

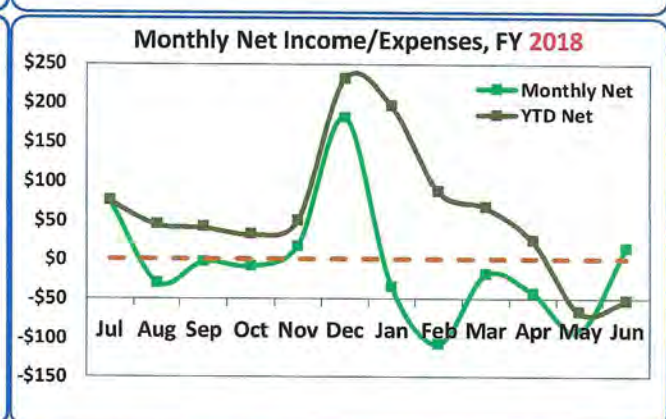
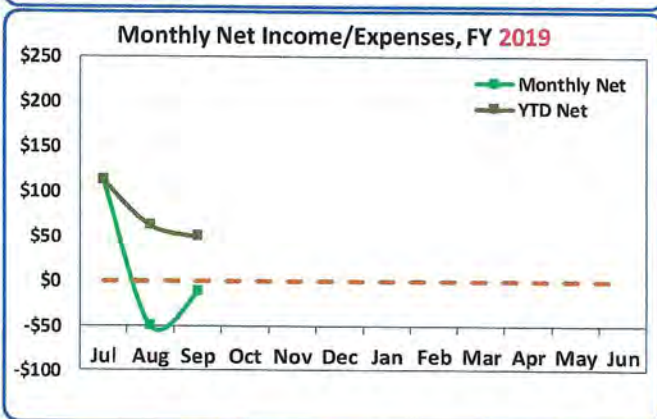
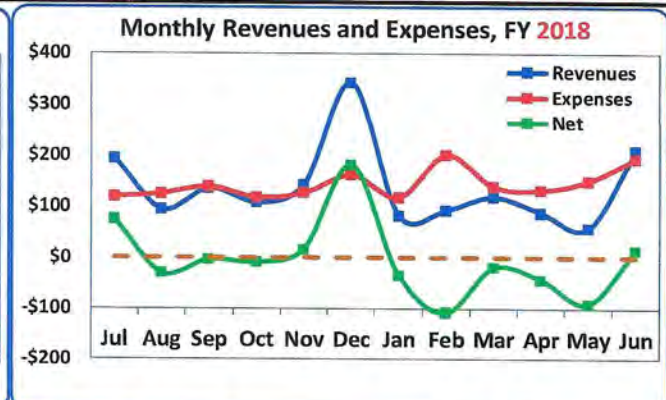
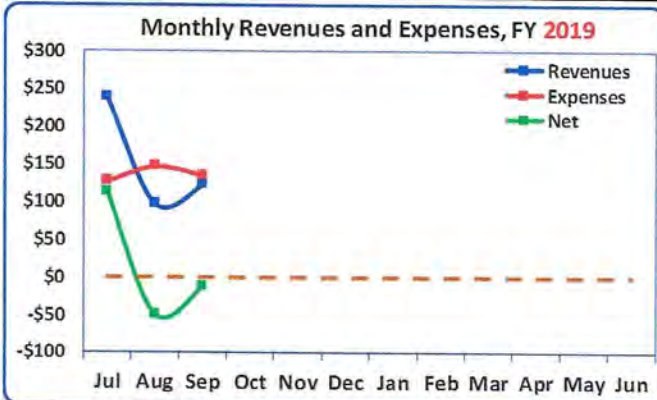
**Report of the Treasurer
UUCA Board of Trustees
October 16, 2018**

Fiscal Year 2019 to-Date Operating Results – Highlights for first three months, July-September

- YTD revenues were \$458 K: \$56 K ahead of budget and \$33 K above last year.
- YTD expenditures were \$408 K: \$8 K under budget and \$25 K above last year.
- YTD net revenues over expenses were \$50 K: \$64 K over budget and \$8 K above last year.

