First Unitarian Church of Portland
~ Board of Trustees ~

AGENDA
August 6, 2015

6:00 Board Dinner
6:25 Informal Check-in
6:40 Deepening
6:55 Break

Board Meeting
7:00 Convene Meeting
7:01 Review Agenda

Announcements

- Send website updates to Kathy. If you do not want a webpage for your committee, let Kathy know and it can be deleted.
- Please upload documents into dropbox. Ask Ameena if you need assistance.
- Sign up for Board greeter and meeting roles for Fall 2016.
- Committee chairs, once you have set your meeting schedule, send the information to Kathy so that the meetings can be publicized correctly in the e-news.

7:03 Opening Words - Ameena
Timekeeper - Randy
Approve previous meeting’s minutes

7:05 Open mic for congregants (2-3 minutes per congregant)

Updates
7:15 ET Update
7:20 Finance Committee Update
7:25 Communications Committee Update
7:30 Policy Evaluation Committee Update

Consent Agenda
7:35 1) Approve vision statement: First Unitarian Church is a beacon of hope for us and for our community, a spiritual center in the heart of our city that helps each of us to find our moral compass, calling and challenging us to build the beloved community with an ever deepening sense of spirit, diversity and inclusion.
2) Approve letter to the staff about the vision statement and listening project results
3) Recommendation for FY15 Year-End Contingency Fund Allocation
4) Receive Policy Compliance Review – Financial Parameters and Memo from the Finance Committee

7:40 Break

Action Items
7:50 Discuss Draft Board Goals (see attached)
Discuss plan for continued work on the norms
8:20 Revised Annual Board Calendar (see attached)

- Please review in advance and bring suggestions for further revision

8:30 Executive Session to discuss filling a vacancy on the Board

- Ameena has consulted with the Nominating Committee about candidates.
- Please bring any names that you would like to be considered.
- Relevant policy:
  4.13 Filling vacancies of unexpired terms. The bylaws (Art. 4 §2 and Art. 5 §1) state that the Board fills a mid-term vacancy in the Board, and the Moderator fills a mid-term vacancy in the Nominating Committee. The Board desires to work collaboratively with the Nominating Committee in filling these vacancies. The Board/Moderator will consider names vetted for this purpose by the Nominating Committee during the tripartite process. The Board/Moderator may use these names as a pool of qualified candidates should a mid-term vacancy arise. The Board/Moderator will be responsible for all discussions with potential candidates.

8:55 Communications Check
July

1. Finance Committee:
   - Receive/review fiscal year-end financial reports.
   - Hear recommendations from ET for handling any deficit or surplus and determine appropriate actions. Treasurer to prepare recommendation for actions by Board.

2. Board meeting:
   - Name chairs/members of standing Board committees. Must be done during June Board meeting if no July Board meeting is to be held.
   - Receive/review/affirm fiscal year-end Financial report, recommendations regarding any deficit or surplus and any corrective actions taken for variances from annual budgets. Defer to August meeting of BOC or Board if no July Board meeting is to be held.

3. 2nd Vice Moderator conducts orientation meetings with new Board members.

August

1. Possible Board retreat, if not held in June (see above).

2. BOC or Board Meeting:
   - Receive/review/affirm fiscal year-end Financial report, recommendations regarding any deficit or surplus and any corrective actions taken for variances from annual budgets if not acted upon in July.

3. Finance Committee
   - No meeting.
   - Treasurer prepare and post to Finance Committee section of website Treasurer's letter and fiscal year Graphical Dashboard.

September

1. Board Meeting:
   - Review/finalize annual Board Goals
   - Sign up process observers/givers of “Words”/Sunday morning greeters (if not already done earlier.)
   - Set in process: Annual PEC review of Policies, Ministry of Church by ET, Sr. Minister and Board (Bylaws requirement)

2. Finance Committee
   - Regular meeting
First Unitarian Church of Portland - Board of Trustees Meeting
June 7, 2015 - 10:30 am

Attending: Ameena Amdahl-Mason, Randy Russell, Andy Parker, Evie Zaic, Darin Stewart, Michael Cunningham, John Thompson, Maryann Roulier, Kathryn Estey, Kathy Ludlow
A quorum exists.

We all shared a moment of silence as we began the meeting.

Added to the Consent Agenda is the request for congregational sponsorship by Joseph Boyd.

No congregants were in attendance.

**Announcements:**
June 14, 7:00pm dessert for 2014/15 board members and spouses at Sinkfords
No Board meeting in July. Next meeting August 6
Calendar dates for 2015/16 have been published

Ameena passed a sign-up sheet for summer board greeters.

**Consent Agenda** - John T moved and Maryann seconded approval. Unanimous approval.

**Bank Signers** - Kathryn asked for board signers for our Wells Fargo, On-Point Credit Union and UBS accounts. They are Ameena Amdahl-Mason, Maryann Roulier, Michael Cunningham.
Randy moved and Michael seconded a motion to approve the corporate resolutions associated with the institutions. Unanimous approval.

Meeting adjourned at 10:45.

Respectfully submitted,
Kathy Ludlow, Secretary
Attending: Ameena Amdahl-Mason, Randy Russell, Kathy Ludlow, Rev Tom Disrud

Kathy shared an opening reading. All shared a personal check-in.

Announcements - Updates - Discussions

Dates-
Upcoming board meeting dates were reviewed (on the agenda).
Board installation will be during both services on September 20.

ET Update - Tom shared
• GA finished with good success and good reports. First Church brought in about $10,000 from Home Hospitality during the GA. The good work of Ann Mabley was noted.
• Many staff are taking vacations.
• Linda Hunter has agreed to be the Annual Fund Drive chair this coming year and planning is occurring.
• Kevin Lawson’s ordination will be October 3 and his planning committee is busy.
• Kathryn Estey met with Outside-In and NW Academy in a productive meeting. Discussion included the needle exchange facility and desire by NW Academy for an additional security person. Further discussion including the Lawyers Building tenants will come to an agreement on sharing the cost.
• Staff is closing the books on the fiscal year, anticipating about $20,000 in contingency funds.
• The negotiations with the staff union are continuing.
• Pastoral care load has increased and there are many memorials.
• Corbin Scott is the new communications person.

Working calendar draft -
Short discussion on ET monitoring report and agreed with September and February dates. Multi-year outlook moved to February rather than the busy springtime.
Make holiday party a separate line as it may not coincide with December Board Meeting.
Add Moderator & 1st Vice Chair meet with chairs of Nominating Committee in August.

Board member replacement -
Ameena has requested Aimee Santos-Lyons to send her resignation letter to the Board.
We’ll have a closed session during August meeting to choose a replacement based on names from Nominating Committee and any names Board members bring to the meeting.

Vision Statement Update-
We will vote on statement at the August meeting. BOC has asked Communications Comm to create a roll-out to the congregation - when, how, who responsible - and bring to the August meeting.

Board Goals -
Sub-committee of Ameena, John Thompson and Kathy will meet prior to the August meeting and bring a rough draft of goals for rest of the board to review and vote on.
Board Self-evaluation-
After short discussion we decided the retreat ‘norms’ and their future discussion and finalization will cover any points needing discussion or action from the self-evaluation. BOC will ask John Thompson (since he compiled the eval) if there is anything from self-evaluation not touched in the norms.

Website-
Kathy met with Craig prior to his retirement and will be responsible for keeping the board webpage updated. She will create a protocol for board committee chairs to submit updated information, and share at the August meeting.

Action Items

In addition to information above
- Ameena and Randy are working on a document for maintaining document storage.
- Randy will conduct exist interviews with Roger and Aimee, and orientation for Darin and Aimee’s replacement.

Adjourned at 6:00pm.

Respectfully submitted,
Kathy Ludlow, Secretary
Attending: Michael Cunningham, Stan Jewett, Kathryn Estey, Zaida Cooper, Ameena Amdahl-Mason, Kate Birdsall, Laura Milne, and Darin Stewart. Guest: Tonya Mosher, our new church accountant.

Call to Order: 4:30 PM, Buchan Room B310.

Reading: Michael Cunningham shared a reading by Maya Angelou.

Check-in:

Minutes: The minutes of the June meeting were reviewed and approved.

Review Date and Time for Next Regular Meeting: Tuesday, September 22nd, 2015, 4:30-6:00 pm Room B310. Michael will distribute a list of the meeting times for next year as soon as it is available.

Board Notifications
None.

