992.00	\$ 103,992.00
T-Mobile Antennae Lease	\$ 3,460.00	\$ 3,563.80	\$ 3,549.99	\$ 14,255.20	\$ 14,200.00
Weddings & Commitments	\$ 200.00	\$ -	\$ 249.99	\$ 1,000.00	\$ 1,000.00
Weight Watchers	\$ 1,300.00	\$ 1,200.00	\$ 1,200.00	\$ 4,800.00	\$ 4,800.00
Total Rental Income	\$ 15,147.00	\$ 24,550.80	\$ 34,372.98	\$ 137,547.20	\$ 137,492.00
Realized Gains & Losses					
Realized Gains/Losses - Fundr	\$ (491.72)	\$ 654.07	\$ -	\$ 650.00	\$ -
Total Realized Gains & Losses	\$ (491.72)	\$ 654.07	\$ -	\$ 650.00	\$ -
Unrealized Gains & Losses					
Unrlzd Gain/Loss Oper A/C - Fundr	\$ 1,980.89	\$ 1,645.55	\$ -	\$ 1,645.55	\$ -
Total Unrealized Gains & Losses	\$ 1,980.89	\$ 1,645.55	\$ -	\$ 1,645.55	\$ -
Other Income					
Miscellaneous	\$ 10.00	\$ 105.00	\$ 833.25	\$ 3,333.00	\$ 3,333.00
Total Other Income	\$ 10.00	\$ 105.00	\$ 833.25	\$ 3,333.00	\$ 3,333.00
Total Revenues	\$ 322,763.83	\$ 301,234.38	\$ 330,350.04	\$ 1,607,408.15	\$ 1,583,950.00

Headings and Account	Last Year YTD Actual	Current Balance (This Year)	YTD Budget (This Year)	Q1 Year End Projections (This Year)	Annual Budget (This Year)
Expenses					
Salaries & Wages					
Salaries	\$ 193,668.16	\$ 208,993.43	\$ 214,398.00	\$ 834,290.00	\$ 834,290.00
Total Salaries & Wages	\$ 193,668.16	\$ 208,993.43	\$ 214,398.00	\$ 834,290.00	\$ 834,290.00
Payroll Taxes					
FICA	\$ 14,737.09	\$ 15,566.21	\$ 16,400.52	\$ 65,602.05	\$ 65,732.00
Total Payroll Taxes	\$ 14,737.09	\$ 15,566.21	\$ 16,400.52	\$ 65,602.05	\$ 65,732.00
Employee Benefits					
Medical Insurance					
Medical Insurance	\$ 19,188.39	\$ 21,761.27	\$ 22,387.77	\$ 84,210.00	\$ 84,210.00
Total Medical Insurance	\$ 19,188.39	\$ 21,761.27	\$ 22,387.77	\$ 84,210.00	\$ 84,210.00
Long Term Disability Insurance					
LTD	\$ -	\$ -	\$ 262.50	\$ 1,050.00	\$ -
Total Long Term Disability Insurance	\$ -	\$ -	\$ 262.50	\$ 1,050.00	\$ -
Life Insurance					
Life Insurance	\$ 326.10	\$ 326.10	\$ 594.48	\$ 1,304.40	\$ 2,378.00
Total Life Insurance	\$ 326.10	\$ 326.10	\$ 594.48	\$ 1,304.40	\$ 2,378.00
403(b)					
403(b)	\$ 16,537.54	\$ 18,209.38	\$ 18,736.77	\$ 68,117.00	\$ 68,117.00
Total 403(b)	\$ 16,537.54	\$ 18,209.38	\$ 18,736.77	\$ 68,117.00	\$ 68,117.00
Total Employee Benefits	\$ 36,052.03	\$ 40,296.75	\$ 41,981.52	\$ 154,681.40	\$ 154,705.00
Professional Expenses					
Prof Exp Admin	\$ -	\$ -	\$ 249.99	\$ 1,000.00	\$ 1,000.00
Prof Exp Associate Minister Elaine	\$ 246.61	\$ 1,077.02	\$ 999.99	\$ 4,000.00	\$ 4,000.00
Prof Exp Associate Minister Ruth	\$ 6.00	\$ 56.84	\$ 1,250.01	\$ 5,000.00	\$ 5,000.00
Prof Exp Co-Senior Minister Jen	\$ 1,816.26	\$ 1,904.17	\$ 1,749.99	\$ 7,000.00	\$ 7,000.00
Prof Exp Co-Senior Minister Justin	\$ 623.71	\$ 878.16	\$ 1,749.99	\$ 7,000.00	\$ 7,000.00
Prof Exp CYFM	\$ 46.95	\$ 824.39	\$ 500.01	\$ 2,000.00	\$ 2,000.00
Prof Exp Worship	\$ 788.24	\$ -	\$ 249.99	\$ 1,000.00	\$ 1,000.00
Total Professional Expenses	\$ 3,527.77	\$ 4,740.58	\$ 6,749.97	\$ 27,000.00	\$ 27,000.00
Temporary Labor					
Childcare	\$ 3,302.25	\$ 3,454.75	\$ 2,670.10	\$ 16,000.00	\$ 16,000.00
Guest Speakers	\$ 750.00	\$ 1,250.00	\$ 125.01	\$ 750.00	\$ 500.00
Musicians	\$ 825.00	\$ 2,750.00	\$ 3,699.99	\$ 14,800.00	\$ 14,800.00
Substitute Sound Technicians	\$ 244.50	\$ 420.00	\$ 249.99	\$ 1,000.00	\$ 1,000.00
Temp Labor - Admin	\$ 352.50	\$ 517.50	\$ -	\$ 2,000.00	\$ -
Total Temporary Labor	\$ 5,474.25	\$ 8,392.25	\$ 6,745.09	\$ 34,550.00	\$ 32,300.00
Program Expenses					
7th Grade (NF)	\$ -	\$ -	\$ 249.99	\$ 1,000.00	\$ 1,000.00
8th Grade (OWL)	\$ 305.15	\$ 7,301.69	\$ 249.99	\$ 8,000.00	\$ 1,000.00
9th & 10th Grade (COA)	\$ 1,049.79	\$ 976.12	\$ 1,125.00	\$ 4,500.00	\$ 4,500.00
Adult Ed	\$ 15.52	\$ -	\$ 249.99	\$ 1,000.00	\$ 1,000.00
Circles	\$ 250.00	\$ -	\$ 249.99	\$ 1,000.00	\$ 1,000.00
Classroom Supplies	\$ 521.80	\$ 900.03	\$ 2,250.00	\$ 9,000.00	\$ 9,000.00
Daytime Connections	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -
Memorials Exp - Past Care	\$ 350.00	\$ 20.53	\$ -	\$ 100.00	\$ -
Music Purchases	\$ 986.40	\$ 837.64	\$ 787.50	\$ 3,150.00	\$ 3,150.00
Other - Adult Ministries	\$ -	\$ -	\$ 62.49	\$ -	\$ 250.00
Other - CYFM	\$ -	\$ -	\$ 125.01	\$ -	\$ 500.00
Other - FIA	\$ -	\$ -	\$ 249.99	\$ -	\$ 1,000.00
Other - Pastoral Care	\$ -	\$ -	\$ 187.50	\$ -	\$ 750.00
Other - Worship	\$ 224.75	\$ 236.25	\$ 62.49	\$ 250.00	\$ 250.00
Piano Tuning	\$ 135.00	\$ 140.00	\$ 500.01	\$ 2,000.00	\$ 2,000.00
Senior High	\$ -	\$ -	\$ 174.99	\$ 700.00	\$ 700.00
Teacher Workshops	\$ 328.02	\$ -	\$ 500.01	\$ 2,000.00	\$ 2,000.00
Worship Items Miscellaneous	\$ 78.66	\$ 6.98	\$ 125.01	\$ 500.00	\$ 500.00
Youth Social Activities	\$ -	\$ -	\$ 125.01	\$ 500.00	\$ 500.00
Total Program Expenses	\$ 4,245.09	\$ 10,419.24	\$ 7,274.97	\$ 34,700.00	\$ 29,100.00
Miscellaneous Program Expenses					
Action Groups	\$ -	\$ 441.15	\$ 125.01	\$ 500.00	\$ 500.00
Boston Youth Trips	\$ 6,966.59	\$ 3,932.44	\$ 2,499.99	\$ 10,000.00	\$ 10,000.00

