

UNITARIAN UNIVERSALIST CHURCH OF LANCASTER
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

UNITARIAN UNIVERSALIST CHURCH OF LANCASTER
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YEARS ENDED JUNE 30, 2020 AND 2019

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**Unitarian Universalist Church of Lancaster
Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis**

All Funds

As of June 30, 2020

	Operating Funds		Temporary Restricted Accounts	Capital Reserve Account	Operating Reserve Account	Endowment and Trust Funds						
	Church	LCS Preschool				Property Preservation Fund	Garvin Endowment Fund	Garvin Lecture Fund	Selma Walters Trust	Arthur and Trust		
Assets												
Current Assets												
Cash - Checking	\$ 81,829	\$ 10,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Business Interest			129,176									
Cash - Money Market Account			365,479									
Petty Cash	73											
Due from/(to) temporary restricted accounts	55,325	-	(55,325)									
Total current assets	137,226	10,949	439,330	-								
Investment Accounts												
Cash				18,454	2,673	31,978	10,855	1,807	24,761			
Investment securities				142,143	61,953	542,778	195,294	77,826	2,070,640			
Total assets	137,226	10,949	439,330	160,598	64,626	574,757	206,149	79,632	2,095,401			
Liabilities and Fund Balance												
Current Liabilities												
Payroll withholding taxes	567											
Deposits	904											
Notes Payable - PPP Loan	46,300											
Total current liabilities	47,771	-	-	-								
Fund principal	65,579	15,810	439,330	160,598	64,626	574,757	206,149	79,632	2,095,401			
Revenues and expenses, net	23,876	(4,861)										
Total fund balance	89,455	10,949	439,330	160,598	64,626	574,757	206,149	79,632	2,095,401			
Total liabilities and fund balance	\$ 137,226	\$ 10,949	\$ 439,330	\$ 160,598	\$ 64,626	\$ 574,757	\$ 206,149	\$ 79,632	\$ 2,095,401			

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Unitarian Universalist Church of Lancaster
Condensed Statement of Revenues and Expenses and Changes in Fund Balances - Modified Cash Basis

All Funds
For the Year Ended June 30, 2020

	Operating Funds		Temporary Restricted Accounts	Capital Reserve Account	Operating Reserve Account	Endowment and Trust Funds						
	Church	LCS Preschool				Property Preservation Fund	Garvin Endowment Fund	Garvin Lecture Fund	Arthur and Selma Walters Trust			
Support and Revenues												
Contributions and program revenue	\$ 306,025	\$ 61,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earned income	45,331											
Investment and trust fund income	26,099											
Transfers and non recurring income	-											
Investment income, net				5,593	1,840	24,574	10,679	5,518	49,593			
Interest, dividends and realized gains				(1,586)	(638)	(5,884)	(2,158)	(822)	(7,670)			
Investment advisory fees and expenses				(1,399)	1,410	(26,136)	(14,684)	(6,095)	20,333			
Change in value of investments				2,609	2,613	(7,446)	(6,163)	(1,399)	62,256			
Total investment income, net				2,609	2,613	(7,446)	(6,163)	(1,399)	62,256			
Subtotal support and revenue	377,455	61,597	-	2,609	2,613	(7,446)	(6,163)	(1,399)	62,256			
Expenses												
Personnel	222,292	59,641										
Programming	29,156	2,237										
Overhead	102,131	4,580										
Total expenses	353,579	66,458										
Net change from operations	23,876	(4,861)		2,609	2,613	(7,446)	(6,163)	(1,399)	62,256			
Other Changes												
Contributions received			75,000	22,012	-	10,000						
Distributions						(22,012)						(134,305)
Other net changes (See Statement)			50,999			(8,500)						
Change in Fund Balance	23,876	(4,861)	125,999	24,620	2,613	(19,458)	(14,663)	(1,399)	(72,049)			
Fund Balance, Beginning	65,579	15,810	313,331	135,977	62,013	594,215	220,812	81,031	2,167,450			
Fund Balance, Ending	\$ 89,455	\$ 10,949	\$ 439,330	\$ 160,598	\$ 64,626	\$ 574,757	\$ 206,149	\$ 79,632	\$ 2,095,401			

Unitarian Universalist Church of Lancaster
Statement of Assets, Liabilities, and Fund Balance - Modified Cash Basis
Operating Fund
As of June 30, 2020 and 2019

