

To the members of Plymouth Congregational Church:

As we approach the end of May 2022, Plymouth's overall condition is fairly described by the word "fortunate." We have a talented and energetic staff and clergy team, a committed group of lay leaders, and a caring and engaged congregation. Our financial position is also fairly described as "fortunate," as our church is blessed with a foundation of great financial and material resources, our congregation (both past and present) has been generous in its support, and our investments continue to bear fruit.

As a result, Plymouth approaches the close of this fiscal year in a good financial position. On the expense side, our operations and spending continued to adapt to changes and emerging needs brought on by the pandemic. Aggregate expenses are tracking closely to the budget, and we suffered no unexpected losses or setbacks. On the income side, congregational giving remains stable to slightly declining, reflecting a decrease in giving households balanced mainly by an increase in the giving per household. This year, we received one-time funds from a second round of the federal Paycheck Protection Program (PPP) and a generous bequest from an estate.

Looking forward to next year, we have proposed an operating budget that supports a continuation of Plymouth's current activities. On the expense side, after several years of flat salaries, we proposed salary increases for clergy and many staff. We proposed to increase the church's giving to other institutions through the Community Fund. We have also cleaned up the chart of accounts to reflect better the church's current operations and to help improve our understanding of the finances. All expenses were studied and scrutinized, and we took care to be prudent and wise.

The income side of the proposed budget engendered the most discussion during this year's budget process. The income proposed in the budget feels achievable, but we recognize it will require some additional effort to meet our goals. To that end, the Stewardship Committee recently hosted a retreat to discuss our approach to stewardship and to begin envisioning a path to an improved approach in the future. We left that event with renewed energy, and a reaffirmed belief that Plymouth's best days are ahead of us, not behind us.

One significant change currently in development is the creation of a Capital Building Fund to separate our operating expenses from our capital expenditures. This separation will help us better understand and manage our finances. There is no magic here: a new fund does not decrease expenses or increase revenue. But it does improve the visibility and transparency of how we allocate our resources and how we maintain and care for our assets.

From our vantage point as active participants in the financial operations of Plymouth, we are encouraged by what we see taking place within this institution. We see people working hard to carefully steward the abundant resources we have, to ensure they well-serve the purposes of the church, both in the present and in the future. We see people applying their knowledge, expertise, and creativity to the challenges and opportunities we face. We see a thriving institution that has even greater potential.

DeWayne Davis, Lead Minister

Michael McCallister, Treasurer

FY2023 Budget: Executive Summary

The proposed fiscal year 2023 budget, to cover the program year from July 2022 through June 2023, was initiated by staff and approved by the Deacons and the Board of Finance and Administration. The Deacons, the Board of Finance and Administration, and the Leadership Council provided input, with minutes from those meetings available on the Plymouth website. The Deacons voted on May 3, 2022, to recommend the proposed FY23 budget to the congregation for approval at the Annual Meeting.

Assumptions and Outlook

This budget assumes that Plymouth's current programs, activities, and ministries will continue in the coming program year. Accommodations made for pandemic concerns will continue, such as videography to enable remote/asynchronous viewing of services and the use of a tent to accommodate outdoor activities during the summer. While the budget proposed below is presented in comparison to the FY22 budget, development of the budget considered pre-pandemic budgets where appropriate for the FY23 planning.

In some cases, specific budget line items have moved between summary groupings to reflect better the church's current operations and to help improve our understanding of the finances. This accounts for some changes in the rolled-up figures in the proposed budget, even when the underlying activities and amounts remain the same.

As a summary level, key changes in expenses are as follows:

- Increased expenses related to building security and maintenance, and resumption of in-person activity.
- Increases in salaries for clergy and staff, as recommended by the Deacons and the Personnel Committee.
- An increase in giving through the Community Fund.
- The Major Building Improvements line item has been moved out of the operating budget and into a separate capital expense budget. The budgeted amount remains the same.

On the income side, key changes are as follows:

- Congregational giving is planned to grow by about 8%.
- Rentals, leases, and similar income are up. Much of this increase is due to activity associated with the theater and theater-related groups.
- To balance the income and expenses, the FY23 budget plans for a combined 5.4% transfer from our Commingled Investments to our operating budget. This exceeds the 4% guideline, but it is down from the 8% combined amount in the FY22 budget.

Proposed FY2023 Operating Budget (July 1, 2022 to June 30, 2023)

	2022 Budget	2023 Budget	Budget Change (22 to 23)
Revenue	\$2,597,774	\$2,700,425	\$102,651
Contributions	\$1,735,000	\$1,870,000	\$135,000
Annual Giving	\$1,615,000	\$1,700,000	\$85,000
Stewardship Growth / Lead Minister	\$100,000	\$150,000	\$50,000
Open Offering	\$20,000	\$20,000	
Other Income	\$227,700	\$328,300	\$100,600
Leases, Rentals, Fees, Credits, Earnings, etc.	\$227,700	\$328,300	\$100,600
Transfers	\$565,074	\$432,125	(\$132,949)
Parking Lot Sale Income	\$50,000	\$50,000	
4% of Commingled Investments	\$257,590	\$283,000	\$25,410
Commingled Investment, Add' to Cover Gap	\$257,484	\$99,125	(\$158,359)
Pass Through	\$70,000	\$70,000	
Christmas and Easter Offerings	\$70,000	\$70,000	
Expense	(\$2,597,774)	(\$2,700,425)	(\$102,651)
Staff Related	(\$1,569,199)	(\$1,720,225)	(\$151,026)
Clergy	(\$256,232)	(\$281,200)	(\$24,968)
Music	(\$184,245)	(\$196,500)	(\$12,255)
Education and Outreach	(\$125,433)	(\$131,388)	(\$5,955)
Office, Building, Admin	(\$661,199)	(\$764,785)	(\$103,586)
Non-salary Benefits	(\$342,090)	(\$346,352)	(\$4,262)
Other Expense	(\$958,575)	(\$910,200)	\$48,375
Boards and Programs	(\$147,475)	(\$124,925)	\$22,550
Community Fund	(\$75,000)	(\$95,000)	(\$20,000)
Administration/Operations	(\$226,500)	(\$172,175)	\$54,325
Building	(\$294,100)	(\$506,100)	(\$212,000)
Food Service	(\$15,500)	(\$12,000)	\$3,500
Major Building Improvements	(\$200,000)		\$200,000
Pass Through	(\$70,000)	(\$70,000)	
Christmas and Easter Offerings	(\$70,000)	(\$70,000)	

Proposed FY2023 Capital Expense Budget (July 1, 2022 to June 30, 2023)

	2022 Budget (Operating)	2023 Budget (Capital)	Budget Change (22 to 23)
Capital Expenses	\$200,000	\$200,000	