Headings and Account	Last Year YTD Actual	Current Balance (This Year)	YTD Budget (This Year)	Q1 Year End Projections (This Year)	Annual Budget (This Year)
Faithful Action Council	\$ -	\$ -	\$ 375.00	\$ 1,500.00	\$ 1,500.00
Friendship Caring Corner	\$ -	\$ -	\$ 24.99	\$ 100.00	\$ 100.00
Library	\$ -	\$ -	\$ 62.49	\$ 250.00	\$ 250.00
Racial Justice	\$ 500.00	\$ 3,100.36	\$ 1,875.00	\$ 7,500.00	\$ 7,500.00
Senior High Youth Trips	\$ -	\$ -	\$ -	\$ 500.00	\$ -
YCE Supplies	\$ 1,040.00	\$ 1,208.89	\$ 2,750.01	\$ 11,000.00	\$ 11,000.00
YCE Travel	\$ 1,818.00	\$ -	\$ -	\$ -	\$ -
Total Miscellaneous Program Expenses	\$ 10,324.59	\$ 8,682.84	\$ 7,712.49	\$ 31,350.00	\$ 30,850.00
Membership Program Expenses					
Hospitality	\$ 1,373.94	\$ 941.58	\$ 2,100.00	\$ 6,000.00	\$ 8,400.00
New Member Programs	\$ 436.79	\$ 287.18	\$ 474.99	\$ 1,900.00	\$ 1,900.00
Visitor Wecoming	\$ -	\$ -	\$ 249.99	\$ 1,000.00	\$ 1,000.00
Total Membership Program Expenses	\$ 1,810.73	\$ 1,228.76	\$ 2,824.98	\$ 8,900.00	\$ 11,300.00
Fundraising Expenses					
Planned Giving	\$ -	\$ -	\$ 249.99	\$ 1,000.00	\$ 1,000.00
Pledge Drive	\$ -	\$ -	\$ 999.99	\$ 4,000.00	\$ 4,000.00
Total Fundraising Expenses	\$ -	\$ -	\$ 1,249.98	\$ 5,000.00	\$ 5,000.00
Administrative Expenses					
Bank Service Charges	\$ 135.00	\$ 265.12	\$ 187.50	\$ 1,000.00	\$ 750.00
Consultants	\$ 300.00	\$ 250.00	\$ 2,874.99	\$ 11,500.00	\$ 11,500.00
Credit Card Discount Fees	\$ 4,490.83	\$ 4,527.12	\$ 3,249.99	\$ 13,000.00	\$ 13,000.00
Employee Appreciation	\$ 431.79	\$ 111.83	\$ 249.99	\$ 1,000.00	\$ 1,000.00
Financial Review/Audit	\$ -	\$ -	\$ 99.99	\$ 400.00	\$ 400.00
Internet	\$ 218.00	\$ 218.00	\$ 375.00	\$ 1,200.00	\$ 1,500.00
Mileage	\$ 159.43	\$ -	\$ 125.01	\$ 500.00	\$ 500.00
Office Supplies	\$ 1,189.57	\$ 1,675.84	\$ 1,250.01	\$ 5,000.00	\$ 5,000.00
Paper	\$ 169.40	\$ 522.50	\$ 500.01	\$ 2,000.00	\$ 2,000.00
Payroll Fees	\$ 576.77	\$ 705.51	\$ 1,374.99	\$ 3,000.00	\$ 5,500.00
Postage & Shipping	\$ 790.31	\$ 593.94	\$ 1,374.99	\$ 5,500.00	\$ 5,500.00
Printing & Copying	\$ 4,274.96	\$ 4,492.10	\$ 5,250.00	\$ 21,000.00	\$ 21,000.00
Software	\$ 1,785.54	\$ 3,400.75	\$ 2,000.01	\$ 8,250.00	\$ 8,000.00
Telephone	\$ 1,338.39	\$ 1,358.90	\$ 1,374.99	\$ 5,500.00	\$ 5,500.00
Volunteer Appreciation	\$ 42.90	\$ -	\$ 200.01	\$ 800.00	\$ 800.00
Volunteer Appreciation	\$ -	\$ -	\$ 200.01	\$ 800.00	\$ 800.00
Website	\$ 256.95	\$ 262.95	\$ 375.00	\$ 1,250.00	\$ 1,500.00
Total Administrative Expenses	\$ 16,159.84	\$ 18,384.56	\$ 21,062.49	\$ 81,700.00	\$ 84,250.00
Miscellaneous Expenses					
SPIFF	\$ 385.73	\$ -	\$ 500.01	\$ 2,000.00	\$ 2,000.00
Visual Arts	\$ 1,083.35	\$ 526.13	\$ 1,050.00	\$ 4,200.00	\$ 4,200.00
Total Miscellaneous Expenses	\$ 1,469.08	\$ 526.13	\$ 1,550.01	\$ 6,200.00	\$ 6,200.00
Insurance					
Liability	\$ 3,251.94	\$ 4,216.57	\$ 3,875.01	\$ 15,500.00	\$ 15,500.00
Workers Compensation	\$ 1,368.08	\$ 2,537.76	\$ 1,749.99	\$ 7,000.00	\$ 7,000.00
Total Insurance	\$ 4,620.02	\$ 6,754.33	\$ 5,625.00	\$ 22,500.00	\$ 22,500.00
Dues & Memberships					
Mid America	\$ -	\$ -	\$ 2,646.00	\$ 10,584.00	\$ 10,584.00
UUA	\$ 8,654.63	\$ 8,654.63	\$ 8,654.64	\$ 34,618.50	\$ 34,618.50
Total Dues & Memberships	\$ 8,654.63	\$ 8,654.63	\$ 11,300.64	\$ 45,202.50	\$ 45,202.50
Utilities					
Electricity	\$ 9,914.43	\$ 12,249.42	\$ 9,499.64	\$ 33,500.00	\$ 30,500.00
Gas	\$ 409.09	\$ 391.96	\$ 369.12	\$ 18,000.00	\$ 16,000.00
Water & Sewer	\$ 1,976.97	\$ 2,257.50	\$ 1,765.84	\$ 8,800.00	\$ 7,500.00
Total Utilities	\$ 12,300.49	\$ 14,898.88	\$ 11,634.60	\$ 60,300.00	\$ 54,000.00
Repairs & Maintenance					
Alarm System	\$ 81.68	\$ 1,150.86	\$ 125.01	\$ 1,800.00	\$ 500.00
Elevator Maintenance	\$ 749.81	\$ 694.29	\$ 825.00	\$ 3,300.00	\$ 3,300.00
General Repairs & Maintenance	\$ 1,362.74	\$ 2,305.18	\$ 2,750.01	\$ 11,000.00	\$ 11,000.00
HVAC	\$ 1,050.00	\$ 1,150.00	\$ 1,875.00	\$ 7,500.00	\$ 7,500.00
Total Repairs & Maintenance	\$ 3,244.23	\$ 5,300.33	\$ 5,575.02	\$ 23,600.00	\$ 22,300.00
Other Building Related Expense					
Capital Campaign Expenditures *	\$ -	\$ 10,834.36	\$ 17,499.99	\$ 70,000.00	\$ 70,000.00