Assets	<u>2020</u>	<u>2019</u>
Current Assets		
Cash - Checking	\$ 81,829	\$ 24,931
Cash - Money market	55,325	41,144
Petty cash	73	73
Total current assets	<u>137,226</u>	<u>66,148</u>
Total assets	<u><u>\$ 137,226</u></u>	<u><u>\$ 66,148</u></u>
Liabilities and Fund Balance		
Current Liabilities		
Payroll withholding taxes	\$ 567	\$ 568
Deposits	904	-
Notes payable - PPP Loan	46,300	-
Total current liabilities	<u>47,771</u>	<u>568</u>
Fund principal, beginning	65,579	48,607
Revenues and expenses, net	<u>23,876</u>	<u>16,972</u>
Total fund balance	<u>89,455</u>	<u>65,579</u>
Total liabilities and fund balance	<u><u>\$ 137,226</u></u>	<u><u>\$ 66,148</u></u>

Unitarian Universalist Church of Lancaster
Condensed Statement of Revenues and Expenses (Operating Fund) - Modified Cash Basis
For The Years Ended June 30, 2020 and 2019

	2020			2019
	Actual	Budget	Variance	Actual
Revenues:				
Contributions	\$ 306,025	\$ 329,400	\$ (23,375)	\$ 323,276
Earned Income	45,331	47,450	(2,119)	47,869
Investment Income	26,099	23,100	2,999	22,694
Transfers and Non Recurring Income	-	3,375	(3,375)	-
Total Revenues	377,455	403,325	(25,870)	393,839
Expenses:				
Personnel	222,292	263,784	41,492	221,108
Programming	29,156	37,100	7,944	33,218
Overhead	102,131	102,442	311	122,541
Total Expenses	353,579	403,325	49,746	376,867
Excess of Revenues over Expenses	\$ 23,876	\$ (0)	\$ 23,876	\$ 16,972

Unitarian Universalist Church of Lancaster
Statement of Revenues and Expenses (Operating Fund) - Modified Cash Basis
For The Years Ended June 30, 2020 and 2019

	2020			2019
	Actual	Budget	Variance	Actual
Revenues				
Contributions:				
Pledge Commitments	\$ 278,050	\$ 300,000	\$ (21,950)	\$ 286,549
Other Contributions of Record	11,397	10,000	1,397	10,146
Share the Plate	7,946	12,000	(4,054)	9,676
Other Unrestricted Gifts/ Memorial Gifts	8,052	6,500	1,552	13,800
Web & Wheel Donation	529	900	(371)	1,363
Miscellaneous Income	51	-	51	1,743
	<u>306,025</u>	<u>329,400</u>	<u>(23,375)</u>	<u>323,276</u>
Earned Income:				
Facility Use	9,180	10,000	(820)	8,858
Service Auction	33,055	34,000	(945)	36,798
Other Fundraisers (net)	3,095	3,450	(355)	2,214
	<u>45,331</u>	<u>47,450</u>	<u>(2,119)</u>	<u>47,869</u>
Investment Income:				
Interest Income	2,698	1,600	1,098	2,161
M. T. Garvin Endowment	8,500	9,000	(500)	8,500
Slagen Trust	14,384	12,000	2,384	11,781
Knoll Trust	516	500	16	252
	<u>26,099</u>	<u>23,100</u>	<u>2,999</u>	<u>22,694</u>
Transfers and Non Recurring Income:				
Transfer from Operating Reserve	-	3,375	(3,375)	-
Other Transfers/Nonrecurring Income	-	-	-	-
	<u>-</u>	<u>3,375</u>	<u>(3,375)</u>	<u>-</u>
Total Revenues	<u>377,455</u>	<u>403,325</u>	<u>(25,870)</u>	<u>393,839</u>
Expenses				
Personnel:				
Salaries	180,159	203,705	23,546	180,693
Payroll Taxes and Benefits	30,695	46,505	15,811	26,426
Professional Expenses	10,552	10,953	401	10,204
Ministerial Search Expenses	-	-	-	1,100
Workers Compensation Insurance	864	2,100	1,236	2,083
Clearances	22	270	248	210
Recruiting Expenses	-	250	250	392
	<u>222,292</u>	<u>263,784</u>	<u>41,492</u>	<u>221,108</u>
Programming:				
Church Programs:				
Faith Development	2,197	3,750	1,553	2,506
Film Licenses	255	245	(10)	243
Church Life	385	2,300	1,915	1,191
Community Beyond	2,210	3,205	995	2,360
Share the Plate (gifts to community groups)	4,358	6,000	1,642	5,418
Worship/Music	4,119	5,300	1,181	5,600
Stewardship	331	1,000	669	601
	<u>13,856</u>	<u>21,800</u>	<u>7,944</u>	<u>17,918</u>
Denominational Support	15,300	15,300	-	15,300
Total Programming	<u>29,156</u>	<u>37,100</u>	<u>7,944</u>	<u>33,218</u>

