

**Report on Capital Campaign Financial Feasibility Study
For the Cascade Unitarian Universalist Fellowship**

I. Summary

The Cascade Unitarian Universalist Fellowship in East Wenatchee, Washington (CUUF) engaged Kay Crider of Stewardship for Us to conduct a financial feasibility study. CUUF seeks to renovate the fellowship's home due to insufficient space for RE, staff and community activities and to better live out your mission and vision.

This study estimates how much money is likely to be raised in a capital campaign to fund renovations and it summarizes other important feedback about the fellowship from its members to determine readiness to move forward.

The results are based largely on data collected during one-on-one confidential interviews with 36 members of the congregation, representing 26 households or 34% of the 76 households who pledged for the 2017-18 fellowship year. These numbers include a few households who answered questions via an electronic survey.

The results of the financial feasibility study are positive and show:

- CUUF should be able to raise approximately 3.7 times your annual giving from your 2017-18 fellowship year pledge total or approximately \$625,000 to \$650,000.
- A typical stretch goal based on your results would be \$700,000, which is 4 times your annual giving although there is potential to raise even more than that amount.
- There is one household that is willing to give an additional \$20,000 as a match at the beginning of the campaign to spur giving at the lower levels.
- There is willingness and capacity for additional giving from 11 households that participated in the survey who indicated a variety of reasons they might give more – depending on the stock market or their finances and/or if the fellowship was close to its goal.
- This financial projection assumes a three-year capital campaign beginning in 2018.
- 96% of the households interviewed are supportive of the project in general and 85% of the households interviewed indicated they would contribute financially to the capital campaign.

Consideration of a reasonable loan, discussed in more detail in the report, could further increase the total funding package for the building project. A loan depends on additional decision-making and actions by the fellowship, also as outlined in more detail in this report. Timing and compensation associated with the potential highway expansion may also enhance the funds available for one or more phases of your project.

II. Background and Methodology

A. Background

CUUF is a close-knit, well-organized congregation lead by talented lay leaders and professional staff. Many study participants praised Rev. Laura's social justice work as well as her administrative and organizational expertise. Sunday services were by far the most important activity identified by study participants. There are deep bonds within the community and a solidarity around the liberal values that CUUF represents as an oasis in a conservative area of the state.

B. Methodology

The financial feasibility study began with confidential interviews of a sample of congregants representing 34% of pledging households, in order to make a realistic extrapolation of capital gifts for the entire congregation. In the most recent annual budget drive to support the 2017-18 operating budget, 76 households provided financial support.

Twenty-six households totaling 36 individuals were represented in the study. The interviews were conducted from October 19-22, 2017, with a few interviews conducted during the following month with the final interview on November 28. A large portion of the lead contributors to the annual budget drive was included, as these individuals are often major contributors to a capital campaign. Beyond these households, the study sample included a representative sample of the remainder of the congregation based on age, gender, annual financial contribution, length of time in the congregation, having children and/or youth in religious exploration, and involvement in different program areas. Overall, the households interviewed contributed 65% of the pledges for the 2017-18 fellowship year.

A set of interview questions was developed and used for all interviews to ensure that a standard set of data was collected. When a couple was interviewed together, the views of each person were recorded separately. The interviews covered the following topics:

- Length of association with the fellowship
- Listing of top programs, activities and strengths of the congregation
- Vision for the future of the congregation
- Familiarity with and priority of the building project
- Any compliments or concerns about the project or the fellowship
- Likely financial contribution to a capital campaign
- Willingness to help out with some aspect of a capital campaign
- Planned giving and interest in including the fellowship in their estate plans.

Data from the interviews was analyzed taking into account the qualitative information to determine intellectual and emotional support for the capital campaign and the financial data to calculate the amount of money that may be raised in the campaign.

III. Findings

The survey questions were designed to identify the characteristics of the people interviewed, their connection to the fellowship, their knowledge of and engagement around the proposed projects and their capacity and willingness to support it with their time, talent and treasure.

A. Length of Time with the Congregation

Time	Number of People
0-3 years	2
4-8 years	4
9-15 years	16
16-25 years	5
More than 25 years	9

B. Inspiring Moments or Programs for Congregants

Participants gave a variety of answers when asked to describe an inspiring moment at CUUF.

