

# Executive Committee

## November 17, 2015

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# ACTION:

## Approval of Minutes October 21, 2015

Jamey McCormick

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# 2016 Proposed Budget Finance Committee Review

We work from the heart to unite caring people to  
tackle our communities toughest challenges

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# Today's Agenda

- Budget Process/Timeline
- Financial State of UWPC
- Unrestricted Reserves
- Revenue Projection
- Proposed Budget Forecast - Big Picture Numbers
- Personnel and Non-Personnel Line Items
- Overhead Projection
- Decision on items for consideration

# Budget Process/Timeline

- Management team prepared and reviewed in October
- **Finance Committee Review - Today**
- Executive Committee Review – November 17
- Board Study/Approval Session – December 16

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# Focus Areas

**Strong Families: Our Goal:** All families are financially stable and able to meet all their basic needs.

- **5-Year Objective:** Increase the number of families that are more financially stable by empowering families to be self-sufficient by 15% (2,047).
- **10-Year Objective:** Increase the number of families that are more financially stable by empowering families to be self-sufficient by 31% (4,095)


**Strong Start for Kids: Our Goal:** All children entering kindergarten are ready for success in school and life.


- **5-Year Objective:** Increase the percentage of all children starting school in our targeted school districts ready to learn from 44% to 60%.
- **10-Year Objective:** Increase the percentage of all children starting school in our targeted school districts ready to learn from 60% to 75%.
- **Early Grade Success: Our Goal:** All children reading at grade level by the end of third grade.
- **5-Year Objective:** Increase the percentage of low-income children in our target school districts reading at grade level by the end of third grade from 67% to 80%.
- **10-Year Objective:** Increase the percentage of low-income children in our target school districts reading at grade level by the end of third grade from 80% to 90%.


**Basic Needs: Our Goal:** All Pierce County residents are able to access and navigate available human service resources to meet their immediate needs.


- **5-Year and 10-Year Objective:** United Way of Pierce County will continue to be nimble and responsive to the ever-changing evolution of the basic needs' resources for individuals and families in Pierce County. We will capture data points to report our strategies on how we are responding to current needs yet we desire these data sets to decrease


# Financial State of UWPC


 **Unrestricted Reserves** – Projected year-end 2016 at \$850,000 after proposed use of \$250,000 to fund agency investments in 2016; above 3 month minimum of \$725,000 – Context to come later in this presentation


 **Community Campaign Revenues** – estimated decrease of \$100,000 in contributions from Employees Community Fund of Boeing Puget Sound, Intel and Nordstrom


 **Uncollectible rate on pledges**– 3.75%; United Ways our size avg. 7.2%

 **Impact Dollars** – Looking to grow grants. Focus on 2-1-1, Hunger and CSF

 **Unrestricted Dollars** – We are doing all the right stuff with CRM strategies

 **Building** – 100% occupancy and final year of \$102,500 payment to Boys and Girls Clubs for their Hope Centers

 **Endowment** – approximately \$3.5M. Gearing up for 100 year anniversary campaign – 2021. Goal of 100 legacy donors, current or deferred gifts

 **Leadership Donor retention** – Increased 3% from 69% to 72%; added 25; goal is to increase retention to 80%

# Financial State of UWPC

## Areas at Risk

### Employee Community Fund of Boeing Puget Sound

- Expecting further decreases in coming years, although we may be able to ameliorate as they are allowing us in the workplace again. We also need a unified strategy with all United Ways educating Boeing on the value of their investment

### CFC CAMPAIGN

- CFC campaign ends in 2016
- Loss of \$820,000 will cause costs to jump by 2%
- UWPC only receives about 2,500 directly from the campaign
- Since we don't recognize the revenue until the following year (2017) we will have until the end of 2018 to make up the loss



