

# First Unitarian Church of Portland

~ Board of Trustees ~

## A G E N D A

Thursday, January 25, 2007

Dinner: 6:00 p.m. • Meeting: 7- 9 p.m.

Location: Daisy Bingham Room

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- Convene Meeting** (10 min.)
- Opening words (same person as Closing Words)
  - Quorum
  - Appoint process observer & timekeeper
  - Approve previous meeting's minutes
  - Announcements
  - Review agenda
  - Review action items
- “Open Mic” for Congregants** (5 min.)
- Board Consent Agenda Items** (20 min.)
1. Reopen Committee Meetings
  2. Issues on Foundation Agenda
  3. Board decision re assistant minister position (see BOC minutes for wording)
- Preliminary Budget Report (Don)** (5 min.)
- Direction of the Church** (20 min.)
- Break** (10 min.)
- Direction of the Church** (45 min.)
- Process Observation** (5 min.)
- Closing Words ...** (Ron... please provide ☺. Don, you're on for next meeting.)

## Open Meeting Recommendation From BOC

The consensus of the BOC members was that committee meetings should be reopened, with a review of this policy to occur at the end of the church year.

The BOC recognizes that competing values are involved. Open meetings foster transparency and openness but may hinder the ability of committees to get their work done and inhibit spontaneity and bonding among committee members.

The BOC recommends the following guidelines:

- Regularly scheduled meetings of all standing and ad hoc committees, with the exception of the Board Officers Committee, should be open for observation to the congregation.
- BOC meetings will not be open due to the sensitive nature of some discussion items. Minutes are published.
- Committee chairs should post the time/place of their meetings on the church calendar.
- We are a volunteer organization and we make “best efforts” to advertise meetings.
- Guests are asked to notify the chair if planning to attend, so that the chair can plan to have enough space and handouts.
- Guests will attend as observers rather than participants, although the committee chair may invite comments from guests.
- Guests need to be aware that meetings may be cancelled. Contacting the chair shortly prior to the meeting to verify that it’s still scheduled is advised.
- All committees reserve the right to go into executive session.

**FIRST UNITARIAN CHURCH OF PORTLAND**  
**Meeting of the Board of Trustees**  
**Regular Meeting, December 21, 2006**  
**DRAFT 2 Minutes**

**Present:** Cindy Cumfer (Moderator), Randy Russell (1<sup>st</sup> Vice Moderator), Marilyn Scott (2<sup>nd</sup> Vice Moderator), Kathryn Estey (Secretary), Helena Lee, Pat Malone, Teri Martin, Jean Omelchuck, Pierre Provost, Don Watne, Ron Yoder, Marilyn Sewell (Senior Minister), Tom Disrud, (Associate Minister), Leela Sinha, (Assistant Minister)

**Absent:** Dave Patterson

**Staff:** Jan Larson (Administrative Assistant)

**Guests:** Tricia Knoll, Bill Michtom

**Minutes:** Jan Larson

**Process Observer:** Pierre Provost

**Time Keeper:** Jean Omelchuck

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**Summary of decisions**

Consent items:

1. Cecilia Kingman Miller will be ordained by our church in June 2007.
2. The Board approved the members of the Covenant Committee and the members of the Committee of Behavioral Accountability.
3. Board retreat in June 2007 will be held on June 8 (evening) and June 9 (day).
4. The Executive Team was authorized to begin the search process with the UUA for an interim assistant minister.

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**To do list:**

1. Board members will consider serving on the Covenant Committee.
2. Future agenda item: discussion of how best to participate in GA and how to encourage congregation to do so as well.
3. Board members will email Cindy Cumfer any further thoughts regarding the opening of Board Committees. The BOC will continue the discussion and bring a recommendation back to the full Board again.
4. The Communications Team will continue the discussion regarding Board use of website.

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The Meeting was called to order at 7:05 pm.

There was a quorum with 11 of 12 Board members present.

The November 2006 minutes were accepted by consensus with the correction of the word *additional* to the sentence “Based on the revenue stream the *additional* lease payments provide...” under the discussion regarding the Northwest Academy lease included in the “Report on Executive Session of October 26, 2006.”

**Announcements:**

- The Board welcomed new Board member Pat Malone.
- Assistant Minister Leela Sinha announced she has decided to enter ministerial search this coming year and will leave First Unitarian Church sometime during the summer (2007); she will speak to the congregation about her decision in her February Front Steps article.
- Cecilia Kingman Miller seeks the Board's consent to be ordained by our church in 2007. Marcia Schekel will be ordained by our church on April 15, 2007.