**UUCA Operating Revenues, Expenses and Net Revenues
Fiscal Year 2019, with Comparisons
Thousand Dollars**

| | Fiscal Year 2019, Actual | | | Fiscal Year 2019, Budget | | | Fiscal Year 2018, Actual | | |
|-----|--------------------------|----------|-------|--------------------------|----------|-------|--------------------------|----------|-------|
| | Revenues | Expenses | Net | Revenues | Expenses | Net | Revenues | Expenses | Net |
| Jul | \$239 | \$127 | \$112 | \$136 | \$140 | -\$5 | \$195 | \$119 | \$76 |
| Aug | \$97 | \$147 | -\$50 | \$136 | \$140 | -\$5 | \$95 | \$125 | -\$30 |
| Sep | \$122 | \$135 | -\$12 | \$131 | \$136 | -\$4 | \$136 | \$139 | -\$3 |
| YTD | \$458 | \$408 | \$50 | \$403 | \$416 | -\$14 | \$426 | \$383 | \$42 |



Operating Reserves

The **operating reserves** of the Church consist of:

- Funds to cover the current assets of all designated accounts, except for Memorial Gifts and Bequests,
- A general operations reserve, and
- A replacement reserve, which is restricted.

These reserves are all invested in six Fidelity mutual funds, which are managed by the Executive in consultation with the Investment Committee. At the end of September, balances of these funds were as follows:

| UUCA Operating Reserves - September 31 | | | | | | | |
|--|-----------------------|---------------------------------------|--------------------------------|----------------------------|-----------|-----------------------|--|
| <i>Thousand Dollars</i> | | | | | | | |
| Designated Accounts | General Operations | Restricted Replacement Reserves | Total Operating Reserves | FY 2019 Expenditure Budget | | Months of Reserves | |
| | | | | Annual | Bimonthly | | |
| \$106 | \$161 | \$64 | \$331 | \$1,651 | \$275 | 2.4 | |

Executive Limitation 4.6.2 under Board policy requires the Executive to operate with at least two months (1/6 of the annual budget) of liquid operating reserves, unless otherwise approved by the Board. Executive Limitation 4.6.3.a) further specifies that, if the operating reserve at the end of the current fiscal year is projected to be less than 2 months of operating expenses, the following year's operating budget must be balanced. At the end of September, the operating reserves totaled 2.4 months of the FY 2018-19 annual expense budget. The operating budget for the 2018-19 fiscal year, approved by the Congregation at the June 3, 2018 annual meeting, has a deficit of \$53 K, as stated in the church's Summary Report of Revenues and Expenses for Fiscal Year 2018-19. Accordingly, the operating reserves were in compliance with Executive Limitation 4.6.2 as of the end of September.

