

FY25 BUDGET NARRATIVE

Our proposed budget for fiscal year 2025 represents an investment in growth: supporting the growth we are already seeing in attendance and membership and continuing to build our programs of religious education and music.

Endowment Distribution

The endowment distribution amount for FY25 is \$489,620 this represents a 5% draw. This amount has been approved by both the Investment Committee, the Finance & Development Committee and the Governing Board.

The distribution to the Staff and Program budget was increased this year to \$200,000 to help fund our incoming Director of Music and a ¼ time Worship Leader and Preacher to provide consistency in worship when Rev. Hardies is not here. The increase also helps us to maintain all staff positions at the mid-point of UUA Salary guidelines.

The lower distribution to the Infrastructure budget results in a lower surplus in that budget at year end.

INFRASTRUCTURE BUDGET

We are still living into being back in the building on a more “full-time” basis. This year has seen some increases in Operations expenses such as Office Supplies and Printing Costs since we have more staff and we are now printing more Orders of Worship and other materials. The proposed budget reflects such increases although overall the budget amount is lower because of savings in some areas.

Building and Maintenance items reflect a commitment to ongoing upkeep of our physical plant. A \$40,000 repair and maintenance line item and a continued \$6250 line item for unanticipated building expenses give us a good base for items which may come up.

We continue to pay down our loans from the endowment. The Line of Credit budget line reflects interest payments on the outstanding balance of the LoC. The budget anticipates approval of the request for an increase in the LoC and a withdrawal in the first quarter of FY25 to fund the chimney project.

Overall, we anticipate an approximately \$27,000 surplus at the end of FY25.

STAFF AND PROGRAM BUDGET

We are confident in our budgeted income numbers for FY25. Thanks to a successful stewardship drive we anticipate meeting (and possibly exceeding) our \$315,000 Annual Fund goal. Our Rental Income is beginning to come back to almost pre-pandemic levels and we have budgeted a 10% increase for FY25.

As discussed above, staff salaries and benefits include increases for most staff, excluding Sunday morning section leaders. The budget allows us to continue to staff our Religious Education program with a Director of Ministries for Families and Children and 3 paid teachers as well as funding our Music program with a Music Director, Section Leaders, Jazz Trio and Gospel Choir.

The Program budget includes

- Funding for the OWL (Our Whole Lives) Program in the fall
- A stipend for a new Artist in Residence program for outgoing choir director Vivian Montgomery,
- Funding for guest ministers and other speakers for Sundays when Rev. Rob is not here.
- Funding for First Sunday lunches and social hour
- Funding for special programs which may come up during the year.

The budget also continues our support for the UUA Annual Program Fund and support of various community partners.

The proposed Staff and Program budget results in an anticipated net loss of approximately \$7700. This amount can be covered by previous year Staff and Program reserve funds.

Overall, this proposed budget allows us to work towards our developmental goals and grow membership and our community while still maintaining fiscal responsibility. There will be ongoing work to do and our goals will need to be measurable and achievable to maintain this level of programming and staffing but we believe this budget sets First Parish up to move forward boldly as an important part of the Harvard Square community.