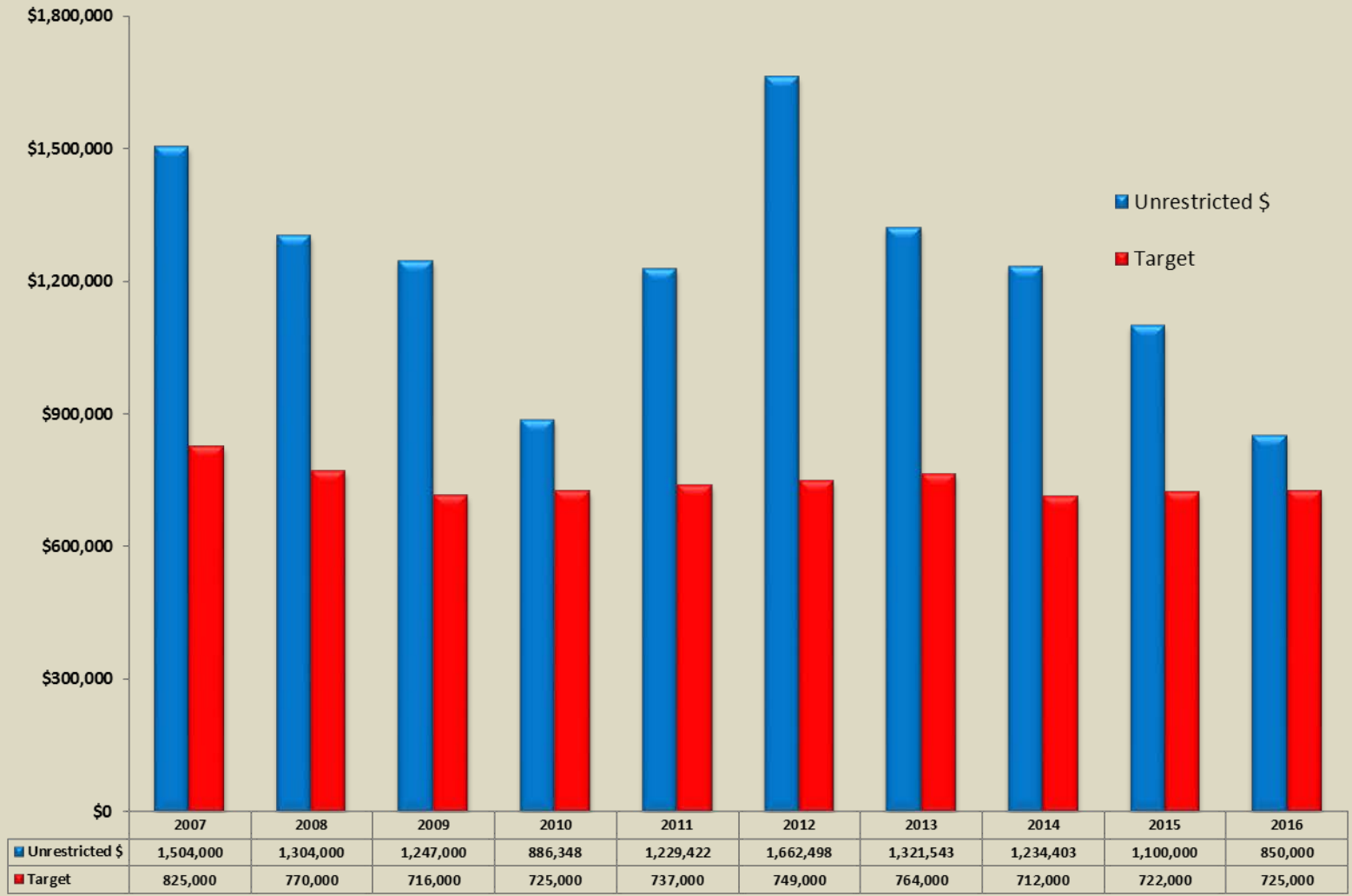
# Unrestricted Reserves

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## Unrestricted Reserves(undesigned) with Minimum Reserve Target - Est 2015-16