Announcements and Reports:
None

Review Action Items from Prior Meetings:
The financial policy review accepted at our last and the accompanying Finance Committee (FC) memo will be on the August Board agenda as a consent item.

Review and Discussion of Financial Statements

<table>
<thead>
<tr>
<th>June Financial Summary</th>
<th>Month</th>
<th>YTD</th>
<th>Budget Month</th>
<th>Budget YTD</th>
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</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>$104,524</td>
<td>$2,184,010</td>
<td>$118,935</td>
<td>$2,192,847</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>-$195,833</td>
<td>-$2,096,484</td>
<td>-$164,642</td>
<td>-$2,132,420</td>
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<tr>
<td>Reserve Deposits</td>
<td>-$5,036</td>
<td>-$60,427</td>
<td>-$5,036</td>
<td>-$60,427</td>
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<tr>
<td>Investment</td>
<td>$93</td>
<td>-$1,013</td>
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<td></td>
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<tr>
<td>Surplus / Deficit</td>
<td>-$96,252</td>
<td>$26,086</td>
<td>-$50,743</td>
<td>$0</td>
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</tbody>
</table>

The Finance Committee reviewed the June financials. Highlights follow.
The Church ended the fiscal year (July 1-June 30, 2015) with a surplus of $26,086. Since we finished the year with an operating surplus, the Annual Operating Reserve (formerly known as the Contingency Reserve) is available to be spent as determined by the Board. See new business below.

June pledge collections and contributions are above budget projections by $8,335. Year to date we are $502 or < .1% below budget in these categories. These are the best results for several years. Program income, rental income and other income finished the year $68,453 below projections. Total income is $8,837 below budget. This includes budgeted transfers of $78,782 not received and a transfer of the tax credit sale of $48,961 to reserves. We would be above budget except for the last two items.

Operating costs for the fiscal year are $35,936 below budget, primarily driven by lower than expected program, salary and occupancy expenses. Overall expense control continues to be very good.

Our Cash and Securities balance stood at $1,173,914 on June 30, 2015. This figure matched the ending cash and equivalents balance.

The dashboard report shows that 108 new members enrolled since July, 2014. Pledges received are $1,399,940, 98.24% of our goal. Pledges are essentially flat compared to last year. This figure does not include the Justice Begins at Home appeal, which generated $115,755 in pledges. March plate contributions totaled $3,411, bringing our total for the year to $51,359 shared with our community.

This is the second year in a row that the Church has finished the fiscal year with an operating surplus.

**Old Business:**
Kate Birdsall reported on the progress of her program budgeting sub-committee. Their goal is to show how we use our resources in accordance with our mission. They are now working on how best to allocate our physical plant and ministerial expenses among budget categories. Kate hopes to have a working model by the end of August.

**New Business:**
Kathryn Estey presented the Executive Team's (ET) recommendation for allocating the Annual Operating Reserve. The ET recommended putting the entire year-end operating reserve into the Major Repairs and Equipment reserve. This will bring the equipment reserve eight thousand dollars above its funding goal of $150,000. The ET also proposed allocating the ending surplus after adjusting entries to the Special Projects Reserve. This fund is available to the ET for projects that are not funded or fully funded in the annual operating budget. This could include technology upgrades, HVAC re-engineering or replacement of the wood floor in the Buchan reception area. Finally, the ET recommended that the reserve account housing the proceeds from our energy tax sale be used to as a salary reserve to assist in upcoming staff changes.

The committee reviewed the ET's proposals at length. The discussion focused on the difficulty of allocating limited Church resources among the myriad of needs facing the Church. Several committee members felt that we have an obligation to our community and the larger denomination to more adequately fund our contributions to the Unitarian Universalist
Association and the Pacific Northwest District. The committee also supported upgrading or redesigning the Church website. Michael will research whether policies restrict how the tax sale reserve can be used. After discussion, the committee decided to accept the report and forward it to the Board for consideration. Motion to accept the report as presented by Stan Jewett. Second by Laura Milne. Motion approved.

Michael and Kathryn proposed hosting a congregant meeting after Homecoming Sunday to present the year-end results to the congregation. The presentation would include final budget results, the Treasurer's Annual Report and possibly information about program budgeting. The committee supported the idea.

Darin Stewart volunteered to bring a reading to the September meeting.

**Adjourned:** The meeting was adjourned at 6:03pm.

**Submitted by:** Michael Cunningham
### First Unitarian Church

**Year-To-Date Operating Summary**

**6/30/2015**

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL OPERATIONS YEAR TO DATE</th>
<th>ACTUAL OPERATIONS YEAR TO DATE</th>
<th>ACTUAL VARIANCE</th>
<th>BUDGET YEAR TO DATE</th>
<th>BUDGET VARIANCE</th>
<th>ANNUAL BUDGET</th>
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<td><strong>Church Operations</strong></td>
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<tr>
<td><strong>Operating Income</strong></td>
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<td>Pledge Income</td>
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<td>(23,382)</td>
<td>149,768</td>
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<td>Rental Income</td>
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<td>339,500</td>
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<td>22,880</td>
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<td>Other Income</td>
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<td>54,500</td>
<td>(6,535)</td>
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<td>Transfer from Foundation</td>
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<td>Total Operating Income</td>
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<td>2,131,262</td>
<td>52,748</td>
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<td>(8,837)</td>
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<tr>
<td><strong>Operating Costs</strong></td>
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<td></td>
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<tr>
<td>Payroll Expenses</td>
<td>1,371,886</td>
<td>1,323,739</td>
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<td>Occupancy Expense</td>
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<td>(584)</td>
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<td>Program Expense</td>
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<td>Rental Expense</td>
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<td>22,000</td>
<td>(1,991)</td>
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<td>56,748</td>
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<td>63,600</td>
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<td>Interest Expense</td>
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<td>69,292</td>
<td>2,242</td>
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<td>75,000</td>
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<td>668</td>
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<td>Buchan Principal Payment</td>
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<td></td>
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<tr>
<td>Total Operating Costs</td>
<td>2,096,484</td>
<td>2,040,196</td>
<td>(56,288)</td>
<td>2,132,420</td>
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<td>2,132,420</td>
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<td><strong>Net Church Operations</strong></td>
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<td>91,066</td>
<td>(3,540)</td>
<td>60,427</td>
<td>27,099</td>
<td>60,427</td>
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<td><strong>Reserve Account Deposits</strong></td>
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<tr>
<td>Equipment Reserve</td>
<td>-</td>
<td>5,000</td>
<td>5,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Annual Operating Reserve</td>
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<td>44,258</td>
<td>831</td>
<td>43,427</td>
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<td>Major Repair &amp; Equipment Reserve</td>
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<td>12,000</td>
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<td>17,000</td>
<td>(0)</td>
<td>17,000</td>
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<tr>
<td>Total Reserve Deposits</td>
<td>60,427</td>
<td>61,258</td>
<td>831</td>
<td>60,427</td>
<td>(0)</td>
<td>60,427</td>
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<tr>
<td><strong>Net Church Operations After Reserve Deposits</strong></td>
<td>27,099</td>
<td>29,808</td>
<td>(2,709)</td>
<td>(0)</td>
<td>27,099</td>
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<tr>
<td><strong>Investment Income</strong></td>
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<tr>
<td>Dividend &amp; Interest Income</td>
<td>435</td>
<td>803</td>
<td>(368)</td>
<td>-</td>
<td>435</td>
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<td>Realized Stock Gain (Loss)</td>
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<td>(837)</td>
<td>209</td>
<td>-</td>
<td>(628)</td>
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<tr>
<td>Unrealized Stock Gain (Loss)</td>
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<td>(820)</td>
<td>-</td>
<td>(820)</td>
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<td><strong>Net Investment Income (Loss)</strong></td>
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<td>(34)</td>
<td>(978)</td>
<td>-</td>
<td>(1,013)</td>
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<td><strong>Operating Surplus (Deficit)</strong></td>
<td>26,086</td>
<td>29,773</td>
<td>(3,687)</td>
<td>(0)</td>
<td>26,086</td>
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### First Unitarian Church
### Monthly Operating Summary
6/30/2015

