ANNUAL REPORT 2012-2013

First Unitarian Church, Portland

Established 1866

Living Our Liberal Faith
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MISSION OF THE CHURCH AND ENDS STATEMENTS

Given our long and distinguished history in Portland, we covenant together:

- To create a welcoming community of diverse individuals;
- To promote love, reason and freedom in religion;
- To foster lifelong spiritual growth; and
- To act for social justice.

The mission of First Unitarian Church of Portland, Oregon is to create a welcoming community of diverse individuals; to promote love, reason and freedom in religion; to foster lifelong spiritual growth; and to act for social justice.

Accordingly, First Unitarian Church:

- Is a welcoming and loving community that provides a safe haven where a diverse people of various ages and cultures may gather to build nurturing relationships.
- Offers lifespan religious education consistent with Unitarian Universalist values, and provides a forum for exploring diverse points of view.
- Provides worship that is inspiring and affirming, as well as a variety of experiences that invite congregants to deepen their spiritual lives.
- Uses transparent democratic processes that maintain shared governance and ensure that all voices are heard and respected, and that clearly define the roles and responsibilities of congregants, the Board, staff, and ministers.
- Cultivates and nurtures leaders who serve and inspire the church community.
- Is a sustainable church community in which congregants, Board, staff and ministers share stewardship of both our tangible and our human resources.
- Takes a leadership role in the larger Unitarian Universalist movement, maintaining connections with other Unitarian Universalist congregations and institutions as well as the local interfaith community.
- Witnesses as a voice of conscience in our community and beyond, collaborating with other justice-seeking institutions, encouraging congregants to join others in building a more equitable, sustainable, and peaceful future for all.
Senior Minister
—Rev. Bill Sinkford, Senior Minister

Dear Members and Friends of the First Unitarian Church,

In thinking back over the church year just ending, some moments stand out for me as special memories. There have been so many times when our life together has embodied the Beloved Community—so much laughter, so many tears, so much commitment, so much depth of spirit. It has been a good year.

There was the worship service on Transgender issues with the powerful and personal testimony of Emily Newberry. The music-centered service celebrating Paul Robeson. The moving Youth Service. The tears and laughter on Mother’s Day. The pleasure and solemnity of sharing flowers from our gardens during our annual Flower Communion ritual. The spirit has moved on Sunday mornings this year.

There were the delight and excitement generated by our Raise the Roof auction – with its wonderful opportunities for connection that will bless and enrich us for many months to come. And joy at the heart-felt celebrations of our graduating seniors and those who have taught in the Learning Community and Adult Education classes this past year.

I remember the many ways that we have deepened the life of the spirit: The success of the second Seminary for a Day, in partnership with Meadville/Lombard Theological School; the introduction of the Wellspring program and the strong interest in expanding Wellspring next year; the expanded lay ministry program.

The financial health of the church is more solid and a sustainable future is more secure thanks to the generosity expressed during our Annual Fund Drive, and the successful refinancing of the remaining debt on our Buchan Building.

And then there was the sanctuary packed for the Sewell Lecture, with Thom Hartman speaking on “corporate personhood.” The witness against gun violence here and in Salem. The gathering of energy to address our criminal justice system.

I remember the good leadership of the Board, taking the mission of the church and the need to find effective channels of communication seriously. The focus on Leadership Development.

I could go on and on.

This spring’s Board survey showed improved ratings for each and every element of our ministry. The numbers are important; we need to be intentional about evaluation. There is always more to do, of course. But as I look back, I see it has been a good year for our ministry together.

May the season of bright sun and warmth provide you with the renewal you need, and may you return in September eager to continue living into a bright future for First Church.

Blessings,

Bill
Board of Trustees
– Shirlee Geiger, Moderator

The Board of Trustees had a productive year! We set goals at our retreat in late summer (per our policy requirements), and these goals provided the focus for our work. Here are some of our goals and description of our progress:

- **support the process of finalizing the refinancing of the Buchan Building and monitor the financial ramifications.**

  The church secured new financing, with very favorable terms, for the remaining debt on our Buchan Building. This took considerable time and effort from Church staff and the Board Finance Committee. Within our congregation, the deep love for our church is manifest in different ways in different people's lives. For Camille Wright, Pat Malone and Kathryn Estey, the love showed up as hours and hours of preparation for presentation of our case and careful review of numerous lender policies and terms, crunching the numbers to ensure First Church would have the best possible outcome. We are all the beneficiaries of their dedication and care.