**Agenda Changes:** Two items added:

- Search options for a third minister.
- Don and Randy: financial update on the Buchan Building project.

**Open Mic for Congregants:** Bill Michtom said thank you for the decision to go ahead with finishing the third floor of the Buchan Building. He asked if consideration was being given to having an interim minister during a search for a senior minister when Rev. Sewell retires and feels it's important to go this route. He stated he is glad that the Board will be discussing opening of Board committee meetings. He asked if the Board would provide a summary of discussion to the congregation when they meet in a retreat instead of a regular business meeting. Tricia Knoll asked the Board to consider a Board "blog" as she feels this is the most interactive means of communication via the internet. She offered assistance in developing a blog as she manages one at her work.

**Consent Agenda Items:**

(Item added to Agenda) Cecilia Kingman Miller, a member of our congregation, wishes the Board's approval for her to be ordained by our church. The Board agreed by consensus.

Rev. Sewell's sabbatical will begin January 1 and will run through the end of April (4 months). This will be mostly a working sabbatical for her regarding her public witness work. She will work closely with our new director of public witness Carolyn Burleigh on some of this outreach. She will be writing, and also attending minister retreat/conferences, as well as preaching in Washington D.C. and in Texas. Rev. Disrud will be acting senior minister during this time. He will preach more often and have more pastoral care to attend to. He asked for the Board's support and prayers during this time of extra work. Leela Sinha and Kate Lore will also preach during this time.

Members of Covenant Committee: Teri Martin confirmed that Dave Patterson has had to resign due to his personal work load. She asked for another Board member to consider serving. The Board agreed by consensus to the following members to serve with Teri: Ameena Amdahl-Mason, Linda Fitzgerald, Kevin Lawson, and John Thompson.

Members of the Committee on Behavioral Accountability: Helena Lee announced additional member Anne Weber. The Board agreed by consensus to Anne Weber. [NOTE: At last month's Board meeting, the following people were accepted by the Board to serve on this committee: Dick Adams, Kelly Huggett, and Arnie Pickar.]

Board Retreat date: the Board will hold their June retreat on the evening of June 8, Friday, and during the day on Saturday, June 9, 2007.

The BOC recommended that the Board take a leading role in encouraging congregants to attend GA in June 2007. Board members will plan to attend, and will encourage church member participation during their Board announcements in the spring. The Board agreed by consensus.

Added to the Agenda: A new search for a third minister due to Leela Sinha's decision not to remain at First Unitarian Church after the close of this church year ('06-'07). Rev. Sewell and Rev. Disrud (the Executive Team) described three alternative approaches to the search: 1) begin a search immediately for a new hire; 2) hire an interim assistant minister for a designated period of time (such as 2 years),

3) have Kate Lore and other staff give extra support rather than bringing on a third person. UUA guidelines state that a hired interim minister may not subsequently be called as a minister to that church. The ministers recommended the hiring of an interim assistant minister, and that they work with the UUA to accomplish finding the right person. The UUA has an interim minister search process which will include the screening of potential candidates. Gil Rendle of the Alban Institute may also be available to assist with determining how best to meet our needs.

A motion was offered to authorize the Executive Team to begin the search process with the UUA for an interim assistant minister. The Board agreed by consensus.

Reopen Board Committee Meetings: The Board discussed various opinions and questions regarding having open Board Committee meetings. Standing and Non-standing committees have different needs regarding their work and different roles to play. The Non-standing committees are often involved in brainstorming, sharing of research, and bringing their recommendations to the Board; and thus act more as "work groups" than committees. The Finance Committee, which is currently open, monitors compliance to policy and has more of a "looking backwards" focus than any other committee. When people within a group are being observed by others not part of that group, dynamics change. Some people will not feel as comfortable to express their ideas. As a large church, our needs are complex. Transparency is of great importance to Board members, and the more interest church members have in discussions and decisions made, the better for church governance. Open meetings may help to inspire more confidence in governance. Transparency is one of our values, but not the only one to be considered. There are other ways information is available – through meeting minutes, through open forums, etc. The Board also discussed the logistics of open meetings – rooms to schedule, date setting, accessibility, etc. There was no consensus reached by the end of this discussion. The Board Officers Committee will reflect on the discussion further, and bring a recommendation to the Board. Board members can email Cindy with any further thoughts and suggestions.

