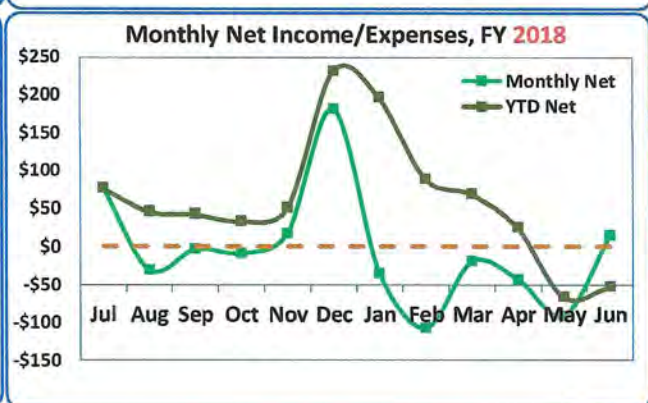
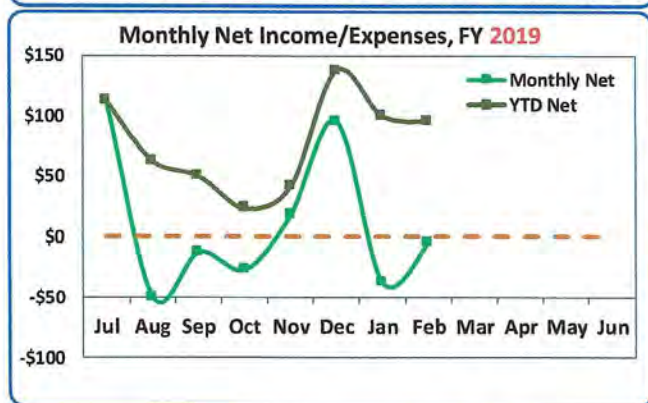
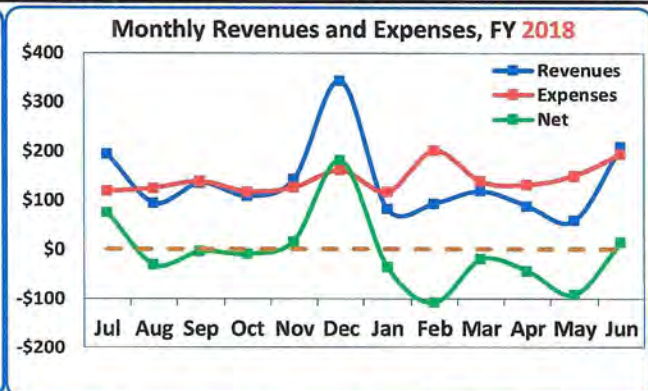
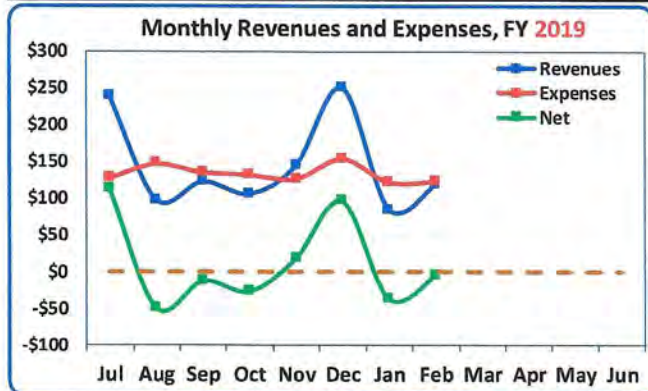


Report of the Treasurer
 UUCA Board of Trustees
 March 19, 2019

Fiscal Year 2019 to-Date Operating Results – Highlights for first eight months, July-February – Further details in last two pages below

