

First Congregational Church of Woodstock
Operating Fund Financial Comments – Year to Date December 2022

DRAFT SUBJECT TO CHANGE – 1/6/23

Summary

- Draft operating net income is \$5k compared to \$8k budgeted, but that's without having taken a \$10k withdrawal from the Endowment (New Century) Fund and without using \$35k of budgeted support from last year's surplus. This was due to above budget contributions (\$18k) and fundraising (\$10k) and \$12k of expense savings, some of which are not expected to recur in 2023, e.g., being due to unfilled staff positions for parts of 2022. Account names/numbers have been revised to reflect new ministries/priorities.

Income

- For the year to date Pledges, Rites and Other Contributions income are collectively \$18k over budget. Thank you for your generous giving!
- Fundraising is \$10k better than budget with all our events outperforming expectations. Thank you to everyone who worked hard to make our events so successful.
- The trustees decided not to take the 2022 budgeted \$10k withdrawal from the New Century Fund because (1) our successful fundraising and strong giving made it nonessential, and (2) doing so will help the fund rebuild from its market decline (\$32k this year through November 30th). Similarly there was no need to use the \$35k budgeted support from 2021's operating surplus.

Expenses

- Worship and Faith Formation expenses are collectively \$10k below budget, due in part to the vacancy for our Coordinator of Family Ministries. This is a temporary situation and we are planning for greater investment in these ministry areas next year.
- We moved from the Office category to a separate one the \$9k "Special Purpose" budget for legal and other work to prepare the parsonage for sale. It was not used in 2022 and is being designated as a contribution to a Special Purpose reserve fund to cover such expenses in 2023. We also avoided \$4k in office expenses: \$3k in budgeted professional services and \$1k in workers compensation insurance following a premium audit.
- Facilities operating expenses are \$1k over budget, due in part to recording accruals at year end. Facilities expenses had been within budget before then. These expenses exclude \$64k in exterior sanctuary painting and Harrison Hall repairs paid from capital and Angel funds.

Thank you for your kind generosity, which makes possible our worship and pastoral care and enables us to serve people in need during these challenging times.

Tom Duggan, Treasurer

**First Congregational Church of Woodstock
Summary of Operating Income & Expenses**

DRAFT - SUBJECT TO CHANGE

Data as of 1/6/23

	Actual Year-to-Date <u>12/31/2022</u>	Budget Year-to-Date <u>12/31/2022</u>	Difference	Notes
Income				
Pledges	\$158,129	\$141,400	✔	\$16,729
Rites (Baptisms etc.)	1,600	0	✔	1,600
Other Contributions	7,590	7,500	✔	90
	167,319	148,900	✔	18,419
Fundraising	32,144	22,000	✔	10,144
Faith in Action	2,186	1,500	✔	686
Facilities Income	17,500	17,800	⚠	(300)
Net Investment Inc/(Exp)	195	0	✔	195
Endowment Fund Withdrawal	0	10,000	✘	(10,000) (1)
2021 Surplus Applied to 2022	0	35,000	✘	(35,000) (1)
	219,344	235,200	✘	(15,856)
Expenses				
Worship	16,793	20,000	✔	(3,207)
Faith Formation	2,504	8,750	✔	(6,246)
Faith in Action	14,977	14,412	⚠	565
Pastor	83,947	84,900	✔	(953)
Office	26,320	29,498	✔	(3,178)
Facilities	61,217	60,154	✘	1,063 (2)
Contribution to Reserve Funds	9,000	9,000	✔	0 (3)
	214,758	226,714	✔	(11,956)
Unrestricted Net Income	\$4,586	\$8,486	✘	(\$3,900)

Notes:

(1) The trustees decided not to take the \$10k budgeted withdrawal from the Endowment (New Century) Fund because it was not needed and they wished to help rebuild the fund from the market decline. Similarly, there was no need to use the budgeted \$35k support from the 2021 surplus.

(2) Operating income & expenses exclude Designated, Investment, Endowment and Restricted Fund items including \$64,314 of expenses related to sanctuary painting and Harrison Hall exterior repairs in 2022. These are reported separately.

(3) \$9,000 Contribution to Reserve Fund is the unused budgeted "Special Purpose" expense for legal and other costs to prepare to sell the parsonage. It has been transferred to a new "Special Purpose" Reserve Fund to cover such expenses in 2023.