Headings and Account	Last Year YTD Actual	Current Balance (This Year)	YTD Budget (This Year)	Q1 Year End Projections (This Year)	Annual Budget (This Year)
Groundskeeping	\$ 1,564.26	\$ 865.00	\$ 1,455.18	\$ 15,000.00	\$ 15,000.00
Interest Expense	\$ 8,913.27	\$ 7,623.76	\$ 7,386.00	\$ 12,500.00	\$ 29,544.00
Janitorial Supplies	\$ 1,727.34	\$ 2,952.41	\$ 2,124.99	\$ 8,500.00	\$ 8,500.00
Pest Control	\$ 93.40	\$ 93.40	\$ 150.00	\$ 600.00	\$ 600.00
Sound System	\$ 369.22	\$ -	\$ 125.01	\$ 500.00	\$ 500.00
Trash & Recycling	\$ 1,229.86	\$ 1,369.39	\$ 1,250.01	\$ 5,000.00	\$ 5,000.00
Total Other Building Related Expense	\$ 13,897.35	\$ 23,738.32	\$ 29,991.18	\$ 112,100.00	\$ 129,144.00
Offering Plate for Community					
Habitat for Humanity *	\$ 24.94	\$ 104.72	\$ -	\$ 6,000.00	\$ -
Offering Plate for Community *	\$ 4,945.49	\$ 6,323.69	\$ 7,500.00	\$ 20,000.00	\$ 30,000.00
Simpson Meals *	\$ 466.98	\$ -	\$ -	\$ 4,000.00	\$ -
Total Offering Plate for Community	\$ 5,437.41	\$ 6,428.41	\$ 7,500.00	\$ 30,000.00	\$ 30,000.00
Other Charitable Contributions					
Families Moving Forward *	\$ 1,527.98	\$ 309.58	\$ 1,250.01	\$ 5,000.00	\$ 5,000.00
Minister's Discretionary Fund *	\$ 3,430.00	\$ 1,491.16	\$ -	\$ 10,000.00	\$ -
Miscellaneous *	\$ 24,331.61	\$ 4,250.00	\$ -	\$ 28,000.00	\$ -
Total Other Charitable Contributions	\$ 29,289.59	\$ 6,050.74	\$ 1,250.01	\$ 43,000.00	\$ 5,000.00
Total Expenses	\$ 364,912.35	\$ 389,056.39	\$ 400,826.47	\$ 1,620,675.95	\$ 1,588,873.50
Net Total	\$ (42,148.52)	\$ (87,822.01)	\$ (70,476.43)	\$ (13,267.80)	\$ (4,923.50)

