

First Universalist Church Board of Trustees
March 17, 2022
Board Packet

Table of Contents

March Board Meeting Agenda..... 1-2
Senior Minister’s Report 3-4
February Attendance5
February Statistical Report 6
Income Statement 7-8
Balance Sheet 9
Capital Campaign Summary 10

First Universalist Church of Minneapolis

Board of Trustees Meeting

March 17, 2022

6:30-8:30

First Universalist Church

[Zoom](#) (*virtual only*)

I. Welcome (6:30-6:35)

- a. Call to Order and Agenda Approval
- b. Lighting the Chalice
 - i. *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.*

II. Executive Session (6:40 ~ 7:00)

- a. Somatic Practice - Grounding
- b. Relationship Building Activity - Game

III. Consent Agenda


- a. *Approval* of February meeting minutes
- b. *Monitoring*: Acceptance of staff and significant volunteer changes
- c. *Monitoring*: Attendance and Membership

IV. Change Team Updates (7:00 ~ 7:05)

- a. Updates from Last Meeting

V. Fiduciary Responsibilities (7:05 ~ 7:50)

- a. Draft Operating Budget 22-23 Church Year
- b. 3 Year Financial Plan
- c. Investment Policy Review & Proposal (Keven)
- d. Proposed Reserve Policy Changes for Board Review & Approval (Jen)

 20220110 Proposed Reserves Policy - Draft

Current Policy: <https://firstuniversalistchurch.org/wp-content/uploads/2014/02/Reserve-Policy.pdf>

- i. Key Concepts: [Balance Sheet Cheat Sheet](#) & [Glossary](#)

BREAK - 5 mins

VI. Creating New Visionary Goals - Emergent Strategy Process (7:55 ~ 8:25)

- a. Review and Ground in the [Emergent Strategy Principles](#) and Board's [Theory of Change Shift](#)
- b. Exploration, Vulnerability and Roles
 - i. [Social Change Ecosystem Map](#) & Visionary Goals (Arif and Daryn)
- c. Whole Group Reflections

- i. What did you notice in your body?
- ii. What feels expansive in your body?
- iii. What feels constricting in your body?

VII. Gratitudes (8:25-8:30)

VIII. Adjourn - 8:30

Senior Minister Report
Prepared by Rev. Jen Crow
March 14, 2022

Information Items

This week, we mark the 2 year anniversary of Covid-19 upending all of our lives. We remember that in a moment, everything changed. That week, church went fully online, we closed our building, supported a family that had been living with us in sanctuary for two and a half years in moving into a home of their own, and cared for each other in new and tender ways. Remember this? [Sunday, March 15 Virtual Worship](#)

Our church community has demonstrated incredible resilience, placing our core values of love and hope, our commitment to caring for those most impacted, and our continued transformation in alignment with our [First Universalist Church of Minneapolis » Mission and Vision](#) at the center of all we do. We have ended each of these last 2 fiscal years with a financial surplus, thanks to the generosity of our donors and the careful stewardship of resources by our staff. Church membership and participation in religious education has stayed stable, with new members and friends joining us from all over the world. The final touches of our building renovation are being completed this spring, and we now have a physical space that is welcoming, accessible, beautiful, and supportive of the ministries we offer. You can learn more here: [State of the Church Meeting Recording](#).

We are in a place of health and strength as we enter a time of dreaming - planning for the next iterations of our spiritual growth as a community.

Monitoring Items

Staff & Volunteer Changes

This month, we marked Lauren Wyeth's 10 year-anniversary as our Director of Children, Youth and Family Ministries, and celebrated her new role as Director of Spiritual Growth for All Ages. Thank you to the Supporting Staff Team who made this celebration possible, and who continue to work alongside Revs. Jen and Arif to celebrate and support staff through celebrations, volunteer recruitment, and ongoing conversations about creating welcoming and inclusive church culture.

There are no staff or volunteer changes to report.