- YTD revenues were \$1,160 K: \$97 K ahead of budget but \$36 K below last year.
- YTD expenditures were \$1,064 K: \$35 K under budget and \$43 K below last year.
- YTD net revenues over expenses were \$96 K: \$131 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
Q1	\$458	\$408	\$50	\$403	\$416	-\$14	\$426	\$383	\$42
Q2	\$499	\$412	\$87	\$403	\$416	-\$14	\$595	\$406	\$190
Jan	\$84	\$121	-\$37	\$136	\$140	-\$5	\$82	\$117	-\$36
Feb	\$119	\$123	-\$4	\$123	\$127	-\$4	\$93	\$201	-\$108
YTD	\$1,160	\$1,064	\$96	\$1,063	\$1,099	-\$36	\$1,196	\$1,107	\$88



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

UUCA Operating Reserves - February 28						
<i>Thousand Dollars</i>						
Designated Accounts	General Operations	Restricted Replacement Reserves	Total Operating Reserves	FY 2019 Expenditure Budget		Months of Reserves
				Annual	Bimonthly	
\$171	\$192	\$62	\$425	\$1,651	\$275	3.1

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 February, the operating reserves totaled 3.1 months of the Congregationally-approved Fiscal Year 2018-19 annual expense budget of \$1,651 K. Accordingly, the operating reserves were in compliance with Executive Limitation 4.6.2 as of the end of February.

Endowment Fund

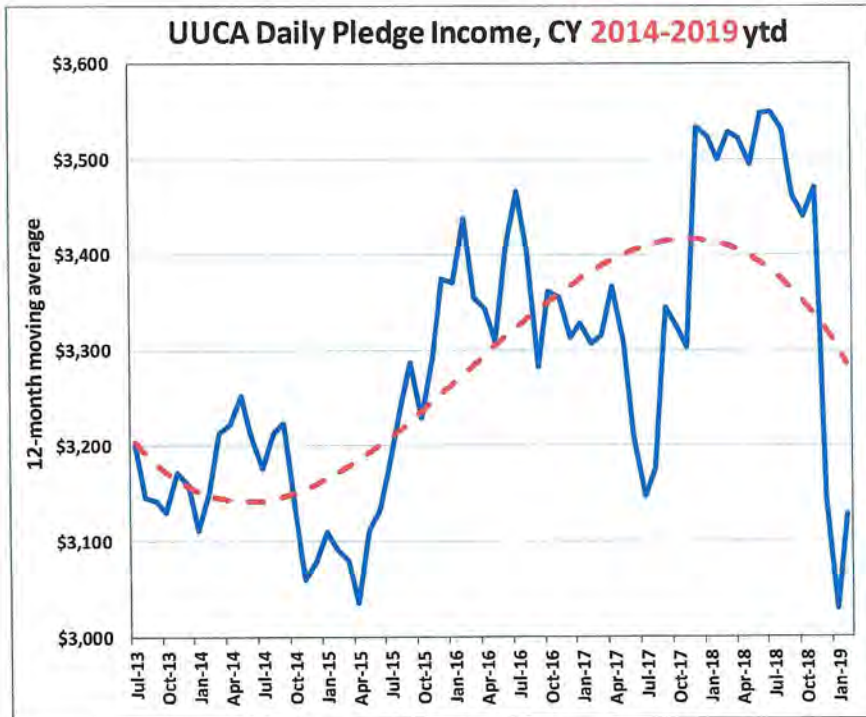
The assets of the **Endowment Fund** at the end of February totaled \$802 K in liquid assets invested in 12 Vanguard mutual funds, which are managed by the Executive in consultation with the Investment Committee. This was \$21 K more than the Endowment Fund's liquid assets at the end of January, one month previously. The assets of the Endowment Fund at the end of February represented 49 percent of the Congregationally-approved Fiscal Year 2018-19 expense budget of \$1,651 K. 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 out of compliance with Executive Limitation 4.8.4, even under the exception clause, as of the end of February.

