

FY2024 Budget Information Sessions

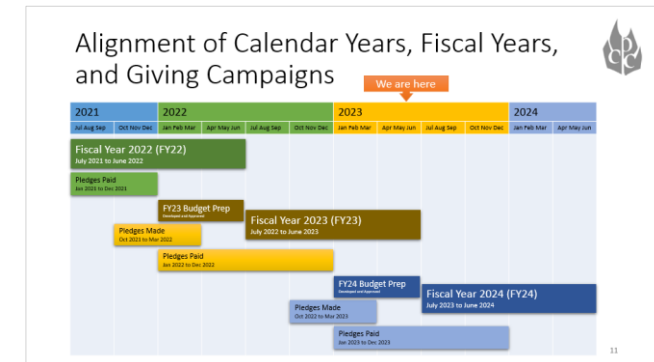
May 31 and June 1, 2023





Content for Today's Session

- Financial Context
- Budget Philosophy and Outlook
- Budget Overview
- Questions & Comments

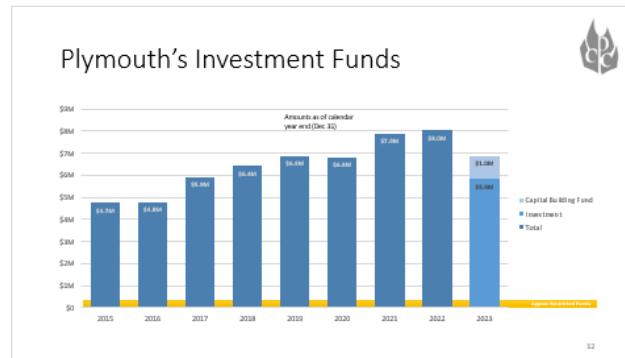




Financial Context

Plymouth has an abundance of resources:

- \$7M in investments
- \$8M in property (assessed value)
- No debt



There are significant demands on these resources:

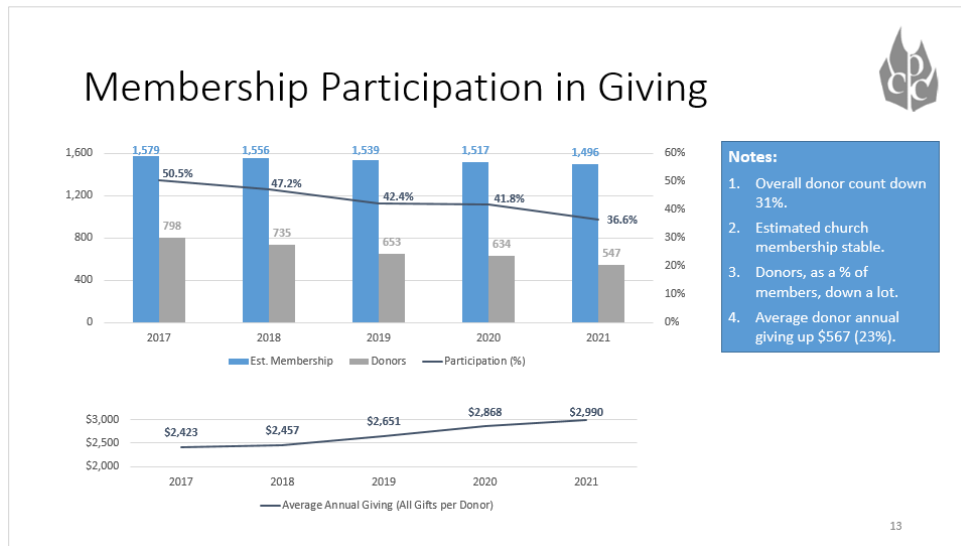
- The church building is aging and significant expenses (\$1M-\$2M or more) are likely in the next few years.
- Draws in excess of earnings (4-5%) and contributions (avg \$160K/year, but highly variable) will deplete the investment balance over time.



Financial Context

Giving income has been trending down over many years.

- Fewer members are giving, and they are giving more.
- Total contributions are declining.



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Budget Philosophy and Outlook

Budgeting reflects choices around:

- What activities are the congregation willing and able to support?
- What is likely or unlikely to change over the coming years?
- Should we spend or defend the resources we have?