Financial Items

Capital Campaign Update

Income and expenses continue to be on track as we enter the final months of renovation and construction. Remaining projects include:

- removal and installation of a new, universally accessible, playground,
- Fence extension for the side parking lot

- landscaping to maximize the impact of our rain gardens and native planting
- New HVAC units for several key areas of the building

January 2022 Financial Review

The year continues to progress as expected. The budget shortfall we expected in annual giving at the start of the year continues to remain constant. We're currently showing -\$100,000 in annual giving, which is where we expect to end the year. Our annual legacy fund payout was realized in January, and we continue to hold back the \$105,000 in income to be realized from the Paycheck Protection Loan until that loan is forgiven this spring. \$105,000 will be released as income upon forgiveness of that loan. The majority of expense budgets are continuing to track on, and in some cases, under budget. We expect to end the year with a small deficit and will continue to make adjustments as the remainder of the year progresses to make this so.

Reserve Policies Update

The Reserve Policy review team, consisting of Keven Ambrus (Treasurer), Brad Schmidt (Finance Manager), and Rev. Jen Crow (Senior Minister), met on 1/7/22 with the intention of reviewing our current policies and suggesting changes that would adjust current policies in ways that would make our funding and utilizing our financial reserves more streamlined and efficient. Our financial reserves (Operating Reserves and Building Reserves) are different and separate from our endowment. Current policies can be found here: <https://firstuniversalistchurch.org/wp-content/uploads/2014/02/Reserve-Policy.pdf>

The new Proposed Reserve Policies can be found here: [20220110 Proposed Reserves Policy - Draft](#)

An updated proposal for our Reserves Policies is included in this Board Packet for review, discussion, and approval. Key changes include:

- Elimination of separate Operating and Contingency Reserves, combining the two previous reserves into a single Operating Reserve that provides an internal source of funding to meet cash flow and operating budget shortfalls.
- Increased clarity about the timeline of repayment for Operating Reserve funds if used, and the Board's ability to extend the two-year timeline of repayment if necessary.
- Funding of Reserves - reserves will be funded by surplus of annual operating funds, with 50% of any operating surplus being attributed as income to the next fiscal year (creating an opportunity fund for future years), 25% of the surplus going to the Operating Reserve and 25% of the surplus going to the Capital Reserve.

Annual Budget (Draft) and Three-Year Financial Plan

We begin our planning process for fiscal year 2022-23 with building consensus on our intentions for the year ahead. Please review this document, [2022-23 Budget Assumptions](#), as a starting point for our discussion about goals for the year ahead. More detailed financial information, including a 3-Year Financial Plan, will be provided in advance of the Board meeting and included in the online Board packet later this week.

February Attendance									
	2022						2021		
Adults	Wed. 7p	Sun. 9a	Sun. 11a	Sun. 11a Webinar	YouTube	Total	Sun. 10a	Wed.7p	Total
1st week	31	90	111	144	132	508	339	71	410
2nd week	30	76	94	136	119	455	371	68	439
3rd week	29	64	76	105	135	409	330	76	406
4th week	26	103	93	118	131	471	289	85	374
5th week									
Monthly Total	116	333	374	503	517	1843	1329	300	1629
Average for February	29	83	94	126	129	461	332	75	407
RE									
1st week						0			0
2nd week						0			0
3rd week						0			0
4th week						0			0
5th week									
Monthly Total	0		0			0	0	0	0
Average for January	0		0			0	0	0	0
Combined Average	29		94			461	332	75	407

YouTube views recorded 3/11/22 at 2 p.m.

No RE data available to record at time of packet publication

Statistical Report for February 2022

Board Meeting March 17, 2022

MEMORIAL SERVICES:

MARRIAGES/SERVICES OF COMMITMENT: 0

MEMBERS FOR APPROVAL:

MEMBERS REINSTATED:

MEMBERS FOR REMOVAL:

Dyne Stephenson

Roberta Gibbons

CHILDREN DEDICATED: 0

Total members as of the last meeting: 1057

To be added: 0

To be removed: 2

TOTAL MEMBERS: 1055

	To Date	End of Year Totals			
MEMBERS JOINED (Fiscal Year)	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
TOTAL MEMBERS:	1058	1061	1058	1049	1,011