Long-term Liabilities

The balance of the **mortgage** was \$3,073 K at the end of February, at which time the Church's ratio of total liabilities to total assets was 0.42. 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 eight subsequent months, through August, sustained itself, on a 12-month moving average daily basis, at or above \$3,500 per day. It dropped below this level during September through November, although remaining at historically-high levels. But since then, the December 2017 record level for this statistic has not been included in the 12-month moving average calculation, which dropped it back to a level more representative of the pre-2018 period. This analysis includes income from additional pledges for the recent Summer Challenge.



Estimated FY 2019 Year-end Results

For the past several years, UUCA has always operated at a deficit of revenues over expenses during the second half of its fiscal year, and for the past two fiscal years, it has ended the fiscal year with such a deficit for the entire year. During the last four months of the past three fiscal years, expenses have exceeded revenues by \$130 K to \$147 K, including, in some cases, transfers from the Endowment Fund. Based on this experience, the current fiscal year could finish with an operating deficit of between \$34 K and \$51 K. At the end of February, the Endowment Fund balance represented 5.6 months of budgeted expenses and the operating reserves balance represented 3.1 months of such expenses.

Fiscal Years:	2016	2017	2018	2019
	<i>thousand \$</i>			
YTD Net Revenue-Expenses 2/28	\$180	\$57	\$88	\$96
YTD Net Revenue-Expenses 6/30	\$34	-\$73	-\$52	
<u>2/28 - 6/30 change in YTD Net Revenue over Expenses</u>				
Actual	-\$147	-\$130	-\$140	
<u>6/30/2019 projected YTD Net Revenue over Expenses</u>				
Maximum				-\$34
Average				-\$43
Minimum				-\$51
<u>Endowment Fund balance 6/30</u>				
Actual	\$709	\$838	\$796	
Months of Expenses	5.8	6.0	5.7	
<u>Reserve Funds balance 6/30</u>				
Actual	\$270	\$189	\$221	
Months of Expenses	2.2	1.4	1.6	

Peter Vitaliano, Treasurer, UUCA

001 Unitarian Universalist Church of Arlington, VA
Fiscal Year Beginning 7/1/2018
Budgeted Financial Statement for Period 08 February 66.67%
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	107,896.08	1,020,655.87	1,295,524.00	78.78	72,920.26	1,049,047.70
4129 Fundraising Revenue	145.53	18,308.22	33,500.00	54.65	1,847.84	32,662.94
4139 Rental Revenue	9,304.85	102,993.35	193,500.00	53.23	16,841.32	108,602.07
4159 Program Revenue	.00	2,967.79	5,000.00	59.36	.00	.00
4199 Other Revenue	1,213.85	14,852.90	69,500.00	21.37	1,219.09	5,234.46
TOTAL REVENUES	118,560.31	1,159,778.13	1,597,024.00	72.62	92,828.51	1,195,547.17
Expenses						
Staff	89,691.61	697,834.49	1,007,963.85	69.23	140,610.43	766,910.18
Church Office	2,846.34	32,514.28	58,584.00	55.50	15,105.80	50,196.78
Ministry & Worship	890.00	12,991.93	30,020.00	43.28	2,865.02	13,106.29
Children & Youth Ministry	184.23	10,480.76	22,950.00	45.67	1,887.51	10,996.58
Member Support	695.00	9,537.87	21,500.00	44.36	6,328.53	12,619.82
Communications	39.57	1,944.49	9,050.00	21.49	323.99	4,063.90
Faith in Action & Outreach	5,025.86	48,682.55	86,000.00	56.61	.00	406.09
Our Wider Movement	.00	19,800.00	39,600.00	50.00	9,000.00	27,000.00
Buildings & Grounds	8,176.10	107,033.02	187,030.00	57.23	9,632.37	98,924.52
Mortgage	15,407.10	123,256.80	188,000.00	65.56	15,407.10	123,256.80
TOTAL EXPENDITURES	122,955.81	1,064,076.19	1,650,697.85	64.46	201,160.75	1,107,480.96
*****SUMMARY*****						
TOTAL REVENUE	118,560.31	1,159,778.13	1,597,024.00	72.62	92,828.51	1,195,547.17
TOTAL EXPENDITURES	-122,955.81	-1,063,862.39	-1,650,197.85	64.47	-201,160.75	-1,107,492.67
NET	-4,395.50	95,915.74	-53,173.85	-180.38	-108,332.24	88,054.50

