

Report from CUC Treasurer | Joanne Green

The 2024 fiscal year saw several changes with 3 different people in the Treasurer role. Co-Treasurer's Yvette Salinas and Margaret Wanlin (both board members) finished their time at the 2024 AGM. No board or non-board treasurer was found to take over the role of Treasurer until October 2024. Joanne Green, Finance & Investment Committee member and past treasurer stepped forward to take on the role until May 31, 2025.

Finance and Investment Committee

The Finance & Investment Committee has existed since 2019 when several new board members saw the need for a structured committee. Members included Kiersten Moore, Margaret Wanlin & Yvette Salinas, Joanne Green (non-Board member) and Vyda Ng until May 2024. For the remainder of 2024 members were Margaret Kohr & Debra Faulk, Vyda Ng, James Garland (Board member) and Joanne Green as a non-Board representative. Thank you to all members of this committee for their commitment to due diligence on behalf of the CUC.

The Treasurer reviewed income & expenses, payroll, monthly reports from the bookkeeper, and investment reports. The Finance & Investment Committee also reviews the monthly statements, investment reports, and budget reports. The Treasurer submits a monthly review to the ED and bookkeeper, as well as a monthly report to the Board. The reviews give the auditor evidence that the Treasurer and Board are carrying out their fiduciary duties.

Signing authority is assigned to the Treasurer, selected Board members and staff, with all but a very small number of transactions requiring two signatures for approval. The Treasurer and other Board members review transactions and backup materials prior to providing approvals.

The Treasurer, ED and Finance & Investment Committee also review the **Audited Statements** and **Annual Charities Return**.

2024 Audited Financial Statements and Annual Charities Return

The 2024 Annual Charities Return was completed and filed in June 2024 after initial reviews by the ED and Finance & Investment Committee. A subsequent review determined some corrections were required, and an amendment was filed in November 2024.

The 2024 Audited Financial Statements were completed by Doane Grant Thornton and reviewed by the Bookkeeper, Treasurer and the Finance & Investment Committee. The auditors assess financial controls, risks such as fraud, as well as the overall financial information provided by the CUC to the auditors. The audited financial statements were submitted to the full board and approved on April 22, 2025.

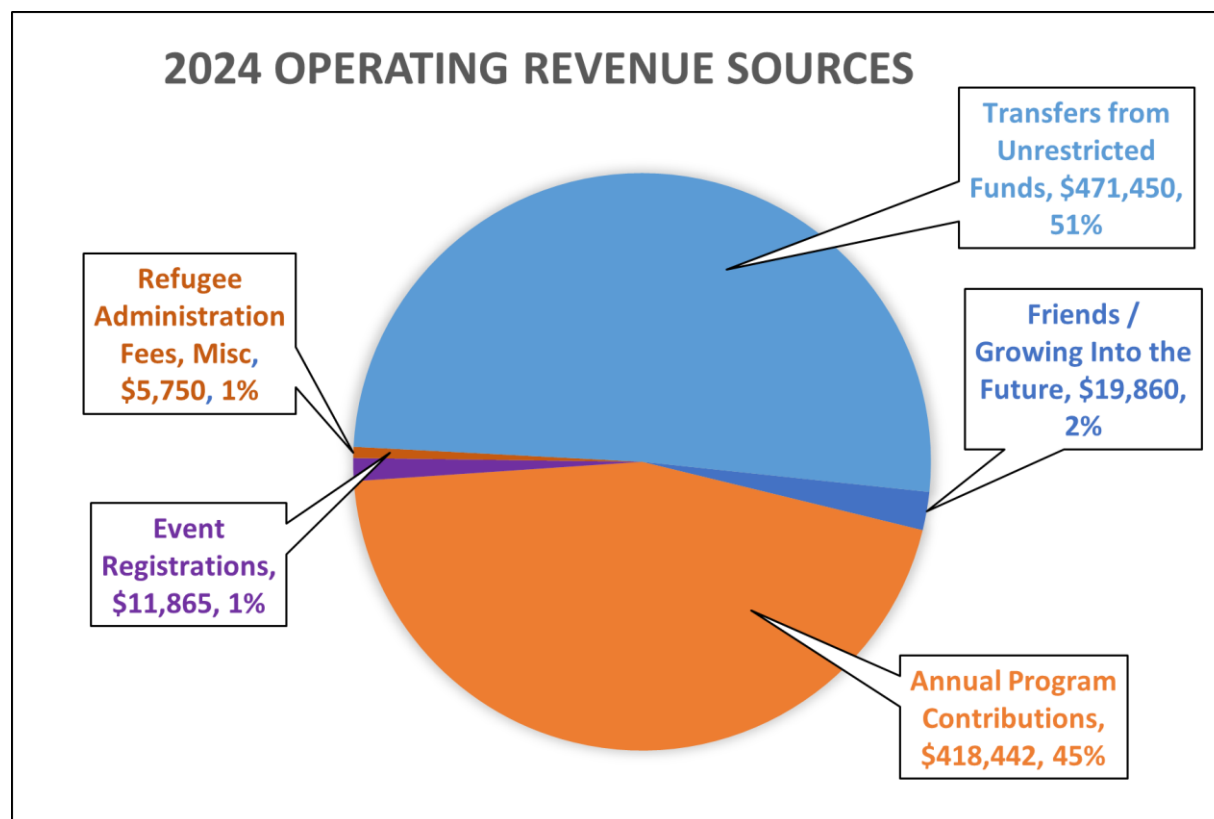
The 2024 audited statements present all income received from and expenses paid to entities outside the CUC, as well as unrealized gains and losses in the restricted funds. In contrast, the operating budgets presented at AGMs do not show investment income, investment management fees, or unrealized gains (losses).