(4) Budget amounts have been reclassified to reflect items moved to a different category/ministry area. Rounding differences may arise due to cents not shown.

First Congregational Church of Woodstock
Detail of Operating Income & Expenses

DRAFT - SUBJECT TO CHANGE

Data as of 1/6/23

	Actual Year-to-Date <u>12/31/2022</u>	Budget Year-to-Date <u>12/31/2022</u>	Difference	Notes
Income				
Contributions				
401.01 Pledges	\$158,129	\$141,400	✔	\$16,729
401.02 Rites (Baptisms etc.)	1,600	0	✔	1,600
401.03 Other Contributions	7,590	7,500	✔	90
	<u>167,319</u>	<u>148,900</u>	✔	18,419
Fundraising				
402.01 Chicken Barbeque Income	21,389	9,000	✔	12,389
402.01EXPS Expenses for Chicken BBQ	(8,765)	0	✘	(8,765)
Chicken BBQ Net Income	12,624	9,000	✔	3,624
402.02 Christmas on the Hill Income	15,020	9,000	✔	6,020
402.02EXPS Expenses for Christmas on the Hill	(1,789)	0	✘	(1,789)
Christmas on the Hill Net Income	13,231	9,000	✔	4,231
402.03 Arts Festival Income	5,231	3,000	✔	2,231
402.03EXPS Expenses for Arts Festival	(1,131)	0	✘	(1,131)
Arts Festival Net Income	4,100	3,000	✔	1,100
402.04 Italian Dinner	2,315	1,000	✔	1,315
402.04EXPS Expenses for Italian Dinner	(262)	0	⚠	(262)
Italian Dinner Net Income	2,053	1,000	✔	1,053
402.09 Gift Cards	5,250	0	✔	\$5,250
402.09EXPS Expenses for Gift Cards	(5,114)	0	✘	(5,114)
Gift Cards Net Income	136	0	✔	136
	<u>32,144</u>	<u>22,000</u>	✔	10,144
Faith in Action Ministry Income				
406.03 Community Kitchen Local Income	2,186	1,500	✔	686
	<u>2,186</u>	<u>1,500</u>	✔	686
Facilities Income				
409.01 Parsonage Rental	16,300	16,800	⚠	(500)
409.03 Room & Equipment Use Income	1,200	1,000	✔	200
	<u>17,500</u>	<u>17,800</u>	⚠	(300)
Unrestricted Investment Income				
440.01 Interest/Dividend Inc on Unrestricted Invs	8	0	✔	8
440.02 Realized gain/(loss) on Unrestricted invs	187	0	✔	187
440.03 Unrealized gain/(loss) on Unrestricted invs	0	0	✔	0
	<u>195</u>	<u>0</u>	✔	195
Income Withdrawn from Endowment Fund	0	10,000	✘	(10,000) (1)
2021 Surplus Applied to 2022	0	35,000	✘	(35,000) (1)
Total Operating Income	<u>219,344</u>	<u>235,200</u>	✘	(15,856)

First Congregational Church of Woodstock
Detail of Operating Income & Expenses

DRAFT - SUBJECT TO CHANGE

Data as of 1/6/23

	Actual Year-to-Date <u>12/31/2022</u>	Budget Year-to-Date <u>12/31/2022</u>	Difference	Notes
Expenses				
Worship				
503.01 Music Director Salary	7,863	8,000	✔	(137)
503.03 Guest Musicians	200	1,000	✔	(800)
503.04 Guest Preachers	0	800	✔	(800)
503.05 Other Worship Resources	467	750	✔	(283)
503.06 Hospitality/Catering	288	300	✔	(12)
503.07 Organist Salary	7,975	8,000	✔	(25)
503.22 Music Misc. Expenses	0	750	✔	(750)
503.23 Instrument Repair	0	400	✔	(400)
	<u>16,793</u>	<u>20,000</u>	✔	(3,207)
Faith Formation				
504.01 Children & Family Coordinator salary	2,194	8,000	✔	(5,806)
504.02 Faith Formation materials/ministry	310	750	✔	(440)
	<u>2,504</u>	<u>8,750</u>	✔	(6,246)
Faith in Action				
506.01 Faith in Action Missions	3,700	4,000	✔	(300)
506.02 Faith in Action Program	425	200	⚠	225
506.03 Community Kitchen Local Expenses	2,186	1,500	⚠	686
506.04 Windham Association UCC Dues	254	300	✔	(46)
506.05 SNEUCC Contribution	8,412	8,412	✔	0
	<u>14,977</u>	<u>14,412</u>	⚠	565
Pastor				
507.01 Pastor Salary	38,000	38,000	✔	0
507.02 Pastor Housing Allowance	26,400	26,400	✔	0
507.03 Pastor Annuity	18,000	18,000	✔	0
507.04 Pastor Expense Reimbursement	547	1,000	✔	(453)
507.05 Pastor Continuing Education	1,000	1,000	✔	0
507.06 Pastor Sabbatical Fund	0	500	✔	(500)
	<u>83,947</u>	<u>84,900</u>	✔	(953)