Use of the Website by the Board: The Communications Team [NOTE for clarification: the Communications Team is a working group reporting to the Executive Team. The Communications Committee is a committee of the Board.] has worked with Chris Gates and Greg Zupan to develop the new look of the church website. Jan Borr remains the staff person who keeps postings up-to-date and is training Program Staff in the maintenance of their web pages. Currently, the Program Staff relies heavily on Jan's help. What are the Board's goals regarding the Board pages on the website? How can the Board best make use of it to interact with the congregation? Any decisions need to factor in staffing needs and Board time and effort. The Board discussed the pros and cons of having a Board "Blog" as an interactive tool. A major consideration with a Blog is who would act as the manager of it? If the Board has a Blog or has a page where congregants can pose ideas or questions, what would be the expectations for the Board's responding? Any use/decision/goal could be given an "experimental run;" and if it doesn't work, it could be modified or dropped. The Communications Team will pick up further discussion and bring a recommendation to the Board.

Randy Russell reviewed the Buchan Building Project Cost Estimate report and Change Order Log with the Board. Currently the project's soft costs are over budget by \$32,000, but we have \$45,000 in hard costs contingency remaining. We are under budget overall. Estimates are based on what is known at any one point in time. Unexpected items include the cleaning of the old brick along the courtyard, changes needed in the size of the new exterior brickwork, smoke detectors in the Salmon St. Sanctuary. There is also a one percent contingency added in for the finishing of the basement and the third floor. The Board asked Randy and Don to keep them as updated as possible.

**Process Observation**

Pierre reported that the open mic felt positive. The Open Committee discussion as well as the Website discussion brought up a lot of varying opinions, but everyone was respectful and patient.

**Closing Words** – Jean Omelchuck.

The meeting was adjourned at 9:05.

**First Unitarian Church**  
**Board Officers Committee (BOC) Meeting Minutes – January 10, 2007**  
**(Draft 4 - 1/17/07)**

**Present:** Randy Russell (1<sup>st</sup> Vice-Moderator), Marilyn Scott (2<sup>nd</sup> Vice-Moderator), Don Watne (Treasurer), Kathryn Estey (Secretary), Tom Disrud (Associate Minister).

**Absent:** Cindy Cumfer (Moderator), Marilyn Sewell (Senior Minister – on sabbatical).

**Recorder:** Kathy Parker

**To-Do List**

*Don* will ask *Bev Fogle* to post agenda for quarterly Foundation meetings with enough time to allow Board members and others to review prior to the meetings.

*Randy and Kathy* will work together to develop a discussion framework for insertion in the board packet about the future of the church and the direction that it should be going.

**I. Opening**

Randy opened the meeting at 5:45 PM with a quote from Thomas Jefferson. He noted that there was a quorum present.

**II. Announcements**

The Board will be hosting a café conversation on January 21 as one method of gathering input for the video that will profile the church as a “Breakthrough Congregation” and will be shown at General Assembly in June. Tom announced that he has found more funding for the videography.

Flowers will be sent to Cindy’s home in memory of her father, who died last week.

**III. Adopt Minutes**

The minutes from the previous meeting were approved as written.

**IV. Review Action Items**

Randy did not have a chance to check with Cindy as to whether she had completed her action items from the last meeting.

**V. Agenda for January 25 Board Meeting**

**A. Consent Agenda Items**

**1. Reopen committee meetings**

Randy reported that he had received 3 e-mailed comments from other Board members in favor of reopening committee meetings for observation by people who are not members of the committee. The consensus of the BOC members was that committee meetings should be reopened, with a review of this policy to occur at the end of the church year. The BOC recognizes that competing values are involved. Open meetings foster transparency and openness but may hinder the ability of committees to get their work done and inhibit spontaneity and bonding among committee members. The BOC recommended the following guidelines:

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- All committees reserve the right to go into executive session.

## **2. Issues on the Foundation agenda**

It would be helpful for the Board to know in advance what issues the Foundation Board will be discussing at their meetings. Don will ask the chair to send the agenda out earlier. He reported that at the next meeting the Foundation will decide the size of their donation to the church for the coming year. He noted that Paul Pitkin and Jonathon Ater met with Becker to review positive screens for investors and will discuss a report on socially responsible investing.