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL OPERATIONS</th>
<th>OPERATIONS PREVIOUS MONTH</th>
<th>OPERATIONS MO to MO VARIANCE</th>
<th>BUDGET CURRENT MONTH</th>
<th>BUDGET VARIANCE</th>
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<tbody>
<tr>
<td><strong>Church Operations</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Pledge Income</td>
<td>84,014</td>
<td>94,688</td>
<td>(10,674)</td>
<td>70,259</td>
<td>13,755</td>
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<td>Contributions</td>
<td>4,522</td>
<td>5,370</td>
<td>(848)</td>
<td>9,942</td>
<td>(5,420)</td>
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<td>Program Income</td>
<td>5,117</td>
<td>19,657</td>
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<td>(706)</td>
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<td>Rental Income</td>
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<td>20,017</td>
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<td>Other Income</td>
<td>(39,516)</td>
<td>2,613</td>
<td>(42,129)</td>
<td>2,542</td>
<td>(42,057)</td>
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<td><strong>Total Operating Income</strong></td>
<td>104,524</td>
<td>150,124</td>
<td>(45,600)</td>
<td>118,935</td>
<td>(14,411)</td>
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<td><strong>Operating Costs</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Expenses</td>
<td>117,037</td>
<td>111,528</td>
<td>(5,509)</td>
<td>114,279</td>
<td>(2,758)</td>
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<td>Occupancy Expense</td>
<td>35,512</td>
<td>17,240</td>
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<td>20,460</td>
<td>(15,052)</td>
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<td>Program Expense</td>
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<td>25,569</td>
<td>(7)</td>
<td>17,648</td>
<td>(7,928)</td>
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<td>Rental Expense</td>
<td>3,484</td>
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<td>1,667</td>
<td>(1,817)</td>
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<td>Administration Expense</td>
<td>6,199</td>
<td>3,324</td>
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<td>3,971</td>
<td>(2,228)</td>
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<td>Interest Expense</td>
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<td>570</td>
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<td>Other Expense</td>
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<td>(2,345)</td>
<td>367</td>
<td>(1,978)</td>
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<tr>
<td>Buchan Principal Payment</td>
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<td></td>
</tr>
<tr>
<td><strong>Total Operating Costs</strong></td>
<td>195,833</td>
<td>164,520</td>
<td>(31,313)</td>
<td>164,642</td>
<td>(31,191)</td>
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<td><strong>Net Church Operations</strong></td>
<td>(91,309)</td>
<td>(14,396)</td>
<td>(76,913)</td>
<td>(45,708)</td>
<td>(45,602)</td>
</tr>
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</table>

### Reserve Account Deposits

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Operating Reseve</strong></td>
<td>3,619</td>
<td>3,619</td>
<td>-</td>
<td>3,619</td>
<td>(0)</td>
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<tr>
<td><strong>Major Repair &amp; Equipment Reserve</strong></td>
<td>1,417</td>
<td>1,417</td>
<td>-</td>
<td>1,417</td>
<td>(0)</td>
</tr>
<tr>
<td><strong>Total Reserve Deposits</strong></td>
<td>5,036</td>
<td>5,036</td>
<td>-</td>
<td>5,036</td>
<td>(0)</td>
</tr>
</tbody>
</table>

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Church Operations After Reserve Deposits</strong></td>
<td>(96,345)</td>
<td>(19,432)</td>
<td>(76,913)</td>
<td>(50,743)</td>
<td>(45,602)</td>
</tr>
</tbody>
</table>

### Investment Income

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend &amp; Interest Income</td>
<td>93</td>
<td>95</td>
<td>2</td>
<td>-</td>
<td>93</td>
</tr>
<tr>
<td>Unrealized Stock Gain (Loss)</td>
<td></td>
<td>-</td>
<td>(608)</td>
<td>(608)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Investment Income (Loss)</strong></td>
<td>93</td>
<td>(514)</td>
<td>(607)</td>
<td>-</td>
<td>93</td>
</tr>
</tbody>
</table>

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Surplus (Deficit)</strong></td>
<td>(96,252)</td>
<td>(19,946)</td>
<td>(77,520)</td>
<td>(50,743)</td>
<td>(45,509)</td>
</tr>
</tbody>
</table>
## Campaign Monthly Tracking

### Pledge Drive Statistics

<table>
<thead>
<tr>
<th></th>
<th>2015 Campaign</th>
<th>2014 Campaign</th>
<th>2013 Campaign</th>
<th>2012 Campaign</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As Of 06/30/15</td>
<td>06/30/14</td>
<td>06/30/13</td>
<td>06/30/12</td>
</tr>
<tr>
<td>Pledge Goal</td>
<td>1,425,000</td>
<td>1,430,532</td>
<td>1,419,000</td>
<td>1,512,500</td>
</tr>
<tr>
<td>Pledges Received</td>
<td>1,399,940</td>
<td>1,367,156</td>
<td>1,320,137</td>
<td>1,249,866</td>
</tr>
<tr>
<td>Justice Begins At Home</td>
<td>115,755</td>
<td>Match Challenge</td>
<td></td>
<td>101,645</td>
</tr>
<tr>
<td>Percent of Goal</td>
<td>98.24%</td>
<td>95.57%</td>
<td>93.03%</td>
<td>82.64%</td>
</tr>
<tr>
<td>Pledging Households</td>
<td>1,016</td>
<td>998</td>
<td>989</td>
<td>970</td>
</tr>
<tr>
<td>Average Pledge Received</td>
<td>1,378</td>
<td>1,370</td>
<td>1,335</td>
<td>1,289</td>
</tr>
<tr>
<td>Payments Received</td>
<td>790,882</td>
<td>753,467</td>
<td>745,273</td>
<td>675,329</td>
</tr>
<tr>
<td>Match Payments Received</td>
<td>57,379</td>
<td></td>
<td>70,475</td>
<td></td>
</tr>
<tr>
<td>Percent of PaymentsReceived</td>
<td>56.5%</td>
<td>55.1%</td>
<td>56.5%</td>
<td>54.0%</td>
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</tbody>
</table>

### Attendance

<table>
<thead>
<tr>
<th></th>
<th>June 2015</th>
<th>*June 2014</th>
<th>*June 2013</th>
<th>June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the month</td>
<td>2,194</td>
<td>2,398</td>
<td>-8.51%</td>
<td>2,719</td>
</tr>
<tr>
<td>Total for the Church Year</td>
<td>33,111</td>
<td>32,942</td>
<td>0.51%</td>
<td>34,241</td>
</tr>
<tr>
<td>Average per Sunday for month</td>
<td>549</td>
<td>480</td>
<td>14.37%</td>
<td>544</td>
</tr>
<tr>
<td>Average per Sunday YTD</td>
<td>753</td>
<td>749</td>
<td>0.51%</td>
<td>782</td>
</tr>
</tbody>
</table>

** = 5-Sunday month

* = 2/9 = snow day

*Easter

Christmas Eve: 2,201

### New Members

<table>
<thead>
<tr>
<th></th>
<th>7/14-6/15</th>
<th>7/13-6/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrolled</td>
<td>108</td>
<td>30.12%</td>
</tr>
<tr>
<td>Number of Pledges Received</td>
<td>76</td>
<td>31.03%</td>
</tr>
<tr>
<td>Total Amount of Pledges Received</td>
<td>65,089</td>
<td>42.38%</td>
</tr>
<tr>
<td>Average Pledge</td>
<td>856</td>
<td>8.66%</td>
</tr>
</tbody>
</table>

### Plate Contributions

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>Recipient(s)</th>
<th>FY15</th>
<th>Recipient(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>2,936</td>
<td>SW Comm Health Ctr/Kids in Def</td>
<td>Jan</td>
<td>5,464</td>
</tr>
<tr>
<td>Aug</td>
<td>2,719</td>
<td>Community Warehouse</td>
<td>Feb</td>
<td>3,088</td>
</tr>
<tr>
<td>Sep</td>
<td>4,035</td>
<td>Coffee Creek Puppy Program</td>
<td>Mar</td>
<td>5,465</td>
</tr>
<tr>
<td>Oct</td>
<td>5,435</td>
<td>Doctors w/o Borders/UUUNO</td>
<td>Apr</td>
<td>4,609</td>
</tr>
<tr>
<td>Nov</td>
<td>4,895</td>
<td>13 Salmon Family Shelter</td>
<td>May</td>
<td>3,411</td>
</tr>
<tr>
<td>Dec</td>
<td>3,115</td>
<td>Imani Project</td>
<td>Jun</td>
<td>6,187</td>
</tr>
<tr>
<td>Fiscal YTD</td>
<td></td>
<td></td>
<td></td>
<td>51,359</td>
</tr>
</tbody>
</table>
### First Unitarian Church of Portland