2024 Financial Summary

2024 ended with the CUC in a good financial position overall which will help cushion uncertain markets in coming years. Factors which led to the positive results included higher Annual Program Contributions (\$38,000 from 2023 pledges), receipt of a UUA Funding Panel Grant for dismantling barriers, very careful monitoring of expenses, some staff positions left vacant for part of the year, and higher investment returns.

Total assets increased by just over \$1,000,000 with the unrestricted assets increasing by \$653,156. It is important to remember that 60.4% or \$5,097,526 are restricted assets and may not be used for operating expenses.

Operating Revenue Sources



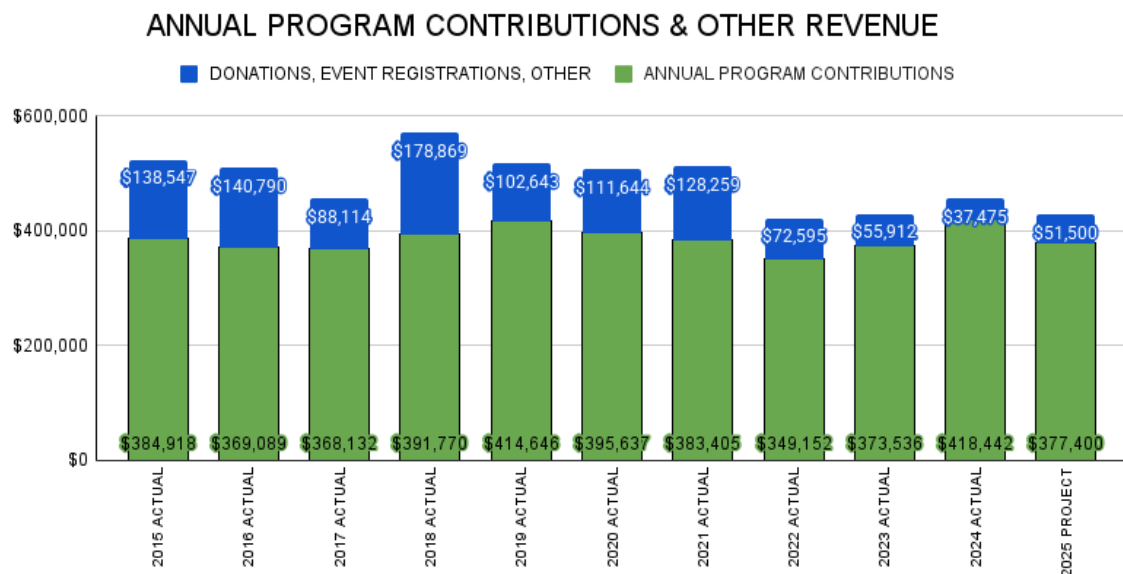
The CUC had five primary sources of income in 2024: transfers from CUC investments, Annual Program Contributions, event registrations, a UU Funding Panel grant for dismantling barriers work, and Friends of the CUC/Growing into the Future contributions. There was also a small amount of miscellaneous revenue from administrative fees and other miscellaneous revenue.