First Congregational Church of Woodstock
Detail of Operating Income & Expenses

DRAFT - SUBJECT TO CHANGE

Data as of 1/6/23

	Actual Year-to-Date <u>12/31/2022</u>	Budget Year-to-Date <u>12/31/2022</u>	Difference	Notes
Office				
508.01 Communications Coord. Salary	12,150	11,500	🟡	650
508.02 Payroll Taxes	2,303	2,048	🟡	255
508.03 Workers' Comp Insurance	587	2,000	🟢	(1,413)
508.04 Staff Professional Development	72	250	🟢	(178)
508.05 Copier	2,685	3,100	🟢	(415)
508.06 Telephone/Internet	2,360	2,300	🟡	60
508.07 Office Supplies	2,063	2,000	🟡	63
508.08 Professional Services	1,872	4,000	🟢	(2,128)
508.09 Tech Equip, Licenses, Services	1,928	1,000	🟡	928
508.10 Publicity	0	400	🟢	(400)
508.22 Mileage Reimbursement	0	200	🟢	(200)
508.25 Clerk Stipend	300	300	🟢	0
508.26 Treasurer Stipend	0	400	🟢	(400)
	<u>26,320</u>	<u>29,498</u>	🟢	(3,178)
Facilities				
509.01 Property Insurance	14,085	14,104	🟢	(19)
509.02 Fuel Expense	10,406	8,500	🔴	1,906
509.03 Electricity Expense	2,190	2,750	🟢	(560)
509.04 Property Taxes	4,685	5,000	🟢	(315)
509.05 Repairs	18,029	4,200	🔴	13,829 (2)
509.06 Contract Cleaning	6,475	5,700	🟡	775
509.07 Other Recurring Maintenance	3,383	3,600	🟢	(217)
509.21 Grounds Maintenance	25	6,500	🟢	(6,475)
509.22 Parsonage Maintenance	700	7,500	🟢	(6,800)
509.23 Water System Maintenance	649	1,300	🟢	(651)
509.25 Plant, Property & Equip. Exp.	590	1,000	🟢	(410)
	<u>61,217</u>	<u>60,154</u>	🔴	1,063
Contribution to Reserve Funds				
550.04 Contribution to Special Purpose Fund	9,000	9,000	🟢	0 (3)
Total Operating Expenses	<u>214,758</u>	<u>226,714</u>	🟢	(11,956)
Net Operating Income/(Expense)	<u>\$4,586</u>	<u>\$8,486</u>	🔴	(\$3,900)

Notes:

(1) The trustees decided not to take the \$10k budgeted withdrawal from the Endowment (New Century) Fund because it was not needed and they wished to help rebuild the fund from the market decline. Similarly, there was no need to use the budgeted \$35k support from 2021 surplus.

(2) Operating income & expenses exclude Designated, Investment, Endowment and Restricted Fund items including \$64,314 of expenses for sanctuary exterior painting and Harrison Hall exterior repairs in 2022. These are reported separately.

(3) \$9,000 Contribution to Reserve Fund is the unused budgeted "Special Purpose" expense for legal and other costs to prepare to sell the parsonage. It has been put into a new "Special Purpose" Reserve Fund to cover such expenses in 2023/24.

(4) Budget amounts have been reclassified to reflect items moved to a different category/ministry. Rounding differences may arise due to cents not shown.

First Congregational Church of Woodstock
Designated, Investment, Endowment & Restricted Funds
Financial Comments – Year to Date December 2022
INCOMPLETE DRAFT SUBJECT TO CHANGE – 1/6/23

Congregation-Designated Reserve Funds

- These are reserve funds designated by the congregation, not restricted by donors. Adjustments have been recorded to brought-forward balances including increases to the Capital Improvement Reserve Fund to include amounts designated by the congregation from prior years' operating surpluses.
- The Capital Improvement Reserve Fund paid for \$18k of major repairs, mostly to the exterior of Harrison Hall following water intrusion damage not covered by insurance.