## **3. Budget report**

Don will bring an update on the budget to the January Board meeting.

## **4. Board decision re assistant minister position**

Tom felt that clarification was needed about the discussion at the last Board meeting regarding the assistant minister position. Tom proposed the following item for the Board consent agenda: “In its December meeting the Board endorsed Executive Team recommendation to continue to have the assistant minister position be a hired position. The Executive Team will proceed with filling the position with an interim minister for a limited period of time or by assigning the responsibilities of the position to one or more ministers or staff people.”

### **B. Board Agenda Items**

#### **Direction of the church**

Cindy suggested that the Board spend the bulk of the next meeting discussing the direction of the church. More public attention will be focused on the church in the coming year with General Assembly coming to Portland and the opening of the new building. Some questions to consider: What kind of church do we want to be? How do we handle growth in the next 6 months? In the long term? When/how do we go to the congregation with this discussion?

Categories of discussion should include worship, the possible development of satellite sites, size of congregation, block development/physical space, public witness vs. personal growth, time frames required for leadership transition when Marilyn retires. A 1-2 page framework for discussion will be included in the Board packet, with the goal of reaching closure during the meeting as to what the next steps should be.

The meeting was adjourned at 7:15 PM.

## **Board Packet Item – January 2007**

**Committee on Generosity (COG)** - regular monthly committee meeting on 12/21/2006:

**Annual Fund Drive (AFD).** As of December's meeting date, we were at 75% of our goal of \$1,250,000. Plans to carry on with the AFD were discussed: phonathons scheduled throughout January; follow-up letters to those who haven't yet pledged after phonathons conclude.

**Eliot Campaign.** In order to devote staff and volunteer energies to our AFD, active capital fundraising has been set aside until early in 2007. However, a meeting with Martha Richards of the Collins Group is tentatively scheduled for January 16 to set the plan for successfully completing the Eliot Campaign.

In a mini-brainstorming session, COG members raised these ideas and questions around our capital fund-raising efforts:

- Might Terry Sweetser be available for a kick-off event? Other ideas for an exciting resumption of capital fund raising?
- Should our Capital Campaign be concluded within a given time frame? What might that be?
- What about a "fundraising advisory team?" Who/how organized? What volunteers? What staff? What role for COG?
- How to approach the final phase of the campaign freshly, to minimize donor fatigue?
- Rebuild the Advocate team. Same structure?
- How to deal with a "wiggly" final goal?
- Exactly how will the school's lease revenue impact servicing our debt; how much of the lease revenues from the school or other renters might be available to reduce the total amount of funds the congregation has to raise?
- How can we involve the RE program in stewardship?

### **Stewardship**

- One of the jobs of the phonathon volunteers is to thank people who have raised their pledges a significant amount. Showing our appreciation is an important part of stewardship.
- The idea of a thank-you event for all donors to the capital campaign was discussed. No decision at this time.

### **Naming/Donor Recognition in the Buchan Building**

- Recognition on the new donor wall in the Buchan Building will begin at \$5,000 – as is the case with our current donor wall in the Main Street narthex.
- There will be one large donor-recognition plaque, consolidating donors to the Buchan Building, and the Salmon Street and Main Street renovations.
- Names will be listed alphabetically within a particular giving category. Tom and Candace will review our standing categories to determine if they are still appropriate.
- Regarding signage on individual rooms named by generous donors -- we will use small plaques, rather than dimensional lettering.

### **Next Meeting**

COG's next meeting will be held at 4 p.m. on Thursday, January 25, just prior to the regular monthly Board meeting.

# **“Direction of the Church.” - Discussion Framework**

## **I. Worship.**

*A. Adjunct Space*

*B. Alternate service not on Sunday*

## **II. Physical Facilities – Block Development**

*A. Parking*

*B. Capacity of this site*

*C. or satellite sites*

## **III. Congregation Size Issues**

*A. What kind of church do we want to be?*

**1. Internal Focus**

**2. Outreach**

*B. What is the hierarchy of our values and what does size mean to them?*

**1. Public Witness**

**2. Intimacy**

#### **IV. What questions come up in what time frames?**

***A. Six months***

***B. One Year***

***C. Five Years***

#### **V. Leadership Transition**

***A. What is our time frame***

***B. How do we prepare***

## Board report

01/18/07

### Finance Reports as of 12/31/06

#### Financial Condition

Operating results through December 31, 2006, of <\$16,109> continue to outperform the year-to-date budget of <\$265,206. Occupancy costs such as utilities continue to run higher than expected, outpacing the budget by \$10,269. Rental income continues to do very well this year, currently running \$15,061.

