

First Unitarian Universalist Congregation of Ann Arbor

Preliminary 2021 Budget

	Budget	Preliminary Budget	
	2020	2021	Comments
Income			
Pledge-Related Income	\$ 1,076,000	\$ 1,100,000	92% of income
Sunday Collection	52,590	52,590	
Facility Rental	39,933	26,180	34% drop
Fundraising	38,876	8,250	No Auction income
Other Income	12,000	7,420	
TOTAL INCOME	\$ 1,219,399	\$ 1,194,440	
Program Expenses			
Worship & Music	\$ 18,594	\$ 7,000	
Spiritual Growth & Development	9,750	3,700	
Social Justice	4,800	4,000	
Community Life	15,000	5,500	
Culture (Partner Orgs. and BoT)	17,250	17,250	Mostly contributions to UUA
Subtotal	\$ 65,394	\$ 37,450	
Stewardship Expenses			
Buildings	\$ 98,838	\$ 82,213	Utilities, insurance, maintenance
Land	24,300	20,800	Mostly snow plowing
Office Services	48,828	41,970	Telephone, computer, rentals
Debt & Mortgage Payments	112,822	90,759	
Finance	22,360	23,225	Accountant and credit card fees
Fundraising	8,250	1,800	No Auction expense
Other Employee-Related Expenses	51,946	47,126	Prof. Exp.; workman comp
Subtotal	\$ 367,344	\$ 307,893	
Employee Compensation & Benefits	\$ 786,661	\$ 849,096	71% of total expense
TOTAL EXPENSES	\$ 1,219,399	\$ 1,194,440	

See reverse side for additional information

Financial Commentary

Revenue

You can see how pledges increase from 88% of our total income budgeted in 2020 to 92% of our total income in 2021. There are three reasons for this:

1. Rental income falls. We continue with Community Day Care filling the lower level of the SGD wing, and Gretchen's House temporarily filling the upper level until September 2021. But we no longer have the Russian School on Saturdays, BNI on Thursday mornings, weddings, and other meetings.
2. Fundraising falls, primarily because no auction is assumed. The \$6,000 auction expense is eliminated in the fundraising costs.
3. Other income falls, which is primarily donuts and food for Social House. The cost of these items is eliminated in the Community Life expenses.

Program Expenses

Program expenses generally track in-person gatherings, so we will see lower costs for Worship/Music, SGD and Community Life. Exceptions are:

- Social Justice, which is usually grants or costs not necessarily directly associated with congregational services.
- Culture, which is primarily UUA contributions of \$13,000 (their current request is \$63,000 annually – 5 years ago we gave only \$3,000 annually) as well as scholarships and support for our Transylvania partner church.

Stewardship Expenses

- Buildings are basically utilities (\$40,000), maintenance for AC/heating, fire, and elevator (\$15,000), and insurance (\$10,000). These are independent of service schedule.
- Land is basically snow plowing (\$16,000), but a new quote could be lower.
- Office is primarily telephone and web services and support (\$25,000) and copier rental (\$5,000). Again, not affected by service schedule.
- We borrowed \$1,280,000 in May 2016. We have a 5 year, commercial loan, due May 2021. Our principal is now about \$893,000, and by next May when we roll the mortgage, the principal should be under \$850,000. \$430,000 of principal will be paid in 5 years.
- Finance includes our accountant, who prepares the books and does all our payroll (\$13,700) and credit card fees (\$9,525)
- Employee related expenses are primarily contract-related professional expenses (\$44,000) and worker's comp. insurance (\$2,500)

Employee Compensation

- UUAA endeavors to pay employees at UUA recommended levels for various job classifications, and we have made adjustments this year to achieve this.
- Given the uncertainty of next year, we also need to provision for the possibility of concurrently employing the technical expertise we need for virtual services as well as the office staff we will need as in-person meetings begin. At present, we have no paid non-program office staff, which is not sustainable in the long term.
- Health care premiums are a major cost issue over which we have little control. In 2021, our projected net medical insurance premiums (\$112,738) will be greater than our mortgage payment.