Unitarian Universalist Church of Lancaster
Statement of Revenues and Expenses (Operating Fund) - Modified Cash Basis
For The Years Ended June 30, 2020 and 2019

	2020			2019
	Actual	Budget	Variance	Actual
Overhead:				
Office Expenses:				
Advertising	1,386	1,350	(36)	1,294
Postage	2,048	2,600	552	1,959
Telecommunications	6,386	7,390	1,004	8,137
Office Supplies	3,164	5,100	1,937	4,435
Office Equip/IT Support	20,771	21,200	429	24,016
Payroll Service	1,855	2,025	170	1,965
	<u>35,609</u>	<u>39,665</u>	<u>4,056</u>	<u>41,807</u>
Financial:				
Bank Service Fees	1,598	1,595	(3)	1,516
Audit/Review	1,297	-	(1,297)	-
Legal	-	-	-	-
	<u>2,895</u>	<u>1,595</u>	<u>(1,300)</u>	<u>1,516</u>
Facilities:				
Property/Liability Insurance	8,088	7,750	(338)	7,644
Repairs & Maintenance	7,559	12,000	4,441	8,440
Property Supplies	2,865	1,487	(1,378)	911
Maintenance Agreements	13,309	17,345	4,036	26,291
PILOT - City of Lancaster	1,200	1,200	-	1,200
Utilities	20,325	21,400	1,075	20,111
Cleaning Service	9,082		(9,082)	11,619
Contract Labor	1,198		(1,198)	3,001
	<u>63,626</u>	<u>61,182</u>	<u>(2,445)</u>	<u>79,218</u>
Total Overhead	<u>102,131</u>	<u>102,442</u>	<u>311</u>	<u>122,541</u>
Total Expenses	<u>353,579</u>	<u>403,325</u>	<u>49,746</u>	<u>376,867</u>
Excess of Revenues over Expenses	<u>\$ 23,876</u>	<u>\$ -</u>	<u>\$ 23,876</u>	<u>\$ 16,972</u>

Unitarian Universalist Church

YTD Summary of Temporarily Restricted Accounts

Date Range: Jun 30th 2020 | Filtered by: Fund, Account Type

Accounts	Beginning Balance	Debits	Credits	Ending Balance
80004 Worship Flowers	12.38	40.00	40.00	12.38
80007 Walters Build	6,942.94	6,942.94	0.00	0.00
80008 Walters Grants	122,450.02	52,440.11	135,975.27	205,985.18
80010 Crispus Attucks	810.83	0.00	0.00	810.83
80014 Stained Glass	25.00	0.00	0.00	25.00
80020 YRUU Boston	619.56	0.00	0.00	619.56
80023 Organ Fund	12,356.47	495.00	0.00	11,861.47
80034 Minister's Disc	8,580.73	6,500.00	6,552.05	8,632.78
80038 Pre Pay Pledges	39,391.50	79,103.00	77,032.50	37,321.00
80064 Pastoral Care	872.21	0.00	0.00	872.21
80065 Unrestricted	100,000.00	26,867.06	84,500.00	157,632.94
80067 LCPS Scholarshp	3,785.18	342.00	0.00	3,443.18
80080 Arts in worship	290.24	0.00	0.00	290.24
80084 Native Garde	1,144.38	0.00	0.00	1,144.38
80100 MM Interest	0.00	2,706.34	2,966.90	260.56
80101 Green Sanctu	821.00	19.00	0.00	802.00
80104 Music Fund	316.68	0.00	0.00	316.68
80106 Behrens Libr	561.86	0.00	0.00	561.86
80107 MSC Fund	10,000.00	12,835.01	8,797.05	5,962.04
80110 Restricted Gift	4,350.00	3,625.00	0.00	725.00
80127 Capital Expense	0.00	15,316.06	17,367.06	2,051.00
	\$ 313,330.98	\$ 207,231.52	\$ 333,230.83	\$ 439,330.29

Unitarian Universalist Church of Lancaster
Notes to Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies

Nature of Activities

The Unitarian Universalist Church of Lancaster (“UUCL” or “the Church”) is a nonprofit religious organization established under the laws of Pennsylvania. The church is supported primarily through contributions from the congregation, income from endowment funds, and income from trust funds established by individual donors.