Inspirations
The experience of my adult son growing up in this church - he said he was so glad to have been a part of it.
Every time a new member or a new person comes in, and they relate how grateful that the church exists in our community. We are accepting and allow people to be themselves.
The recent Sunday service
The services that have focused on how we can deal with social justice
When Rev. Laura talks about having a faith.
Inspired by Rocky Hildom/storyteller who started a coffeehouse here at CUUF
Christina & Mary's marriage.
Christina Davitt, Deb Miller, Steve Clem are all inspiring
Very wonderful & welcoming & safe here
Sunday services
Water service and the continuity of it.
Joan Montagnus challenged me to be more involved
Rev. Cecelia had a sermon that inspired me to sign the book
Deb Miller's service about emotions, based on Inside Out, was very powerful
Really enjoy passion of Rev. Laura, Don & their kids - uplifting positive emotion
Nan Greer's question: "What is it for us to do?" (when something bad happens)
Singing hymns & being transported.
Beautiful memorial service for our son.
Carolyn Colbert's sermon on geese taking turns - the tired ones in the front go to the back & someone else takes the lead.

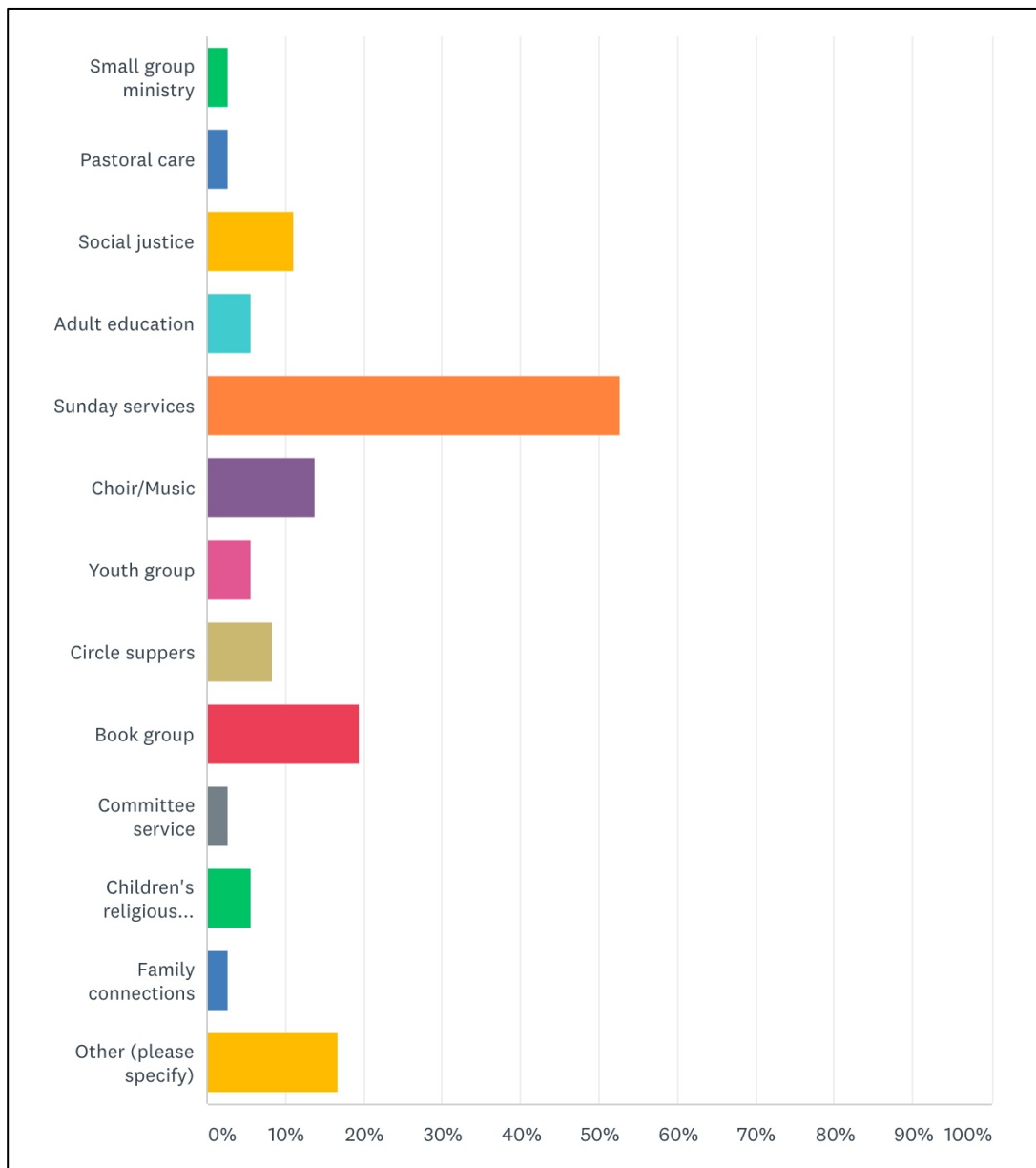
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More Inspirations!
Music - Hallelujah performance
Trip to Transylvania to visit sister congregation.
Trip to Transylvania to sister congregation.
Dedication service for our child
Nan Greer & her personal stories that she wove into sermons
Storyteller minister Joan
Music is very touching.
Wisdom from our sources that comes from lots of different places.
The people are inspiring; the welcoming is centering.
Married here; Cecelia Kingman's service of the dead
LeRoy Farmer's talk about growth → making sure the doors are open.
Lay lead speakers
Navigator's course / Explorer's Now
Certain services touch me.
Degree of acceptance for all is high!
On our first visit many years ago people were very welcoming and loving right away; we were embraced and engaged.
Rev. Cecelia Kingman talking about the great turning - we need to be more sustainable moving forward.
When members share their stories.
Some sermons have really stayed with me.
Shared community service.
Inspirational readings from members
Comforting to reflect on UU values in this conservative town
Lots of good people doing good things.
People do not judge.
Joys & sorrows; contents of sermons
Everyone pulling together during the ministerial search process.
Being amazed by something shared in Joys & Sorrows.
Rev. Laura's sermons.
Many other inspirational moments.
Lay led sermons.
Church and board stood by me when I was ill
I felt accepted, appreciated, and cared for the longer I was involved with many of the Fellowship's activities, rather than feeling like an outsider.
When I first arrived at CUUF, the church was facing a financial hardship and they rallied together, did fundraisers, and increased pledges to pull themselves out of the hardship as well as take the leap at hiring a minister.
It's inspiring how we work together to support each other -- neighborhood groups, helping hands ...