- **conclude the work of the ad hoc leadership development committee, resulting in a report on recruiting, supporting, and sustaining lay leadership.**

  The Leadership Development Committee concluded 18 months of work by delivering their proposals to the Board and Executive Team led by Glenn Montgomery and Teri Martin who continued the work started by Jim Shorr. Many people in the congregation contributed through participation in one of the leadership cafe conversations, or through attending the Saturday leadership meeting with Terry Sweetser from the UUA. The committee synthesized the ideas and insights they gathered, and have laid out a proposed path with near-term, mid-term and long term tasks. Their work provides a beautiful example of how to do things well.... For anyone who has tried to find a way into leadership at First Unitarian, the wisdom of their proposals is both obvious and beautiful. I believe that in years to come, when First U is flourishing, some future historian will be able to trace the route back in time to this wise study of what should come next in our faith community.

- **review ends statements, in order to establish metrics for oversight.**

  Each board meeting this year we set aside time to talk about ends statements, one at a time. Our goal was to increase our understanding of the important values and aspirations held within each of them. The assumption guiding this work is that we increase our chances of actually **living our values** when we are intellectually and emotionally clear about what those values mean. This work also is also intended to build up the understanding needed for the “oversight” task assigned to the board as our most sacred responsibility. The board works to represent the mission of the church in the lives of our current and future congregants, and as First U strives to be a blessing in our world.

  If you would like to review the ends statements yourself, go to the [board web page](#) and scroll down.

- **develop and implement ways to engage and communicate with congregants, especially with regard to church policy, the decision making process, and stewardship.**
Many thanks to the many people who contributed to the ongoing conversations this year. Our Communications Committee worked to create a wonderful visual, capturing the essence of policy-style governance. Additionally, over 300 people responded to the congregational survey put out for a second year by the Policy Evaluation Committee, with many people taking considerable time to write thoughtful and deeply-felt comments. Our Finance Committee has created new visual dashboards to display information about the church’s money – and by extension, our values – in ways that are understandable without accounting backgrounds. (Thank you!!) We also received multiple requests for information as well as sharing of ideas through our new email address, board@firstunitarianportland.org.

The Board continues in its tradition of respectful collaboration. We have learned to both agree and disagree in loving ways. For me, watching this process – and getting to participate – has led me to new hope for our sweet and hurting world. As we all know, we are in dire need of thoughtful, loving, and productive collaborations on our planet just now....

Thanks to all at First Unitarian for caring so deeply.

**Adult Programs**
—Katie Radditz, *Director*

Classes and Retreats by the Number

- Number of Classes plus Retreats 63 compared to 83 offered last year. This is a 20% reduction in offerings.
- Number of class participants 1,015. This is almost exactly the number of class participants as last year although there were 20 fewer offerings this year.

(Last year’s Adult Programs board report included the number of participants in the UU membership classes as well as the numbers in Seminary for a Day which made a total of 1,240. These numbers are not included under Adult Programs this year.)

**Special Events**

Adult Programs hosted 14 Special Events this year with speakers, teachers, or celebrations. These included authors, retreat leaders, workshop teachers from the US as well as Canada and Lebanon and Tibet/India - if we include the outside event with the Dalai Lama.

**Highlights of the year:**

- **Broadening Effects of Connections made this year through Adult Programs** -

The Adult Programs committee objective this year has been to assess and enhance the relationships and contacts made within our church community and the broader Portland community. Through Classes, Retreats and Special Events with guest speakers we have been successful in extending our outreach this year by partnering with social justice groups, theater groups, Writing and Storytelling Institutes, Prisons, Colleges, and Encore Careers for retirees; by cosponsoring programs within our church with Beloved Conversations, the Men’s Community, other area UU churches, Goose Hollow Shelter, New Members, Seniors and Young Adults; and by supporting dialogue, experience and learning about Race,
Gender, Science and Religion, Prison, Spiritual Development, treatment of Women, and Acceptance of the Other through literature in performance and short stories. At year’s end there will be a link on the Web with specific personal stories.

- **His Holiness the Dalai Lama’s Environmental Summit and Tibetan Teachings**

It has been a joy and privilege to work with Maitripa College, advising, coordinating and collaborating on a successful visit of the Dalai Lama and David Suzuki in Portland. We sold a block of tickets for First Church, offered a class on Tibetan Buddhism and His Holiness the Dalai Lama with Maitripa’s teacher Jim Blumenthal, arranged other related classes, and planned a Green Day follow up on Sunday in Pioneer Square. First Unitarian Church along with 15 Environmental Groups and Maitripa College will have tables at the afternoon event of speakers and music.