Many choices have **consequences**, and some are **self-reinforcing**.

The Deacons decided that these **choices for the second half of FY24** and beyond should be **informed by dialog with the congregation**.

We are proposing a **6-month budget**, covering July 2023 to December 2023, to provide time for the congregation to give input on what comes next.



FY24 Operating Budget: Revenue

H1 is the 1st half of the fiscal year: July to December

	FY23 Budget	FY23 H1 Actuals	FY24 H1 Budget
Revenue	\$ (2,700,425)	\$ (1,235,322)	\$ (1,426,800)
Contributions	\$ (1,870,000)	\$ (887,599)	\$ (900,000)
Annual Giving	\$ (1,870,000)	\$ (887,599)	\$ (900,000)
Other Income	\$ (328,300)	\$ (106,398)	\$ (147,500)
Leases, Rentals, Fees, etc.	\$ (328,300)	\$ (106,398)	\$ (147,500)
Transfers	\$ (432,125)	\$ (200,000)	\$ (334,300)
4% of Commingled Investments	\$ (283,000)	\$ (150,000)	\$ (142,150)
Commingled Investment, Add' to Cover Gap	\$ (99,125)	\$ -	\$ (142,150)
Parking Lot Sale Income	\$ (50,000)	\$ (50,000)	\$ (50,000)
Pass Through	\$ (70,000)	\$ (41,325)	\$ (45,000)
Christmas and Easter Offering	\$ (70,000)	\$ (41,325)	\$ (45,000)

Notes:

1. Annual Giving line includes all giving income sources, including pledged giving, unpledged giving, major contributions, and open offering. Bequests are excluded.
2. The FY24 H1 budget includes an 8.0% transfer on an annualized basis from the investments to the operating budget. This is commonly referred to as “the draw”.



FY24 Operating Budget: Expense

H1 is the 1st half of the fiscal year: July to December

	FY23 Budget	FY23 H1 Actuals	FY24 H1 Budget
Expense	\$ 2,700,425	\$ 1,301,278	\$ 1,426,800
Staff Related	\$ 1,744,725	\$ 887,782	\$ 906,890
Clergy	\$ 281,200	\$ 140,616	\$ 146,474
Music	\$ 190,500	\$ 94,267	\$ 94,288
Education and Outreach	\$ 131,388	\$ 61,291	\$ 92,328
Office, Building, Admin	\$ 764,785	\$ 424,879	\$ 376,210
Non-Salary Benefits	\$ 376,852	\$ 166,729	\$ 197,590
Other Expense	\$ 885,700	\$ 400,496	\$ 474,910
Boards and Programs	\$ 124,925	\$ 32,984	\$ 75,560
Community Fund	\$ 95,000	\$ 12,267	\$ 10,000
Administration/Operations	\$ 171,175	\$ 83,004	\$ 136,300
Building	\$ 494,600	\$ 254,136	\$ 253,050
Non-Capitalizable Building Improvements	\$ -	\$ 18,105	\$ -
Pass Through	\$ 70,000	\$ 13,000	\$ 45,000
Christmas and Easter Offering	\$ 70,000	\$ 13,000	\$ 45,000

Notes:

1. FY24 budgets are based on current estimates of current expenses.
2. Notable Increases:
 - Accounting and Payroll services
 - Building security service
 - COLA/salary adjustments
3. Notable Decreases:
 - “Resting” the building on Mondays
 - Holding several positions open
 - General tightening where possible

Note: FY23 H1 actual expenses exceeded income by \$66K within the first half. The FY24 H1 proposed budget balances within the first half.



FY24 Capital Expenditures

Capital Building Fund balance remains at \$1M, sitting within the overall investment balance of \$7M:

- The \$200K that was budgeted in FY23 was not spent.
- No plans for capital spend during the first half of FY24.

Still working on estimates of future building needs, but many believe:

- There are near-term building expenses that will exceed the \$1M held in the Capital Building Fund.
- Excess costs will need to be covered by:
 - Additional funds from the investment balance.
 - New fund-raising (e.g., a Capital Campaign). There is uncertainty and doubt about the potential for such a campaign, having fallen short of the 2022-2023 annual giving goal.