The Church is a congregational church which operates under a set of Bylaws adopted by the congregation, and is led by a Board of Trustees (BOT) elected by the members of the congregation. It is a member church of the Unitarian Universalist Association.

The Church as part of its community outreach operates a cooperative preschool (“LCS”). LCS is primarily funded through tuition, donations and administrative support from the Church. While it is part of the legal entity, LCS operates under a separate budget and has a separate Coop Parent Board that operates in cooperation with the Church Board.

Basis of Accounting and Presentation

The Church maintains its books and records on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the USA (“GAAP”). Under that basis, certain revenues and the related assets are recognized when received and certain expenses are recognized when paid. In addition, purchases of property and equipment are reflected as expenditures when paid. This basis differs from GAAP in that under the GAAP approach, revenues and support are recognized when earned or on the date of the unconditional promise to give and expenses are recognized when incurred. In addition, under GAAP, purchases of property and equipment are recorded as assets and depreciated over their estimated useful lives.

On occasion, certain events or transactions are recognized on the accrual basis in order to better match the revenue or expense arising from that event or transaction with the current year’s operating budget. Church funds are classified as follows:

Unrestricted - The church has two unrestricted operating funds that are used for the general operations of the church and LCS, respectively.

Temporary or Donor Restricted – Temporary or donor restricted funds are funds that have been contributed to the Church for a specific purpose, or funds collected and held on a custodial basis for a specific function or event.

Reserve Funds – A capital reserve fund and an operating reserve fund are special purpose funds that require BOT and/or congregational approval for qualifying expenditures.

Endowment Funds – Endowment funds are gifts and bequests to the Church that are held in perpetuity. A portion of the income from endowment funds is available for distribution to the church annually. The principal of endowment funds may be distributed only upon a two thirds vote of members attending a congregational meeting.

Trust Funds- A trust fund is a legal entity separate from the church. It is managed by a Trustee pursuant to the trust instrument that was created by the donor. The financial statements of trust funds in which the church is the sole beneficiary (Walters/Unitarian Church Trust) are included in these financial statements. Trust funds in which the church is not the sole beneficiary are not included in these financial statements, except to report and account for the distributions that have been received from them during the year.

Income Tax Status

The Church is a nonprofit organization and exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

2. Note Payable

The church has obtained a loan in the amount of \$46,300 from First National Bank pursuant to the Payroll Protection Plan (PPP). The note bears interest at 1% and matures on May 1, 2022. If not sooner repaid or forgiven, it must be repaid in 18 equal installments of principal and interest beginning on December 1, 2020.

The church may apply for forgiveness of the amount due on the loan in an amount equal to the sum of payroll costs and utility payments incurred over an eight week period that ended on June 26, 2020. The church anticipates that the loan will be substantially forgiven during fiscal 2021.

3. Operating Funds

Financial statements of the church operating fund are included in more detail on pages 3 through 6 of these financial statements. Detailed financial statements of the preschool operating fund are available upon request in the church office.

4. Temporary or Donor Restricted Accounts

Temporary and donor restricted accounts are detailed on page 7 of this report. The more significant of these accounts are as follows:

	<u>2020</u>	<u>2019</u>
<u>Walters Building Fund</u>	\$ ---	\$ 6,943
See discussion below under Walters/Unitarian Church Trust.		
<u>Walters Program Committee Grants</u>	205,985	122,450
See discussion below under Walters/Unitarian Church Trust.		
<u>Organ Fund</u>	11,861	12,356
This fund is dedicated to the repair and maintenance of the pipe organ.		