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# Revenue Projection

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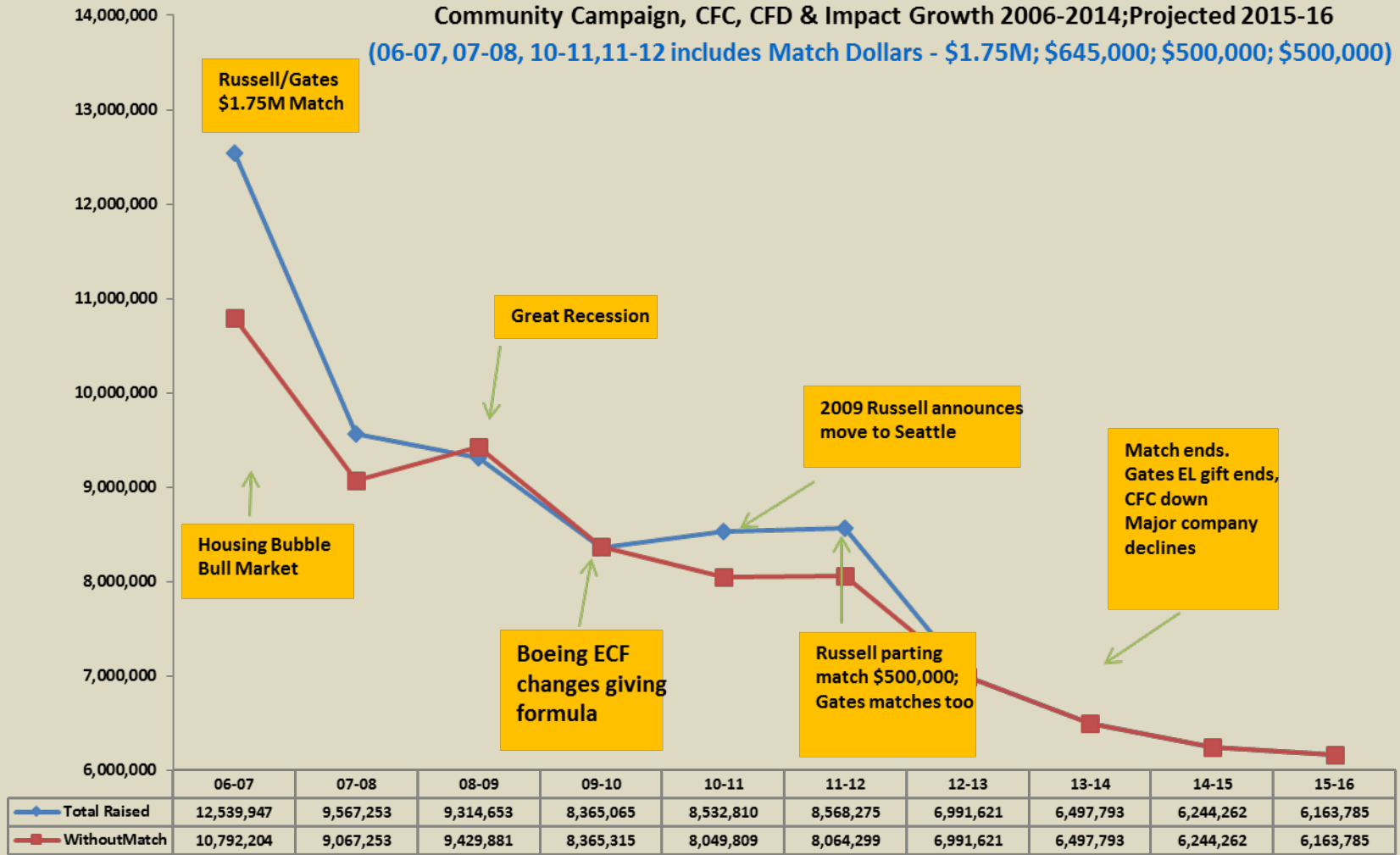
## Revenue Forecast