#### Cash/Securities Balances

**June 30, 2015**

<table>
<thead>
<tr>
<th>Dept</th>
<th>Fund Name</th>
<th>General Ledger Fund Balance</th>
<th>Change from Prior Month</th>
<th>General Ledger Fund Balance</th>
<th>1010 WF Business Checking</th>
<th>1011 WF Money Market</th>
<th>1020 UBS Investment</th>
<th>1035-10 WF SUI Deposit</th>
<th>1060 Federated &amp; Franklin</th>
<th>1012-10 Wells Fargo HYS</th>
<th>1013-10 US Building Endowment</th>
<th>1060-42 Chas Schwab (MJS Lecture)</th>
<th>1014-10 Wells Fargo Tax Rebate</th>
<th>On Point Anniversary</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Cash for Operation</td>
<td>179,497.03</td>
<td>(80,419.41)</td>
<td>99,077.62</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub-Total Operating Fund</td>
<td>179,497.03</td>
<td>(80,419.41)</td>
<td>99,077.62</td>
<td>102,368.36</td>
<td>(3,290.74)</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3412</td>
<td>Annual Operating Reserve</td>
<td>39,808.12</td>
<td>3,618.92</td>
<td>43,427.04</td>
<td>43,427.04</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3414</td>
<td>Major Donor Reserve Fund</td>
<td>40,000.00</td>
<td>-</td>
<td>40,000.00</td>
<td>40,000.00</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>3415</td>
<td>Sabbatical Reserve</td>
<td>1,000.00</td>
<td>-</td>
<td>1,000.00</td>
<td>1,000.00</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>3423</td>
<td>Special Projects Reserve</td>
<td>25,245.54</td>
<td>-</td>
<td>25,245.54</td>
<td>25,245.54</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3430</td>
<td>Major Repairs &amp; Equipment Reserve</td>
<td>113,393.25</td>
<td>1,416.67</td>
<td>114,809.92</td>
<td>114,809.92</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>3413</td>
<td>Safety Reserve</td>
<td>140,235.22</td>
<td>-</td>
<td>140,235.22</td>
<td>140,235.22</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1012-10</td>
<td>Required Loan Reserve</td>
<td>111,320.42</td>
<td>18.30</td>
<td>111,338.72</td>
<td>111,338.72</td>
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<td></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>1010-49</td>
<td>Program Designated</td>
<td>299,394.25</td>
<td>(9,180.63)</td>
<td>290,213.62</td>
<td>290,213.62</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub-Total Reserve Funds</td>
<td>770,396.80</td>
<td>(4,126.74)</td>
<td>815,231.02</td>
<td>364,717.72</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>111,338.72</td>
<td>-</td>
<td>-</td>
<td>48,960.96</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>General Capital</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Buchan Bldg Capital</td>
<td>11,828.72</td>
<td>(2,669.97)</td>
<td>9,158.75</td>
<td>9,158.75</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub-Total Capital Funds</td>
<td>11,828.72</td>
<td>(2,669.97)</td>
<td>9,158.75</td>
<td>9,158.75</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>1011-40</td>
<td>Commemoration</td>
<td>16,441.29</td>
<td>3,275.00</td>
<td>19,716.29</td>
<td>19,716.29</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Chesney (Intern Minister)</td>
<td>41,031.76</td>
<td>785.75</td>
<td>41,817.51</td>
<td>24,055.21</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>MJS Lecture Series</td>
<td>105,263.35</td>
<td>(1,683.18)</td>
<td>103,580.17</td>
<td>27.02</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>Hessler-Deale (Women in Ministry)</td>
<td>24,576.77</td>
<td>(53.67)</td>
<td>24,523.10</td>
<td>15,050.93</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>Anniversary</td>
<td>42,448.85</td>
<td>(2,461.92)</td>
<td>39,986.93</td>
<td>39,986.93</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1035-10</td>
<td>State Unemployment Insurance</td>
<td>20,139.15</td>
<td>3.67</td>
<td>20,322.82</td>
<td>20,322.82</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub-Total Restricted Funds</td>
<td>250,081.17</td>
<td>(134.35)</td>
<td>249,946.82</td>
<td>58,849.45</td>
<td>-</td>
<td>20,322.82</td>
<td>27,234.47</td>
<td>-</td>
<td>103,553.15</td>
<td>-</td>
<td>39,986.93</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total All Funds</td>
<td>1,211,803.72</td>
<td>(87,350.47)</td>
<td>1,173,414.21</td>
<td>401,740.73</td>
<td>420,276.43</td>
<td>0.00</td>
<td>20,322.82</td>
<td>27,234.47</td>
<td>111,338.72</td>
<td>-</td>
<td>103,553.15</td>
<td>-</td>
<td>48,960.96</td>
</tr>
<tr>
<td></td>
<td>Per Bank Rec.</td>
<td>$1,211,803.72</td>
<td>(87,350.47)</td>
<td>$1,173,414.21</td>
<td>$401,740.73</td>
<td>$420,276.43</td>
<td>0.00</td>
<td>$20,322.82</td>
<td>$27,234.47</td>
<td>$111,338.72</td>
<td>-</td>
<td>$103,553.15</td>
<td>-</td>
<td>$48,960.96</td>
</tr>
<tr>
<td></td>
<td>Petty Cash</td>
<td>500.00</td>
<td>500.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub-Total Per Bank Rec.</td>
<td>$1,212,303.72</td>
<td>(87,389.51)</td>
<td>$1,173,914.21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Lines of Credit

#### Operating

<table>
<thead>
<tr>
<th>Dept</th>
<th>Line of Credit</th>
<th>Beg Balance</th>
<th>Payments</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2120-10</td>
<td>Wells Fargo Buchan Loan</td>
<td>$1,630,000.00</td>
<td>(81,435.78)</td>
<td>1,548,564.22</td>
</tr>
</tbody>
</table>
### First Unitarian Church

#### Statement of Cash Flows

**For the Month Ending 6/30/2015**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Cash &amp; Equivalents Balance</strong></td>
<td>1,211,118.57</td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
</tr>
<tr>
<td>Pledges &amp; Contributions Received</td>
<td>88,536.05</td>
</tr>
<tr>
<td>Events/Weddings/Memorials</td>
<td>7,116.50</td>
</tr>
<tr>
<td>Rents Received</td>
<td>43,269.78</td>
</tr>
<tr>
<td>Program Receipts</td>
<td>36,747.89</td>
</tr>
<tr>
<td>Special Events</td>
<td>(183.00)</td>
</tr>
<tr>
<td>Miscellaneous Receipts</td>
<td>(38,998.92)</td>
</tr>
<tr>
<td>Interest/Gain-Loss on Investments</td>
<td>(2,000.69)</td>
</tr>
<tr>
<td>Increase/Decrease Accounts Receivable</td>
<td>10,482.10</td>
</tr>
<tr>
<td>Restricted Fund Receipts</td>
<td>10,678.55</td>
</tr>
<tr>
<td>Operating Receipts</td>
<td>155,648.26</td>
</tr>
<tr>
<td>Buchan Building Receipts</td>
<td>537.50</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>156,185.76</td>
</tr>
<tr>
<td><strong>Payments</strong></td>
<td></td>
</tr>
<tr>
<td>Payroll/Taxes/Benefits</td>
<td>(117,037.20)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(70,473.87)</td>
</tr>
<tr>
<td>Program Expenses</td>
<td>(55,595.25)</td>
</tr>
<tr>
<td>Special Events</td>
<td>(126.00)</td>
</tr>
<tr>
<td>Increase/Decrease Prepaid Expenses</td>
<td>(16,184.64)</td>
</tr>
<tr>
<td>Acquisition of Property &amp; Equipment</td>
<td>380.00</td>
</tr>
<tr>
<td>Increase/Decrease Accounts Payable</td>
<td>20,521.76</td>
</tr>
<tr>
<td>Reserve Transfers</td>
<td>48,935.00</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>(602.45)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(190,182.65)</td>
</tr>
<tr>
<td>Wells Fargo Buchan Building Loan</td>
<td>(3,207.47)</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td>(193,390.12)</td>
</tr>
<tr>
<td><strong>Net Cash In/(Out)</strong></td>
<td>(37,204.36)</td>
</tr>
</tbody>
</table>

| **Ending Cash & Equivalents Balance**            | 1,173,914.21 |


Notes to Financials

June 2015

Operating Income

1. Both YTD and monthly pledge payment collections exceeded budgets.
2. Contributions below YTD & monthly budgets
3. Program Income:
   a. Adult Classes 3,750
   b. Adult Retreats 8,740
   c. Bookstore 1,445
   d. Scrip 1,560
   e. Bed & Breakfast 2,030
4. Rental Income includes:
   Events 21,826
   Tenants Rent 21,443
5. Other Income –
   a. Sexton fees from rental events 8,175
6. Other Income reduced by $48,935 – tax rebate reclassified as reserve
   (see Cash Securities Balance Report);