- **Annual Program Contributions (APC)**

The Board knows that recent years have been challenging for congregations, with several presenting deficit budgets to their own members. Thank you to all the congregations and communities for their financial commitment to the CUC.

The CUC bylaws require that each member congregation pay APCs to the CUC as part of their covenant with the CUC and other member congregations. At the time of writing

all congregations have paid their full 2024 APCs. APCs provided 45% of the CUC's revenue - this amount included \$38,000 in 2023 APCs received in 2024.



- **Donations, Event Registrations and Miscellaneous Income**

Donations to the Friends/Growing into the Future accounted for 2% of revenue and event registrations accounted for 1% of the total operating revenue. Administration revenue for Refugee applications and other administration revenue accounted for 1% of the annual revenue to the CUC.

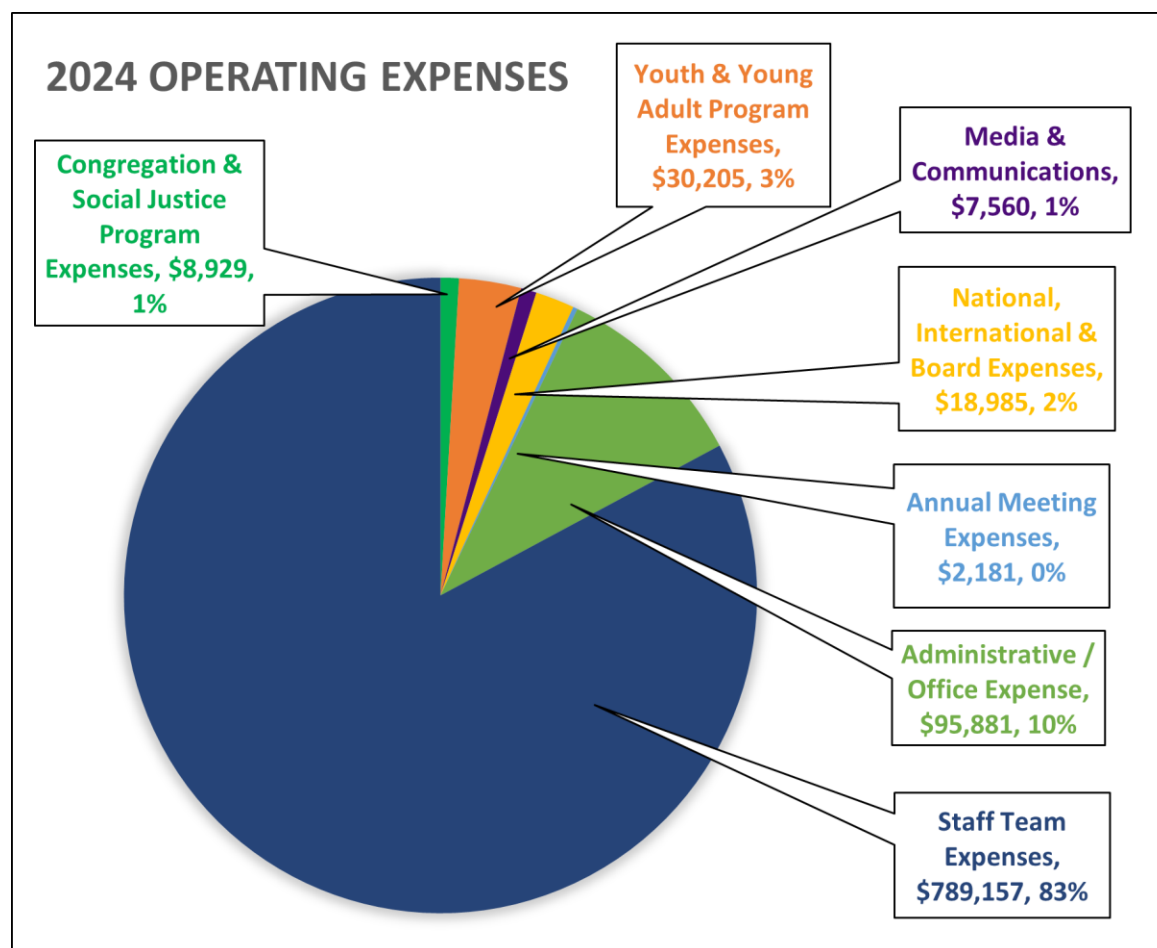
- **Transfers from the Investment Account**

In 2024, transfers from the CUC Investment account for operating expenses represented 51% of operating revenue sources. Monthly transfers are made from the investments to the operating account to ensure there is enough cash on hand to meet obligations.