First Universalist Church of Minneapolis

Income Statement

	Actual 07/01/2021 to 01/31/2022	Budget 07/01/2021 to 01/31/2022	Variance	Annual Budget 07/01/2021 to 06/30/2022
Revenues				
Support				
Annual Giving	\$621,009.94	\$726,431.30	(\$105,421.36)	\$1,140,000.00
Donations/Fundraising	\$133,541.30	\$133,113.10	\$428.20	\$204,800.00
Revenue Released from Restriction	\$72,310.23	\$11,666.65	\$60,643.58	\$20,000.00
Total Support	\$826,861.47	\$871,211.05	(\$44,349.58)	\$1,364,800.00
Earned Revenue				
Service/Rental Income	\$60,551.34	\$83,124.92	(\$22,573.58)	\$142,500.00
Investment Income	\$18.55	\$0.00	\$18.55	\$0.00
Other Income	\$715.77	\$0.00	\$715.77	\$102,200.00
Total Earned Revenue	\$61,285.66	\$83,124.92	(\$21,839.26)	\$244,700.00
Total Revenues	\$888,147.13	\$954,335.97	(\$66,188.84)	\$1,609,500.00
Expenses				
Personnel Expenses	\$703,888.55	\$739,539.43	\$35,650.88	\$1,267,275.00
Administrative Expenses	\$94,927.57	\$85,104.22	(\$9,823.35)	\$145,430.26
Program Expenses	\$85,147.51	\$44,820.86	(\$40,326.65)	\$73,100.00
Building & Grounds	\$67,739.68	\$75,734.39	\$7,994.71	\$124,600.00
Other Expenses	\$289.45	\$2,624.96	\$2,335.51	\$4,500.00
Total Expenses	\$951,992.76	\$947,823.86	(\$4,168.90)	\$1,614,905.26
Investment Activity				
Realized Losses	(\$747.90)	\$0.00	(\$747.90)	\$0.00
Unrealized Losses	(\$919.96)	\$0.00	(\$919.96)	\$0.00
Dividends & Interest	\$3,217.01	\$4,958.31	(\$1,741.30)	\$8,500.00
Realized Gains	\$1,072.07	\$0.00	\$1,072.07	\$0.00
Unrealized Gains	\$105.29	\$0.00	\$105.29	\$0.00

First Universalist Church of Minneapolis

Income Statement

	Actual 07/01/2021 to 01/31/2022	Budget 07/01/2021 to 01/31/2022	Variance	Annual Budget 07/01/2021 to 06/30/2022
Total Investment Activity	\$2,726.51	\$4,958.31	(\$2,231.80)	\$8,500.00
 NET SURPLUS/(DEFICIT)	(\$61,119.12)	\$11,470.42	(\$72,589.54)	\$3,094.74

First Universalist Church of Minneapolis

Balance Sheet

	Actual As of <u>01/31/2022</u>
Assets	
Current Assets	
Cash	\$423,460.56
Investments	\$3,971,674.06
Accounts Receivable	\$4,134.80
Other Current Assets	\$32,582.48
Total Current Assets	<u>\$4,431,851.90</u>
Non-Current Assets	
Fixed Assets	\$3,773,088.84
Total Non- Current Assets	<u>\$3,773,088.84</u>
Total Assets	<u><u>\$8,204,940.74</u></u>
Liabilities and Fund Balance	
Liabilities	
Current Liabilities	
Accounts Payable	\$54,580.72
Benefits Payable	\$43,465.98
Other Current Liabilities	\$124,544.22
Total Current Liabilities	<u>\$222,590.92</u>
Long Term Liabilities	
Loan Payable	\$1,103,286.77
Interfund Transfer	(\$28,924.81)
Total Long Term Liabilities	<u>\$1,074,361.96</u>
Total Liabilities	<u>\$1,296,952.88</u>
Fund Balance	
Unrestricted Net Assets	\$4,299,134.73
Donor Restricted Net Assets	\$2,608,853.13
Total Fund Balance	<u>\$6,907,987.86</u>
Total Liabilities and Fund Balance	<u><u>\$8,204,940.74</u></u>