Endowment Fund

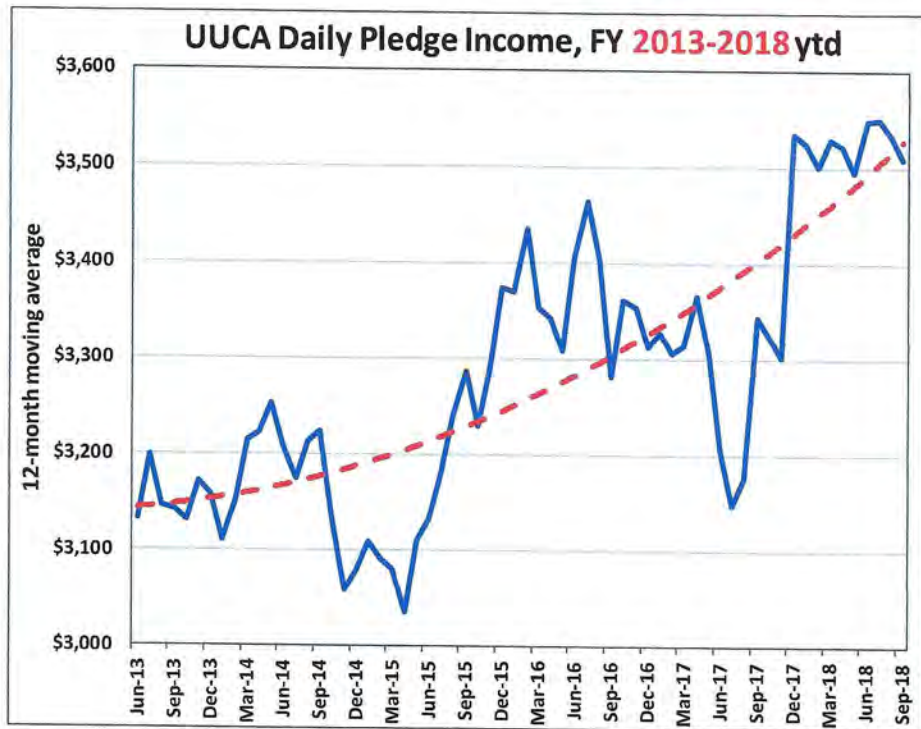
The assets of the **Endowment Fund** at the end of September totaled \$819 K in liquid assets invested in 12 Vanguard mutual funds, which are managed by the Executive in consultation with the Investment Committee. This was \$3 K less than the Endowment Fund's liquid assets at the end of August, one month previously. The assets of the Endowment Fund at the end of September represented 50 percent of the Fiscal Year 2018-19 expense budget of \$1,651 thousand. Executive Limitation 4.8.4 under Board policy specifies that the Executive shall not "allow the endowment balance to be less than 100% of the annual operating budget. As an exception, the Executive may plan a balance of not less than 50% to refinance the mortgage in the year 2017." Accordingly, the Fund was in compliance with Executive Limitation 4.8.4, under the exception clause, as of the end of September.

Long-term Liabilities

The balance of the **mortgage** was \$3.098 million at the end of September. At the end of September, the Church's ratio of total liabilities to total assets was 0.43. This substantially overstates the Church's effective debt to assets ratio because the asset values on the Church balance sheets are stated on a cost basis, and are considerably lower than the current market value of the Church's land and buildings.

Trends in Pledge Income

Monthly pledge income increased significantly in December 2017 and, for the nine subsequent months, through September, has sustained itself, on a 12-month moving average daily basis, at or above \$3,500 per day.



Peter Vitaliano, Treasurer, UUCA

001 Unitarian Universalist Church of Arlington, VA
Fiscal Year Beginning 7/1/2018
Budgeted Financial Statement for Period 03 September 25.00%
REVENUES