<u>Prepaid Pledges</u>	37,321	39,392
Pledges received prior to the beginning of the fiscal year are held in this account until July of the applicable year.		
<u>Minister's Discretionary Fund</u>	8,633	8,581
This fund is used to provide assistance to members and friends of the church who are in immediate need.		
<u>LCS Scholarship Fund</u>	3,443	3,785
This fund is designated for scholarships to deserving students of the preschool, and is not available for church operations or facilities.		
<u>Unrestricted Gifts</u>	157,633	100,000
The church has received preliminary distributions of \$175,000 from a deceased member's estate. Once the estate is settled, the total bequest will be distributed to the church's Property Preservation Fund and other funds in accordance with a formula specified in the Bylaws. During 2020, the church made a partial distribution of \$17,367 to the newly established Capital Expense Fund.		
<u>Restricted Gifts</u>		
A member has prefunded several future editions of the Church's quarterly advertisement in FIG magazine.	725	4,350
<u>Ministerial Search Fund</u>	5,962	10,000
A member has made a challenge grant of \$10,000 toward the estimated cost of \$20,000 to recruit a settled minister.		
<u>Capital Expense Fund</u> (See Note 8)	2,051	---
All other temporary and restricted accounts	<u>5,716</u>	<u>5,474</u>
Total temporary and restricted accounts	<u>\$439,330</u>	<u>\$313,331</u>

This fund is invested primarily in a money market account at First National Bank.

5. Capital Reserve

Income distributed from the Property Preservation Fund (see discussion below) has been accumulated in this account for future capital expenditures. It consists of mutual funds held at Merrill Lynch in the amounts of \$160,598 and \$135,977 at June 30, 2020 and 2019 respectively.

6. Operating Reserve (UUCL Reserve Fund)

In May 2017, the congregation established the UUCL Reserve Fund (hereinafter referred to as the "Operating Reserve" in order to distinguish it from the Capital Reserve) with an initial contribution of \$70,344.

The Board of Trustees (BOT) is authorized to use up to \$25,000 in one fiscal year from the fund if the church experiences a revenue/budget shortfall, unanticipated expenditure, natural disaster that is not fully covered by insurance, or other exceptional circumstance. If the BOT needs to withdraw an amount over \$25,000 or if the fund were to drop below \$25,000, the BOT will need to receive two thirds approval from a congregational meeting with more than 50 members in attendance.

It consists of mutual funds held at Merrill-Lynch in the amounts of \$64,626 and \$62,013 at June 30, 2020 and 2019 respectively. The fund must be invested in short to medium term investments, as recommended by the DIT committee. No amounts were withdrawn from the fund in 2020 and 2019.

7. Endowment and Trust Funds

The Church receives significant income from endowment and trust funds, most of which is restricted or designated for specific purposes. During 2020 and 2019, the Operating Fund received unrestricted endowment and trust income of \$23,401 and \$20,533, respectively (Garvin, Slagen and Knoll funds), the Walters Program Fund received income of \$134,305 and \$79,176 respectively, from the Walters/Unitarian Church Trust, and the Capital Reserve Fund received endowment income of \$22,012 and \$21,000, respectively, from the Property Preservation Fund.

The Property Preservation Fund, the M. T. Garvin Endowment Fund, and the Garvin Lecture Fund are invested in mutual funds managed by Merrill Lynch. The church's Development, Investment and Trust Committee is charged with providing oversight of all endowment and trust funds.

Detailed financial statements of all endowment and trust funds are available upon request in the church office.

Property Preservation Fund

By congregational resolution in 2011, the former UUCL Endowment Fund was renamed The UUCL Property Preservation Fund. The purpose of the fund is to provide for the long-term maintenance of the physical property of the church. Long-term maintenance is defined as any repair, upgrade, modification or addition to our property that has a nominal lifespan of at least five years and costs at least \$5,000. Annual distributions from the fund generally cannot exceed 5% of the weighted average fair market value of the fund over at least two years. Distributions in excess of that amount require a two thirds vote of the members present at a congregational meeting with a quorum of 25% of qualified members. The income from this fund, which is distributed annually and deposited in the Capital Reserve Fund, amounted to \$22,012 in 2020 and \$21,000 in 2019.

A congregant made a contribution of \$10,000 to this fund in 2020.

The M. T. Garvin Endowment Fund, formerly known as the M. T. Garvin Trust funds

The trust established by the will of M. T. Garvin and a trust established separately based on a life insurance policy formed two Garvin trusts. Both trusts were dissolved by the trustee, Wachovia Trust, in 2007, and the funds were distributed to UUCL, where they were combined to form the M. T. Garvin Endowment Fund. The income from this fund is distributed annually to the church’s operating fund and amounted to \$8,500 in both 2020 and 2019. Distributions are subject to the same limitations as set forth above in the Property Preservation Fund.

