

TLC Recommended 2024 Budget Comments and Analysis

(1) The budget subcommittee (Meredith Askey, Kathryn Melear, Bob Frymoyer – with Pastor Horner and David Holste providing input) had three meetings (Nov. 2, 7, and 27) to review, ask questions of ministries, and arrive at a 2024 balanced budget. Thank you to this dedicated team for working through the budget process in an effective way.

(2) As part of the budget process, the Finance Chair prepared a projection of the year-end 2023 General Fund actual results, based on September financial reports. In the projection, Membership Envelopes were \$1,259,370. Total receipts were \$1,532,686. Total expenses were \$1,591,851 (including Salaries and Benefits \$31,142 under budget and Faith Formation \$11,023 under budget). Year-end net Receipts less Expenses was projected to be a deficit of (\$59,165).

(3) Budget requests submitted by the teams and committees totaled \$1,773,574, an increase of \$152,840 over the 2023 budget. Salaries and Benefits increased by \$30,900, reflecting the Synod level for pastors and a 4% salary increase for other staff. Property had a \$24,000 increase.

(4) Budget estimates for receipts totaled \$1,602,056. Included in this was an increase (from projected 2023) in Membership Envelopes (due to the Give, Serve, Lead Annual Appeal effort, with results announced December 3). This also includes \$8,000 in reimbursements for Solar Renewable Energy Credits (SRECs) and a \$20,000 reimbursement (participant payments and fund-raising) for the National Youth Gathering.

(5) The budget requests exceeded the budget estimates for receipts by \$171,518. This was the shortfall that the budget subcommittee had to address to arrive at a balanced budget.

(6) The budget subcommittee first considered clarification of budget requests or alternative (off-budget) methods that could reduce budgeted expenses. Included in #62400 Computer Software & Equipment were computer upgrades; this \$2,000 item will be considered for Undesignated Memorials when ready for purchase. Property has three items (lawn tractor, elevator safety upgrade, tree removal) for a total of \$10,000, that will be considered for Undesignated Memorials when ready for purchase. IT/AV Team has Fellowship Hall Upgrades (new lighting to replace fluorescent alcoves, new projectors, new screens, new control system to route video & audio feeds) at a estimated cost of \$70,000, which will be considered for MIRA financing when the project is ready (lighting part is now proceeding with funding of \$6,000 from the Shannon Electrical Upgrades Bequest). Faith Formation request is \$22,000 higher than its 2023 budget, primarily due to \$30,000 allocated to the National Youth Gathering expense (of which \$20,000 is to be reimbursed) – there are no changes to this request. Missions Team indicated it could accept a 10% reduction (\$660) in #67410, Summer Mission Trip. Worship reduced its budget request by \$4,300, reflecting plans for reduced altar flowers and communion elements expenses. Finance will decrease its budget request by \$5,000 to reduce the transfer to MIRA (Financial Stability – MIRA 10% of total budget). Benevolence requests were untouched for the 2024 budget. One increase in expenses occurred due to recent staff changes. An additional \$10,000 was budgeted for Employee Benefits to support a full-time position (combined Digital Media & Communications, with salary from the 2024 budgets for the two former positions). As part of the Worship revision, Contemporary Service Expenses had a requested increase of \$300 (this line item was moved to General Expenses, as it was primarily for the PCO subscription cost).

(7) To summarize the expense adjustments (reductions):

Employee Benefits (resulting from staffing changes)	- 10,000
General – Contemporary Service Expenses	- 300
#62400 Computer Equipment (to be funded by Undesig. Memorials)	2,000
Property, three items (to be funded by Undesig. Memorials)	10,000
IT/AV, Fellowship Hall Upgrades (to be funded from MIRA when ready)	70,000
Missions Team (reduce Summer Missions Trip)	660
Worship, budget reductions to Altar Flower & Communion Elements	4,300
Finance, reduce transfer to MIRA	<u>5,000</u>
Total expense adjustment	81,660

(8) The budget subcommittee then looked at the potential for increases in receipts, or additional revenue streams that may be available. Easter Envelopes were increased by \$4,500, with the expectation of Easter envelopes being provided by mail. With a projected deficit at the end of 2023, there is no Balance Carried Forward available for the 2024 budget. Transfers from Designated Funds include \$44,957 from the General Operating Reserve and \$20,201 from the Disability Self-Insurance Fund. The Disability Self-Insurance Fund has not been used in 20 years, and sufficient funds are being retained in the Fund for disability income, should it be necessary. The budget includes an Endowment Fund transfer of \$20,000, which is intended to partially fund the 2024 general benevolence expenses. Transfers were already included in the "requested" budget for \$10,000 as a Pre-School Contribution (agreed to by the Pre-School, for Trinity's utilities and services) and from the Traditional Music Fund of \$5,000 (as was done in 2023) to fund a portion of Arts expenses.

(9) To summarize the additions to receipts in the budget:

#41150, Easter Envelopes	4,500
Designated Fund #610, General Operating Reserve	45,257
Designated Fund #850, Disability Self-Insurance	20,101
Endowment Fund distribution	<u>20,000</u>
Total Receipts addition	89,858

(10) The combination of \$81,660 adjustments (reductions) to expenses and the \$89,858 additions to receipts provide the \$171,518 needed to balance the budget. The 2024 budget is balanced at \$1,691,914 for both receipts and expenses.

Respectfully submitted,
Daryl Ackerman
12-01-2023