First Universalist Church of Minneapolis
Balance Sheet
September 2018

Headings and Account

Current Balance (This Year)

Assets		
Current Assets		
Cash & Cash Equivalents		
Cash	\$	1,013,662.67
Total Cash & Cash Equivalents	\$	1,013,662.67
Investments		
Schwab- Church Operating	\$	588,794.88
Schwab - Church Reserve	\$	335,247.77
Schwab - Don Carter & Mary Carter	\$	79,877.43
Schwab- Legacy Fund	\$	841,562.19
Schwab - Temporarily Restricted	\$	124,242.76
Thrivent Mutual Funds	\$	11,383.86
Total Investments	\$	1,981,108.89
Cash & Cash Equiv - Foundation		
Sunrise Bank - Foundation	\$	11,247.94
Total Cash & Cash Equiv - Foundation	\$	11,247.94
Investments - Foundation		
Schwab - Foundation	\$	1,662,256.23
Total Investments - Foundation	\$	1,662,256.23
Total Current Assets		\$ 4,668,275.73
Other Current Assets		
Other Current Assets		
Mortgage Escrow Deposits	\$	2,397.92
Prepaid Expenses	\$	8,160.48
Prepaid Loan Expenses	\$	3,730.90
Prepaid Medical Insurance	\$	9,211.63
Total Other Current Assets	\$	23,500.93
Total Other Current Assets		\$ 23,500.93
Fixed Assets		
Fixed Assets		
Fixed Assets	\$	1,679,253.59
Total Fixed Assets	\$	1,679,253.59
Total Fixed Assets		\$ 1,679,253.59
Total Assets		\$ 6,371,030.25

Liabilities & Equity		
Current Liabilities		
Accounts Payable		
Accounts Payable	\$ 34,386.77	
Total Accounts Payable	\$ 34,386.77	
Total Current Liabilities		\$ 34,386.77
Other Current Liabilities/Long-Term Liabilities		
Benefits Payable	\$ (647.36)	
Accrued Expenses	\$ 18,764.29	
Deferred Revenue	\$ 22,466.82	
Misc Other Liabilities	\$ 13,000.00	
Line of Credit Advance Payble	\$ 109,230.93	
Mortgage Payable	\$ 546,888.50	
Total Other Current/Long-Term Liabilities	\$ 709,703.18	
Total Other Current/Long-Term Liabilities		\$ 709,703.18
Total Liabilities & Equity		\$ 744,089.95
Fund Principal and Excess Cash Received		
Fund Principal		
Undesignated Net Assets/Equity		
Church Equity	\$ 2,342,428.31	
Total Undesignated Net Assets/Equity	\$ 2,342,428.31	
Board Restricted Net Assets		
Operating Reserve	\$ 31,084.19	
Contingency Reserve	\$ 271,109.21	
Legacy Fund	\$ 894,762.79	
Memorials	\$ 6,781.88	
Total Board Restricted Net Assets	\$ 1,203,738.07	
Temp Restricted Net Assets		
Capital Campaign Fund	\$ 1,582,019.56	
Cummins Ministerial Fund	\$ 224,815.51	
Miscellaneous Funds	\$ 120,934.52	
Total Temp Restricted Net Assets	\$ 1,927,769.59	
Permanently Restricted		
Don Carter Endowment	\$ 61,859.00	
M E Carter Endowment	\$ 16,419.07	
Total Permanently Restricted	\$ 78,278.07	
Total Fund Principal	\$ 5,552,214.04	
Excess Cash Received		
Excess Cash Received	\$ 74,726.26	
Total Excess Cash Received	\$ 74,726.26	
Total Fund Principal and Excess Cash Received		\$ 5,626,940.30
Total Liabilities & Equity, Fund Principal, & Restricted Funds		\$ 6,371,030.25