#### Annual Fund Drive

The AFD07 pledges are \$1,024,244, or 82% of goal, with 750 donors and an average pledge of \$1,366. Pledges are coming in faster now that many donors who are set up on an automatic payment system, such as credit card or ACH are confirming their pledges for the current pledge year.

#### Capital Campaign

The Foundation Trustees \$100,000 challenge gift was matched in full. The current campaign total as of January 11, 2007 was \$6,443,642, or 85% of the total project goal.

**First Unitarian Church of Portland**  
**Capital Campaign Summary**  
**Receipts and Disbursements**  
December 31, 2006

	<u>Capital Campaign Statistics</u>			
	<u>Unrestricted</u>	<u>Eliot Center</u>	<u>Salmon Street</u>	<u>TOTAL</u>
<b>HOW MUCH HAVE WE RAISED IN PLEDGES AND CONTRIBUTIONS?</b>				
Pledges Received	\$ 1,401,336.81	\$ 4,186,111.36	\$ 322,480.00	\$ 5,909,928.17
Contributions, No Pledge	<u>627,032.66</u>	<u>2,261,430.55</u>	<u>827,977.47</u>	<u>3,716,440.68</u>
Total Pledges and Contributions	<u>\$ 2,028,369.47</u>	<u>\$ 6,447,541.91</u>	<u>\$ 1,150,457.47</u>	<u>\$ 9,626,368.85</u>

**HOW MUCH OF WHAT WE HAVE RAISED IS LEFT?**

Total Pledges and Contributions	\$ 2,028,369.47	\$ 6,447,541.91	\$ 1,150,457.47	\$ 9,626,368.85
Payments on Pledges	(1,204,492.52)	(1,662,079.81)	(315,480.00)	(3,182,052.33)
Payments on Contributions	(627,032.66)	(2,261,430.55)	(827,977.47)	(3,716,440.68)
Pledges Written Off	<u>(177,282.47)</u>	<u>(12,700.00)</u>	-	<u>(189,982.47)</u>
Pledge Balances Receivable	19,561.82	2,511,331.55	7,000.00	2,537,893.37
Fund Balances	<u>11,514.67</u>	<u>735,546.26</u>	<u>(8,131.10)</u>	<u>738,929.83</u>
Net Amount Available	<u>\$ 31,076.49</u>	<u>\$ 3,246,877.81</u>	<u>\$ (1,131.10)</u>	<u>\$ 3,276,823.20</u>

**HOW MUCH HAVE WE SPENT?**

Payments on Pledges	\$ 1,204,492.52	\$ 1,662,079.81	\$ 315,480.00	\$ 3,182,052.33
Contributions, No Pledge	<u>627,032.66</u>	<u>2,261,430.55</u>	<u>827,977.47</u>	<u>3,716,440.68</u>
Total	1,831,525.18	3,923,510.36	1,143,457.47	6,898,493.01
Less: Ending Fund Balance	<u>11,514.67</u>	<u>735,546.26</u>	<u>(8,131.10)</u>	<u>738,929.83</u>
Net Disbursements	<u>\$ 1,820,010.51</u>	<u>\$ 3,187,964.10</u>	<u>\$ 1,151,588.57</u>	<u>\$ 6,898,493.01</u>

**HOW MUCH HAVE WE SPENT INCLUDING CONSTRUCTION ADVANCES?**

Net Disbursements from Above	\$ 3,187,964.10
Add: Construction Advances	<u>292,141.53</u>
TOTAL Disbursements Including Advances	<u>\$ 3,480,105.63</u>

First Unitarian Church of Portland  
Cash/Securities Balances  
December 31, 2006