- **UUA Funding Panel Grant**

A grant received from the UUA Funding Panel for work on Dismantling Barriers was received in 2024 but NOT recorded in operating revenue. The auditors recommended the grant be recorded in restricted fund revenue. See page 13 of the audited statements.

2024 Operating Expenses



Program expenses (congregational support, YaYA, and national programs) amounted to 6% of the annual budget. Communications & annual meeting costs represent a further 1% of expenses. Staffing expenses include full and part time staff as well as contractors: in 2024 the costs represented 83% of the total budget. Administrative & office expenses sit at 10% of the total. The administrative staff manage the CUC's financial and administrative processes.

2024 Restricted Funds Revenue & Expenses

There are several national programs which are accounted for in Restricted Funds such as Sharing our Faith, Theological Education Fund, Lay Chaplaincy and Refugee Resettlement. Both the revenues and expenses for programs such as the Refugee Settlement Program are separated from regular operating revenue and expenses. Refer to Page 13 of the audited statements for details of the restricted funds.

The largest externally restricted fund is the Avalon Fund. As indicated in the 2023 annual report, work has begun to make the fund available to support the national work of the CUC. The second largest restricted fund is the Refugee Fund, which is kept in a separate bank account. It includes amounts for refugees who have not yet arrived in Canada.

2024 Budget vs Actual Income & Expenses

The short summary below shows areas of significant difference from the 2024 revised budget adopted at the 2024 Annual Meeting. See the summary below for the fuller picture.

Annual Program Contributions	\$ 28,442 higher (Note 1)
Growing Into the Future / Friends Contributions	\$(5,140) lower (Note 2)
<u>Other Revenue (Grants, Admin Fees, Misc.)</u>	<u>\$(10,449) lower (Note 2)</u>
Total Revenue (not incl investment income)	\$ 8,717 higher

Congregational Life, Social Justice, National Prog International / Interfaith	\$(23,686) under (Note 3)
Youth and young Adult Ministry	\$ 7,005 over (Note 3)
<u>Staffing</u>	<u>\$(83,690) under (Note 4)</u>
Total Operating Expenses	\$(102,899) under (Note 4)
Total Transfers from Investments	\$(115,150) lower (Note 5)

Note 1: 2023 APC payments were received in 2024 which is often the case. Upgraded tracking procedures enabled staff to ensure all 2024 payments were received in a timely manner.

Note 2: Growing Into the Future / Friends contributions, admin fees & miscellaneous income were all lower than expected. It is possible that the option to pay on a sliding scale for events may have resulted in reduced income.

Note 3: Spending in all program areas except Youth & Young Adults was below budget due to careful management of spending. Support to the YaYA community is a high priority.

Note 4: Spending on staffing was below budget due to vacancies throughout the year. That combined with reduced program spending led to the reduction in total operating expenses.

Note 5: Total budgeted transfers of \$586,600 included the special transfer for Dismantling Barriers. The 2024 Actual column shows that reduced amounts were taken for both Extra Transfers and Dismantling Barriers.

Note 6: Please note that transfers are being shown differently in the budget vs actuals report following the notes. The change was made to more clearly illustrate that the Net Operating Loss of \$496,982 was the amount funded by transfers from the Investment Account.