Capital Campaign 2016-2017 Budget Breakdown (As of 9/30/2018)

Division	Budget	\$	Remaining Budget
Revenue			
Donations/Legacy Fund Transfer	\$ 6,400,000.00	\$ 2,036,933.51	\$ (4,363,066.49)
Expense			
Consultants	\$ 230,000.00	\$ 229,030.00	\$ 970.00
Printing/Supplies	\$ 8,000.00	\$ 8,000.00	\$ -
Launch Event	\$ 30,000.00	\$ 52,689.09	\$ (22,689.09)
Architectural Pre-Work	\$ 27,000.00	\$ 2,000.00	\$ 25,000.00
Total Budget	\$ 295,000.00	\$ 291,719.09	
Remaining Budget	\$ 3,280.91		
Projects			
Full Compass Hearing Assist	\$ 3,664.34		
Architect Fee	\$ 93,383.22		
Staff Salaries	\$ 54,734.98		
Misc. Fees	\$ 2,912.32		
Consultant	\$ 2,500.00		
Fire Alarm Control Panel	\$ 6,000.00		
	\$ 163,194.86		
Total Loan from Legacy Fund	\$ -		
Net Income	\$ 1,582,019.56		

HOCHFELD & ASSOCIATES

November 10, 2018

Board of Directors
First Universalist Church
3400 DuPont Ave S
Minneapolis, MN 55408

At the request of Jen Crow, I performed a year-end financial assessment of the Financial Statements and current financial procedures of First Universalist Church ("FIRST") for the year ended June 30, 2018. I conducted a similar review for the year ended June 30, 2017.

My assessment and recommendations are based principally of discussions with Brad Schmidt, observation of financial procedures during the last twelve months, and a review of financial data and financial statements as of June 30, 2018 for the purpose of providing a report to the Board of Directors. I was unable to meet with Jen Crow.

This service is not intended to be a formal book review or audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Book reviews and audits must be performed by an independent CPA or CPA Firm. Accordingly, I do not express such an opinion.

Based on my assessment, I have summarized my findings and recommendations below.

General Observations

There has been recent turnover of accounting and administrative personnel (see following sections). Brad indicated that there has not been a change in the stated financial procedures and policies since my last review. During the last review, I noted that my copy of your fiscal procedures and policies was undated. As such, I would suggest that the document be updated to reflect current procedures and policies and date stamped. Brad did volunteer that he is focusing on doing a "better job" in processing documentation for all VISA charges. His observation is not cautionary as obtaining credit card documentation is a systemic problem in the industry.

On an ongoing basis, I reconciled all bank and investment accounts through July, 2018. In talking with Brad, I am comfortable that the stated policies and procedures for cash receipts and disbursements are being followed. There were no unidentified reconciling adjustments or unexplained variances with the check sequence. All account transfers have been properly recorded and all stock gifts promptly liquidated. The accounts payable aging reflected no invoices outstanding for more than 30 days.

With the departure of Andrea Love, this is an opportune time to reassess procedures for processing of gifts and other transactions to identify areas where additional operating efficiencies and redundancies might be achieved.

Bank Reconciliation

Brad has resolved the bank reconciliation issues noted in last year's report. The issue appears to be isolated and not structural with respect to the accounting software.

Flexible Spending Account

I noted last year that the flexible spending account is being reported as if FIRST is the disbursement agent as opposed to a third-party provider. As such, First would be liable in the event an employee was reimbursed for qualified expenses prior to such amounts being withheld from the employee's compensation. Brad has again agreed to forward the agreement to me so that I can complete my assessment.

Recommendations of Appropriate Set-Up and Use of Accounting Software

FIRST is utilizing ACS-People Suite (donor data management) and ACS-Financial Suite (accounting) in a manner which appears to be both efficient and effective. Until last month, Andrea Love assisted Brad with the postings to the donor data management system.

There are, however, no operating redundancies. This is an internal weakness in that an operating understanding of the (i) donor data management and accounting procedures and policies and (ii) month end closing procedures and financial statement preparation are solely vested with Brad. An organizational priority should be to document the current workflows and passwords so that a third party could continue operations in the event of unforeseen circumstances or Brad being incapacitated. This documentation would also be the foundation for a succession plan for Brad's position.

Brad indicated that Andrea's successor has been hired. As part of her on-boarding and training, Brad indicated that he will be developing an accounting procedures and policies manual.

I would strongly urge that a written fiscal procedures and policies and procedures including a disaster recovery plan be adopted to provide continuity in the event of organizational changes or unforeseen circumstances. I previously provided Jen and Brad a draft document to consider for adoption by the Board.