001 Unitarian Universalist Church of Arlington, VA
Fiscal Year Beginning 7/1/2018
Budgeted Financial Statement for Period 08 February 66.67%
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	70.00	10,491.99	25,000.00	41.97	1,449.00	8,924.00
Special Contribution Non-Tax	46,591.00	161,465.99	.00	.00	21,105.00	51,702.09
Pledges - Prior Pledge Years	500.00	23,152.68	.00	.00	48,366.26	983,221.61
Pledges 2018-19	53,315.20	714,948.43	1,137,524.00	62.85	.00	.00
Summer Challenge One-Time Gift	20.00	39,693.55	.00	.00	.00	.00
Residual Capital Campaign Pled	.00	944.00	5,000.00	18.88	2,000.00	5,200.00
Plate - Share The Plate	7,399.88	69,959.23	120,000.00	58.30	.00	.00
Plate - February	.00	.00	8,000.00	.00	.00	.00
TOTAL PLEDGES & CONTR	107,896.08	1,020,655.87	1,295,524.00	78.78	72,920.26	1,049,047.70
FUNdraising						
Services Auction	40.00	12,026.62	21,000.00	57.27	180.00	26,530.05
Miscellaneous F/R	105.53	998.03	2,000.00	49.90	1,501.84	2,024.80
New Initiatives Fundraising	.00	611.46	5,000.00	12.23	.00	-521.18
Mistletoe Mall	.00	4,672.11	4,000.00	116.80	.00	3,981.77
Grocery Scrip Sales	.00	.00	1,500.00	.00	166.00	647.50
TOTAL FUNdraising	145.53	18,308.22	33,500.00	54.65	1,847.84	32,662.94
RENTALS						
Parsonage Rental	850.00	6,800.00	11,000.00	61.82	850.00	6,800.00
Pre-School Rental	.00	14,514.00	22,500.00	64.51	2,360.20	14,161.20
Weddings etc.	8,454.85	81,679.35	160,000.00	51.05	13,631.12	87,640.87
TOTAL RENTALS	9,304.85	102,993.35	193,500.00	53.23	16,841.32	108,602.07
ACTIVITIES RECEIPTS						
Music/Theatre Contributions	.00	2,967.79	5,000.00	59.36	.00	.00
TOTAL ACTIVITIES RECEIPTS	.00	2,967.79	5,000.00	59.36	.00	.00
OTHER RECEIPTS						
Interest Income	1,081.85	11,213.62	4,500.00	249.19	1,038.09	2,315.50
Endowment Fund Transfer	.00	.00	60,000.00	.00	.00	.00
Refreshments	132.00	1,622.14	2,500.00	64.89	181.00	1,938.01
Gains/Losses on Stock	.00	1,597.00	.00	.00	.00	-19.05
Flowers	.00	20.00	.00	.00	.00	.00
Miscellaneous Income	.00	400.14	2,500.00	16.01	.00	1,000.00
TOTAL OTHER INCOME	1,213.85	14,852.90	69,500.00	21.37	1,219.09	5,234.46
TOTAL OPERATING RECEIPTS	118,560.31	1,159,778.13	1,597,024.00	72.62	92,828.51	1,195,547.17

DRAFT March 2019

**Unitarian Universalist Church of Arlington (UUCA)
Senior Minister Annual Performance Review
March 2019**

The Board of Trustees is responsible for an annual performance review of the UUCA Senior Minister/Executive. The review shall consist of three elements:

- 1) ministerial self-evaluation with commenters of the minister's choosing,
- 2) treatment of staff report based on confidential discussions, and
- 3) a Board assessment on progress in achieving UUCA's vision, mission, Ends, and strategic goals.