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C. Top Programs and Activities

CUUF offers many programs and activities. People interviewed were asked to rank the program or activity that is currently the most important to them. The following chart shows Sunday services were chosen by 52% of the participants. The “Other” category included items such as community discussions, alumni dinner for Creating Balance, worship team, UU Navigators, and “overall everything that is happening now with a settled minister, organized board and larger RE program.”



D. Key Strengths of CUUF

When asked to identify one key strength of the congregation, participants listed the community and Rev. Laura most often with new people and liberal values also named often. Following is a word cloud that represents the responses, with the most common responses appearing in the largest type.

Liberal Beliefs Rev Social Justice
 Community Common Values
 New People Range Outreach

E. Vision for the future of the congregation

When asked about their vision for what they wanted CUUF to be like in 5 years, the following descriptions were given.

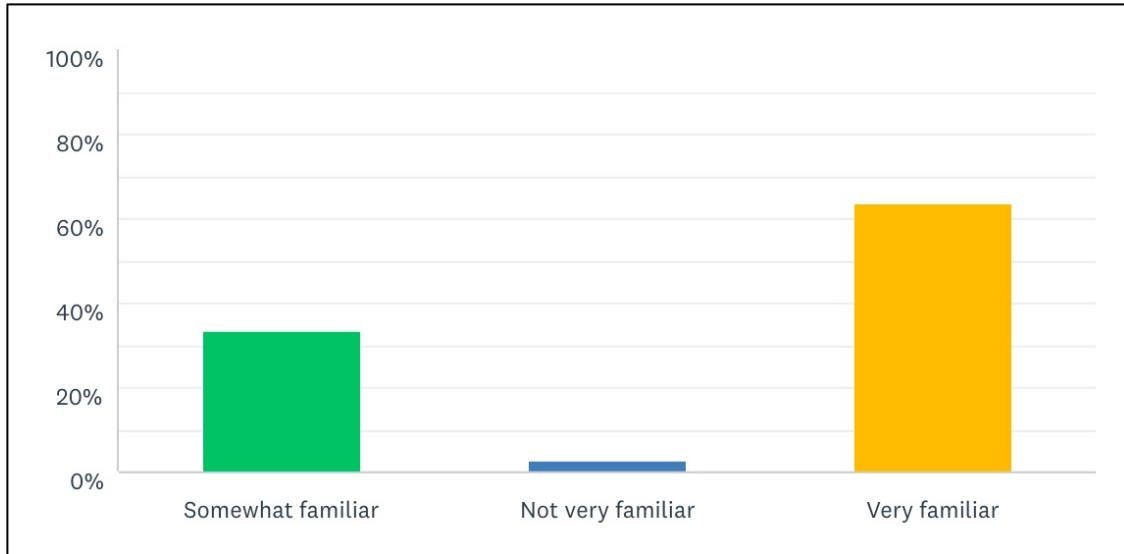
Vision
Good space for RE; the future is to have young families
Lots of non-Sunday activities going on; dynamic!
Continue to be a strong voice for social justice in the community. Increased space and facilities
It has become a leading voice and focal point for liberal democratic values and social justice
A more meaningful impact on the community
A little bigger; doing a congregational project in the greater Wenatchee Valley
A beacon & safe place in Washington state; an example of how to question and be effective & put our principles into practice in the everyday world; stand up to injustice.
The new building! We need more space to use for a variety of things!
Steady, organic growth of members and our great programs --> Laura is an important part of the growth.
Bigger / more people; more young people and families
More diverse & better community visibility
New building that serves fellowships needs with separate rooms for RE & some green space; more families and children in RE.