Garvin Lecture Fund

The Garvin Lecture Fund was also established by the will of M. T. Garvin. The lectures, known as “The M. T. Garvin Free Lectures on God and Immortality”, shall be given each year on the subjects “The Idea of God as Affected by Modern Knowledge” and “The Immortality of Man.” No income was distributed to the church during 2020 or 2019.

Walters/Unitarian Church Trust

The church is the beneficiary of the Walters/Unitarian Church Trust, which was established in memory of the late Arthur F. and Selma C. Walters. The net income of the trust is distributed annually to UUCL by the trustee. 75% of such income, up to an accumulated maximum of \$500,000, is to be used to fund the current building fund, and 25% of such income, is to be disbursed by a committee of five persons appointed by the Board of Trustees and used to promote through educational programs, service and other appropriate methods the general principles of the Unitarian-Universalist Church by making such programs available to all Lancaster county residents who seek freedom in their religious beliefs (hereafter referred to as “community outreach”). In a distribution received in April 2015, the church reached the accumulated maximum of \$500,000 designated for the building fund. Thereafter, all income from the trust is to be used for community outreach.

The church received distributions of \$134,305 and \$79,176 from the trust, in 2020 and 2019, respectively, which were deposited in the “Walters Program Committee Grants”. Following is a summary of activity in these accounts:

	<u>2020</u>	<u>2019</u>
<u>Walters Building Fund</u>		
Balance, beginning of year	\$ 6,943	\$57,480
Contribution from a member	---	1,000
Distributions received from trust	---	---
Payments for capital expenditures (See Note 8 below.)	<u>(6,943)</u>	<u>(51,537)</u>
Balance, end of year	<u>\$ ---</u>	<u>\$ 6,943</u>
 <u>Walters Program Committee Grants</u>		
Balance, beginning of year	\$ 122,450	\$ 113,127
Distributions received from trust	134,305	79,176
Grant expenditures	<u>(50,770)</u>	<u>(69,853)</u>
Balance, end of year	<u>\$ 205,985</u>	<u>\$ 122,450</u>

In 2019, the trustee was changed from PNC Bank to Vanguard National Trust Company.

Raymond S. Slagen Trust

The church is a 50% beneficiary of the Raymond S. Slagen Trust. The net income of the trust is distributed annually to UUCL by the trustee, BNY Mellon Bank. The church received distributions from the trust of \$14,384 in 2020 and \$11,781 in 2019, which were deposited in the church's operating fund.

Robert and Miriam Knoll Fund

The church is also the beneficiary of a trust account in the UUA Common Trust Fund established by Robert and Miriam Knoll. The church received distributions of \$516 in 2020 and \$252 in 2019 which were deposited in the church's operating fund.

8. Capital Expenditures

During the year the remaining balance of \$6,943 in the Walters Building Fund was consolidated with a \$17,367 transfer from the Unrestricted Gifts Account to fund the newly created Capital Expense Fund in the amount of \$24,310.

The church made the following capital expenditures in 2020, leaving a balance of \$2,051 in the Capital Expense Fund:

Refurbishment program including new bathroom fixtures, tile work, painting and plaster repairs	\$19,310
New door lock system	<u>2,949</u>
	<u>\$22,259</u>

Capital expenditures, defined as the purchase of assets or major renewals and betterments which exceed \$1,000, are not included in the church operating budget. Future capital expenditures will be funded by the balance in the Capital Reserve, by a pending allocation from Unrestricted Gifts, and by fund raising activities and donations from members that are solicited for specific projects.

9. Retirement Plan

The church participates in the Unitarian Universalist Organizations Retirement Plan, a 403(b) style defined contribution plan, which is available to all UUCL employees who meet age and service requirements. An employee who works a minimum of 1,000 hours annually will begin receiving employer contributions equal to 5% of salary after one (1) year of employment. Additionally, the church matches employee contributions up to an additional 5% of salary. All employees, including employees working less than 1,000 hours annually, are eligible to enroll in the plan and begin making tax-deferred employee contributions upon employment.

Retirement plan expense, including matching contributions, was \$14,696 in 2020, and \$9,495 in 2019.