- **Book and Media Sale**

This all church event raised $4,000 this year, $1,000 more than last year, selling books, dvd’s and cd’s as well as baked goods made by the Men’s Community Baker Boyz. This community affair—open to the public on Saturday—raises money for the scholarship fund enabling every person to afford a class or retreat. It also benefits the church libraries, the bookstore used book supply, and various community organizations that receive donations from the unsold books. More than 30 people were involved in this year-long, grand recycling project that generates much good will.

- **Sewell Lecture: Speaking of Justice**

Thom Hartmann spoke on the history and current movement to end Corporate Personhood. About 500 people attended the Lecture and Community Gathering and reception with 24 community groups working for economic and equity justice. The event was organized by the cooperative efforts between Rev. Bill, EJAG, and Adult Programs.

**Administration and Finance**

—Kathryn Estey, *Church Administrator*

The mission of the church’s administrative staff, along with the many volunteers who work side by side with us, is to provide support in these arenas:

<table>
<thead>
<tr>
<th>Program</th>
<th>Key Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and Stewardship</td>
<td>Zaida Cooper, Controller</td>
</tr>
<tr>
<td></td>
<td>Erin Tafuri, Development Assistant</td>
</tr>
<tr>
<td>Front Office/General Administration</td>
<td>Kate Fagerholm, Administrative Associate and assistant to the Reverends Sinkford, Disrud and Lore</td>
</tr>
<tr>
<td>House &amp; Grounds</td>
<td>Jason Chapman, Facilities Manager</td>
</tr>
<tr>
<td></td>
<td>Jen Wills, Assistant Facilities Coord.</td>
</tr>
<tr>
<td>Rentals/Community Bridges</td>
<td>Holli Nicknair, Manager</td>
</tr>
</tbody>
</table>

Here are some highlights of the year:

- The church successfully completed refinancing the outstanding balance on our Buchan Building loan. This is a 10-year loan with a 25 year amortization, financed through Wells Fargo. We particularly express our deep gratitude to Board members Pat Malone and Camille Wright who each played a major role in bringing
this negotiation to completion. Stabilizing our finances and improving our financial reporting remained front and center this year with good success.

- The Annual Fund Drive, *Choosing Hope for Ourselves and the World*, was co-chaired this year by Helena Lee and Ann Zawaski. It was our most successful drive ever, reaching nearly $1.4 million. Led by Randy Russell and Laura Milne, the Stewardship Committee revamped our Advocate program to give volunteers a more satisfying way to support the drive. Ron Yoder stepped down as the Committee’s chair after many years of service, and Laura Milne moved into that position. We thank them both. The congregation enthusiastically provided a bountiful all-church potluck brunch following each service on Celebration Sunday. Erin Tafuri joined the staff as development assistant.

- See page 15 for financial operating results through the third quarter (March 31) of Fiscal 2013.

- First Unitarian Church welcomed a new renter this year: the Le Monde School, a French-immersion Portland public charter school. We were also pleased to negotiate a new one-year lease with our long-time renter Northwest Academy. The Academy had hoped to be in its own building this fall; but due to circumstances beyond their control, they will be with us at least through the 2013-2014 school year.

- In addition to our major renters, between July 2012 and June 2013 we rented to approximately 50 different organizations and partners, including nonprofits like OHSU, American College of Nurse Midwives, Oregon Opportunity Network, Northwest Energy Efficiency Alliance and Oregon Community Foundation; as well as high-tech educational groups such as Stumptown Syndicate, Share Point Users Group, Word Press Foundation and Portland Code Camp. We hosted 16 weddings and 8 wedding receptions during the year, and 15 memorials and receptions, 11 for members, 4 for nonmembers.

- Kate Fagerholm joined the staff as Administrative Associate. Kate manages our front office operations including the overseeing of our volunteers, and works as assistant to our three ordained ministers.

- Major House & Grounds efforts this year focused on our roofing needs. Repairs to one section of the Sanctuary roof were completed. Thanks to our wonderfully successful “Raise the Roof” service auction (and to auction co-chairs Evie Zaic and Sharon Dawson and their dedicated committee), additional roof repairs will be underway shortly.