Questions and Comments

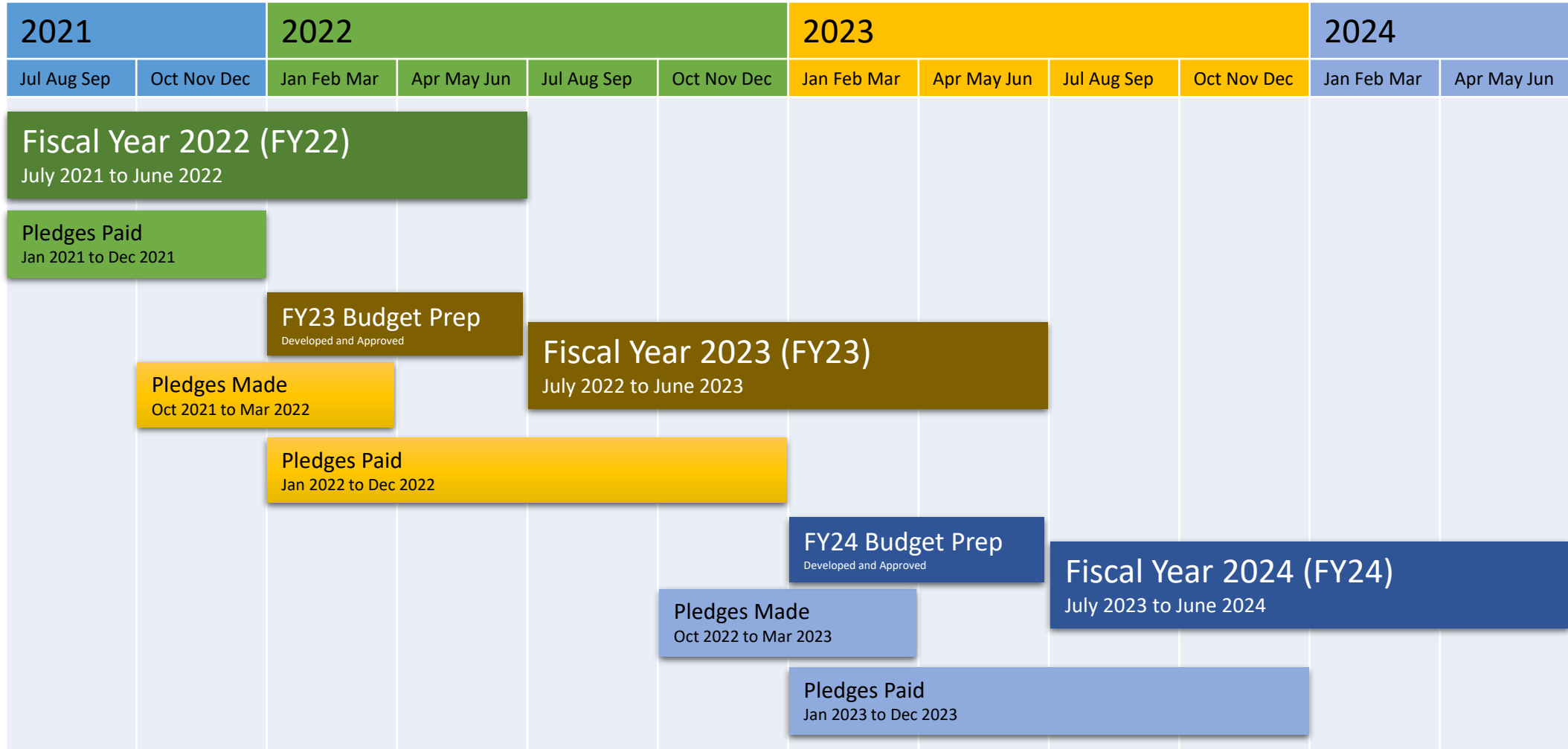


Supporting Material