Review of June 30, 2018 Financial Statements

There were minimal adjustments posted in order to complete the financial statements for the year ended June 30, 2018. My understanding is that Jen reviews the monthly financial statements and budget reports. Brad indicated that there were no material variances with last year's operation when compared to budget.

The financial statements are in conformity with nonprofit accounting standards. All items listed as a current asset or liability appears to be properly supported. Brad should be commended

for modifying the reporting structure of balance sheet so that the report is clearer and more understandable. Through his efforts the concerns expressed in an earlier report regarding temporarily restricted funds has been mitigated.

I would suggest grouping the temporarily restricted funds by functionality rather than grantor so that a reader of the financial statements would have a better understanding of donor's intent. There is also a line on the balance sheet – *Excess Cash Received* – that should be restated to conform to reporting standards. FIRST might also consider presenting comparative balance sheets by year.

I would recommend that First adopt a capitalization policy. For an organization your size, I recommend that any expenditure greater than \$2,500 be capitalized and depreciated or amortized.

Brad indicated that you have received multi-year capital campaign pledges prior to year-end. These pledges should be reflected in your financial statements.

There are bank accounts with both Sunrise and U.S. Bank. The accounts (two) with Sunrise should be closed since there seems to be no reason to maintain the banking relationship. Brad should explore with Sunrise their treasury management system to (i) limit the account balances to FDIC insurance limits and (ii) generate an income yield on the surplus funds in the general checking account.

Brad indicated that the mortgage and line of equity are to be repaid in the next three months. You might consider obtaining a line of credit or margin account to insulate the FIRST should there be a temporary and short-term need for operating funds.

There are currently seven investment accounts that are somehow aligned with the unrestricted and restricted net assets. Based on my discussions, there would appear to be no major differences in either the investment policy or asset allocation for these accounts. Since the determination of restricted and unrestricted fund balances is effectively being captured in the accounting records, I see no compelling reason for segregated investment accounts. I would also suggest that these accounts be consolidated and any short-term or mid-term cash requirements be addressed in the investment policy.

I wish to thank Brad for his participation in this assessment process and complement him for his efforts in serving as FIRST's financial steward. Should you have any questions, or require additional information, please call.

Kurt Hochfeld

First Universalist Church of Minneapolis Governing Policies Handbook

- 3.4.1.5. Disclose, at the earliest practicable opportunity, to the other members of the Board that a conflict of interest may exist and the nature of the conflict; and
- 3.4.1.6. Abstain from voting on any matters for which there is or may be a conflict unless the other Board members present when a vote is being taken unanimously agree to waive the conflict and authorize the Board member to vote notwithstanding the conflict.
- 3.4.1.7. The secretary will record in the minutes the disclosure of a conflict by any Board member, and whether or not a Board member then abstains from voting.

3.4.2. Authority

- 3.4.2.1. Individual trustees may not attempt to exercise authority over the Church. The Board will speak with one voice through its adopted policies.
- 3.4.2.2. Trustees' interaction with the Senior Minister or staff must recognize the lack of authority in any individual trustee or subgroup (e.g., committee or task force) of trustees.
- 3.4.2.3. Trustees' interaction with the public, media or other entities must recognize the same limitation and the similar inability of any trustee, except the president, to speak for the Board.
- 3.4.2.4. Trustees are encouraged to continually self-monitor their individual performance as trustees against policies, against the qualifications listed in the current trustee position description, and against any other current Board evaluation tools.
- 3.4.2.5.
- 3.4.2.6. Trustees are encouraged to participate as individuals in volunteer committees, teams or task forces, but all authority and accountability of such groups, as far as the Board is concerned, is considered the authority and accountability of the Senior Minister.

3.4.3. Board Covenant

Seeking to embody our religious principles and to create a culture in which all are encouraged to participate fully, we as Board members covenant to:

- 3.4.3.1. Promote and maintain a trusting, safe and fun environment in which we all are empowered to utilize our strengths and speak our truths, including hard truths, in the service of the congregation's mission and end statements.

First Universalist Church of Minneapolis Governing Policies Handbook

- 3.4.3.2. Seek out, encourage, celebrate and welcome diversity among Board members.
- 3.4.3.3. Welcome and build relationships with all Board members, actively including all new Board members.
- 3.4.3.4. Actively participate in the Board's and congregation's decision-making process, respecting the outcome when appropriate process has been followed.
- 3.4.3.5. Communicate Board decisions with one voice once a decision has been made, maintaining appropriate confidentiality regarding individual positions and comments on issues.
- 3.4.3.6. Follow all appropriate policies and procedures when in disagreement with a decision of the Board.
- 3.4.3.7. Remain in community through conflict and the work towards resolution.
- 3.4.3.8. Hold ourselves and each other accountable to our commitments.
- 3.4.3.9. Express genuine appreciation to all Board members for their commitment of time, energy and effort.
- 3.4.3.10. Be supportive of Board members' needs for self-care and step up, when possible, to take on responsibilities to balance the load.
- 3.4.3.11. Be open to new ideas and to new ways of doing things, including a commitment to change our position on issues.
- 3.4.3.12. Be knowledgeable about the congregation's bylaws, policies and procedures and actively seek means to align the congregation's governance with its mission and visionary goals.
- 3.4.3.13. Remember, always, that no one is perfect, that everyone makes mistakes.
- 3.4.3.14. Honor the sacred nature of our time together, our covenant and our shared purpose by illuminating and promoting the hopeful, helpful and enjoyable ways we can engage in the work of this Church together.