The board should designate a subset of the board to function as an evaluation/ministerial relations/personnel/executive compensation committee. This should include the board chair and at least 2 other board members. This committee needs to be knowledgeable about the monthly dynamics of how the board and the minister are working together and understand the goals set by the board each year. It should meet to establish the minister's annual goals from April to June, and then once as a progress check-in during the year, say in December or January.

The committee will collect documentation of the three elements annually and submit a confidential letter to the Board with a recommendation for ministerial compensation by April. All three elements and the recommendation letter will be treated as confidential personnel materials. The reports and letter will be kept on file for future Board members to review.

The ministerial self-evaluation and the treatments of staff report are described in more detail below. The Board is constantly monitoring UUCA progress and in discussion with the senior minister on priorities and initiatives.

The Board assessment mentioned above in #3 is envisioned to be a 1-2 page document on the overall progress of the institution and expectations for the coming year addressed to the senior minister. The annual strategic plan should guide this document. It should be a consensus document that all Board members agree with. If consensus cannot be reached, differing views should be recorded such that the senior minister and future Board members are aware of such. It should not be a detailed list of concerns or specific directions/tasks for the senior minister.

Senior Minister Self-Evaluation

In addition to continuous monitoring of progress towards UUCA's vision, mission, Ends, and strategic goals, the Board of Trustees is responsible for evaluating the Senior Minister/Executive professional performance. Given that Board members typically lack professional experience on which to evaluate ministerial performance, this part of process relies on an annual self-evaluation by the senior minister with documented feedback from at least three individuals engaged in their ministry.

Our UUCA ministerial self-evaluation leverages the Fulfilling the Call (FTC) model, available at <https://www.uuma.org/page/fulfillingthecall>, as of January 2019. The minister does not need to use the specific FTC forms or tools, but the underlying framework of duties and task provides a common basis for professional self-assessment.

The FTC model identifies nine ministerial duties:

- 1) Leads worship
- 2) Officiates rites of passage
- 3) Provides pastoral care and presence
- 4) Encourages spiritual development
- 5) Witnesses to social justice in the public square
- 6) Leads administration
- 7) Pursues personal renewal and professional development
- 8) Serves the larger UU faith
- 9) Leads the faith into the future.

Before the beginning of each year, *the board and the minister will discuss and reach consensus on the goals for the church's ministry* in the coming year. The senior minister will provide a written plan for addressing these goals that outlines the major initiatives to achieve the goals and the perceived challenges that may require new approaches to organizing resources, staff and lay support. (this could be a ppt-level written plan) The goals will include focusing on three of the above areas of ministerial duties that are most relevant to the church's vision of ministry for the year or that are opportunities for growth of the minister's skills/ministry. *One of the three duties addressed shall always be 7) pursues personal renewal and professional development; the two others will reflect the consensus of the board chair and the senior minister.*

- 1) In April of each year the minister will provide a written self-evaluation that reports how those goals were addressed during the year, including progress toward goals
- 2) Strengths and successes,
- 3) Perceived challenges that made it difficult to achieve the goal or delayed progress
- 4) Plan to address challenges or continue successes as appropriate as foundation for beginning discussions about upcoming year.

The expectation is that the annual combined self-evaluation will be 5-10 pages long and require similar number of hours to prepare. The report will be discussed first with the Board Chair and Vice Chair.

The complete self-evaluation will be provided to at least three individuals of the board's and senior minister's choosing such as another UUCA minister, CAO or other UUCA staff, or a UUCA lay leader.

The minister will suggest 6 individuals and the board will suggest 6 and they will reach consensus on 3. Each will be asked to respond to the self-evaluation with at least a couple of written pages of comments on the senior minister's self-evaluation, specifically:

- 1) Of the goals and duties addressed, which ones does the respondent consider themselves to be knowledgeable on?
- 2) For those goals or duties, does the respondent think the senior minister should consider any additional goals for growth?
- 3) For all the duties addressed and goals set, how can the respondent or the Board best support the senior minister in the coming year?