Dept	Fund Name	General Ledger Fund Balance	1010 WF Checking	1020 WF Investment	1035-10 WF SUI Deposit	1050 Liberty	1060 Merrill Lynch	1060 Morgan Stanley	1070 Paine Webber	1071 Charles Schwab	1090 Domini	1015-34 Bank of America
10	Operating	21,706.68										
3412	Contingency Reserve	22,500.00										
3414	Operating Reserve Fund	74,974.65										
1017	Unallocated Reserve									39,128.07		
	<b>Sub-Total Operating Fund</b>	<b>96,681.33</b>	<b>43,263.26</b>	-	<b>14,266.75</b>	<b>7.56</b>	<b>15.69</b>	-	-	<b>39,128.07</b>	-	
3410	Equipment Reserve	(1,775.03)	(1,775.03)									
3415	Sabbatical Reserve	2,855.38	2,855.38									
3430	Major Repairs Reserve	(6,360.00)	(6,360.00)									
3413	Safety Reserve	37,500.00	37,500.00									
	<b>Sub-Total Long Term Reserve Funds</b>	<b>32,220.35</b>	<b>32,220.35</b>									
30	General Capital	11,514.67	11,514.67									
33	Salmon Street Capital	(8,131.10)	(8,131.10)									
34	RE Bldg Capital	735,546.26	342,119.17	101,285.56								292,141.53 *
	<b>Sub-Total Capital Funds</b>	<b>738,929.83</b>	<b>345,502.74</b>	<b>101,285.56</b>	-	-	-	-	-	-	-	<b>292,141.53</b>
40	Commemoration	18,890.42	18,890.42									
41	Chesney	47,784.60	28,689.15				19,095.45					
43	Hessler-Deale	52,362.31	43,332.31				9,030.00					
47	Steiner	2,620.06	2,620.06									
48	Tatum-Bellville	15,054.46	15,054.46									
49	Program DES	57,505.98	57,505.98									
90	Rabi Domini Trust	44,828.18									44,828.18	
	<b>Sub-Total Restricted Funds</b>	<b>239,046.01</b>	<b>166,092.38</b>									
	Total All Funds	1,106,877.52	587,078.73	101,285.56	14,266.75	7.56	28,141.14	-	-	39,128.07	44,828.18	292,141.53
	<b>Per Bank Rec.</b>	<b>1,106,877.52</b>	<b>587,078.73</b>	<b>101,285.56</b>	<b>14,266.75</b>	<b>7.56</b>	<b>28,141.14</b>	-	-	<b>39,128.07</b>	<b>44,828.18</b>	<b>292,141.53</b>
		0.00	-	-	-	-	-	-	-	-	0.00	-

	Pledges Received	Payments	Write Offs	Plg Balance	Contributions (No Pledge)	Pledges & Contributions	Past Due	Projected Pledge Payments for FYE June 30,			2010	2011
								2007	2008	2009		
Capital Campaign Statistics--												
30 Unrestricted	\$ 1,401,336.81	\$ 1,204,492.52	\$ 177,282.47	\$ 19,561.82	\$ 627,032.66	\$ 2,028,369.47	\$ 11,075.00	\$ 4,516.64	\$ 3,920.18	\$ 50.00	\$ -	\$ -
34 Eliot Center ***	4,186,111.36	1,662,079.81	12,700.00	2,511,331.55	2,261,430.55	6,447,541.91	32,413.51	391,297.79	609,161.42	610,453.70	520,441.23	325,562.80
33 Salmon Street Sanctuary **	322,480.00	315,480.00	-	7,000.00	827,977.47	1,150,457.47	1,000.00	6,000.00	-	-	-	-
Totals	\$ 5,909,928.17	\$ 3,182,052.33	\$ 189,982.47	\$ 2,537,893.37	\$ 3,716,440.68	\$ 9,626,368.85	\$ 44,488.51	\$ 401,814.43	\$ 613,081.60	\$ 610,503.70	\$ 520,441.23	\$ 325,562.80

Lines of Credit	Wells Fargo	Bank of America	Total
<b>Operating</b>			
2110-10 Operating Line of Credit	-	-	-
<b>Sub-Total Operating</b>	-	-	-
<b>Construction LOC</b>			
2110-34 Construction Loan	-	504,721.44	504,721.44 *
<b>Sub-Total Construction LOC</b>	-	<b>504,721.44</b>	<b>504,721.44</b>

\* The construction checking account (1015-34) is inflated by \$230,267.00 on the December statement. Bank of America erroneously advanced an amount that was paid with funds from the Wells Fargo checking account. The actual Bank of America checking account balance at December 31 should be \$61,874.83.

The advance for \$230,267.00 has been reversed by Bank of America. At the time of release of these statements we had not received any confirmation from Bank of America as to the effective date of the reversal. Therefore, any adjustments will be reflected on the January cash report. The actual construction loan (2110-34) balance at December 31 should be \$274,454.44 with \$31,557.77 representing the December advance.