Endowment (New Century) Fund **[UPDATE BEFORE 1/29/23 IF FEASIBLE]**

- We gratefully received \$11k in Endowment Fund contributions for 2022. **For the year through November 30th (the latest data currently available)** the market value of the fund's investments was down by \$31k but we anticipate a longer-term recovery.

Donor-Designated Restricted Funds

- The senior deacons and pastor designated \$1,247 of benevolence expenses as being funded by the Carroll Fund, retiring that fund. Thank you to everyone who contributed to this fund over the years. Its work is continued by the Deacons Charitable Giving Fund.
- The new Community Care Ministry Fund contains the proceeds from the Christmas offering. Additional donations are welcome to help fund this emerging new ministry.
- The Angel Fund paid \$46k of sanctuary repainting expenses funded by your kind gifts and a grant from Preservation CT. The \$7,800 balance represents contributions to the cost of upgrading the replacement for Harrison Hall's Palladian window.
- Prepaid pledges of \$55k were released to operating income in January. The Prepaid Pledge Fund is now retired. We now show prepaid pledges on our balance sheet.
- Other Designated Funds include proceeds from special gifts or fundraising for UCC Neighbors in Need, the Daily Bread Food Pantry, Greenpeace, Heifer International, UCC Ukraine Relief (\$1,000 from the tag sale), Woodstock Academy Foundation Fund for Displaced Students and another \$1,000 from the tag sale that is being retained for a project under discussion with Woodstock Academy to support Ukrainian students.

We continue to warmly welcome gifts to our main ministry, Angel and New Century Endowment funds while we work to reduce the number of funds for which extra administrative work is required. Thank you for your generosity.

Tom Duggan, Treasurer

**First Congregational Church of Woodstock
Designated, Investment, Endowment & Restricted Funds
As of December 31, 2022**

INCOMPLETE DRAFT - SUBJECT TO CHANGE

Data as of 1/6/23

	Balance as of <u>12/31/2021</u>	Income YTD <u>12/31/2022</u>	Expenses YTD <u>12/31/2022</u>	Transfers	Balance as of <u>12/31/2022</u>	Notes
Congregation-Designated Reserve Funds						
310.01 Ministry Reserve Fund	\$0				\$0	
310.02 Contingency Reserve Fund	3,918				3,918	
310.03 Pastor Sabbatical Reserve Fund	9,485				9,485	
310.04 Special Purpose Reserve Fund [Parsonage]	0	9,000			9,000	(1)
310.05 Capital Improvements Reserve Fund	32,223		18,470	15,837	29,589	(2)(3)
310.21 Capital Improvement Reserve - Parsonage	4,658			(4,658)	0	(2)
310.22 Plant, Property & Eqpt. Reserve Fund	11,178			(11,178)	0	(2)
	<u>\$61,463</u>	<u>\$9,000</u>	<u>\$18,470</u>	<u>\$0</u>	<u>\$51,992</u>	
Unrestricted Investments						
180.21 Brokerage - Investments - Cost	\$355			(\$355)	\$0	(4)
180.22 Brokerage - Invs. - Market Value Adj.	2,635			(2,635)	0	(4)
180.23 Brokerage - Cash		195		(95)	100	(4)
	<u>\$2,990</u>	<u>\$195</u>	<u>\$0</u>	<u>(\$3,085)</u>	<u>\$100</u>	
Endowment - New Century Fund						
180.11 New Century Fund - Cost	\$203,587	\$14,668		\$5,680	\$223,935	(5)
180.12 New Century Fund - Market Value Adj.	56,016		31,897		24,119	(5)
	259,603	14,668	31,897	5,680	248,054	
330.02 New Century Fund - Cash Held at FCCW	15,080			(5,680)	9,400	(6)
	<u>\$274,684</u>	<u>\$14,668</u>	<u>\$31,897</u>	<u>\$0</u>	<u>\$257,454</u>	
Donor-Restricted Funds						
340.01 Deacons Charitable Giving Fund	\$12,189	\$3,070	\$1,737		\$13,522	
340.02 Community Care Ministry Fund	0	2,001			2,001	(7)
340.03 Faith Formation Ministry Fund	805				805	(8)
340.04 Faith in Action Ministry Fund	0				0	
340.05 Community Kitchen	4,755	1,264	1,000		5,019	
340.06 Music Fund	3,560		1,084		2,476	
340.07 Angel Fund	37,851	15,792	45,843		7,800	(9)
340.08 William Cuff Youth Ministry Fund	15,862		20		15,842	
340.09 Williams Summer Camp/Conf Fund	1,568				1,568	
340.10 Mavis Hescok Flowers Fund	961				961	(10)
340.11 Richardson Tree Lighting Fund	11,735		875		10,860	
340.15 Other Designated Funds	50	3,681	2,681		1,050	(11)
340.21 Prepaid Pledges	55,120		55,120		0	
340.22 Carroll Fund for the Poor	1,247		1,247		0	(12)
340.24 Honoraria Fund	0				0	(12)
340.25 Library Fund	250		250		0	(12)
	<u>\$145,952</u>	<u>\$25,808</u>	<u>\$109,857</u>	<u>\$0</u>	<u>\$61,904</u>	