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More Vision!
Growth in membership, esp. younger demographic which is vital to a fellowship
Bigger impact on the wider community
New people coming; bigger presence in the community & people talking about it.
More families & people with young children; broader recognition as a place that is welcoming.
Good space for RE - it's been missing for many years.
Services with 1.5 to 2 times more people; space to actually talk after services
200 members; increase size of all church demographics
Music program will be more developed.
Be known as a place where people can come to talk about immigration, LGBTQ & then take action about it.
A more welcoming building with lots of young families & kids inside; energetic worship that elicits an emotional response. More adult RE - e.g. cinema series of religious themes in movies
Like it is now - don't want the congregation to get much bigger but the facilities could be much better.
New structure will allow us to provide more opportunities to better serve the community and draw in new people to fulfill our mission together.
Thriving, vital with new members; proactive in the community; inclusion of Buddhists
Road done :-); property developed & building done & CUUF settled in; children's RE space is better.
A new building with more people - at least 25% more. Strong RE for kids of all ages; deeper sermons.
Younger, more tolerant, more inspirational
Active, vibrant, younger average age; stay welcoming & forward looking; serving wider community more
Stronger, more supported RE program for middle and high school youth; Phase I done for RE space
More families & kids; more community-based groups meeting here.
150 members
Bigger / more of a presence
We need to grow the congregation to make it more representative of the larger community. We are a very white group. I'd like to see our new facilities be used and viewed as an asset to the larger community in the areas of social justice, the environment, and opportunities to enhance children's education in the arts..
I would love to see this church in a new building with a thriving children/youth program and some type of community outreach program.

F. Knowledge of the Proposed Building Project

Twenty-three participants or 64% stated they were *very* familiar with the proposed building project, 12 or 33% said they were somewhat familiar with the project, and 1 participant stated they not very familiar with it.



G. Ranking of Importance of the Proposed Building Project for the Fellowship

Following are the rankings assigned to the project by study participants when asked to assign a priority to the building project on a scale of ten (most important) to one (least important). A clear majority – 72% – feel this project is highly important, giving it a ranking of 8, 9 or 10.

Ranking of the building project for the Fellowship	Number of People
Ten (most important)	9
Nine	4
Eight	13
Seven	3
Six	3
Five	2
Four	0
Three	0
Two	0
One (least important)	0

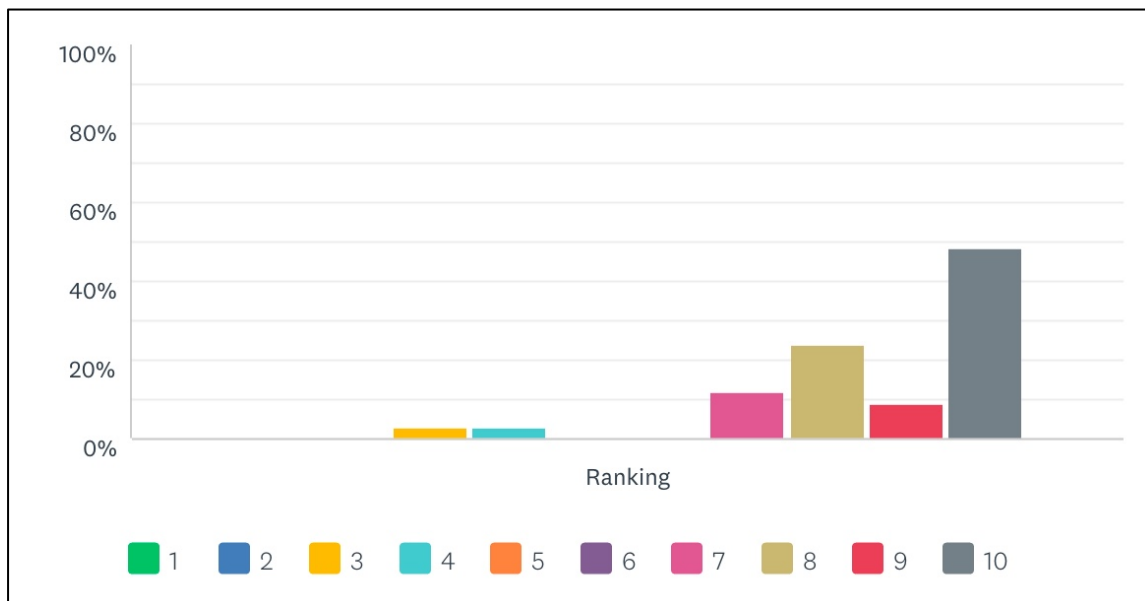
H. Most Important Feature of the Project

Classrooms and “Kids” combined represented 18% of the top feature of the project. Second was the Fellowship Hall at 14%, and meeting space, program space, sanctuary space and more space overall were named more than one study participant. The following word cloud shows the most common answers.