| Description | Actual for Period | Actual YTD | Budget Annual | Var. Actual to Annual Budget % | Actual for Period Last Year | Actual YTD Last Year |
|--|----------------------|-------------------|---------------------|--------------------------------------|--------------------------------|-------------------------|
| GENERAL OPERATING FUND RECEIPTS | | | | | | |
| PLEDGES & CONTRIBUTIONS | | | | | | |
| Special Contributions | 418.99 | 2,446.99 | 25,000.00 | 9.79 | 82.00 | 1,456.00 |
| Special Contribution Non-Tax | 12,730.00 | 28,790.00 | .00 | .00 | 31,822.09 | 33,872.09 |
| Pledges -- Prior Pledge Years | 2,548.00 | 13,380.68 | .00 | .00 | 90,797.78 | 351,732.81 |
| Pledges 2018-19 | 81,978.21 | 312,352.07 | 1,137,524.00 | 27.46 | .00 | .00 |
| Summer Challenge One-Time Gift | 103.00 | 38,843.55 | .00 | .00 | .00 | .00 |
| Residual Capital Campaign Pled | 111.00 | 222.00 | 5,000.00 | 4.44 | 1,000.00 | 1,200.00 |
| Plate - Share The Plate | 7,864.48 | 21,719.30 | 120,000.00 | 18.10 | .00 | .00 |
| Plate - February | .00 | .00 | 8,000.00 | .00 | .00 | .00 |
| TOTAL PLEDGES & CONTR | 105,753.68 | 417,754.59 | 1,295,524.00 | 32.25 | 123,701.87 | 388,260.90 |
| FUNdraising | | | | | | |
| Services Auction | .00 | .00 | 21,000.00 | .00 | .00 | 62.00 |
| Miscellaneous F/R | .00 | 70.10 | 2,000.00 | 3.51 | 150.00 | 596.32 |
| New Initiatives Fundraising | -161.48 | 231.46 | 5,000.00 | 4.63 | -42.50 | -961.18 |
| Mistletoe Mall | 330.00 | 1,666.60 | 4,000.00 | 41.67 | 915.00 | 1,538.95 |
| Grocery Scrip Sales | .00 | .00 | 1,500.00 | .00 | 134.50 | 345.50 |
| TOTAL FUNdraising | 168.52 | 1,968.16 | 33,500.00 | 5.88 | 1,157.00 | 1,581.59 |
| RENTALS | | | | | | |
| Parsonage Rental | 850.00 | 2,550.00 | 11,000.00 | 23.18 | 850.00 | 2,550.00 |
| Pre-School Rental | 2,419.00 | 2,419.00 | 22,500.00 | 10.75 | 2,360.20 | 2,360.20 |
| Weddings etc. | 12,648.66 | 32,420.86 | 160,000.00 | 20.26 | 7,069.60 | 29,310.85 |
| TOTAL RENTALS | 15,917.66 | 37,389.86 | 193,500.00 | 19.32 | 10,279.80 | 34,221.05 |
| ACTIVITIES RECEIPTS | | | | | | |
| Music/Theatre Contributions | 70.00 | 70.00 | 5,000.00 | 1.40 | .00 | .00 |
| TOTAL ACTIVITIES RECEIPTS | 70.00 | 70.00 | 5,000.00 | 1.40 | .00 | .00 |
| OTHER RECEIPTS | | | | | | |
| Interest Income | 281.13 | 618.21 | 4,500.00 | 13.74 | 44.34 | 162.16 |
| Endowment Fund Transfer | .00 | .00 | 60,000.00 | .00 | .00 | .00 |
| Refreshments | 195.00 | 528.50 | 2,500.00 | 21.14 | 280.51 | 740.51 |
| Gains/Losses on Stock | 3.33 | -226.33 | .00 | .00 | 28.87 | 51.96 |
| Flowers | .00 | 20.00 | .00 | .00 | .00 | .00 |
| Miscellaneous Income | .00 | .00 | 2,500.00 | .00 | 500.00 | 500.00 |
| TOTAL OTHER INCOME | 479.46 | 940.38 | 69,500.00 | 1.35 | 853.72 | 1,454.63 |
| TOTAL OPERATING RECEIPTS | 122,389.32 | 458,122.99 | 1,597,024.00 | 28.69 | 135,992.39 | 425,518.17 |

001 Unitarian Universalist Church of Arlington, VA
Fiscal Year Beginning 7/1/2018
Budgeted Financial Statement for Period 03 September 25.00%
Revenues and Expenses Summary Report