Notes:

Balances as of 12/31/21 reflect adjustments arising from an analysis of restricted fund accounting since 12/31/15. Rounding differences may arise due to cents not shown.

(1) Represents unspent budget for parsonage sale preparation expenses over up to three years.

(2) Transfers consolidate capital funds into one account for simplification and ease of review.

(3) Expenses relate to sanctuary repainting \$1k and Harrison Hall exterior repairs \$17k.

(4) Investments (10 shares of 1 stock) were sold in 2022 and proceeds transferred to checking. \$100 balance kept to keep account open.

(5) Represents dividend income and unrealized 2022 gain/(loss) in market value of New Century Fund invested assets only through November 30, 2022. Cost figures represent the brought forward balance as of 12/31/15 plus contributions and dividends less withdrawals since then.

[To be updated before congregational meeting to include December income & value change per fund statement due late Jan]

(6) Represents contributions to New Century Fund not yet remitted to the fund managers for investment.

(7) Represents the proceeds from the 2022 Christmas Offering which was designated to help fund the new Community Care Ministry in 2023.

(8) The Faith Formation Fund was formerly known as the Christian Ed Fund. It has been renamed to align with the Faith Formation ministry area.

(9) Expenses relate to sanctuary repainting. The balance at 12/31/22 comprises donations to the Harrison Hall Palladian window replacement upgrade.

(10) The 12/31/21 balance in the Mavis Hescok Flowers Fund has been adjusted by \$655 to reflect the Trustees' designation of prior expenses to this fund.

(11) \$1,000 of balance is 50% of Ukraine tag sale, retained for projects w/Ukrainian students at Woodstock Academy. \$50 is for Spring garden planting.

(12) These funds have deployed their balances and have now been retired. We appreciate their donors over many years.

First Congregational Church of Woodstock
Statement of Financial Position
As of December 31, 2022

INCOMPLETE DRAFT - SUBJECT TO CHANGE

Data as of 1/6/23

	<u>Total</u>
Assets:	
Current Assets	
Cash and Cash Equivalents	
Operating Checking	\$95,516
Restricted Checking	
Donor Restricted	61,903
Congregation Designated	
New Century Fund	9,400
Reserve Funds	51,992
	123,295
Chicken BBQ Checking	5,361
Brokerage Account	100
	224,272
Prepayments (Insurance & Pastor's Annuity)	7,038
Pledges Receivable	4,200
Total Current Assets	235,510
Noncurrent Assets	
Long-term Investments	
Endowment (New Century) Fund (Congregation-Designated)	
Assets Held by Investment Managers	248,054
Land, buildings & equipment (Not included)	0
Total Noncurrent Assets	248,054
Total Assets	\$483,564
Liabilities:	
Current Liabilities	
Accounts Payable & Accrued Expenses	2,896
Deferred Income - Prepaid 2023 Pledges	32,142
	35,038
Noncurrent Liabilities	
None	0
Total Liabilities	35,038
Net Assets	
Without Donor or Congregation Restrictions	77,176
Without Donor Restrictions, Congregation-Designated	309,446
With Donor Restrictions	61,904
Total Net Assets	448,526
Total Liabilities and Net Assets	\$483,564

Notes:

(1) Excludes Dec 2022 dividend income and market value change to be added when statement is received late Jan.

(3) Prepaid pledges are now recorded here. Previously they were transferred to and then returned from a fund.

(4) Rounding differences may arise due to cents not shown.