Each respondent will meet with the sub-group of the board charged with the evaluation process to review their written comments and discuss any further questions the board may have.

The self-evaluation and responses will be provided to the full Board for their review and will be kept in the senior minister's UUCA personnel file for review by future Board members. The Board, or subset of Board members/UUCA lay leaders as they deem appropriate, will conclude the process with a meeting with senior minister to discuss the evaluation.

The intent is to create a collaborative goal-setting process for the senior minister's ministry rather than an adversarial assessment of performance. The senior minister is given significant latitude over the topics addressed and the individuals commenting on the self-evaluation. However, over a 3-4 year period of annual reviews, it is expected that most of the FTC duties will be addressed at some point and a wide-representation of stakeholders engaged.

Commented [WW1]: Does having only 3 individuals providing review and feedback and having that feedback in writing puts these staff members in a difficult position? Since all our staff, both administrative and ministerial, work for the Senior Minister and have at-will employment contracts, they are vulnerable to retribution from the Senior Minister if he/she perceives that the review has turned negative in any way. CEOs are particularly paranoid/sensitive/vulnerable/targets and could be suspicious of staff involved in this process. Corporate 360 evaluations frequently look for feedback groups no smaller than 20 or 25 people to avoid any potential to identify individual participants' comments

Treatment of Staff Discussion Guide

This discussion guide is built around a series of questions that helps the Board of Trustees understand the treatment of staff in the key roles of the UUCA ministry. These roles include UUCA professional and volunteer staff such other UUCA ministers, Chief Administrative Officer, Director of Music, and Director of Lifespan Religious Education as well as UUCA lay leaders. This is an attempt to open the lines of communication between the Board and the broader staff to ensure the Policy Manual's Treatment of Staff is in compliance. According to the Policy Manual:

"With respect to the treatment of paid and volunteer staff, the Executive shall not cause or allow conditions that are unsafe, unhealthy, unprofessional, disrespectful, or inconsiderate."

Annually the Board, or a subset of the Board/UUCA lay leadership as they consider appropriate, will have confidential discussions with at least three paid or volunteer staff of the Board's choosing. They should have discussion with as many staff members as necessary. The discussion should revolve around the questions listed below. Upon completion of the discussions of staff treatment, they should generate a report that will be shared with the entire board and the senior minister, but no further. Effort should be taken to keep the discussions confidential. If issues or concerns arise, paid or volunteer staff should be encouraged to file policy violations that address the specific issues such that the Board can address them.

Commented [WW2]: Does this mean that the CAO or the bookkeeper if they think the minister is mispending church funds has to file a "policy violation" to get the board to act? Again, this is a great a burden for someone the minister can fire at will

Discussion Guide Questions

1. Tell us about how things are going generally in your job
2. Do you know what is expected of you at work? Does your immediate supervisor provide you with the support and information and decision-making you need to complete your responsibilities? Is your immediate supervisor available to help you when you have a problem? Is their supervisor (or the board) available to help you both with a major issue when needed?
3. Does the staff at UUCA work together as a team with a sense of vision provided by the senior minister? Do you feel you're part of a cohesive team?
4. Is there any information you believe the board should have that isn't coming through the usual channels of communication?
5. Do you have concerns about reprisals for providing information or reporting your experiences to the Board?
6. Do you have the resources you need to do your job properly?
7. At work, do you have an opportunity to do what you do best?
8. Have you received recognition and praise for doing good work?
9. Do you have ample opportunity for personal and professional development?

DRAFT March 2019

10. Do you feel your opinion counts at work?
11. Has there ever been opportunities that you were prevented from contacting the board directly with issues you've had with the [Senior Minister]?
12. How would you characterize your relationship with [Senior Minister]?
13. Is there anything you'd like to share with us about [Senior Minister]?