  Key volunteers in our landscaping and grounds maintenance work are Kathy Ludlow and Marti Yoder, who themselves coordinate a host of additional volunteers in keeping our grounds looking beautiful.

**Number of Volunteers supporting Administration:**
Stewardship/Annual Fund Drive: 108  
House and Grounds:  50  
Front Office:  7

**Communications**
—Craig Towers, *Director*

First Church officially established a department to oversee all church communications commencing on July 1, 2012. Prior to that, church communications had been loosely affiliated with the Membership program. The department is primarily responsible for the compilation, design, and editing of three weekly publications, as well as the church website, and special projects as needed.

- *Front Steps*: A Familiar Name is Applied to Three Weeklies
1. Front Steps (in print), 2. Front Steps E-news (digital), and 3. Front Steps Highlights (back page of Sunday’s Order of Worship). Since all three of these publications contain identical or similar information, the name Front Steps was revived this year, and applied to each of them. Front Steps had been, for many years, the masthead of the church’s monthly print newsletter, which ceased publication in 2011. Each of these documents is also posted on the church website, under the Publications tab in the homepage main menu. Why offer three similar publications? Because congregants have a variety of ways of receiving news and information, and not everyone is “online”!

Front Steps E-news is released each Thursday afternoon, and goes to nearly 3,000 email addresses in the Portland area, and beyond; data shows that about 900 are “opened” each week. On average, each issue contains 25-30 built-in links to other web pages and to email addresses. Copies of the paper and ink Front Steps are available for pick-up from one of our 4 literature racks located around the church campus, and also at the Welcome Desk and Newcomer Table for visitors.

• Website

The church website is also under the supervision of the Communications Department. The homepage offers a “newsroom” feature, divided by program area, and information changes almost on a daily basis. The online church event calendar is also accessed via the homepage. Parts of the site are maintained by the volunteer efforts of many congregant editors, who are responsible for specific program content. Due to budget restraints, the website architecture has not had any additions or enhancements this year.

Since the site was launched in October, 2009, the following web pages have been very popular:
   - Our Worship Services – 57,000 hits
   - Contact Us – 34,000 hits
   - First time visitors – 26,500 hits
   - Minister Bios – 20,000 hits
   - Adult Programs – 18,200 hits
   - Upcoming Sermons—18,000 hits

• Special Projects

The campus literature racks are kept supplied, and new materials are developed, with the support of Communications Dept., on an as-needed basis. The department has also been responsible for communications materials (print and digital) for the Annual Fund Drive, Seminary for a Day, and the Raise the Roof Auction. The department also supports the communications needs of all church program areas, in particular Adult Programs, Social Justice, and the Board and Nominating Committee with posters, flyers and online posting and editing.

Family Ministries
   —Cathy Cartwright, Director

We cannot overlook the fact that this was a transitional year. It was important that program remain “as is” for the most part, but it was clear to families who have been with us for a long time that there was a shift. We are working with a new model: Cathy oversees the program and associate director Nicole Bowmer’s responsibilities include the youth program.
Kudos go to our returning volunteer teachers and advisors, in the youth program in particular, for their outstanding support and patience with this transition.

The Youth Group (YRUU) has traditionally prepared Thanksgiving food boxes that were distributed to families who recently immigrated to the U.S. This year we changed the recipients by working in partnership with the 13 Salmon Family Center. By eliminating the language and cultural barriers with the Thanksgiving holiday, this year’s experience of delivering Thanksgiving food and kitchen supplies was more meaningful for both the youth and the families receiving the boxes.

We are very proud that the Learning Community is so multigenerational. Almost half of our volunteer teachers are 50 years and older and five are in their 20s. Fourteen out of 44 are men. There are certainly persons of color on our teaching staff, but when you peek into our classrooms the ethnic diversity is outstanding. When we have lessons based on “people of color” our kids need only look around the room.

This year we need to highlight Our Whole Lives. We now offer it in Kindergarten, for elementary children and for 8th/9th grade. This program has allowed us to talk about transgender issues with our children, our parents and our teachers. The inclusivity increased this year in 8th/9th OWL when we invited a heterosexual male to share his experiences of growing up with a gay brother and how homophobia impacted his family. It was an important story for our youth to hear.

THE NUMBERS
Registration
   9:15 a.m. – 185
   11:15 a.m. – 285
   TOTAL – 470 (a slight decline from last year, reported at 495)

Volunteers
   Teachers – 45
   Substitutes – 26
   RE Committee – 8

There were many others who helped during the year, with social events, Christmas pageant, Mitten Tree project, weekly office support, Seder, Solstice and much more.