CODE	Updated April 22, 2025	2023 Actual TO Dec 31	2024 Budget Approved May 2024	2024 Actual Updated April 30/25	Difference Over or Under Budget
INCOME - OPERATING BUDGET					
4010	Annual Program Contributions	\$325,538	\$390,000	\$418,442	\$28,442
4015	Emerging Group Contributions	\$0	\$700	\$0	(\$700)
4020	Growing into the Future/Friends	\$26,519	\$25,000	\$19,860	(\$5,140)
4025	Administrative Fees	\$625	\$1,500	\$0	(\$1,500)
4040	Inventory & Publication Revenue	\$486	\$500	\$275	(\$225)
4070	Advertising Revenue & Fees		\$500	\$0	(\$500)
4050	Event Registrations	\$23,574	\$16,000	\$11,865	(\$4,136)
4160	Refugee revenue - administration	\$2,000	\$7,000	\$5,200	(\$1,800)
4280	Miscellaneous Revenue	\$2,708	\$1,000	\$275	(\$725)
	Services and Sales of Product			\$0	\$0
4810	National Conference / AGM	\$38,834	\$0	\$0	\$0
4075	Other Revenue incl Govt Grants, Other Grants	\$0	\$5,000	\$0	(\$5,000)
	Total Income to Operating	\$420,284	\$447,200	\$455,917	\$8,717
EXPENSES - OPERATING BUDGET					
5330	Congregational Life Programming	\$4,915	\$13,000	\$7,829	(\$5,170.55)
5499	Youth & Young Adult Ministry	\$26,255	\$23,200	\$30,205	\$7,005.33
5600	Media & Communications	\$11,518	\$12,700	\$7,560	(\$5,140.42)
5149	National Programs	\$23,045	\$30,800	\$17,412	(\$13,387.65)
5520	Social Justice	\$2,555	\$4,600	\$1,100	(\$3,500.00)
5049	Nat'l Conference / AGM	\$97,271	\$3,650	\$2,181	(\$1,468.65)
5199	International / Interfaith	\$3,739	\$3,200	\$1,573	(\$1,627.31)
5299	Admin & Office	\$93,969	\$91,800	\$95,881	\$4,080.74
5955	Total Staffing	\$750,177	\$872,847	\$789,157	(\$83,690.04)
	Total Operating Expenses	\$1,013,443	\$1,055,797	\$952,898	(\$102,899)
	NET OPERATING INCOME / LOSS	(\$593,158)	(\$608,597)	(\$496,982)	
	Sustainable Transfer for Operating Expenses	\$29,230	\$221,600	\$221,600	\$0
	Transfer from Dismantling Barriers Fund (grant rec'd 2024)				
	BALANCE TO BE FUNDED	(\$563,928)	(\$386,997)	(\$275,382)	\$111,615
	Special Transfer - Dismantling Barriers Work for 2 Years	\$0	\$80,000	\$26,667	\$53,333.00
	Extra Transfer for Operating Exp	\$569,270	\$285,000	\$223,183	\$61,817.00
	NET SURPLUS (DEFICIT)	\$5,342	(\$21,997)	(\$25,532)	\$3,534.75

CUC Investment Account

The CUC Investment Portfolio is managed by ScotiaMcLeod on behalf of the CUC for a 1% fee. The management by an outside party is intended to ensure that informed decisions are made by experienced investment managers. The Portfolio Manager makes those decisions using criteria established by the CUC Investment Policy.

The Investment Policy requires the Portfolio Manager to keep no more than 75% in equities, and avoid investments in the carbon economy, weapons, alcohol, mining and other commodities. This policy has insulated the CUC somewhat from turbulence caused by tariffs.

The overall objective for our Investment Fund is balanced growth, with some opportunity for income and a primary focus on long-term capital appreciation. As is usual in turbulent times, the Portfolio Manager indicates that for long-term investments, it is best to "stay the course" rather than responding immediately to the ups and downs of the market. In 2024 the investments enjoyed a 22.65% net rate of return (slightly below the TSX) and the average rate of return since inception was 9.07%. The total value of \$8,122,550 rebounded to just under the December 2022 high.

The net rate of return is the increase or decrease in value after accounting for all transfers to operating, dividends and interest, gains or losses from the sale or purchase of equities, management fees, withdrawals by congregations (CIFs) and all deposits. For reporting purposes, the auditors show investment cash on hand & cash equivalents as part of the cash assets in the audited statements.