First Universalist Church of Minneapolis
Analysis of Revenues & Expenses - Capital Campaign
January 2022

	Project to Date Actual	Total Budget	Project to Date Variance
Revenues			
Revenues			
Donations	\$ 4,630,615.02	\$ 5,158,077.07	\$ (527,462.05)
Construction Loan	\$ 1,103,286.77	\$ 2,000,000.00	\$ (896,713.23)
Total Revenues	\$ 5,733,901.79	\$ 7,158,077.07	\$ (1,424,175.28)
Expenses			
Initial Launch/Fundraising			
Architectural Pre-Work	\$ 2,000.00	\$ 27,000.00	\$ 25,000.00
Consultants	\$ 229,030.00	\$ 230,000.00	\$ 970.00
Launch Event	\$ 52,689.09	\$ 30,000.00	\$ (22,689.09)
Printing/Supplies	\$ 8,000.00	\$ 8,000.00	\$ -
Total Initial Launch/Fundraising Expenses	\$ 291,719.09	\$ 295,000.00	\$ 3,280.91
Miscellaneous Projects			
Architect Fee	\$ 166,795.87	\$ 166,795.87	\$ -
Debt Retirement	\$ 649,151.38	\$ 649,151.38	\$ -
Merchant Services	\$ 4,108.96	\$ 5,000.00	\$ 891.04
Misc. Capital Expenditures	\$ 104,839.17	\$ 79,555.75	\$ (25,283.42)
Staff Salaries	\$ 54,100.43	\$ 95,000.00	\$ 40,899.57
Tuckpointing	\$ 122,000.00	\$ 122,000.00	\$ -
Loan Principal	\$ -	\$ 2,000,000.00	\$ 2,000,000.00
Loan Interest	\$ 537.16	\$ 120,000.00	\$ 119,462.84
Contingency	\$ -	\$ -	\$ -
Total Miscellaneous Projects Expenses	\$ 1,101,532.97	\$ 3,237,503.00	\$ 2,135,970.03
Phase 1			
Architect Fee	\$ 134,872.70	\$ 134,372.00	\$ (500.70)
Flannery	\$ 1,459,726.11	\$ 1,521,669.00	\$ 61,942.89
Flannery Permits	\$ 19,614.13	\$ 19,614.00	\$ (0.13)
Misc. Consultants	\$ 44,012.00	\$ 14,381.00	\$ (29,631.00)
Misc. Construction	\$ 11,628.50	\$ 53,559.00	\$ 41,930.50
Owners Representative	\$ 87,654.10	\$ 87,654.00	\$ (0.10)
Owner Supplied Systems	\$ 151,936.45	\$ 97,248.00	\$ (54,688.45)
Total Phase 1 Project Expenses	\$ 1,909,443.99	\$ 1,928,497.00	\$ 19,053.01
Phase 2			
Architect Fee	\$ 133,125.04	\$ -	\$ (133,125.04)
Flannery	\$ 1,185,161.55	\$ 1,750,000.00	\$ 564,838.45
Flannery Permits	\$ -	\$ -	\$ -
Misc. Construction	\$ 55,871.45	\$ -	\$ (55,871.45)
Misc. Consultants	\$ 43,938.75	\$ 265,000.00	\$ 221,061.25
Owner Representative	\$ 85,630.00	\$ -	\$ (85,630.00)
Owner Supplied Systems	\$ 89,584.41	\$ 140,000.00	\$ 50,415.59
Solar Panels	\$ 44,500.00	\$ 105,000.00	\$ 60,500.00
Contingency	\$ -	\$ 190,000.00	\$ 190,000.00
Total Phase 2 Project Expenses	\$ 1,637,811.20	\$ 2,450,000.00	\$ 812,188.80
Total Expenses	\$ 4,940,507.25	\$ 7,911,000.00	\$ 2,970,492.75
Net Total	\$ 793,394.54	\$ (752,922.93)	