Music and Arts Program
—Mark Slegers, Minister of Music

The Music Program continues to attract those who would like to make either bell ringing or singing in one of eleven choirs part of their spiritual practice as well as their service to the church.

I would like to lift up three significant events in the Music Program this year:

- **Special Duet Concert by Signe Lusk and Joe O’Donnell.** What a gift both of these fine players are to us. Never was it more evident than in their special duet concert last September, the proceeds of which benefited the church in this time of tightened budgets. In particular, we hold up Mussorgsky’s Pictures at an Exhibition, which Joe arranged for piano and organ (oh! those long hours with computer notation software!). Thank you, Joe.

- **The April Choir Concert,** as part of the Annual Art Show, was a wonderful time for our congregation to hear the choirs’ favorites and for the choirs to hear each other sing.
• *The 11th Annual Handbell Concert* in late April was such a lovely event. It was excellent musically, showing some real polish and strides ahead by all the choirs. But most importantly, it showcased a great deal of enthusiasm among kids playing in the program. As the former bell director, I always knew the adults would love bells; but because there is so much competition for kids’ time, I knew robust youth and child participation would be a challenge. Director, Ellie Hodder, has surpassed expectations with commitment and passion for bells from our kids. Congratulations, Ellie!

*Participation numbers:*

- Adult choirs: 230 on the rosters
- Bell choirs: 70 on the rosters
- Children’s choirs: 23 on the rosters

**Social Justice Programs**
—Rev. Kate Lore, *Social Justice Minister*

Rev. Lore was on sabbatical this year from the end of January through May. In her absence the important social justice work of the church was carried on by many others – ministers, staff and congregants.

Our new efforts this year included:

- Opening an emergency food program to assist church members in need of food assistance. The numbers of members using this resource started as a trickle and has steadily increased over the year. At the time of this writing, there are approximately 20 weekly “customers” and another 40-50 who use it on occasion.
- Starting two new action groups:
  - An Animal Ministry group seeking to promote animal rights and animal-free diets;
  - A Justice Equity group seeking to address racism within the justice system.
- Addressing escalating gun violence by giving more institutional support to Cease Fire Oregon.
- Providing a task force to support the Sewell Lecture event.

Other items of note:

- There were approximately 30% fewer social justice events held at the church this year in an intentional effort to streamline programming and focus energy on systemic concerns.
- One social justice group, the Freedom to Choose Action Network, went inactive this year.
- Beloved Conversations classes were offered again this year. The three classes all took place consecutively between January and March.