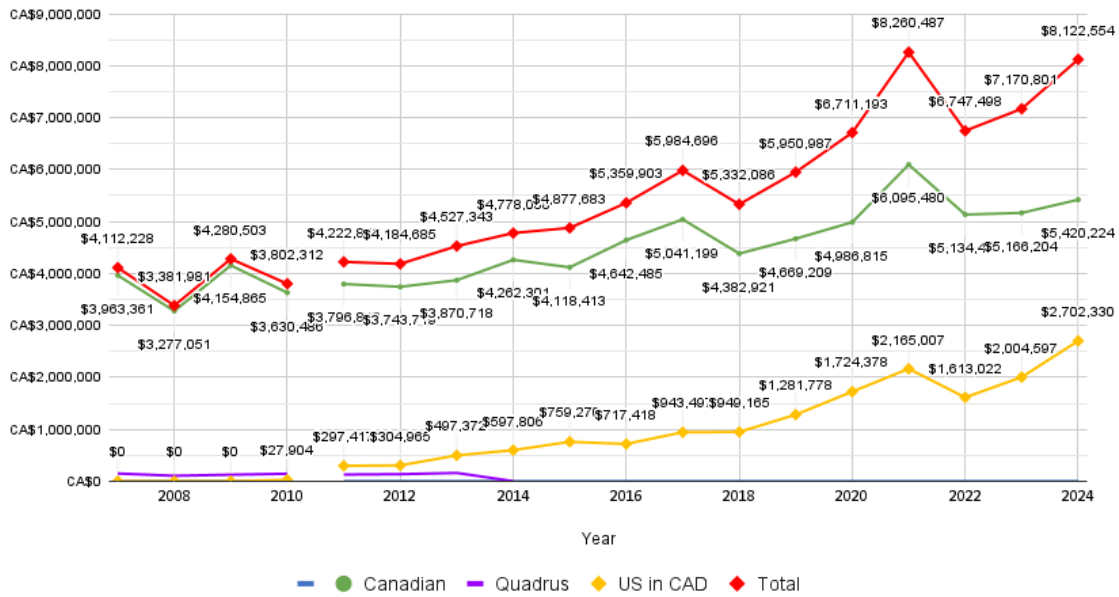
The Investment Account (audited) breaks down as follows:

CUC Legacy Fund	\$2,780,332
Internally Restricted Funds (Lay Chaplain, THR Fund, Other)	\$51,231
Externally Restricted Funds (Dissolved Societies, Other)	\$133,934
Congregational Investment Funds	\$1,067,773
<u>Endowment Funds (2) plus Avalon Fund</u>	<u>\$830,646</u>
Total investment Amount in Restricted funds	\$4,863,916
Balance (Unrestricted Funds in the Investment Account)	\$3,258,634

The following graph shows the year-end values for the past 16 years. The second graph shows the net rate of return for the same time period. The second graph illustrates the cycle of a downturn in the markets every 3 - 4 years.

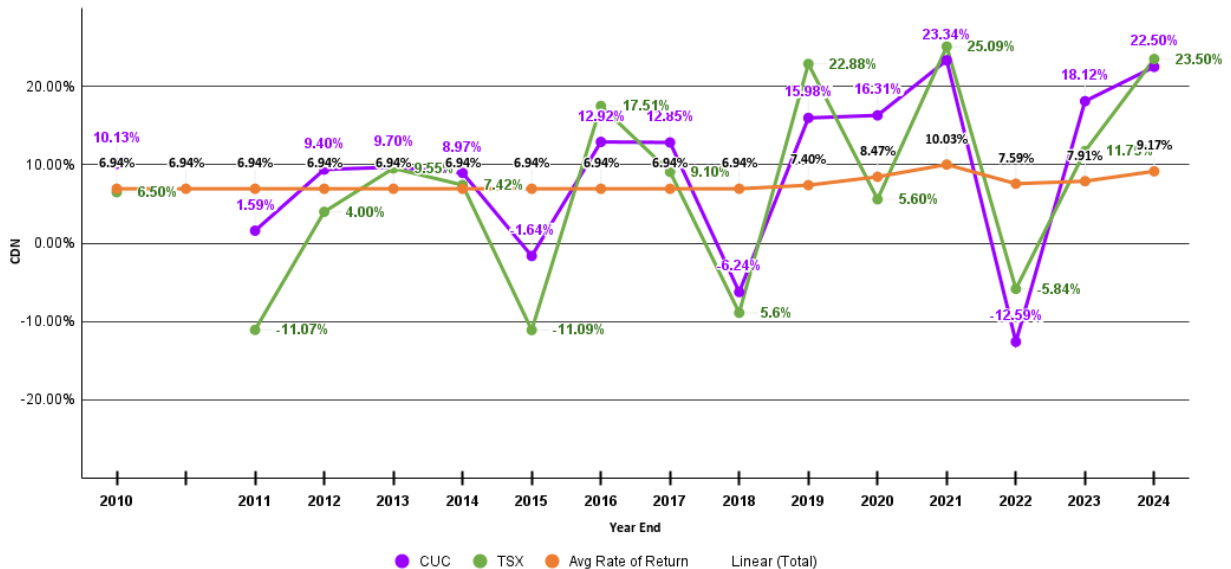
Year-End Values of Invested Funds

Year End Values Invested Funds



Historical Annual Rate of Return

Historical Annual Rate of Return



Respectfully submitted,

Joanne Green | CUC Treasurer