3.5. Committee Principles

First Universalist Church of Minneapolis Governing Policies Handbook

The Board may establish standing or temporary committees to help carry out its responsibilities.

This policy applies only to committees that are formed by Board action, whether or not the committees include non-Board members. It does not apply to committees formed under the authority of the Senior Minister.

3.5.1. Purposes

- 3.5.1.1. Committees will assist the Board chiefly by preparing policy and/or assessing policy alternatives, recommendations, implications and outcomes for Board deliberation.
- 3.5.1.2. Committees will be used only when other methods have been deemed inadequate so as to minimally interfere with or confuse the wholeness of the Board's job.

3.5.2. Authority

- 3.5.2.1. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Such authority will be carefully stated in order not to conflict with authority delegated to the Senior Minister.

3.5.3. Staff Relationship

- 3.5.3.1. Board committees are to help the Board do its job, not to interfere with the staff doing its job.
- 3.5.3.2. Board committees cannot exercise authority over staff and, in keeping with the Board's focus on the future, Board committees generally will not have direct dealings with current staff operations.
- 3.5.3.3. Further, the Board will not impede its direct delegation to the Senior Minister by requiring approval of a Board committee before a Senior Minister action. The Senior Minister works for the Board, never for a Board committee or officer. However, nothing shall prevent the Board from requiring a recommendation from a Board committee before taking action as a Board.

3.6. Grievance Policy

It is the intent of the Board to be responsive to staff and the congregation, but it is not the function of the Board to resolve complaints or grievances that are not directly related to the Board's policy-making and policy-monitoring functions.

First Universalist Church of Minneapolis Governing Policies Handbook

When individual Board members receive complaints about Board policies or violations of Board policy from members of the congregation, the following guidelines will be followed.

3.6.1. Complaints about Board Policies

- 3.6.1.1. Complaints concerning GPH or other Board policies shall be handled in accordance with the Church's mission and visionary goals, which encourages direct and open communications. Such matters brought to the Board's attention will be welcomed for consideration in on-going revisions to these policies.
- 3.6.1.2. If as part of a complaint a request for Board action is received, the complaint will be communicated to both Board members and the Senior Minister. After discussion with the Senior Minister, the Board will determine if a policy change is required. If not required, the Board will resolve the matter directly with the initiator.
- 3.6.1.3. If the Board determines that a policy change is required, the Board will make the required change and communicate the resolution to the initiator.

3.6.2. Complaints about Violations of Policy

- 3.6.2.1. If an individual believes a policy is being violated by staff or the Senior Minister, s/he should first discuss it directly with the appropriate staff or Senior Minister. If this is not possible or if the issue is not resolved by staff or the Senior Minister, it may be brought to the president or vice president for consideration by the Board. The Board will resolve the issue as appropriate, which may include clarifying policy or taking disciplinary action. The Board will communicate its resolution of the complaint to the initiator.

4. Board-Senior Minister Relationship Policies

The policies in this section address how authority is delegated to the Senior Minister and how the Board and Senior Minister should work together.

4.1. Delegation to the Senior Minister

The Board's job is generally confined to establishing topmost policies, leaving implementation and subsidiary policy development to the Senior Minister.

All Board authority delegated to staff is delegated through the Senior Minister, so that all authority and accountability of staff can be phrased, insofar as the Board is concerned, as authority and accountability of the Senior Minister. The Senior

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A congregant may provide information about misconduct in any one of these categories to any currently-serving member of the Board of Trustees. The Board shall then undertake such evaluation or investigation as it deems appropriate. The Board may choose to conduct any evaluation or investigation in confidence and take such actions, if any, that it deems appropriate. The Board shall **exercise discretion in deciding whether to share the results of its evaluation or investigation with the congregant who raised the complaint, balancing the congregant's interest in resolution against the confidentiality that may be necessary in addressing co-senior minister employment issues.**~~only be required to disclose the results of its evaluation and investigation in the event that the Board finds misconduct that the Board reasonably believes may lead to the Congregation's removal of a CSM as provided in the Church's bylaws.~~

All other grievances or complaints identified by Congregants and brought to the Board's attention that lie outside of the categories set forth above will be referred back to the CSMs for consideration.

First Universalist Church Covenant of Right Relations

May 11, 2015

As congregants and staff of First Universalist Church, we interact and work together in ways that exemplify our spiritual values and honor our Unitarian Universalist principles as we strive to fulfill our mission and achieve our visionary goals. We abide by the policies of the Church and maintain a community of safety, security, and trust. We seek to work together in ways that help all contribute to our common vision and feel respected within our community. We share a collective commitment to analysis of racism and white privilege, and establish accountable, responsible and inclusive relationships with our entire community. We use this covenant as a framework for right relationships with others as we work outside our walls in the larger community.

We welcome, affirm, and protect the light in each human heart, creating a culture of mutual respect, trust, and care. We:

- Act with kindness and compassion toward one another.
- Treat each other with respect, even in times of confusion, misunderstanding, or disagreement.
- Work together to clarify and understand our own roles and to respect the roles and responsibilities of others.
- Actively listen to one another with openness and a desire for genuine understanding.