Forecasting 3.0% decrease of (\$150,000) in 2015-16 community campaign

Anticipating growth of 24% in grants, or \$82,000. We could realize more if Center for Strong Families takes off

Decreases in program income; (\$93,650) Mainly Gifts in Kind program donations which are expected to decrease due to losing some space to the new child care center in our building

Community Campaign, CFC, CFD & Impact Growth 2006-2014; Projected 2015-16  
 (06-07, 07-08, 10-11, 11-12 includes Match Dollars - \$1.75M; \$645,000; \$500,000; \$500,000)



# Review 2016 Proposed Budget Forecast

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# Resources

Decrease of **(\$364,040)**

Net campaign resources and grants			<b>(\$140,341)</b>
Program/Event Support:			
Event Income	10,000		
Program/Contracts	( 3,650)		
GIK (non cash)	<u>(100,000)</u>		<b>(93,650)</b>
Other Support:			
Investment Income	4,000		
*Carryover grants	(189,049)		
Board designated impact carryover	50,000		
Other	<u>5,000</u>		<b>(130,049)</b>
<b>TOTAL RESOURECS</b>		<b>(\$364,040)</b>	

\*Carryover grants from 2014 to 2015. \$139,000 is early learning which will now go directly to First Five Fundamentals; Cheney technology grant of \$50,000 not renewable until 2016

# Community Investments

Decrease of (\$261,951)

* Community Impact Fund	(\$ 99,831)
GIK – smaller space when daycare moves in	(100,000)
Donor Designations	( 50,000)
CFC, CFD, UWPC Community Programs	( 12,120)
<b>TOTAL COMMUNITY INVESTMENTS</b>	<b>(\$261,951)</b>

\* We will be spending a smaller amount of our flexible impact reserve in 2016; less money directed from donors to our focus areas; three agency programs no longer receiving funding



# Personnel and Non Personnel Departmental Expenditure Budget (E)

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# Personnel Line Items – Salaries and Benefits

Increase of \$8,220

- This area includes \$72,000 of grant reserve funding from a prior year Boeing grant for an evaluator position. Without the addition, this area would have a **decrease of \$63,780**