**First Unitarian Church  
Operating Summary  
12/31/2006**

	ACTUAL OPERATIONS YEAR TO DATE 12/31/2006	ACTUAL OPERATIONS YEAR TO DATE 12/31/2005	ACTUAL VARIANCE FY 2007 TO 2006	BUDGET YEAR TO DATE 12/31/2006	BUDGET VARIANCE 12/31/2006
<b>Church Operations</b>					
<b>Operating Income</b>					
Pledge Income	607,588	614,890	(7,302)	417,094	190,494
Contributions	71,708	66,872	4,835	72,898	(1,191)
Program Income	124,594	182,296	(57,701)	110,850	13,744
Other Income	4,649	4,243	406	2,869	1,780
Transfer from Capital Fund	34,561	63,722	(29,161)	34,561	-
<b>Total Operating Income</b>	<b>843,100</b>	<b>932,023</b>	<b>(88,923)</b>	<b>638,272</b>	<b>204,828</b>
<b>Operating Costs</b>					
Payroll Expenses	578,233	521,722	(56,511)	604,503	26,270
Occupancy Costs	103,353	72,308	(31,045)	93,085	(10,269)
Program Expense Cost	217,685	264,271	46,586	230,885	13,199
Other Costs	3,106	3,384	279	854	(2,252)
<b>Total Operating Costs</b>	<b>902,377</b>	<b>861,686</b>	<b>(40,692)</b>	<b>929,326</b>	<b>26,948</b>
<b>Net Church Operations</b>	<b>(59,278)</b>	<b>70,337</b>	<b>(129,615)</b>	<b>(291,053)</b>	<b>231,776</b>
<b>Investment Income</b>					
Main & Salmon Rent	36,996	23,221	13,774	21,935	15,061
Net Property Income (Expense)	1,679	5,018	(3,339)	3,900	(2,221)
Dividend & Interest Income	14	237	(223)	12	2
Unrealized Stock Gain (Loss)	4,479	76	4,403	-	4,479
<b>Net Investment Income (Loss)</b>	<b>43,169</b>	<b>28,553</b>	<b>14,616</b>	<b>25,847</b>	<b>17,322</b>
<b>Cash Surplus (Deficit)</b>	<b>(16,109)</b>	<b>98,890</b>	<b>(114,999)</b>	<b>(265,206)</b>	<b>249,097</b>

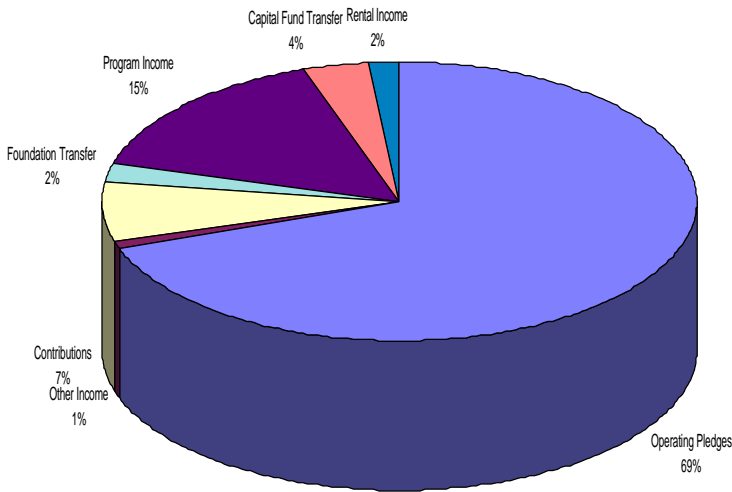
Annual Fund Statistics	2007	2006	Change	2005	2004
Total Campaign					
Pledge Goal	1,250,000	1,130,000	10.62%	1,130,000	1,130,000
Pledges Received	1,024,244	1,189,572	-13.90%	1,055,837	987,088
Percent of Goal	81.94%	105.27%	-22.16%	93.44%	87.35%
Pledging Households	750	945	-20.63%	1,003	955
Average Pledge	1,366	1,259	8.50%	1,053	1,034
Payments Received	114,964	1,104,315	-89.59%	999,803	919,184
Percent of Pledge	11.2%	92.8%	-87.91%	94.7%	93.1%
<b>Pledge Drive Statistics</b>					
<b>As Of</b>	<b>2007 Campaign 12/31/06</b>	<b>2006 Campaign 12/31/05</b>		<b>2005 Campaign 12/31/04</b>	<b>2004 Campaign 12/31/03</b>
Pledges Received	1,024,244	1,103,884	-7.21%	990,849	919,248
Percentage of Goal	81.94%	97.69%		87.69%	81.35%
Pledging Households	750	809	-7.29%	860	840
Average Pledge	1,366	1,365	0.07%	1,152	1,094