   Monthly Other income became negative
7. Budgeted Transfer In not required for this fiscal year

Operating Costs

1. Monthly payroll over budget 2,758
   (offset by Rental Sexton fees)
   YTD payroll under budget 19,786
   FY15 Budget includes $20,318 payroll reserve
2. Occupancy – over budget for YTD 595
   Roofing cost = $14,300
3. Program Expenses – major sources
   Professional Expense (ministers/CRE) 6,140
   Scrip 1,529
   Bookstore 2,690
   Adult Program Retreat 1,872
   Computer 1,463
   Equipment Repairs 2,286
   Social Justice expenses 2,287
   Board 1,028
Dashboard

1. May new members = 9.6 households pledging
2. Plate recipients = EAM Church ($4,296), Q Center ($1,891)
3. Justice Begins at Home Campaign payments received to-date = $57,379
   (currently segregated as temporary restricted in Program Designated Fund 49; to be transferred to a new bank account in July)
4. FY15 Plate donations – highest since 2008

Cash/Securities Balances

1. Decrease in Program Designated = Distribution of Fundraising proceeds to Choir Tour participants.
2. 3424 – Reserve Tax Rebate added as separate account
3. Buchan Bldg Capital balance – ($9,187) enough to cover loan principal payments for 2 months

Miscellaneous.

1. Total Bed and Breakfast GA income = $14,035
   Received FY15 - $6,140, FY16 = $7,8952.
2. Scrip Net for FY15 = $2,063.54
First Unitarian Church of Portland
DRAFT Board Annual Planning Calendar
2015-16

August
1. Possible Board retreat, if not held in June (see above).
2. BOC or Board Meeting:
   • Receive/review/affirm fiscal year-end Financial report, recommendations regarding any deficit or surplus and any corrective actions taken for variances from annual budgets if not acted upon in July.
3. Finance Committee
   • No meeting.
   • Treasurer prepare and post to Finance Committee section of website Treasurer’s letter and fiscal year Graphical Dashboard.

September
1. Board Meeting:
   • Monitoring Reports – Receive/review ET’s Monitoring report re progress toward Ends (semi-annual).
   • Review/finalize annual Board Goals
   • Sign up process observers/givers of “Words”/Sunday morning greeters (if not already done earlier.)
   • Set in process: Annual PEC review of Policies, Ministry of Church by ET, Sr. Minister and Board (Bylaws requirement)
2. Finance Committee
   • Regular meeting

October
1. Board:
   • Monitoring Report – Receive/review annual audit report, if available.
   • Schedule November/December meeting with Nominating Committee
   • AFD status report
2. Finance Committee:
   • Receive/review draft of ET’s Annual Maintenance Report/Planning document.
   • Receive/review annual audit report with outside auditor, if available.
   • Forward to Board audit report and recommendations if audit received

November
Note: Board meeting is on THIRD Thursday this month
1. Board Meeting:
   • Monitoring Report - Receive/review annual audit report, if not received in October
   • Receive/review ET’s Annual Maintenance Report/Planning document
   • AFD status
   • Candidates Meeting (Joint NomCom/Board/ET meeting) regarding potential nominations for spring election.
2. Finance Committee:
• Receive/review annual audit report with outside auditor if not received in October
• Receive/review ET’s Final Annual Maintenance Report/Planning document
• Forward recommendations on Audit and Maintenance Plan to Board

December
Note: Board meeting is on THIRD Thursday this month

1. Candidates Meeting (Joint NomCom/Board/ET meeting) regarding potential nominations for spring election (If not held in November.)
2. Board Meeting:
   • Holiday party
3. Finance Committee
   • Regular
   • Meeting
   • Treasurer to conduct Financial Reviews with Church Administrator

January
1. Set in process: Annual PEC review of Ministry of Church by ET, Sr. Minister and Board (Bylaws requirement).
2. Board Meeting:
   • Determine Date of Record for Annual Meeting voter eligibility. (Board Secretary to publish date in Front Steps, Sunday Bulletin, weekly e-News). __________
   • Annual Meeting Date __________
   • Receive/review ET’s Final Annual Maintenance Report/Planning document
   • Sign up Sunday greeters, Process Observers, and Words assignments for Spring term.

2. Finance Committee to receive from ET/Staff draft of multi-year financial outlook.
   • Receive from ET draft of annual operating budget for coming fiscal year one week prior to Finance Committee meeting.

February
1. Board Meeting:
   • Monitoring Report: Receive/review ET’s Monitoring report re progress towards Ends (semi-annual).
   • Receive from ET/Staff draft of multi-year financial outlook.
   • Review/discuss multi-year financial outlook; affirm or make recommendations to modify.
   • Receive from ET draft of annual operating budget for coming fiscal year
   • Board sec’y is charged with responsibility for naming and chairing an Elections Committee. (?)

2. Finance Committee:
   • Approve multi-year financial outlook.
   • Receive/approve final annual budget proposal. A special meeting may be called, if necessary, for review and approval of final budget.

3. Treasurer to schedule an informational meeting on the budget for congregants between the February and March Finance Committee to receive congregant comments regarding budgetary matters and relay feedback to ET/Staff.
2. Finance Committee
   • Regular meeting
   • Treasurer prepare and post to Finance Committee section of website Treasurer’s letter and six month Graphical Dashboard.
   • Finance Ctte to receive from ET/Staff draft of multi-year financial outlook.
   • Finance Ctte to receive from ET draft of annual operating budget for coming fiscal year one week prior to FinCom meeting.
   • Treasurer to schedule an informational meeting on the budget for congregants between the February and March Finance Committee to receive congregant comments regarding budgetary matters and relay feedback to ET/Staff.

March
1. Board meeting:
   • Receive/approve final multi-year financial outlook plan
   • Receive/approve final annual budget ET draft of annual operating budget for coming fiscal year.
2. Finance Committee to receive from ET/Staff final annual budget proposal. A special meeting may be called, if necessary, for review and approval of final budget.
3. NomCom slate due not less than 60 days prior to Annual Meeting: __________
4. Finance Committee
   • Regular meeting
   • Review input from congregant budget meeting
   • Schedule April Congregant Budget Meeting
   • Finance Committee to receive from ET/Staff final annual budget proposal. A special meeting may be called, if necessary, for review and approval of final budget.

April
1. Board Meeting:
   • Monitoring Report – Receive/review ET’s Monitoring report re compliance with Church Governing Policies for (1) Management of Personnel; (2) Financial Parameters; (3) Records; (4) Communications with and Support of the Board; and (5) Support of Church Leaders.
2. Petition candidates to file not less than 30 days prior to Annual Meeting: __________
3. Annual Meeting notice mailed at least 21 days prior to Annual Meeting: __________
4. Pre-Annual Meeting info sessions for congregants on items being voted upon (except candidates, which are the NomCom’s responsibility).
5. BOC begins one-on-one discussions with continuing Board members regarding their interest in serving as an officer and on other Board committees.
6. Finance Committee
   • Regular meeting
   • Hold congregant budget meeting/Notes and feedback to ET and Board

May
1. Pre-Annual Meeting info sessions for congregants on items being voted upon.
2. Annual Meeting: __________
3. Board Meeting:
June

Returning, retiring and newly-elected Board members all participate in June.

1. Possible Board retreat: Church and Board goals discussion/annual planning begins

2. Board meeting:
   - Certify election results
   - Welcome newly elected Board members
   - **Elect Board Officers.** Also, if no July Board mtg is to be held, name chairs/members of standing Board committees during June Board meeting.
   - Review/discuss **Board self-evaluation**
   - Receive/review **PEC evaluation of policies (Compliance Report)** and recommendations for policy changes. Vote to adopt policy changes, if any.