# Non Personnel Highlights

Increase of \$7,402

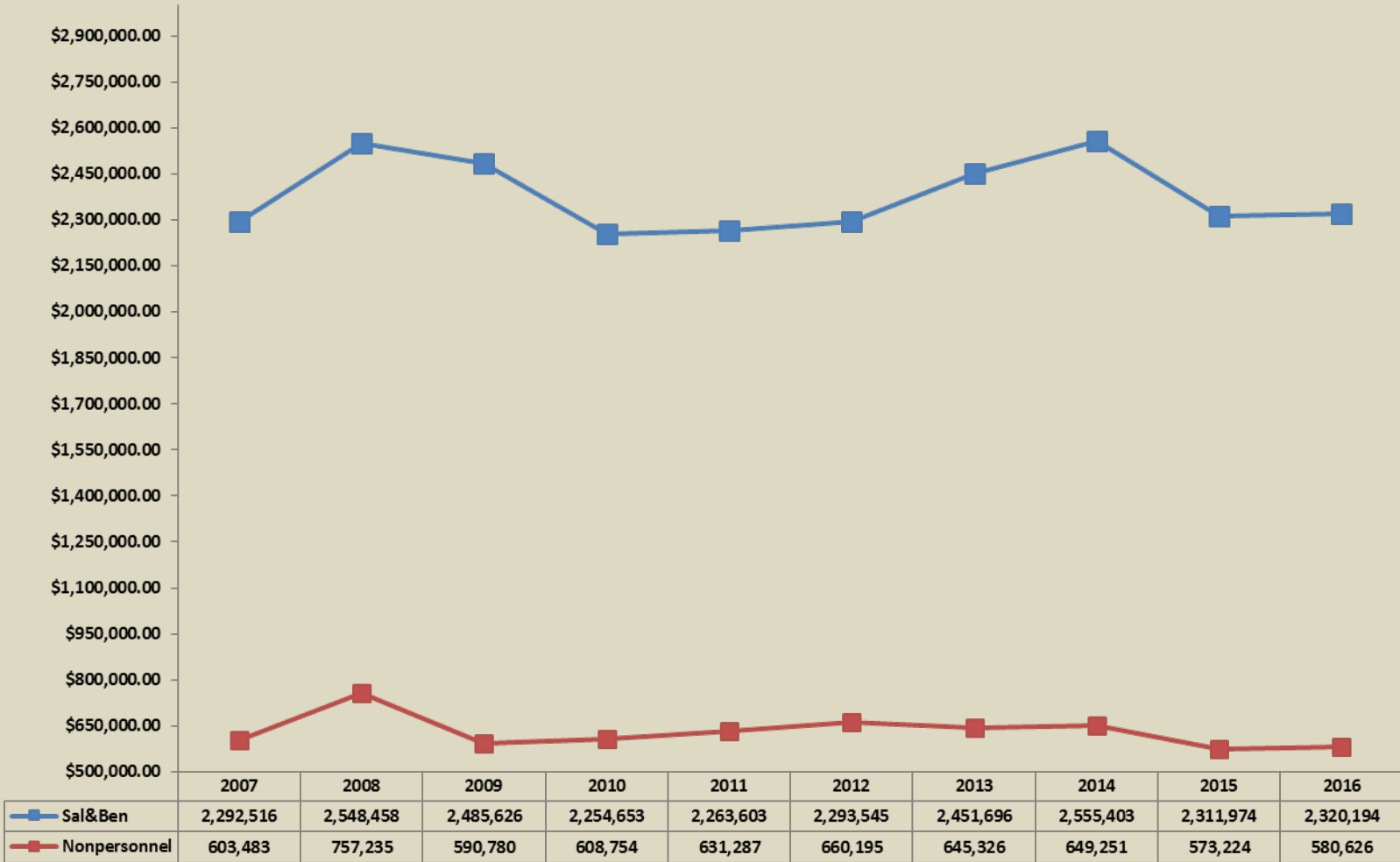
- Reduction in most line items.
- Increases in supplies of 7,000 for a small federal grant (40% match requirement) awarded for volunteer engagement and \$22,000 in volunteer travel reimbursement for RSVP (Federal Retired Senior Volunteer Program)
- Taking the above into consideration, non personnel line items decreased for the second year in a row

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## Costs Trends 2007 to 2016 Personnel and Non-Personnel