Attendance	Dec-06	Dec-05		Dec-04	Dec-03
For the month*	5,426	4,838	12.15%	5,754	4,985
Total for the Year (fiscal)	20,420	20,874	-2.17%	21,601	19,671
Average per Sunday per month	1,085	968	12.09%	1,151	997

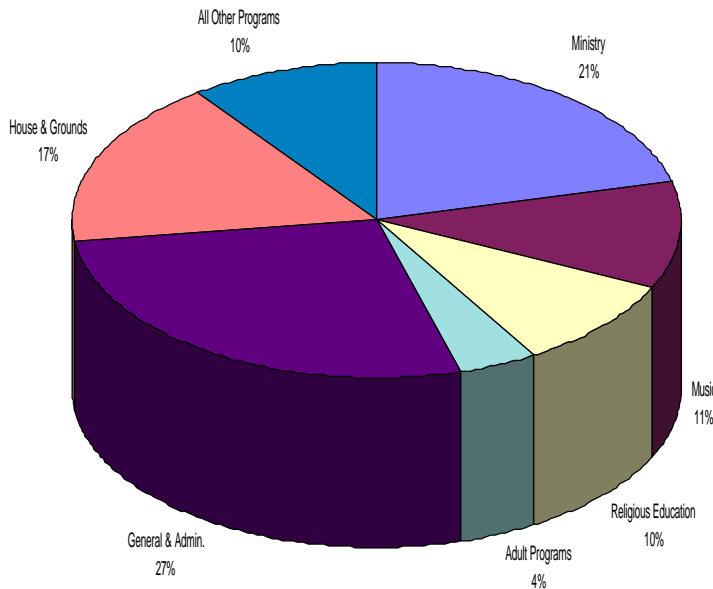
\*includes Christmas Eve services as one Sun

**FIRST UNITARINAN CHURCH OF PORTLAND--SUMMARY OF OPERATING BUDGETS  
FISCAL YEARS ENDED JUNE 30, 2007 (PIE CHARTS) AND 2008 (TABLE)**

Total Receipts 2006-07



Total Disbursements 2006-07



**FIRST DRAFT—PRELIMINARY BUDGET**

FISCAL YEAR ENDED JUNE 30, 2008	CHANGES	BUDGET PROJECTION
<b>RECEIPTS--</b>		
Operating Pledges	\$11,909	\$1,202,859
Contributions	10,371	153,787
Program Income	0	255,836
Other Income	0	9,298
Foundation Transfer	0	40,000
Capital Fund Transfer	(69,122)	-
Net Rental & Invest Income	<u>14,250</u>	<u>100,588</u>
<b>TOTAL RECEIPTS</b>	<b>\$ (32,592)</b>	<b><u>\$1,762,368</u></b>
<b>DISBURSEMENTS--</b>		
Payroll	\$23,459	\$1,150,055
Living Wage from \$10.77 to \$11.38	3,194	3,194
Payroll Taxes & Benefits	27,104	27,104
Facilities & Maintenance	0	197,739
Other Operating Costs	<u>0</u>	<u>450,414</u>
<b>TOTAL DISBURSEMENTS</b>	<b>\$53,757</b>	<b><u>\$1,828,505</u></b>
<b>SURPLUS (DEFICIT) BEFORE ADDS BELOW</b>		<b>\$(66,137)</b>
<b>ADD--</b>		
Increase Board Discretionary from \$2,000 to \$10,000	8,000	
Personnel Adjustments	<u>20,044</u>	<u>28,044</u>
<b>TOTAL DISBURSEMENTS</b>		<b>\$1,856,549</b>
<b>SURPLUS (DEFICIT)</b>		<b>\$(94,180)</b>

**DISTRIBUTION OF CURRENT YEAR'S BUDGET IS SHOWN IN PIE CHARTS TO THE LEFT  
NEXT YEAR'S PRELIMINARY BUDGET IS SHOWN IN TABLE TO THE RIGHT**