Meetings Sanctuary Kids Programs
 Fellowship Hall Overall Classrooms
 Phase

I. Whether the Project Supports Your 5-Year Vision for the Fellowship

When asked whether the project supports their personal vision of the congregation in 5 years, 48% of the participants gave the project the highest ranking of 10. Another 9% of participants ranked it a 9, with 24% ranking it an 8 and another 12% gave it a 7 in importance. Two participants ranked the project a 4 and a 5. Three people skipped this question.



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J. Meetings Attended About the Project & Effectiveness of Fellowship Engagement

Nearly every study participant – 92% – had attended a meeting about the project and reviewed documents posted at the fellowship, 78% of people interviewed had spoken with a member of the Architectural Task Force, and 25% of participants said they have reviewed materials on the website. The Building Committee’s engagement was ranked as “highly effective” by 86% of participants, with 11% stating engagement was somewhat effective. One person did not participate in the process.

K. Estimates of How Many at CUUF could give a gift of \$10,000 or more to the campaign

There are 76 households that currently fund CUUF’s annual budget. With that prompt, participants were asked how many of those households could give a campaign gift of \$10,000 or more. Four participants stated they could not give an estimate, and the remaining answers ranged from 2 to 30. The most common response was 10, given by 28% of the participants.

L. Likely Financial Contributions

Each household participating in the feasibility study was asked how much they expected to contribute to the building project over a three-year period, in addition to their annual financial commitment to the congregation. Gift ranges, starting with \$100,000 or more and working down to no commitment, were offered.

The sum of the planned financial commitments from the 26 households participating in the study who indicated a gift amount was \$512,500. Thirteen of those households indicated they planned a gift of \$10,000 or more. The distribution of gifts planned by study participants is as follows:

Gift Range	Number of Gifts Indicated	Indicated Amount (total within range)
\$100,000 or higher	1	\$100,000
\$75,000 to \$99,999	1	\$80,000
\$50,000 to \$74,999	2	\$110,000
\$30,000 to \$49,999	2	\$60,000
\$20,000 to \$29,999	2	\$50,000
\$15,000 to \$19,999	2	\$30,000
\$10,000 to \$14,999	3	\$32,000
\$7,500 to \$9,999	3	\$24,500
\$5,000 to \$7,499	4	\$21,000
\$3,000 to \$4,999	1	\$3,000
\$1,000 to \$2,999	1	\$2,000
Up to \$1,000	0	\$0
No commitment at this time	4	\$0
TOTAL	22	\$512,500

Projecting from the study sample to the entire congregation yields an estimated minimum capital campaign pledge range of \$625,000 to \$650,000. A stretch goal would be \$700,000. A gifts table for a brochure that lists gifts needed can be crafted once you approve a campaign goal, as part of assistance with the capital campaign.

This estimate is based on the following assumptions:

- The campaign will ask people to make contributions over a three-year period.
- Over the course of the campaign, roughly five percent of the pledges made will not be fulfilled.
- Gifts of \$25,000 or more can skew the results and therefore the calculations adjust for that skew.

Eleven of the 26 households indicated they may consider a larger contribution, if needed.

Of the \$512,500 identified from study participants, 59% of those gifts would be made in equal payments over a three-year period, 14% would be paid in one lump sum likely in the first year of the campaign, and 18% said they would make monthly payments over three years.

Three households indicated that they would not be able to contribute due to financial circumstances and one household indicated they did not support the project.

M. Compliments

Participants were invited to share compliments about the proposed project or the fellowship in general. The most frequently mentioned compliment was Rev. Laura's work (in many areas). People also expressed great appreciation for the Architectural Task Force and many lay leaders.