**Sermon List – May 2012-April 2013**

<table>
<thead>
<tr>
<th>Date</th>
<th>Sermon Title</th>
<th>Preacher</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/6/2012</td>
<td><em>The Quality of Mercy is Strained</em></td>
<td>Rev. Bill Sinkford</td>
</tr>
<tr>
<td>5/13/2012</td>
<td><em>Family Values</em></td>
<td>Rev. Bill Sinkford</td>
</tr>
<tr>
<td>5/20/2012</td>
<td><em>“In Memory Of…”</em></td>
<td>Music &amp; Worship</td>
</tr>
<tr>
<td>5/27/2012</td>
<td><em>Remembering &amp; Forgetting</em></td>
<td>Rev. Tom Disrud</td>
</tr>
<tr>
<td>6/10/2012</td>
<td><em>The Ties That Bind</em></td>
<td>Rev. Bill Sinkford</td>
</tr>
</tbody>
</table>
6/17/2012  The Man In Me  
6/24/2012  Call, For the Work that Must Be Done  
7/1/2012  Let's Thank the Men  
7/8/2012  Love of Place: Embracing Home  
7/15/2012  If You Love Me  
7/22/2012  "Nothing Better To Do Than Listen"  
7/29/2012  On First Name Terms with God  
8/5/2012  In the Arms of the Angels  
8/12/2012  Why Do Birds Sing  
8/19/2012  Road Trip  
8/26/2012  The Greatest of These is Love  
9/2/2012  So Rich so Poor  
9/9/2012  Reaching Out for Grace  
9/16/2012  Shana Tova  
9/23/2012  Turning & Returning  
9/30/2012  Choosing Hope  
10/7/2012  Parable of the Talents  
10/14/2012  Getting Back on the Bike  
10/21/2012  The Only Hands On Earth  
10/28/2012  In the Along  
11/4/2012  Turning Toward Hope  
11/11/2012  Faithful Democracy  
11/18/2012  Visiting Transformations  
11/25/2012  Star Stuff  
12/2/2012  When Prayers Aren't Answered  
12/9/2012  All Will Be Well  
12/16/2012  Christmas Joy  
12/23/2012  Living In The Expectant Moment  
12/30/2012  The Invitation  
1/6/2013  A Band of Angels  
1/13/2013  Our Dance with Death  
1/20/2013  The View from the Mountaintop  
1/27/2013  Pilgrims on the Journey  
2/3/2013  Salvation by Diligence  
2/10/2013  Continuing the Welcoming Congregation Journey  
2/17/2013  Paul Robeson in Song & Story  
2/24/2013  Embracing Our Fears  
3/3/2013  The General Store  
3/7/2013  The Drinkin' Gourd  
3/17/2013  Freedom, Fear & Courage  
3/24/2013  The Costs of War  
3/31/2013  The Truth About Resurrection  
4/7/2013  A Higher Authority  
4/14/2013  Youth Service: The 2nd & 6th Principles
4/21/2013  The Pursuit of Happiness  Rev. Bill Sinkford
4/28/2013  Working Out  Patrice Curtis
5/5/2013  Vacation or Vocation  Rev. Bill Sinkford
5/12/2013  Nurture the Spirit  Rev. Bill Sinkford
5/20/2013  "In Memory Of…”  Music & Worship
5/26/2013  Blessings & Resistance  Patrice Curtis
6/2/2013  Crossing Thresholds  Rev. Tom Disrud
6/9/2013  Messengers of Love  Rev. Bill Sinkford

Child Dedications – May 2012-April 2013

Kaelan Parshall
Jakob Stepaniak
Kaleb Stepaniak
Oskar Stepaniak
Sophia Stepaniak
Elena Pomazal
Amelia Pomazal
Kaya Staton
Ernesto Coster
Weston Forbes
Warren Forbes
Lucas Kramer
Jonah Carr
Solomon Carr
Siena Wiznerowicz
Aiden Wiznerowicz
Joaquin Cormac Casas de Morhardt
Spencer Weller-Filz

Passages – May 2012-April 2013

Thomas Stipe
Kathelene Cover
David Fitzpatrick
Roger David
Elizabeth Hiller
Arthur DeMuro
Phillip Chadsey
Anne Cousins
Sylvia Cary
Robert Halveson
Sara Lasky
Philip Park
Stephen Morgan
Gail Amara
Carol Riley
Doris Simpson
Janie Moore

2012-2013 Church Statistics

Members certified to the Unitarian Universalist Association: 1,031
Pledging Households: 1,009
RE Enrollment: 425
Average weekly Attendance/Adults (excl. summer months): 807

MINISTERS

Rev. Bill Sinkford, Senior Minister
Rev. Thomas Disrud, Associate Minister
Rev. Kate Lore, Social Justice Minister
Mark Slegers, Minister of Music
Patrice Curtis, Intern Minister
Rev. Alan G. Deale, Minister Emeritus
Rev. Dr. Marilyn Sewell, Minister Emerita
### First Unitarian Church - Fiscal 2013 Operating Summary
**Through 3/31/2013**

<table>
<thead>
<tr>
<th></th>
<th><strong>ACTUAL OPERATIONS YEAR TO DATE</strong></th>
<th><strong>BUDGET YEAR TO DATE</strong></th>
<th><strong>TOTAL ANNUAL BUDGET</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3/31/2013</td>
<td>3/31/2013</td>
<td>FY 2013</td>
</tr>
</tbody>
</table>

#### Church Operations

**Operating Income**

- Pledge Income: 1,031,820
- Contributions: 127,139
- Program Income: 205,634
- Building Income: 218,857
- Property Income: 6,200
- Other Income/Transfer: 44,677
- Transfer from Foundation: -

**Total Operating Income**: 1,634,326

**Operating Costs**

- Payroll Expenses: 970,218
- Occupancy Costs: 203,471
- Program Expense Cost: 210,057
- Administration Expense Cost: 37,763
- Other Costs: 1,379
- LOC Interest: 2,254
- Refinance Charges: -

