

Finance Committee Report

Mission

1. Review and monitor financial condition of First Parish Brookline
2. Submit recommendation of annual budget to the Parish Board and review quarterly
3. Advise the Parish Board on matters of financial interest to the Congregation as appropriate
4. Communicate financial information to the church community regularly and transparently

Organization and Membership

1. Finance Committee is a standing committee charged with fulfilling the mission laid out above. Members include the Treasurer, past Treasurer, Canvass representative, 1-2 Parish Board members, 1-2 other parishioners, the Minister and Church Administrator.
2. For FY 2021, members include: Margaret Williams (Treasurer) Charles Sandmel (Outgoing Treasurer), Steve Pratt-Otto (Parish Board and Canvass), Margie Beal (congregant), and Michael Kobran (congregant).
3. Meetings occur monthly and are open to all congregants. Meetings dates are publicized through Congregational channels

Fiscal 2021 Achievements

The Finance Committee undertook a major project this past year consisting of a comparative analysis of Parish's fiscal health with those of selected congregations. The effort included: identifying several area churches with similar membership and demographics; gathering financial data for each church; conducting interviews with the people responsible for money management; putting all financial information in an "apples to apples" format; identifying similarities and differences in fiscal health and management; and producing a report with the findings which included possible "paths" to financial sustainability. A high-level summary report was presented to other committees. The summary report is included. The big "takeaways" from the analysis include: 1. First Parish is drawing down its Endowment Principal at an unsustainable rate. 2. The cost of maintaining our building is much higher than other churches. A detailed report is being compiled and will be published on the website when complete. Based on responses from church members, the Finance Committee recommends that the process of determining what actions we want to take to become financially sustainable take place in FY22 with the help of a professional facilitator.

The Finance Committee also worked closely with the Climate Justice Committee to conduct a cost/benefit analysis of installing solar panels using proceeds from a \$106,000 drawdown of Endowment Principal. It was jointly determined that there are alternate green energy choices are equally effective with no draw on the Endowment.

Endowment

Over the nine months ending March 31, the balance in the FP Brookline endowment grew by \$440,000 to \$2,794,179 after all fees and draws. This growth is attributable to a strong stock market and a smaller-than-usual draw on the endowment (\$50,000 to date) in the current fiscal year, due to receipt of a Payroll Protection Program Loan. By comparison, for all of fiscal 2020, net investment income of \$78,434 was lower than the \$100,000 drawn down during the year. First Parish was approved for a second PPP loan this year, which should continue to limit the need to draw from endowment for the immediate future. The Finance Committee continues to support investing our endowment in the UU Common Endowment Fund because of strong returns, relatively low costs, ease of use for the Congregation, and the Fund's embrace of sound Socially Responsible Investment principles which reflect the values to which we aspire.

FY21 and FY22 Budget

It is estimated that year-end financials will be better than what was budgeted due to the receipt of a second COVID Loan, referenced above. Financials through March are on the FY22 Budget sheet.

Finally, the FY22 budget will be presented at the Annual Meeting. A summary of highlights is attached as are budget "building blocks" and a detailed line-item budget.