Compliments
Christina Davitt and board leadership
Rev. Laura has done a great job with organization of all the pieces
Steve Clem - he has spent a lot of time and has great skills
Rev. Laura for organizing such a good process for governance and starting us on the path to a new building
Feeling increasingly encouraged that Fellowship is moving toward the vision we hoped for
Jaime Krish is impressive
Project has been going well!
I adore Rev. Laura
Jeff Lau - helped out in a lot of ways as treasurer and various other capacities

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Continued Compliments
Architectural Task Force did a huge amount of work - very thankful to them.
Diane McKenzie
Very pleased with Rev. Laura
Fellowship is engaged and involved
Laura is a great organizer, counselor and program manager.
Steve Clem cares a lot and helps with everything
Excellent leadership and board
Rev. Laura & her words about the purpose of this new building for not just ourselves but for the wider community --> she is a great leader
People have done a great job - people are very engaged & have put an enormous amount of effort to get to where we are. Mountains of praise for work & vision.
Congregational care team
Larry Tobiska for choir
Jeff Lau x 2
Paige Balling
Board
Grateful to Christina Davitt as celebrant & presenter; Deb Miller; Steve Clem as presenter & music coordinator; LeRoy Farmer's work on New UU & Litter Day Saints; Dylan on RE
Jeff Lau
Steve Clem
Very good Architectural Task Force.
Clarifying our direction going forward is great.
It's great that we have made it to this point - Go Team!
Architectural Task Force
Rev. Laura
Steve Clem is great.
Rev. Laura, LeRoy Farmer, George & Penny Tobiska, Sara Severson
Ben Knecht, Steve Clem, Paige Balling
Financial Feasibility Task Force
Strategic Planning Team & Architectural Task Force both did a really good job
Rev. Laura is there at all protests - sometimes the only faith leader there.
Love Rev. Laura and all the social programs.
Congregation is sharing & open.
Worship Committee; Board; Greeters & Chris Rader are all great!
There are lots more young families coming.
A lot of people work very hard.
Sharon is great as office administrator - I am grateful for her skills & calm nature.

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Even More Compliments!
Dennis Chivers is a great selection for architect
Rev. Laura has some great qualities --> great outreach to community & drawing in young families with care and love.
Rev. Laura doing a really good job; a fair amount of good energy here.
Building plan is beautiful.
The Building Committee really worked hard to create possible designs to meet our needs.
Jeff Lau is a good steward & communicator & very dedicated.
Entire Architectural Task Force is great at including people in the dream and the ambition.
Rev. Laura is great at difficult conversation.
Jamie Krish does big stuff and little stuff and makes church accessible.
Rev. Laura puts her heart & soul into CUUF.

N. Concerns

When asked whether they had any concerns about the proposed project or the fellowship in general study participants listed the following items. Some participants expressed more than one concern and others expressed no concerns.

Concerns
Maybe a little ambitious for the ability to finance
We need to grow
Can we do it?
Want to make sure it's run professionally so money is spent well; cost for sewer line across/under the street seems exorbitant
Concerned that fellowship can't support programs so how can they raise enough for a building.
Do we need 250 seats in the Sanctuary?
Need more volunteers since many of the same people step up and get burned out
We could be more inclusive
Need broader age range and more gender diversity (more men) and to welcome a wider variety of people
Would love more exciting sermons.
It's a lot of money so it will take all of us to get it done.
I am allergic to dogs so having one at the church is very hard for me. The dog is everywhere in the building. There needs to be more awareness for animal allergies.
Circle suppers are not kid friendly
Some sermons are very stimulating but some could be more compelling
Would like to ramp up music to be more of a focal point like it used to be.

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A Few More Concerns
Outreach associated with social justice is great but sometimes the dialogue around it is shaming or negative (e.g. Facebook page comments). We could use more constructive community conversation.
Sometimes there's a lot of alcohol consumption at events that can stifle meaningful conversation.
Need more new people and more young people
Is building expense the best use of money?
Are we in the best location?
Do we really need as much building as is planned?
People need to be willing to compromise, it's a little like herding cats.
Can we raise enough money?
People need to be more willing to covenant together.
Let's make sure we don't miss other opportunities if we were to move and buy another building.
Need to enhance annual stewardship
Concerned that this project is more than 75 CUUF households might have capacity to give. Is it too big of a project?
Getting new people involved; same volunteers are getting burned out. There's lots to do in the valley so people are spread thin volunteering at a lot of places.
Buddhists need a space to be in the new building now that blue house is no longer usable.
Would love more charismatic sermons
UUism is becoming more faith-based & less humanist so some long-time members are not as engaged as they used to be.
Project may be over-scaled & too big; we can be welcoming without being elaborate.
If highway gets widened, is this project doable in phases?
We could be more welcoming and accepting of other religious views.
It's going to be a big challenge, given the size of our congregation.
Can we come up with enough money?
Will the highway expansion be a problem?

O. Other Information Gathered

Campaign Volunteer Support

Many study participants indicated a willingness to assist with the capital campaign when asked about 9 areas for which they could volunteer. A list of volunteers and the areas in which each person offered to help will be given to the Capital Campaign Team.