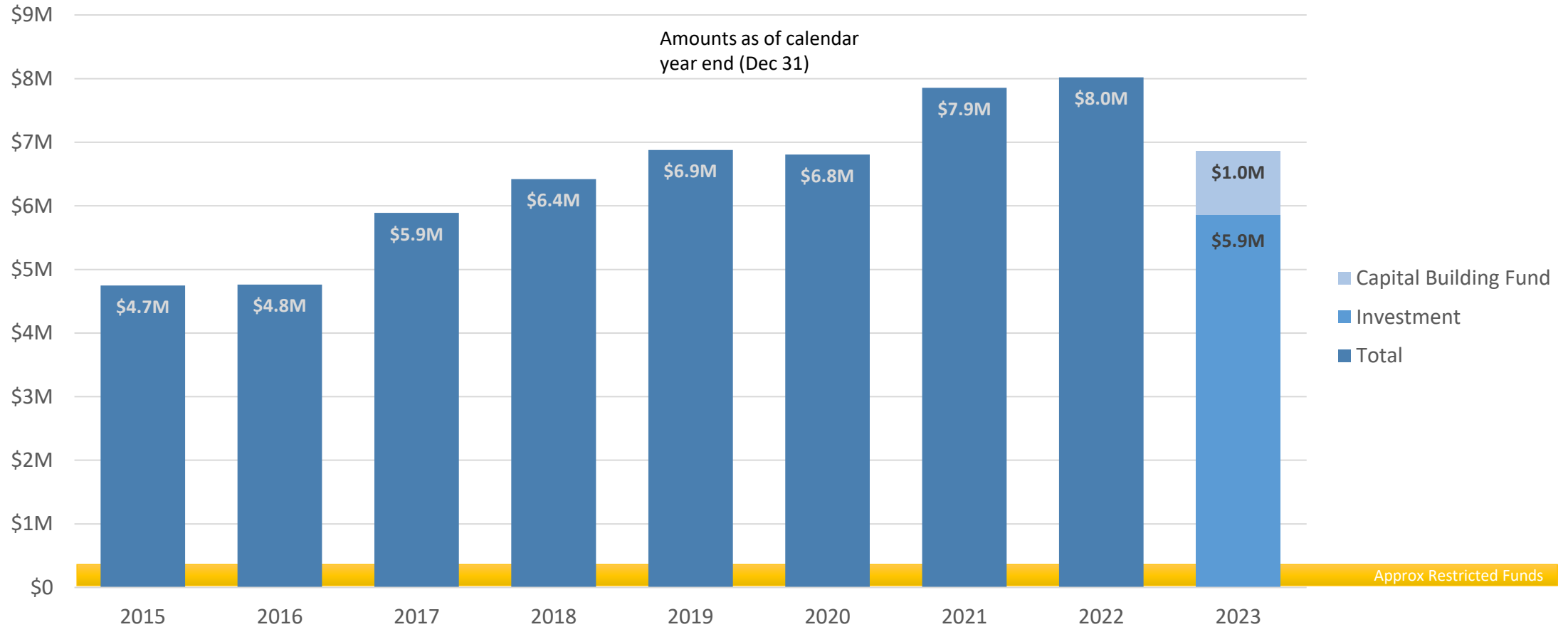
Alignment of Calendar Years, Fiscal Years, and Giving Campaigns