| <u>Description</u> | <u>Actual for Period</u> | <u>Actual YTD</u> | <u>Budget Annual</u> | <u>Var. Actual to Annual Budget %</u> | <u>Actual for Period Last Year</u> | <u>Actual YTD Last Year</u> |
|---|------------------------------|-----------------------|--------------------------|---|--|---------------------------------|
| REVENUE – GENERAL OPERATING FUND | | | | | | |
| 4099 Pledges & Contributions | 105,753.68 | 417,754.59 | 1,295,524.00 | 32.25 | 123,701.87 | 388,260.90 |
| 4129 Fundraising Revenue | 168.52 | 1,968.16 | 33,500.00 | 5.88 | 1,157.00 | 1,581.59 |
| 4139 Rental Revenue | 15,917.66 | 37,389.86 | 193,500.00 | 19.32 | 10,279.80 | 34,221.05 |
| 4159 Program Revenue | 70.00 | 70.00 | 5,000.00 | 1.40 | .00 | .00 |
| 4199 Other Revenue | 479.46 | 940.38 | 69,500.00 | 1.35 | 853.72 | 1,454.63 |
| TOTAL REVENUES | 122,389.32 | 458,122.99 | 1,597,024.00 | 28.69 | 135,992.39 | 425,518.17 |
| Staff | | | | | | |
| Church Office | 82,849.02 | 262,932.20 | 1,007,963.85 | 26.09 | 90,305.02 | 269,553.83 |
| Ministry & Worship | 7,116.87 | 14,983.77 | 58,584.00 | 25.58 | 3,349.49 | 8,259.56 |
| Children & Youth Ministry | 1,964.23 | 3,883.91 | 30,020.00 | 12.94 | 2,098.46 | 4,938.64 |
| Member Support | 2,365.44 | 7,486.19 | 22,950.00 | 32.62 | 1,981.85 | 3,814.58 |
| Communications | 738.63 | 2,586.47 | 21,500.00 | 12.03 | 943.17 | 1,516.17 |
| Faith in Action & Outreach | 187.81 | 293.39 | 9,050.00 | 3.24 | 752.67 | 1,026.42 |
| Our Wider Movement | 5,505.14 | 15,203.53 | 86,000.00 | 17.68 | .00 | 298.45 |
| Buildings & Grounds | 9,900.00 | 9,900.00 | 39,600.00 | 25.00 | 9,000.00 | 9,000.00 |
| Mortgage | 8,576.15 | 44,509.83 | 187,030.00 | 23.80 | 15,360.82 | 38,446.27 |
| | 15,407.10 | 46,221.30 | 188,000.00 | 24.59 | 15,407.10 | 46,221.30 |
| TOTAL EXPENDITURES | 134,610.39 | 408,000.59 | 1,650,697.85 | 24.72 | 139,198.58 | 383,075.22 |
| *****SUMMARY***** | | | | | | |
| TOTAL REVENUE | 122,389.32 | 458,122.99 | 1,597,024.00 | 28.69 | 135,992.39 | 425,518.17 |
| TOTAL EXPENDITURES | -134,610.39 | -408,000.59 | -1,650,197.85 | 24.72 | -139,198.58 | -383,075.22 |
| NET | -12,221.07 | 50,122.40 | -53,173.85 | -94.26 | -3,206.19 | 42,442.95 |



Chief Administrative Officer Report to the Board of Trustees

Fiscal Year 2019

October 2018

Staffing Update

Second Minister – Walter Clark has been offered and accepted the position of Ministerial Assistant. His contract is through 6/30/2018.

Total FTE on Payroll **11.66**; 3 Contract Staff (Music); 4 hourly childcare staff (added 1 FTE with new Minister)

Stewardship Update

Tom O'Reilly has been working with the committee on the Casino Night event on 3 November 2018. Please plan on attending. The goal for this event is \$21,000

Membership

July Attendance Total: **2967** ; Current Membership Roster as of 30 September: **803**

New Congregation Directories are still being distributed. Equality UUCA hosted happy hour as part of National Coming Out Day that was highly attended.

Security

The downstairs doors are now being locked after the preschool exits each day (around 2pm). An article ran in connections alerting people to this change and the need for continued monitoring of building safety. We received very little in terms of concerns with this change.

Staff Training

Staff received a copy of Anxious Church Anxious People. No training was held in the month of September.

Communications

September website visits were 2,192 with 3,296 total sessions.

Highest website traffic is on Sunday between 8am and 11am as well as Saturday between 2 and 10pm.

97.4% of users are from the US, with France and Korea second and third highest.

54.3 percent of users use desktop computers to access our site with 37.1 percent mobile and 8.6 percent tablet.

Most users are looking at our calendar, livestream and staff email links.

61.7% Female / 38.3% Male

18-24 – 6.93%; 25-34 – 22.17%; 35-44 – 20.91%; 45-54 – 15.87%; 55-64 – 15.11%; 65+ - 19.02%

Grounds and Facilities

The grounds continue to get some attention. We have finished 75% of the landscaping in the parking lot with Complete Landscape. In addition, the Preschool had a work day last Saturday and they used all of the mulch that had been delivered (5 truckloads) and continued their work on the East side of the parking lot. In addition to placing mulch, they also planted the many mums that were used during Ron Cima's memorial service. Pete Kostik has continued to mow the George Mason side of the building.