Possible Gifts from Outside the Congregation

Interview participants offered up the names of people outside the congregation who might be willing and able to contribute to the capital campaign. The suggested names will be given to the Capital Campaign Team.

Planned Giving

Sixty-nine percent of households that participated in the study indicated they have a will and 8% indicated a will is in process. Five households indicated that have included the fellowship in their wills and 30% said they would consider doing so and would like more information on how to do it. Those names will be forwarded to the Capital Campaign Team.

Attendance at Sunday Services

Attendance	Number of People
Almost every Sunday	14
2-3 times per month	17
Once a month	4
Infrequently	0
Did not answer	1

Serve on Committee or the Board

Nearly every participant in the study is involved in some way at the fellowship and 28 separate areas of involvement were listed. These areas included: Board, Choir, Social Justice/Action, Circle Supper Host, Covenant Group leader, Coffee Ministry, Children's RE committee or teacher, Facilities/Building & Grounds, Stewardship, Worship Team, Finance, Fundraising, Neighborhood Coordinator, Nominating Committee/Leadership Development, Kitchen Crew, Architectural Task Force, Financial Feasibility Task Force, Newcomer Orientation, Packing Friendship, Creating Balance, Family Connections, Youth Group, North Lot Task Force, Governance Committee, Chalice Lighter Coordinator, Pastoral Care, Book group host, and Greeters.

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Additional Demographics

The following tables summarize age and income of the study participants.

Age	Number of People
31 to 40	1
41 to 50	2
51-65	14
66-75	14
Over 75	5

Annual Household Income	Number of Households
Up to \$25,000	1
\$25,001 to \$50,000	6
\$50,001 to \$75,000	0
\$75,001 to \$100,000	11
\$100,001 to \$150,000	3
\$150,001 to \$250,000	1
> \$250,000	4
Did not answer	0

IV. Observations

CUUF has significant support to fund some renovations to your existing building. Eighty-five percent of the study participants indicated some level of financial support for the building project being considered. Study projections indicate that a well-run campaign with support from the remainder of your congregation should result in at least 3.7 times your 2017-18 annual pledges.

As indicated above, the results of the feasibility study indicate that the congregation should be able to raise at least between \$625,000 and \$650,000 in a capital campaign. You may want to consider a stretch goal of \$700,000 or even higher for the following reasons: There is willingness and capacity from three households to significantly increase the amount of their gift if needed, either during a second ask or after seeing how other households are stepping up as indicated in this feasibility study. In addition, there are 8 other households who also said they might consider increasing their gift if needed. Thus, you might be able to go as high as \$800,000 if these households with capacity and willingness decide to increase their commitment. Sometimes initial campaign commitments are financially conservative and a few households indicated they were being conservative in these initial stages.

Please remember to take care of each other's hearts as you move through the planning of a campaign for a building project. Generosity of spirit, attentive listening, transparency of process and frequent appreciation will help minimize conflict and engender support of each other during this momentous time in the life of your fellowship.

V. Recommendations

Based on the results of the study and analysis of the findings, I recommend that the CUUF proceed with a capital campaign once it is determined that a portion of your plans can fit within the capacity of the campaign and a possible reasonable loan.

Following are some key next steps to determine whether to launch a capital campaign for the proposed building renovation:

- Present the results of the feasibility study to the congregation.
- Identify what portions of your building project can be accomplished with a campaign within the range of the feasibility study plus a reasonable loan.
- Determine, if possible, when a potential highway expansion may result in additional funds to support the renovation of your campus.
- Educate the congregation about what can be accomplished with the pledges, a reasonable loan and any additional income such as potential income from the highway expansion.
- Obtain formal approval to launch a capital campaign.
- Develop a firm case statement and target for the capital campaign, considering the priorities and other information gathered during the feasibility study and provide opportunities for input from the congregation. Develop and stick to a task plan, timeline and organization for carrying out the campaign. There are recommendations provided in *Beyond Fundraising*, by Wayne Clark, and I can assist you as needed.
- Develop messaging for the entire congregation about the level of commitment required to conduct a successful capital campaign. Emphasize that contributions to the capital campaign are payable over 3 years. Ask remaining congregants who were not part of the study to support the project by doubling or tripling their gift to CUUF and spread that additional giving over a three-year period.
- Ensure that your congregants know that they should not reduce their annual contribution in order to make a gift to the capital campaign. Continuing robust support of your programs will be essential for both the short and long-term health of the congregation. Along these same lines, be sure to let congregants know that gifts of every size are

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welcome. There is economic diversity in every congregation and all contributions to the renovations of your fellowship's home are valued.