We are here



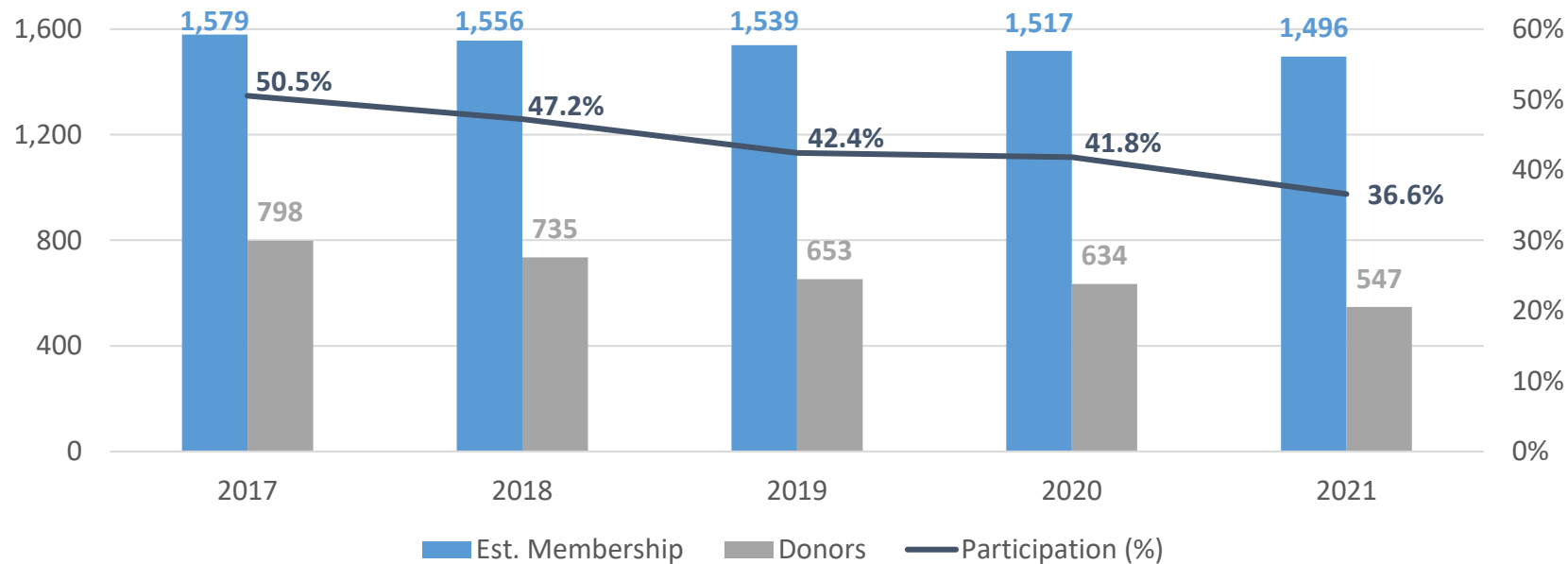


Plymouth's Investment Funds

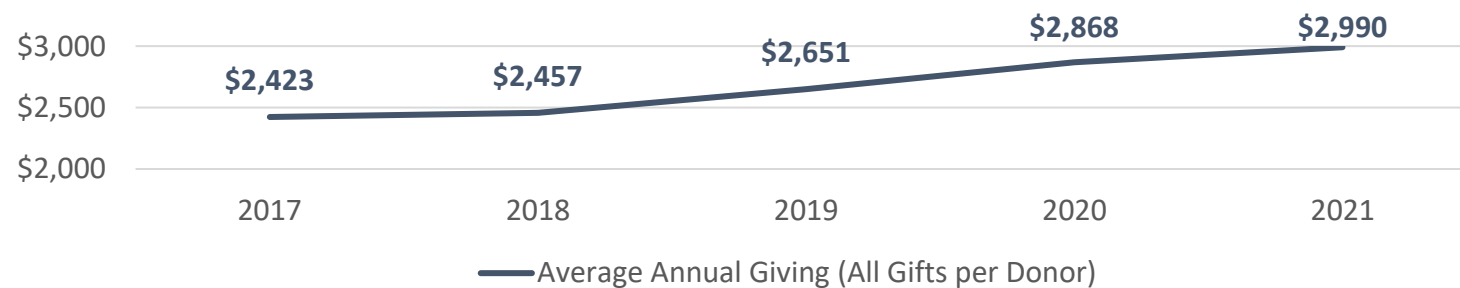




Membership Participation in Giving

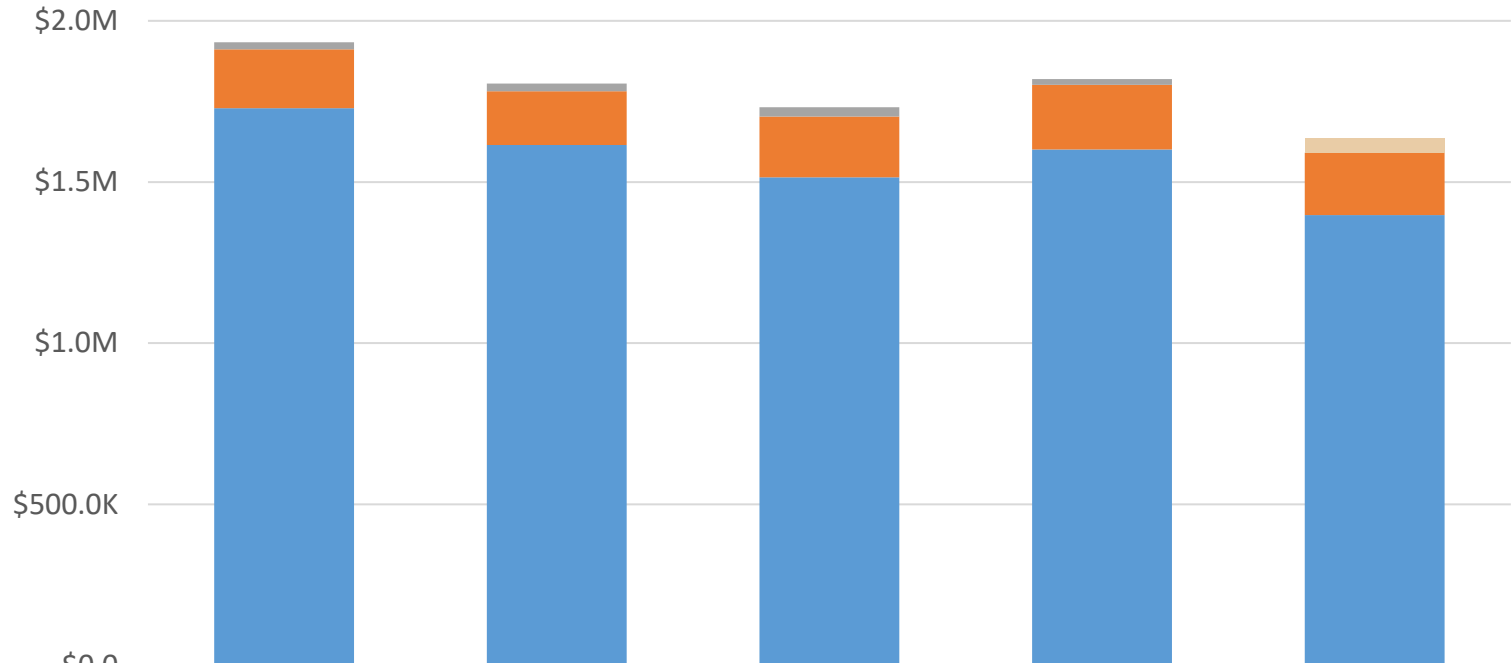


- Notes:**
1. Overall donor count down 31%.
 2. Estimated church membership stable.
 3. Donors, as a % of members, down a lot.
 4. Average donor annual giving up \$567 (23%).





Total Contributions (2017-2021)



Notes:

- Revenue is down 15% in five years.
- Donor count is down 31%.

	2017	2018	2019	2020	2021
TOTAL	\$1.9M	\$1.8M	\$1.7M	\$1.8M	\$1.6M
■ Stew Growth	\$0.0	\$0.0	\$0.0	\$0.0	\$45.0K
■ Open Offering	\$21.4K	\$23.7K	\$28.7K	\$18.0K	\$555
■ Non-Pledge	\$183.2K	\$166.9K	\$188.3K	\$200.7K	\$192.7K
■ Pledge Inc	\$1.7M	\$1.6M	\$1.5M	\$1.6M	\$1.4M



Budget Process

Budget Development

- Staff-led, with input from clergy, Treasurer, Board of Finance and Administration (BoFA) chair and Board.
- Reviewed during April 19 joint meeting between BoFA and Deacons.
- BoFA recommended:
 - Lower income and draw than proposed
 - Shorter-term budget to allow time for congregational input on reductions

Budget Approval

- Revised budget brought to May 9 Deacons meeting.
- Key elements of revised budget:
 - 6-month period, July to December
 - Conservative income basis
 - Higher draw than BoFA recommended
- During meeting, Deacons:
 - Approved budget for consideration in the annual meeting.
 - Began laying out approach to gather congregational input and consensus.