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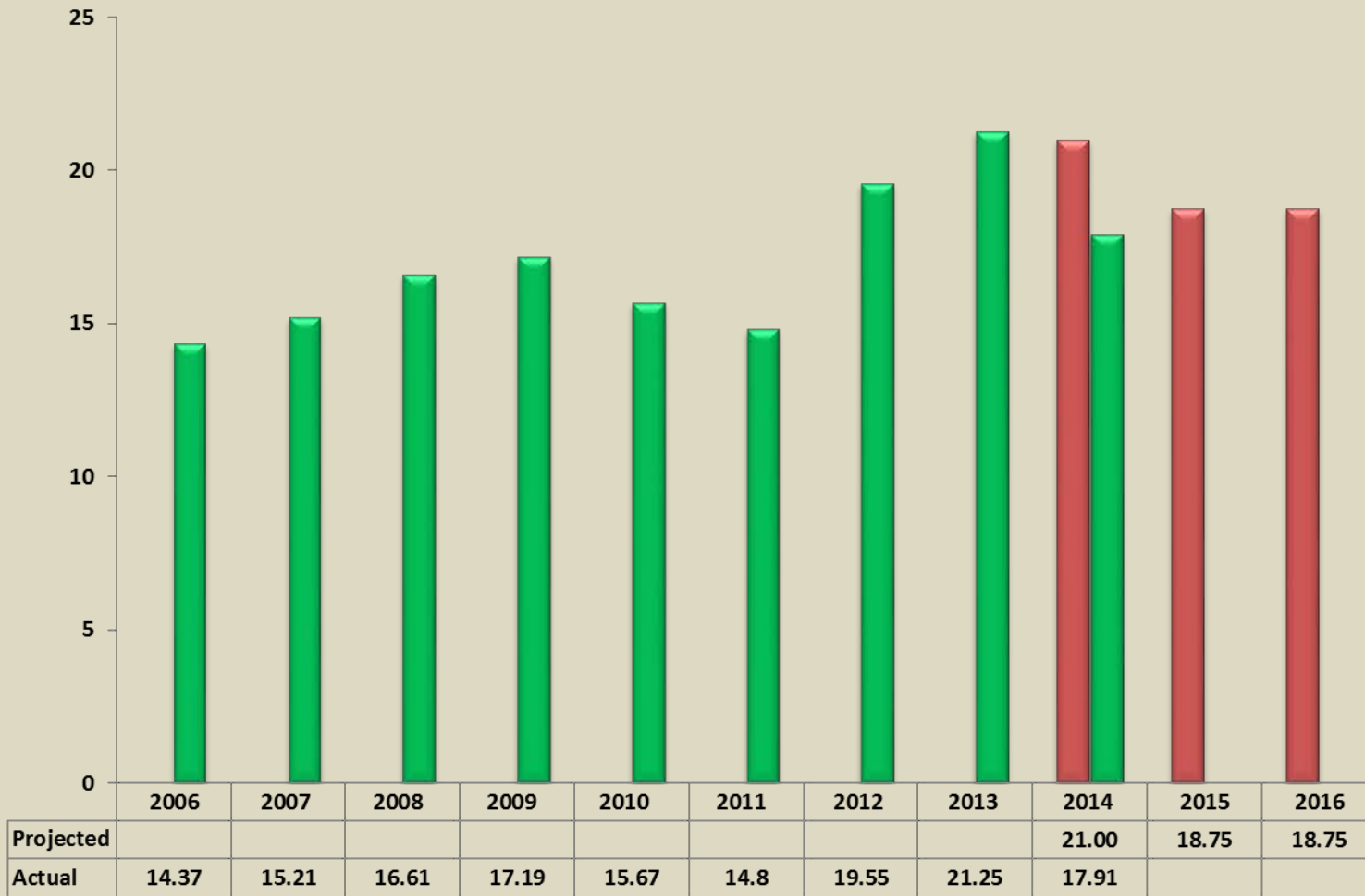
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# Overhead Projection