- Plan to conduct the combined campaign based on face-to-face stewardship visits—this is an essential method for a successful capital campaign.
- The Capital Campaign Committee should confirm the willingness of the study participants who agreed to be visiting stewards to ensure that each steward is assigned no more than four households to approach for a gift to the campaign. Additional visiting stewards can be recruited beyond those identified in the study. Schedule a training and orientation session for the visiting stewards.
- Congress has made permanent the IRA tax provision that allows gifts from IRA's to charitable institutions to be excluded from taxable income if age 70.5 or older. You can gift your required minimum distributions directly to the fellowship to avoid paying tax on that income and sometimes avoid being placed in a higher tax bracket due to those funds being excluded from income when they are gifted.
- For financial tracking of capital campaign pledges and income, it is recommended that there be two separate people tracking the incoming gifts as well as outgoing payments for building renovations. This system is often accomplished by having a capital campaign treasurer or campaign finance chair who is separate from the church treasurer, followed by monthly or periodic verification by a bookkeeper. A separate account for capital funds is also recommended, rather than simply keeping a spreadsheet that separates annual and capital funds.
- Loan Considerations
 - The UUA recommends that a congregation's debt service not exceed 25% of its annual budget, while keeping in mind that to fulfill your mission and vision, some debt is often healthy and necessary. Please be advised that the maximum amount is a ceiling and not a recommendation. A more reasonable amount of debt would be 15% of your budget spent on annual mortgage payments. Your congregation decides a realistic loan amount based on how much you can absorb into your annual budget after a capital campaign. For example, if you obtained an additional \$200,000 loan for a 20-year term and folded in your current mortgage of \$165,000 for a total of \$365,000 at 4.5%, you would have annual mortgage payments of ~\$28,000 per year, which is roughly 14% of your \$196,400 annual budget. Financial forecasting over a 5-year period will help the fellowship see the pledging needed to support this additional loan.
 - There are several requirements to obtain a loan from the UUA's building loan program, one of which is to raise three times your annual pledges. Based on the results of this financial feasibility study, you should be able to meet this requirement. Non-UUA lenders do not have such a requirement, should the

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congregation decide to use a local lender. The UUA encourages congregations to use a local lender when possible. For more information on all the requirements of the UUA's building loan program see:

<http://www.uua.org/finance/buildings/27516.shtml>

- Another possible source of a loan for your building project is the Pacific Northwest UU Growth Foundation (PNUUGF). They report that they loan up to \$100,000, possibly more, at 5% for 10, 20 or 30 years, depending on circumstances, for congregations who meet their qualifications. Their loan can be combined with a commercial loan and the PNUUGF is willing to be the secondary loan. See <http://pnuugf.org/Funds.html>

If a local bank option is available, they can often provide better rates than the UUA or PNUUGF.

- Future Chalice Lighter Grant from the Pacific Northwest District (PNWD):
 - CUUF recently received a grant from the Chalice Lighters of the PNWD, which precludes your application for application for a PNWD grant in the next few years. Towards the end of the first phase of your building project, however, and depending on the timing, you may be able to apply for a Chalice Lighter grant related to a portion of your building. At this time, the PNWD reports that a typical grant amount is \$17,000. Keep this on your radar as a future possibility as you move forward on your project. Two to three of the full-size grants are awarded each year; sometimes the 3rd grant is spread over several congregations for items such as technology improvements.
- Total Capital Fund Possibilities (including a new loan)
 - Projected minimum pledge range for a capital campaign
= \$625,000 to \$650,000 with a stretch goal of \$700,000 or more*
 - Potential \$200,000 loan to add to current loan
TOTAL capital fund, including a successful campaign
= \$825,000 to \$900,000

* consider whether a million dollar project (including a \$200,000 loan) could inspire stretch gifts from congregants and increased giving to reach gifts of \$800,000. In addition, if the highway is expanded onto your property that may provide additional income for your project. The amount and timing of such funds is still to be determined.



Report on Financial Feasibility Study for CUUF
December 2017

VI. Closing

It has been a pleasure to work with CUUF up to this point as you plan to expand your liberal presence and be a beacon for justice in a historically conservative area of Washington. You have many talented and dedicated people. There is a lot of positive energy, enthusiasm and financial support within the congregation to renovate and expand your exiting property so that you can better live out your mission and vision. Congratulations on your processes and very hard work that has led up to this level of support! The legacy of this project will be a wonderful gift to your fellowship, the wider community and future generations.

I look forward to seeing your continued progress and I will be available to assist you as needed for your capital campaign. Please let me know if you have any questions.

In spirit,

A handwritten signature in black ink, appearing to read "Kay", with a long, sweeping horizontal stroke extending to the right.

Kay Crider
Stewardship for Us
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Copies to:
Steve Clem, Financial Feasibility Study Task Force
Rev. Laura Shennum, Minister