

# **Budget Overview for Fiscal 24/25**

## **Important Message to the Congregation**

This budget includes an expected deficit that is covered by reserves we have in COVID recovery funds (see below for more information). We WILL have to increase income – largely pledges – over this year and into the near future, or we will face some hard decisions that would likely include reducing staff. This is not a time to panic, but a time to make our recovery from the COVID impacts suffered by the congregation that included a drop in membership, attendance and pledges. We are fortunate to have these funds available, as well as a strong reserve built from generous bequests and fiscal responsibility.

## **Budget Highlights**

### **Team**

Wendy Williams, Carol Wilsey, and Trustees Mary LeBoeuf and Steven DeCaluwe (Compensation and Budget Team) prepared the proposed budget for Fiscal Year 24/25. Considerations included:

- Estimates of expected income
- Program and facility budget information
- Salary comparison data by position
- National and local measure of cost-of-living increases
- Supervisor pay increase recommendations

### **Income**

Pledging for 24/25 is projected to be just slightly higher than the budget for 23/24. This is actually better news than it sounds because our actual pledges for 23/24 will be below budget (about \$800,000 when we budgeted \$835,000). We have new members beginning to rebound (25 people have joined this calendar year already).

Rental and sales have been projected a bit optimistically. The OLLI program has not reached its capacity from pre-pandemic, and they are making some changes in their program delivery. We are exploring possibilities for different types of renters.

Like last year, we have included an allocation from the COVID recovery funds as part of the budget. Here is a summary of the COVID funds and how much has been utilized:

<b>Received</b>	<b>Used/Proposed</b>	<b>Note</b>	<b>Time Period</b>
\$141,000		Paycheck Protection Program	FY 20/21
\$94,000		Employee Retention Credit (ERC)	FY 21/22
	\$31,000	Budgeted \$50,000	FY 22/23
	\$70,000	Estimated, budgeted \$122,500	FY 23/24
	\$137,647	See budget	FY 24/25
\$31,000		ERC - Not received yet, but expected	unknown
<b>\$266,000</b>	<b>\$238,647</b>		

Note that the COVID recovery funds make up part of our Unrestricted Operating Reserve which totals \$596,000 (this does not include the \$31,000 ERC amount that has yet to be received). So that leaves a remaining “cushion” beyond the COVID funds.

**Expenses**

Program expenses are increasing somewhat in this proposed budget as are church operations, though many areas are still lower than pre-pandemic. We have not returned to having evening staffing during the week, but this budget does include increasing our cleaning schedule since facility use has gone up.

The pledge to the UUA Annual Program Fund has been set well below the full ask of \$58,237 to \$10,000.

Personnel expenses are budgeted to increase 4.48% over last year. This includes a cost-of-living increase for all positions of 4.5%. Remarkably, we just received our premiums for our health insurance renewal and they did not go up at all! The budget also includes funding of a full-time intern.

**Conclusion**

As was the case when we set the budget last year, we reflect that the pandemic effects on our income didn’t hit at the onset, but are hitting now with the delay we are experiencing in building back membership. We are fortunate to have the reserves we do from the COVID relief programs as well as some very generous donations and bequests. That keeps us in good financial condition for the time being as we work on increasing income.

<b>JEFFERSON UNITARIAN CHURCH PROPOSED SUMMARY BUDGET</b>	<b>Proposed 2024-25 Budget</b>	<b>2023-24 Budget</b>	<b>\$ Change Inc/(Dec)</b>	<b>% Change Inc/(Dec)</b>	<b>NOTES ON INCREASES/DECREASES</b>
<b>INCOME</b>					
Budgeted Pledge Income	\$845,000	\$835,000	\$10,000	1.20%	
Plate Collections	\$20,000	\$15,000	\$5,000	33.33%	Plate collections are rebounding
Fundraisers	\$87,000	\$98,000	(\$11,000)	-11.22%	More conservative estimate of fundraisers
Rentals and Sales	\$34,000	\$34,000	\$0	0.00%	
Total Miscellaneous Income	\$40,000	\$20,000	\$20,000	100.00%	Expected interest income
COVID Recovery Funds	\$137,647	\$122,500	\$15,147	12.36%	Paycheck Protection and Employee Retention Credit Reserves
Allocation from Operating Reserve	\$0	\$0	\$0		
<b>TOTAL OPERATING INCOME</b>	<b>\$1,163,647</b>	<b>\$1,124,500</b>	<b>\$39,147</b>	<b>3.48%</b>	
<b>EXPENSES</b>					
Program Expenses	\$41,105	\$38,950	\$2,155	5.53%	
Church Operations	\$177,977	\$172,002	\$5,975	3.47%	
Denominational Support	\$10,700	\$19,690	(\$8,990)	-45.66%	UUA APF kept at \$10,000, Mountain Top through grant
Personnel Expenses	\$933,865	\$893,858	\$40,007	4.48%	4.5% COLA increases, some individual position increases
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,163,647</b>	<b>\$1,124,500</b>	<b>\$39,147</b>	<b>3.48%</b>	
<b>BUDGET SURPLUS/(DEFICIT)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		