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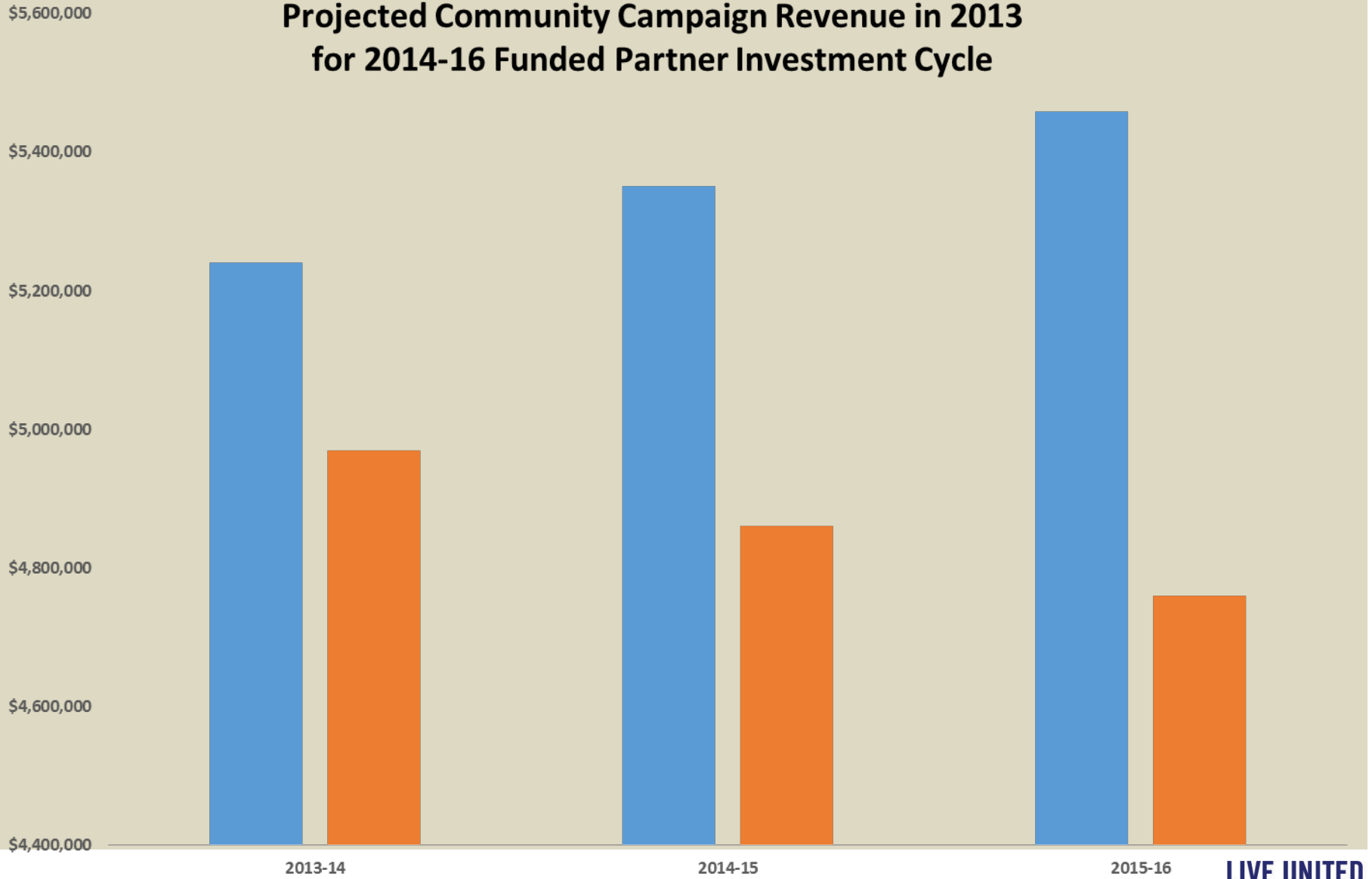
# Items for Consideration

After the Finance Committee met, we learned we are receiving significantly less at this time of the year from George Russell. 2014 gift of \$450,000: \$350,000 was designated; \$100,000 unrestricted to basic needs programs in our current three year investment cycle. 2015 gift \$114,000: \$64,000 to basic needs programs, \$50,000 designated. We will have a chance after the first of the year to make another ask. We want to be conservative, so we are proposing to reduce revenues by \$250,000 and designations by \$245,000, net effect is \$5,000.

Proposing \$250,000 from reserves to continue funding agency programs for final year of three year investment cycle (see next chart for how we got here) Finance Committee proposed \$240,000 prior to the new information above.

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# Projected Community Campaign Revenue in 2013 for 2014-16 Funded Partner Investment Cycle



■ Projected ■ Actual



# President's Report

Dona Ponepinto

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# Adjournment

Jamey McCormick

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