**Total Operating Costs**: 1,425,943

**Net Church Operations**: 208,384

- **Reserve Account Deposits**
  - Equipment Reserve: 3,750
  - Contingency Reserve: 27,780
  - Sabbatical Reserve: 2,250
  - Major Repair Reserve: 9,000

**Total Reserve Deposits**: 42,780

**Net Church Operations After Reserve Deposits**: 165,604

**Investment Income**

- Dividend & Interest Income: 178
- Realized Stock Gain (Loss): -381
- Unrealized Stock Gain (Loss): -

**Net Investment Income (Loss)**: -203

**Operating Surplus (Deficit)**: 165,400

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14
First Unitarian Church  
Portland, Oregon  
Statement of Financial Position  
June 30, 2012

**ASSETS:**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
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<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,130,463</td>
<td>$1,254,531</td>
</tr>
<tr>
<td>Investments</td>
<td>$27,257</td>
<td>$27,250</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$21,203</td>
<td>$23,318</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$9,091</td>
<td>$3,005</td>
</tr>
<tr>
<td>Operating Pledges Receivable, net of allowance of $74,425 and $72,278</td>
<td>$602,165</td>
<td>$584,798</td>
</tr>
<tr>
<td>Capital Pledges Receivable, net of allowance of $139,654 and $209,147</td>
<td>$259,357</td>
<td>$298,416</td>
</tr>
<tr>
<td>Related Party Capital Pledges Receivable</td>
<td>-</td>
<td>$90,000</td>
</tr>
<tr>
<td>Bookstore Inventory</td>
<td>$16,318</td>
<td>$15,894</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$2,065,854</td>
<td>$2,297,212</td>
</tr>
<tr>
<td><strong>Fixed Assets, net of depreciation of $3,011,204 and $2,675,232</strong></td>
<td>$8,876,484</td>
<td>$9,156,975</td>
</tr>
<tr>
<td><strong>Lease Origination Costs, net of amortization of $3,396 and $1,646</strong></td>
<td>$11,604</td>
<td>$13,354</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$10,953,942</td>
<td>$11,467,541</td>
</tr>
</tbody>
</table>

**LIABILITIES AND NET ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$2,894</td>
<td>$22,502</td>
</tr>
<tr>
<td>Accrued Absences</td>
<td>$55,176</td>
<td>$55,176</td>
</tr>
<tr>
<td>Commercial Loan, current portion</td>
<td>$2,303,476</td>
<td>$153,325</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>$19,820</td>
<td>$29,954</td>
</tr>
<tr>
<td>Unearned Lease Revenue</td>
<td>$440,956</td>
<td>$450,456</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$2,749,322</td>
<td>$711,413</td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Loan</td>
<td></td>
<td>$2,185,530</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$2,749,322</td>
<td>$2,869,943</td>
</tr>
<tr>
<td><strong>Net Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$7,840,342</td>
<td>$8,263,044</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>$308,459</td>
<td>$248,761</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>$55,819</td>
<td>$58,793</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>$8,204,620</td>
<td>$8,570,598</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$10,953,942</td>
<td>$11,467,541</td>
</tr>
</tbody>
</table>

From Fiscal Year 2012 Audit Conducted by Pauly, Rogers and Co. P.C.
First Unitarian Church  
Portland, Oregon  

Statement of Activities and Changes in Net Assets  
For the Year Ended June 30, 2012

<table>
<thead>
<tr>
<th>REVENUES, GAINS AND OTHER SUPPORT:</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>PERMANENTLY RESTRICTED</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Pledge</td>
<td>$1,325,486</td>
<td>$3,348</td>
<td></td>
<td>$1,328,834</td>
</tr>
<tr>
<td>Capital Pledge</td>
<td>111,690</td>
<td></td>
<td></td>
<td>111,690</td>
</tr>
<tr>
<td>Contributions Non-Pledge</td>
<td>133,764</td>
<td></td>
<td></td>
<td>133,764</td>
</tr>
<tr>
<td>Transfer from First Unitarian Church Foundation</td>
<td>48,660</td>
<td></td>
<td></td>
<td>48,660</td>
</tr>
<tr>
<td>Rental Income</td>
<td>258,304</td>
<td></td>
<td></td>
<td>258,304</td>
</tr>
<tr>
<td>Program Receipts</td>
<td>187,135</td>
<td></td>
<td></td>
<td>187,135</td>
</tr>
<tr>
<td>Bookstore Receipts</td>
<td>20,243</td>
<td></td>
<td></td>
<td>20,243</td>
</tr>
<tr>
<td>Sunday Tapes, Flowers, Sermons, Events, etc.</td>
<td>72,115</td>
<td></td>
<td></td>
<td>72,115</td>
</tr>
<tr>
<td>Interest Income</td>
<td>1,832</td>
<td></td>
<td></td>
<td>1,832</td>
</tr>
<tr>
<td>Program Designated Revenue</td>
<td>-</td>
<td>50,932</td>
<td></td>
<td>50,932</td>
</tr>
<tr>
<td>Net Gain (Loss) on Investments</td>
<td>985</td>
<td>5,418</td>
<td>26</td>
<td>6,429</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>55,816</td>
<td></td>
<td></td>
<td>55,816</td>
</tr>
<tr>
<td><strong>Total Revenues and Other Support</strong></td>
<td><strong>2,216,130</strong></td>
<td><strong>59,698</strong></td>
<td><strong>26</strong></td>
<td><strong>2,275,854</strong></td>
</tr>
</tbody>
</table>