We communicate constructively demonstrating clarity, candor, and kindness. We:

- Share our own views with openness and tact.
- Offer generous thanks and encouragement, thoughtful criticism, and constructive options, as appropriate.
- Speak directly to others when we have concerns.
- Avoid gossiping.
- Assume positive intent on the part of each individual.
- Deal with complex, awkward and difficult to resolve issues to the best of our ability.

We make thoughtful, wise, and sound decisions. We:

- Commit to examining where white privilege and racism may be informing our interactions, discussions, and decisions, and to discerning what a decision made from a racial justice lens would look like.
- Seek out reliable information, consider alternative viewpoints, contemplate intended and unintended consequences, and use critical thinking.
- Understand that not all decisions within the church are consensus decisions; some may be staff decisions and/or the decisions of elected or appointed groups.
- Strive for transparency in decision-making.
- Communicate and respect the stated process for coming to closure.

We recognize that we will sometimes fall short, failing to do and be all that we would wish. We:

- Acknowledge our own mistakes.
- Stay engaged in the process of reconciliation with each other.
- Practice forgiveness and begin again in love.

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Donate now (https://giving.uua.org/disaster-aid?utm_source=banner&utm_medium=uua.org&utm_campaign=disaster%20relief) .

CREATING CONGREGATIONAL COVENANTS

General Assembly 2008 (<https://www.uua.org/ga/past/2008/index.shtml>) Event 3035

Presenters: Eunice Milton Benton, Connie Goodbread

What is a congregational covenant? Eunice Benton, District Executive of the Mid-South District, and Connie Goodbread, Program Consultant for the Florida District, answered this question, and gave some tips for creating a congregational covenant.

"It's about making respectful behavior the norm," said Benton, describing a congregational covenant in plain language. "It's about good manners, what your momma taught you when you were small.... It's about valuing your religious community."

Benton added, "It's a good investment" in helping maintain the individuals and the whole community.

"We've struggled with this word [covenant] for a long time," said Goodbread. "Why is this so?" Because Unitarian Universalists come out of the Abrahamic religious traditions, the idea of covenant can be traced back to the story of Abraham and Isaac in the Hebrew Bible. "We don't like this story," she said, because Abraham offers to sacrifice his son Isaac to Yahweh in order to maintain the covenant with Yahweh. "We don't want to be submissive in this way," she said.

But the definition of covenant has changed considerably in the thousands of years since the Hebrew Bible was written. Goodbread said that Unitarian Universalists directly inherit the definition of covenant set forth in *The Cambridge Platform*, a document drawn up by Puritans in Massachusetts in 1648. *The Cambridge Platform* (<https://www.uua.org/publications/skinnerhouse/browseskinners/titles/93746.shtml>) is available in a contemporary reader's edition through the Unitarian Universalist Association bookstore.

"The piece we understand completely," said Goodbread, speaking of the definition of covenant set forth in the Cambridge Platform, "is that you're not the boss of me." But the Cambridge Platform also defined covenant to include promises for mutual support. Goodbread said that means that covenant also means "We are all in this together, building a better world."

Today, Unitarian Universalists also understand covenant to mean that each Unitarian Universalist congregation is in covenant with all other Unitarian Universalist congregations. The Principles and Purposes of the bylaws of the Unitarian Universalist Association (UUA) explicitly state this, according to Goodbread.

"Covenant is a promise, not a statement of belief," Goodbread said. Unfortunately, the children's versions of the UUA Principles and Purposes often begin with the statement "We believe...", but this is incorrect wording which tends to make the Principles and Purposes sound like a creed. Instead, the Principles and Purposes are "a spiritual path we try to follow," according to Goodbread, "and when we fail to live up to them, we beg forgiveness and begin again."

After defining covenant, Benton and Goodbread then turned tips for implementing a covenant in a local congregation. Benton suggested that the first step to implementing a congregation-wide covenant is to begin by implementing a covenant among church leaders, specifically the governing board and staff. She suggested that church leadership start by naming "common values." She said that it is important to come to a common understanding of values, before putting a covenant into writing.

"A board and staff can practice and maintain a covenant," Goodbread said, setting an example for the rest of the congregation. Goodbread said that it is important to include newcomers who join the board or staff after a written covenant is implemented. "Read the covenant together regularly," she said.

Both Goodbread and Benton emphasized that establishing cultural norms takes time. Congregational leadership has to understand and practice covenant before the whole congregation can do it. "It ain't the finished document," said Benton. "It's the talking about it and the practicing it."

"This is a sacred document," Benton added. "Talk about it as new folks come join your congregation." Revisit a written covenant every five years or so, to be sure it still applies to the congregation.

After the congregational leadership has worked on establishing a covenant for a time, the rest of the congregation can be included in the process. Benton said that congregations should expect the whole process to take plenty of time. "People may feel that this is just a document to beat them over the head with, and that is not the point," she said. "Take time to do this."

Reported by Dan Harper; edited by Jone Johnson Lewis.

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**UUA GENERAL ASSEMBLY**

Workshops and presentations at General Assembly (<https://www.uua.org/ga>) (GA), the annual meeting of the Unitarian Universalist Association (UUA), have been provided by a variety of organizations and staff groups over the course of several decades. Not all presentations have been reviewed for accuracy or timeliness.

Use the breadcrumbs at the top of the page to explore the latest on this topic from the UUA.

Find more GA presentations (<https://www.uua.org/branding/general-assembly-presentations>) .