3. 2nd Vice Moderator conducts exit interviews with departing Board member

4. Finance Committee
   - Regular Meeting

July

1. Finance Committee:
   - Receive/review **fiscal year-end financial reports.**
   - Hear recommendations from ET for handling any deficit or surplus and determine appropriate actions. Treasurer to prepare recommendation for actions by Board.

2. Board meeting:
   - Name chairs/members of standing Board committees. **Must be done during June Board meeting if no July Board meeting is to be held.**
   - Receive/review/affirm fiscal year-end Financial report, recommendations regarding any deficit or surplus and any corrective actions taken for variances from annual budgets. **Defer to August meeting of BOC or Board if no July Board meeting is to be held.**

3. 2nd Vice Moderator conducts orientation meetings with new Board members.
### Board Goals 2015-2016

<table>
<thead>
<tr>
<th>Goal</th>
<th>Who is responsible</th>
<th>Time frame</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>In order to make policy-based governance more accessible, the Board will continue working on a document describing and delineating norms, roles, and processes.</td>
<td>Board, Communication Committee</td>
<td>2015-2016 church year</td>
<td>Completed document by May 31, 2016 Survey congregation during the annual Board survey</td>
</tr>
<tr>
<td>The Policy Evaluation Committee and the Board will perform a comprehensive review of policies and by-laws, and make recommendations for revision.</td>
<td>PEC, Board</td>
<td>2015-2016 church year</td>
<td>Monthly reports by the PEC Recommendations for revision voted upon by the Board (if appropriate) All of the policies are reviewed during the 2015-2016 church year Survey congregation during the annual Board survey</td>
</tr>
<tr>
<td>The Finance Committee and Board will present a meaningful budget, which allows congregants to understand the programmatic results of their giving and cultivate a culture of deeper generosity.</td>
<td>Finance, Board, ET</td>
<td>2015-2016 church year</td>
<td>Use of a program budget during the Annual Fund Drive, congregant budget meetings, and annual balloting Survey congregation during the annual Board survey</td>
</tr>
<tr>
<td>The Board use the vision statement to develop five year goals.</td>
<td>Board</td>
<td>2015-2016 church year</td>
<td>The Board will adopt five year goals by the May Board meeting Survey congregation during the annual Board survey</td>
</tr>
</tbody>
</table>
July 27, 2015

TO: Finance Committee

FRM: Exec/Team

RE: Recommendation for FY15 Year-End Contingency Fund Allocation

Fiscal 2015 ended with the full contingency fund (now known as the Annual Operating Reserve) intact: $43,427. Although there are still a few adjusting entries that need to be made before the books are officially closed, it appears that we will also have an operating surplus for the year in the neighborhood of $20,000. This means that the entire year-end Operating Reserve is available for allocation per recommendations from the Finance Committee to the Board.

The E/T proposes the following allocation:

1. Journal the entire year-end Operating Reserve into our Major Repairs and Equipment Reserve. This will bring the balance in the Major Repairs reserve -- which has a funding goal of $150,000 -- up to $158,236. This ends the need to make monthly transfers into this fund, and moves us into "replenishing mode" -- i.e., replacing withdrawn funds if the reserve drops below $150,000.

2. Journal the operating surplus, whatever that balance is after adjusting entries, into the Special Projects Reserve which the ET uses, at its discretion, to move forward on projects that are not funded (or fully funded) in the annual operating budget. Much of our technological capacity has been funded from this source, as have selected deferred maintenance items. Use of these funds requires Finance Committee approval only when a contract exceeds $10,000. Several potential projects are carried over from last year when the labor issues postponed several initiatives. Potential projects include, but are not limited to:
   a. Ongoing technology upgrades, possibly to include a website redesign, enhancements to our live-streaming capabilities.
   b. HVAC system re-engineering of the Sanctuary and our Eliot classrooms.
   c. Ongoing roof and roof drainage repairs.
   d. Buchan reception wood flooring replacement.
   e. Related to, but separate from, technology upgrades: Partnering with Church of the Larger Fellowship to invest in new approaches to deliver church programs via the web.
   f. Deferred maintenance project: begin brick and mortar repair and sealing.
   g. 150th Anniversary Expenses, particularly the community block party, which will be the culminating event of our year-long celebration.
3. The proceeds from the sale of our energy tax credit in FY15 have been segregated into a separate reserve fund and are held in a separate bank account from our operating funds. We recommend that this reserve be considered as bridging funds to assist in staff transitions over the next several years.

e-Distribution list:

Michael Cunningham (for further distribution to Finance Committee)
Ameena Amdahl-Mason
Exec. Team members (Bill Sinkford, Tom Disrud, Kathryn Estey)
Zaida Cooper
September 1, 2015

Dear Program Staff,

As the staff of First Unitarian, your role is essential to the high caliber church that we are today. The board is grateful for your deep dedication to the church and our mission.

On August 6th the Board of Trustees adopted the following vision for the church:

First Unitarian Church is a beacon of hope for us and for our community, a spiritual center in the heart of our city that helps each of us to find our moral compass, calling and challenging us to build the beloved community with an ever deepening sense of spirit, diversity and inclusion

In support of the Church's visioning process, the Board of Trustees conducted a listening project with 30 congregants ages 29 to 89. It was a privilege to be in conversation with this great cross-section of our community. It was during these sessions that we found congregants spontaneously generated some wonderful ideas in support of the vision. We’re excited to pass these along to you. (Please see attachment.)

We submit these to you with deep respect for your tremendous commitment and all of your hard work. We hope that you find inspiration in these ideas.

Respectfully submitted,

The Board of Trustees
First Unitarian Church
Building Community

- Need for visible, consistent YA coordinator.
- Need for a paid volunteer coordinator.
- Neighborhood connections via zip code – empower neighbors to reach neighbors. This could tap into the transportation network framework. This allows for discussion groups, potlucks, etc.
- Group volunteer projects (one-time) for families and congregants. This builds our community, involves us in the larger community and provides intergenerational activities.
- Look at Trinity Episcopal marketing/outreach model.
- Covenant groups available to new members.

Family Programs

- #1 theme – schedule activities after RE on Sundays – the families are already on-site, take advantage of this: potlucks, classes, activities
- Neighborhood connections via zip code for young families so they can initiate their own connections (potlucks, playdates, etc.).
- Create a “family spiritual growth” focus
  - Ability to take a class as a family, parents with children.
  - Provide discussion points for families to engage with during the week. Could pull themes from the week’s curriculum
  - Provide ideas for spiritual rituals to complete as a family. Pull from the class materials.
  - Family spiritual resources – at the welcome table?
- Adult program that supports families in transition.
Intergenerational Focus

- Combined choir performance – adults and children.
- Have children’s choir perform during Sunday services.
- ARE and RE: jointly developed programs to meet the needs of the families.
- ARE and RE: joint programs to help reduce silos in the church.
- Family church services so parents attend with their children.
- Thought, let’s be mindful of this gap: the youth don’t transition easily to a YA church connection because they haven’t been attending services regularly so it’s not automatic for them to start attending post-high school.
- Encourage church groups (EJAG) to offer programs to families.

Deepening Spiritual Growth

- Post-service discussion groups to reflect on the sermon.
- Prayer circles – creating space for more intentional prayer activity:
  - Building on the lay ministers’ prayer requests, allow for people to support these (could be a link on e-news).
  - Group prayer activities. Holding intention as a group. Provide a spiritual gathering. This could work well after a major event (e.g. Charleston).
- Covenant groups available to all members. Allow for organic, thematic organization.
Notes for PEC Meeting

Thursday, July 16, 2015 at 7 pm

1. Follow up on Rewriting Elements 1, 2, and 4: We will take up these in September when all three are available.

2. Compliance Report and Suggested Policy changes for part 3.2.1: We spent the majority of our time refining the draft report created by the subcommittee on compliance. After reviewing the changes we made, Randy will take the report to the BOC for inclusion at the board meeting in September.

3. Annual Review of the Bylaws and Governing Policies: We decided to go through these systematically this next year, taking a few parts at a time based on our risk assessment. The goal of the process would be to discover which policies need further attention and modification, and to insure that the policies are consistent with the bylaws.

4. Planning for next year: We elected to establish a regular meeting on the second Thursday of each month at 7 pm at church. Starting the compliance review process earlier in the year would create less of an overload for the ET and staff. Additionally, the extra meeting time will allow us to go through all of the bylaws and policies in a systematic manner.