**NET ASSETS RELEASED FROM RESTRICTION:**  
Satisfaction of Donor Restriction  
3,000                                  |                        | (3,000)                 | -         |

**EXPENSES:**  
General and Administration  
259,509                                  |                        |                        | 259,509  |
Housing and Grounds  
558,199                                  |                        |                        | 558,199  |
Religious Education  
222,685                                  |                        |                        | 222,685  |
Membership  
91,927                                   |                        |                        | 91,927   |
Ministry  
378,399                                  |                        |                        | 378,399  |
Music  
245,505                                  |                        |                        | 245,505  |
Adult Programs  
92,696                                   |                        |                        | 92,696   |
Social and Economic Justice  
110,920                                  |                        |                        | 110,920  |
Stewardship  
89,142                                   |                        |                        | 89,142   |
Other Operating  
89,628                                   |                        |                        | 89,628   |
Capital Funds  
503,222                                  |                        |                        | 503,222  |
| **Total Expenses** | **2,641,832** |                        |                        | **2,641,832** |

**Change in Net Assets**  
(422,702)                                  | 59,698                  | (2,974)                 | (365,978) |

**Net Assets at Beginning of Year**  
8,263,044                                  | 248,761                 | 58,793                  | 8,570,598 |

**Net Assets at End of Year**  
$7,840,342                                  | $308,459                | $55,819                 | $8,204,620 |

From Fiscal Year 2012 Audit Conducted by Pauly, Rogers and Co. P.C.
First Unitarian Church Foundation  
Annual Report 2012-2013  

Ensuring the Future of Our Liberal Faith
The Foundation remains in good health. As of this report’s date, our assets total slightly over $1 million. Our funds are managed by Trillium Asset Management. Trillium is the oldest independent investment advisor devoted exclusively to sustainable and responsible investing for institutions such as First Church who are seeking ethical and mission-related investing strategies. Trillium is a leader in shareholder advocacy and public policy work. I encourage you to learn more about Trillium at http://www.trilliuminvest.com/.

Stewards are elected by the congregation (one each year) to serve five year terms. Stewards for the church year just ending are President Evans Van Buren, Linda Aso, Ruth Robinson and Martha Richards. In the past year, we were saddened by Steward Beth Hiller's passing. At a recent board meeting, we appointed Bob Leeper to Beth Hiller's unfinished term. We are joined by two Stewards appointed each year by the church Board of Trustees. Our church board Stewards for the year just ending have been Pat Malone and Camille Wright. We remain grateful to them for their willingness to be active members on the Foundation in addition to their roles as Church Board Trustees.

The Foundation manages its asset base as an endowed fund -- so that it can continue to provide an annual contribution to the Church's operating fund. Since its founding in June 2002, the Foundation has made contributions to the Church totaling $550,000. Given our modest beginning balance of just over $500,000, this has been an excellent return on investment for the church. Every legacy, bequest or charitable annuity gift the Foundation receives provides long-term benefits to the church well into the future.

As we look to the coming year, we hope you will make the decision to join other Legacy Society members by including the church foundation in your estate plan. The resources you provide the Foundation support the long-term financial health of the church. Steady growth in estate giving will enable the church to weather the economic and social turmoil and the needs of the community beyond our walls. This is a vision we all share. Please join us in strengthening the Foundation -- our church and its values -- for future generations.

Respectfully submitted,

Evans Van Buren
Foundation President