

2014 Proposed Operating Budget

**Unity Church - Unitarian
Proposed 2014 Operating Budget
for the period 01/01/14 - 12/31/14**

	FY 2013	FY 2013	FY 2014	
	Revised	Projected	Proposed	Budget
	<u>Budget</u>	<u>Year-End</u>	<u>Budget</u>	<u>Note #</u>
	1/01/13-12/31/13	1/01/13-12/31/13	1/01/14-12/31/14	
<u>INCOME</u>				
Gross Pledges	1,156,720	1,133,383	1,206,151	
Less Shrinkage	(57,836)	(50,757)	(60,308)	
Net Pledges	<u>1,098,884</u>	<u>1,082,626</u>	<u>1,145,843</u>	1.
Gifts, Offerings and Fundraisers	52,700	52,465	73,700	2.
Program Income	59,041	66,275	68,786	3.
Investments	48,000	45,000	28,000	4.
Church Facility Rental	33,637	24,638	34,707	5.
Other Funds and Grants	19,000	19,989	45,000	6.
Total Income	<u><u>1,311,262</u></u>	<u><u>1,290,993</u></u>	<u><u>1,396,037</u></u>	
<u>EXPENSE</u>				
Governance	12,750	14,019	24,750	7.
Program	781,166	781,694	776,591	8. & 9.
Development	13,545	10,856	12,545	10.
Administration / Operations	520,343	557,773	568,329	8. & 11.
SUBTOTAL EXPENSE	<u>1,327,805</u>	<u>1,364,342</u>	<u>1,382,215</u>	
Sabbatical Reserve	10,801	10,801	0	12.
Reserve Fund	13,278	0	13,822	13.
TOTAL EXPENSE	1,351,884	1,375,143	1,396,037	
INCOME OVER/(UNDER) EXPENSE	<u><u>(40,622)</u></u>	<u><u>(84,150)</u></u>	<u><u>(0)</u></u>	

Unity Church – Unitarian

Proposed Operating Budget Narrative – Fiscal Year 2014

Assumptions and Proposals

1. **Pledge Income** for 2014 is projected at \$1,206,151 from 708 households, a 6.4% increase over our *current* 2013 pledge base, which is supported by 649 households. We are assuming that the dip in pledging households in 2012 and 2013 was in response to the complexity of the combined Operating and Capital Campaign requests and the struggling economy. We are projecting that by the end of 2014, 708 households will have made Operating pledges, including 100 new pledges. We are also assuming that 4.5% of our 2014 pledges will be uncollectible.

2. **Gifts, Offerings and Fundraisers** includes unrestricted special gifts, Sunday offering income and income from Peace Coffee sales.

Sunday Offering income is projected at \$86,000 with 70% being given away to offering recipient organizations and 30% supporting our Community Outreach ministries in the Operating budget.

We are planning to do a special fundraising event in 2014 with \$20,000 of net income.

3. **Program Income** includes fees from weddings, non-Unity Church memorials, Children’s Musical ticket sales, Religious Education program fees, retreat fees and Wellspring Wednesday income.

4. **Investment Income** is budgeted at \$28,000 in the 2014 Operating budget. This represents only cash dividends from Unity Church endowments that are “Held by Others” including the Mary Lou Diether Trust held at U.S. Bank and the Unity Church-Unitarian Fund held at The Saint Paul Foundation.

We are not drawing investment income from the endowments held by Unity Church, but instead allowing the reinvestments to strengthen the value of these funds.

5. **Church Facility Rental** income is received from groups for one time and ongoing activities such as twelve step groups and the New Century Club. We also rent office space to the One Voice Mixed Chorus and rent worship space to Above Every Name Ministries. We have implemented slightly higher rates for outside renters upon moving back into our newly renovated building.

6. **Other Funds and Grants** represent an annual Hallman Internship gift, a small portion of Unity Consulting income and miscellaneous income.

In 2014, we are also drawing \$20,000 from the Sabbatical Replacement fund that has been growing over the past 6 years. These funds will provide Rev. Lisa Friedman with additional compensation for the two months that our Co-Ministers are on sabbatical, and also pay for other related expense.

7. **Governance Expense** is comprised of Board and Executive Team expense. Included in this category is the cost of an annual independent audit review, professional fees, and a budget for our efforts to combat racism and oppression.

8. **Staff Salaries, Taxes and Benefits** are found in both the Program and Administration/Operations line items. This budget includes adjustments for facilities staff positions to bring them to -5% of market range as determined through a salary survey conducted by the National Association of Church Business Administrators (NACBA). We have also added 5 administrative support hours for the membership and community outreach programs.

There is no Cost of Living (COLA) adjustment in this budget for staff.

There are no changes to the benefits offered to staff in 2014. Our health insurance group is through the UUA and premiums are increasing by 10% in 2014. The church pays for 90% of an employee's premium and the employee pays the remaining 10%. Retirement benefits remain at 10% for all eligible employees.

9. **Program Expense** includes both staff and non-staff costs for the following programs: Worship, Pastoral Care, Music Ministries, Lifespan Religious Education, Wellspring Wednesday, Community Outreach and Membership.

The amount that we pay in Unitarian Universalist Association and MidAmerica Region dues in 2014 is remaining at the same level as in 2013. This represents 26% of UUA Fair Share dues and 68% of MidAmerica Fair Share dues.

10. **Development Expense** includes the cost of the Annual Pledge drive, the Heritage Society dinner and Peace Coffee expense (offset by income).

11. **Administration / Operations Expense** includes both staff and non-staff costs of administrative support and facilities. This includes communications costs, office and facilities supplies, bookkeeping, office equipment, computers, telephones, postage, utilities, property and equipment maintenance, purchased services and insurance.

After "living in" our facility for a year after the renovation project of 2012 we feel that we can more accurately project utility expenses. We are projecting electrical and natural gas expenses at \$25,000 and \$16,000 respectively. The 2014 projected utilities expenses reflect a net increase over years previous to our building renovation in 2012 because we are now air conditioning more space, providing fresh air to our lower level and using more technology.

12. We are not accruing **Sabbatical Reserve** in 2014 because this is the year in which the Co-Ministers are scheduled to take their sabbatical leave. (They are actually electing to take their sabbatical in two segments, one in 2014 and the second in 2015.) The reserve will begin to accrue again in 2015.

13. The Board of Trustees requires the Executive Team to add "not less than 1% of the annual operating budget" to the budget for **Reserves** each year. The standard goal in non-profits is to have three to six months of operating expense in reserve to allow for unexpected needs. The proposed FY14 budget has a 1% reserve line item.

Additional budget detail is available by contacting Barbara Hubbard in the church office at 651-228-1456.

Please join us on November 16, 2013 at our 143rd Annual Congregational Meeting where we will be discussing and approving the Fiscal Year 2014 budget.