Open Questions and Annual Vision of Ministry October 2018

| | | | |
|------------------------------|---|---|--|
| Board Open Questions: | How shall we live "We are the Church"? | How shall we increase levels of Engagement through connections with each other as a Community? | How shall we change Governance and Decision-making processes of the Church? |
| | | | |

| | | | |
|---|--|---|---|
| Board Goals | Support leadership development programs and listening sessions, (e.g., Appreciative Inquiry) with board members' presence, participation and facilitation if needed. | Increase Board participation in Soul Matters groups, Circle Dinners, Casino Night, Social Justice actions and other activities that bring the community together. | Commission the Governance Task Force to explore past and current governance challenges and make recommendations for changes. |
| | Continue open and transparent communications using Soul Matters themes for spiritual messages and/or sharing in Sunday services. | Support First Friends program and other plans to engage new members in our community. | Make changes in the Board's processes to strengthen leadership and the working relationship with the Interim Minister and Staff |
| | Conduct congregational mid-year update meeting in January. | | Strengthen Stewardship program by providing strategic framework and budget before March launch. |
| Shared Challenges to Board/Ministers/Staff : | Identify the Mission and what it means today. | Facilitate congregational engagement | Engage in constructive dialogue about past, present and future |
| | Remind ourselves of the spiritual basis of our community | Facilitate opportunities for ministry for staff and members | Begin to make changes to improve transparency, engagement and efficiency |
| | Remember our strengths/positives | Silo Deconstruction | |
| | Model positive leadership styles | | |
| | Strong Stewardship | | |
| | | | |



Open Questions and Annual Vision of Ministry October 2018

| | | | |
|------------------------------|--|--|---|
| Board Open Questions: | How shall we live "We are the Church"? | How shall we increase levels of Engagement through connections with each other as a Community? | How shall we change Governance and Decision-making processes of the Church? |
| | | | |

| | | | |
|-----------------------------------|--|--|---|
| Annual Vision of Ministry: | Leadership Skills Education and Development Programs | Increase Youth involvement with wider congregation | Support Governance Task Force |
| | Identify new Stewardship leaders/volunteers | Deepen choir relationships | Clarify Music Committee role |
| | Skills/Interest Survey for Leadership Development | Balance music program with existing staff | Operating Policies total refresh |
| | Build responsible building stewards | Increase college age connections | Team leadership enhancement |
| | Communicate more robust spiritual messages | First Friends Program | Shared culture shift of congregation |
| | Refresh whole church database | Refresh Membership/Friends info on database | Increased volunteer involvement in operations |
| | Increase spiritual focus of young adult/youth groups | Increase intentional social media | Give back work to RE families |
| | | | |

October xx, 2018

Members of The Ministerial Fellowship Committee
c/o The Rev. Sarah Lammert
Co-Director, Ministries and Faith Development
Executive Secretary, Ministerial Fellowship Committee
Unitarian Universalist Association

Dear Members of the Ministerial Fellowship Committee;

I am writing today on behalf of the Board of Trustees and other members of the congregation at the Unitarian Universalist Church of Arlington (UUCA.) We would like to express our extreme displeasure with the length of the process for your committee to render a decision on our former minister, Aaron McEmrys.

On January 4, 2018, the UUCA Board was informed that our minister was under investigation by the Ministerial Fellowship Committee (MFC,) at which time we were informed that a decision would be made in March. Later in January, we were informed that a decision may not be made in March and it was likely that the decision would not be made until September.

The ten months from the time that we placed our minister on administrative leave until a decision was issued has been painful to our congregation and our Board's confidentiality to protect the investigative process led to significant mistrust by the congregation. Our congregation is extremely displeased with the UUA, and specifically wanted to make that displeasure known. This also makes it even more difficult for our Board to make a case to bring our congregation closer and closer to our fair share in the UUA budgeting process.

The lack of timeliness is also the reason that our Board will absolutely not use the UUA standard contract for our current or future ministers. The standard contract leads congregations to believe that suspensions or removals from Fellowship by the MFC will protect the congregation against severance payments; however it misleads congregations to believe that decisions will be made in a timely manner. In cases like ours, the length of your process lasted longer than the buyout terms of the standard contract.

We hope that you will consider ways to speed up your decision-making process so that future congregations who find themselves in situations similar to ours do not have to endure the months-and-months of pain and mistrust while you go through your process.

Sincerely,

Al Himes
Board Chair / President