5. Other: Ameena asked us to think about what might be appropriate to place on the PEC portion of the church website. We decided to put the document that describes the functions of the PEC on. Are there other items (reports etc) that might be good to include?

Submitted by John Thompson
June 30, 2015

TO: First Unitarian Board of Trustees
FROM: Finance Committee
SUBJECT: Policy Compliance Review—Financial Parameters

The Finance Committee discussed the annual review of financial policies at its June 30, 2015 meeting. The committee accepted the report, although it did not agree about all of the specific items. I have listed specific areas of non-compliance that the committee agreed should be brought to the Board's attention. The Board is already aware of some of these items.

1. The budget did not separate capital and operational items or provide a cash flow analysis and multi-year planning assumptions. Policy 3.3.2.d

2. The budget was not based on a multi-year financial outlook. Policy 3.3.2.f.1)

3. The budget did not provide for the church's full payment of Unitarian Universalist Association and Pacific Northwest District dues. Policy 3.3.2.f.4)

4. The church's maintenance plan is a work-in-process and not complete. Policy 3.3.4.f

5. The income from the Buchan Building tax credit could be considered “not reliably ongoing” revenues and allocated to the major repairs and equipment reserve. Policy 3.3.2.g.2)2.v

6. The Finance Committee suggests the recording and management of the auction funds should be included in the annual budget.

Michael Cunningham for the Finance Committee
3.3 Financial Parameters. The Executive Team shall ensure the financial viability of the church, shall exercise proper care in the handling of funds, and shall protect the assets of the church.

3.3.1 Covered by Policy Evaluation Committee (PEC)

3.3.2 Financial Planning and Budgeting. Financial planning for any fiscal year or the remaining part of any fiscal year shall comply with the church bylaws and the church mission, shall be fiscally sound and shall be derived from a multi-year plan. The congregation has final authority to approve all annual budgets, as proposed by the Executive Team and adopted and recommended to the congregation by the Finance Committee and the Board. In its budgeting, the Executive Team shall:

- Propose a balanced budget. (See Financial Monitoring Policies in the Appendices for budget time lines.) **In compliance. Evidence: Budget document approved by Board.**

- Ensure that the congregation has the means by which it can provide meaningful and timely input during the yearly budget development process. **In compliance.**

  Executive Team (ET) takes input from program staff and congregant committee chairs. Finance Committee offered meetings open to all congregants. Results shared via e-mail with ET and participants. Quarterly budget meetings with congregants will be scheduled for 2015-16 budget cycle.

- Use restricted funds in ways that are consistent with restrictions placed on these funds by the donors, the Board, or the congregation. **In compliance. Evidence: Restricted funds activity monitored monthly by Finance Committee (FinCom) and documented in FinCom and Board minutes.**

- Develop a budget that contains sufficient information to enable a reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow analysis and disclosure of multi-year planning assumptions. **Partial compliance.**

  Cash flow analysis reviewed with monthly financials. Safety reserve serves as cash flow safety valve. Multi-year plan for maintenance in development. Plans in place for the current budget cycle to address mortgage and staffing compensation and changes. Evidence: Detailed budget reviewed line-by-line by FinCom approved by Board.

- Prepare a budget that:

  - Estimates revenues and expenditures using the most reasonable numbers available. **In compliance. Evidence: Budget detail.**

  - Cures any projected deficit in the current year in next year’s budget. **In compliance.**

    Evidence: Budget proposal & current year financial status/projections (YTD Operations Summary & FinCom or Board minutes).

- Ensure that the budget:

  - Is based on the multi-year financial outlook, which shall be updated yearly and is consistent with these policies. **Partial compliance. See 3.3.2.d. Evidence: No formal narrative requested for 2015-16 budget cycle due to personnel circumstances, visioning and General Assembly planning.**

Ensures that cash or cash equivalents do not drop below a safety reserve (see the Executive Team Financial Guidelines in the Appendices) as determined by the Board. The Safety Reserve may serve as a “safety valve” after other reserves have been tapped, or for cash flow remediation, or for other emergency purposes approved by the Board or Trustees. – In compliance. Evidence: Monthly Cash & Securities Balances Report.

Provides for a contingency reserve of 2% of net revenues (Total Operating Income plus Net Investment Income) unless modified by the Board. Expenditures from the contingency shall require approval of the Board or the Board Officers Committee (BOC). – In compliance. Evidence: Approved Budget and monthly operating summary.

Funds a sabbatical reserve up to $4000, which may be used to bring guest ministers to the pulpit, as needed, during the sabbatical leaves of called ministers. – In compliance. We are not currently funding a sabbatical leave because we have sufficient ministers and interns to fill in when one of our regular ministers goes on sabbatical. Reserve not needed. Evidence: Approved Budget and monthly operating summary.

Provide for a major repairs and equipment (MR&E) reserve: Which will be used to fund one-time, emergency or unanticipated major maintenance expenditures that cannot be covered by the required major and routine maintenance allocations in the yearly operating budget. – In compliance. Evidence: Approved Budget and monthly operating summary.

Whose funding goal is $150,000, which will be increased by allocating to it, as appropriate, the following:

Any unused portion of the major maintenance allocation in the yearly operating budget. - In compliance. Evidence: budget vs. actual account detail.

Any unused portion of the contingency reserve in the yearly operating budget as determined by the Board each year; - In compliance, with Board approval to use portion for alternative allocations. Evidence: FinCom & BOC/Board minutes for end-of-year financial close.

Gifts and bequests designated for facilities maintenance; None for 2015.

A budgeted amount to be transferred monthly from the operating budget; -In compliance. We add funds to this reserve monthly, and had achieved a balance of $110,000+ as of March 2015. Evidence: Approved budget and monthly operating summary.

Other available monies such as revenues that are not reliably ongoing. - In compliance. See 3.3.2.g.2.iv directly above. Evidence: Monthly Cash & Securities Balances Report.
Which is returned to the $150,000 level in subsequent years if it has been drawn down as allowed above; -In compliance. Evidence: Monthly Cash & Securities Balances Report. Whose excess funding above $150,000 will be allocated by action of the Board. - NA 2015.

Present when necessary a multi-year plan for capital expenditures and the means to pay for them. Capital expenditures are: a) all repayments of debt over $25,000 and b) building or equipment expenditures which cannot be paid from operating budget or maintenance reserve or equipment reserve monies. –In compliance. Evidence: Budget includes principal and interest payments on the Buchan Building and incorporates multi-year maintenance plan (Plan in development). Provide for inter-fund transfers from special funds to the Operating Fund to offset direct costs incurred by the Operating Fund in support of the other fund(s). – In compliance. Evidence: Approved Budget and monthly operating summary.

3.3.3 Financial Condition and Activities. With respect to the church’s ongoing financial condition and activities, the Executive Team shall operate using sound fiscal procedures and make actual expenditures based on Board priorities established in the church mission statement. To protect the church’s financial condition, the Executive Team shall:

a. Expend only funds than have been received in the fiscal year to date unless the Short-Term Debt Guideline (see the Executive Team Financial Guidelines in the Appendices) is met, or the Finance Committee approves use of safety reserve monies or other exceptions to the Guideline. – In compliance. Evidence: Monthly operating summaries & FinCom minutes.

b. Accept gifts with restrictions that comply with the standards of the church’s Mission and the Unitarian Universalist principles and that are fiscally reasonable to accept. Upon approval of a restricted gift, the Executive Team shall ensure that there is a written acceptance of gifts over $5,000 with a clear statement of the restrictions and that the written acceptance is preserved in the permanent corporate records. – In compliance. No new restricted gifts.

c. Expend or invest any funds restricted by the donor, the Board or the congregation in a manner consistent with the restriction. – In compliance. Evidence: Raiser’s Edge gift tally & journal entries to programs in Fund 49. This year we asked the outside auditor to review our gift procedures. They verified that our procedures meet generally accepted accounting principles.

d. Indebt the church in an amount no greater than what can be repaid by definitely available and otherwise unencumbered revenues. – In compliance. Evidence: Approved budget and monthly financial reports.

e. Borrow from a restricted fund only if the terms of 3.3.3.d. are met and:

The church has the ability to repay the loan in a timely manner so that the use of the restricted fund is not compromised; The loan is made on terms that make the loan a reasonable investment by the church. At a minimum, this means that the loan is made at an
interest rate that exceeds the interest that the fund would have earned as it would been invested if not for the loan to the church; and
The Executive Team obtains approval for the loan from the Finance Committee or from the Board prior to borrowing or, if prior approval is not reasonable, reports the loan to the Finance Committee or the Board as soon as possible after the loan is made. – NA 2015. Evidence would be through monthly Cash & Securities Balances report, FinCom and Board minutes

f. Use any amount of any designated long-term reserve within the limits listed in the Executive Team Financial Guidelines in the Appendices unless the Board approves the use of additional reserves. –In compliance. Evidence: Monthly Board Financial Report and FinCom minutes.

g. Conduct inter-fund shifting only in amounts that can be restored by use of definitely available and otherwise unencumbered revenues. –In compliance. Note: We used excess funds from 2014’s auction designated for elevator repairs and indoor accessibility needs to pay required preliminary expenses for 2015’s auction-designated projects. These funds will be reimbursed as payments for our 2015 auction arrive. No other shifting of funds has taken place. Auction funds and expenditures are not included in the budget. Evidence: Monthly Board Financial Report and FinCom minutes.

h. Settle payroll and debts in a timely manner. – In compliance. Evidence: Monthly Board Financial Reports and FinCom minutes.

i. Make tax payments or other government-ordered payments or filings as due and with accurate filings. –In compliance. Evidence: Payroll paycheck service.

j. Make only material expenditures provided for in either the approved capital expenditure plan or the approved operational budget. –In compliance. Evidence: Monthly Board Financial Reports and FinCom minutes.

k. Purchase, encumber or dispose of real property only with advance authorization from the Board and the congregation when required in the Bylaws. –NA 2015.

l. Pursue unpaid pledges and unpaid non-pledge receivables within a reasonable time. – In compliance. Evidence: Quarterly statements to those in arrears.

m. Authorize a line of credit only with the approval of the Board. –In compliance. Evidence: Line-of-credit document and Board minutes.

n. Ensure that actual allocations do not deviate materially from Board priorities and Ends policies. –In compliance: Evidence: Monthly Board Financial Reports & FinCom minutes.

o. Observe the First Unitarian Foundation Gift Acceptance Policy in the Appendices. -In compliance. Evidence: Foundation minutes and financials.
p. Make available to the Finance Committee and the Board monthly written reports concerning actual budget revenues and expenditures and appropriate comparisons and projections. –All in compliance. Evidence: Monthly Board Reports, FinCom and Board minutes.

Such financial reports will be available for Finance Committee and Board review approximately three weeks after each month end. –In compliance. Evidence: Monthly financials and FinCom minutes.

The extent and format of the reports will be determined by the Finance Committee in consultation with the Director of Finance and Administration -In compliance.

3.3.4 Asset Protection. The Executive Team shall ensure that the church’s financial and physical assets are protected, adequately maintained and not unnecessarily risked. To protect the church’s assets, the Executive Team shall:

a. Protect the church’s nonprofit and tax-exempt status. –In compliance. All personnel are reminded in election periods that no candidate promotions are allowed. No reported violations of policy.

b. Cooperate with and provide reasonable assistance to the church’s external financial auditors. –In compliance. Evidence: Audit report to Board of Trustees.

c. Insure buildings and other physical assets against theft and casualty losses at replacement value less reasonable deductible and/or co-insurance limits. –Not specifically reviewed. Fin Com reviewed theft coverage and made recommendation to Board. Reviewed by auditors.

d. Not unreasonably expose the organization, its Board or staff to claims of liability; and insure against corporate liability and personal liability of Board members and staff, taking into account pertinent statutory provisions for indemnification and exemptions applicable to Oregon non-profit organizations. – Not reviewed.

e. Utilize reasonable financial controls sufficient to meet generally accepted standards to receive, process and disburse funds. These standards shall include, at a minimum, the following:

1) Complying with all reasonable standards recommended by the church’s outside audit firm. –In compliance. To the extent that our size of staff permits, duties are segregated to avoid misuse/theft of funds. Evidence: Audit report to Board of Trustees.

2) Requiring two signatures on all checks over $2,000; 2 signatures (including one Board Officer’s signature) on checks over $6,000; and 2 Board Officers’ signatures on all checks over $10,000. –In compliance. Evidence: Audit report to Board of Trustees.

3) Limiting access to operating and investment accounts by not allowing paid staff or volunteers access to material amounts ($1,000 or over) of funds without prior training and without having established fiscal controls. –In compliance. Ushers have received training (per Kathryn Estey).

4) Insuring that normally prudent action has been taken against conflict(s) of interest. – In compliance. Evidence: Policy reviewed by FinCom.

5) Furnishing regular reports (in no event less than quarterly) to the Board and the Finance Committee regarding the church’s investments. –In compliance. Note: The church has no investments outside its normal property ownership, and mutual funds that hold our Chesney, Hessler Deale, and Sewell reserves.
If stocks or other securities are given by congregants to satisfy their operating or capital pledges, these securities are sold immediately. Evidence: Monthly Cash & Securities Balances report.

6) Requiring reconciliation of the operating accounts monthly. – In compliance. Evidence: Monthly operating summaries and cash flow report.

f. Create a rolling church maintenance plan which estimates the time and cost of adequate routine maintenance; repairing and/or replacement of all church-owned property, including both buildings and equipment. This plan will include major maintenance and equipment items (normally with a minimum cost of $10,000) such as, but not limited to, roofs, HVAC systems, elevators, computer hardware and software, repainting and re-carpeting. The plan will include an annual schedule and the annual and total cost of this work. The Plan will be updated annually by the Executive Team and reviewed by the Finance Committee and Board. - Partial compliance. Rolling maintenance plan developed by Michael Wade is a work-in-process. Put procedures in place which allow expenditures over $10,000 only after the following requirements have been met:

1) Authorizing check signature(s) as specified above. – In compliance. Evidence: Audit report to Board of Trustees.

2) A method of assuring the balance of long-term quality and cost. – Unknown. Evidence would include prior experience, reference checks.

3) For the purchase of equipment or supplies, evaluation of at least 3 competitive bids or quotes (except when this requirement is documented to be unnecessary). – NA for 2015.

4) For an initial contract for professional services or other special projects, evaluation of at least 3 competitive bids. Partial compliance. This year the only contract over $10,000 that we accepted was for our 2015 Auction project work to upgrade the accessibility and appearance of our entrances. We did not get three bids on this; but on the recommendation of the ET and Auction Committee member Kathy Ludlow, the Finance Committee accepted the one bid from a company highly recommended to us. Contract was reported to the Board per policy. Evidence: FinCom and Board minutes.

5) For subsequent contracts for professional services, (1) documentation that a continuing relationship with the same provider is in the best interests of the church (example -- continued use of the same architect) or (2) if (1) is not appropriate, evaluation of competitive bids. NA 2015.

6) Protect intellectual property, information and files from loss, significant damage or breach of confidentiality or privacy. – In compliance. Evidence: Archive project, updated IT systems, off-site and cloud storage capacity, and personnel policies.

g. Adhere to the church’s Investment Policies (see Appendix for the current investment policy). – In compliance. Evidence: Monthly Cash & Securities report.

3.3.5 Execution of Contracts. No one other than the Executive Team or its express designees shall execute any contract on behalf of the Church. In entering into contracts on behalf of the church, the Executive Team shall:

a. Not execute any contract or any check in an amount greater than the ‘Contract Limit’ amount (see Executive Team Financial Guidelines in the Appendices) prior to obtaining Finance Committee approval, unless the expense for which the contract or check executed is included in the operating budget or in a detailed funds budget or is a
contract or expenditure previously approved by the Finance Committee. The Finance Committee shall report any such approvals to the Board.  

- **In Compliance** See above 3.3.4.f.4.

b. Make a single purchase or commitment (other than for professional services) greater than the “Bid Limit” amount (see the Executive Team Financial Guidelines in the Appendices) specified by the Board annually only after obtaining and considering at least three bids or offers, unless under the circumstances would be manifestly unreasonable to obtain and consider multiple bids or offers.  

- **In Compliance** See above 3.3.4.f.4.

c. Seek legal advice, when necessary, to interpret and assess contractual terms.  

- **NA 2015.**

d. Arrange for legal review of any agreement under which the church plans to participate in a joint venture with another organization that is not exempt under §501(c)(3) to ensure that the agreement does not violate the church’s §501(c)(3) status and report such agreement to the Board.  

- **In compliance. No current agreements.**