

Plymouth Congregational Church's Financial Picture 2024

Some Questions and Answers

THE ROAD WE'VE TRAVELED

I don't remember budget problems in the past. What's changed?

In recent years – through 2021 – we benefited from unique, but one-time, sources of income – construction firms that paid to park their big rigs in our lot, and Federal COVID-related payroll assistance. These allowed us to ride out the COVID disruption with balanced budgets. But they masked a systemic problem – our ongoing regular funding was simply insufficient for our programmatic life.

What has happened recently?

Our 2022 budget included a gap of over \$115,600 – a planned draw of \$72,800 from reserves + a bottom-line deficit of \$42,800. Gaining \$91,100 against the budget, we closed 2022 with a LOSS of \$24,500, posted to Net Assets without drawing from Reserves.

Our 2023 budget had a bottom-line deficit of \$56,445 but relied on an optimistic \$40,000 in new pledges. Despite new pledges totaling only \$19,000 we ended 2023 with a heartening \$21,433 SURPLUS.

Both years benefited from aggressive trimming of expenses and a huge extra boost through Plymouth Gives Day, a mid-year fundraiser.

2024 – THIS YEAR'S MAP

Explain the 2024 Pledge budget.

The entire budget hinges on Pledges, representing 82% of operating income.

By mid-January we had received \$786,186 in stated Pledges. The Stewardship Campaign succeeded in receiving more timely responses from most members, though by mid-January still had not heard from several long-time contributors. Some non-respondents continue to give regularly, but we weren't able to include their gifts in our income plan, a significant

challenge for the Budget and Finance Committee's work and a burden to the Congregation's deliberations.

How does the 2024 budget compare to 2023's experience?

INCOME: 2023's surplus of \$21,433 is included in 2024 income, a way of keeping money already owned in the Operating bucket instead of rolling into Net Assets. **Parsonage rental** assumes a mid-year transition to a market rate. **Parking Lot Rent and Interest Income** include small increases.

EXPENSES: Operating Expenses in 2024 are budgeted at about \$10,150 more than was spent in 2023. Significant changes include:

- A reduction in Personnel costs by almost \$6,900 resulting from 2023 staffing changes. After two years of cost-of-living adjustments falling significantly behind inflation, the 2024 budget includes a graduated COLA, varying from 3% at higher wage levels to 15% at lower levels, flattening pay differentials.
- Our Outreach and Missions grants budget, reduced by 2/3rds in 2023, is increased by \$5,000 to a budgeted \$10,000 in Operating outlays. It's vital to note that most Mission-related disbursements flow from Designated/Reserve Funds, outside the Operating Budget; in 2023, these Fund-generated Mission outlays totaled \$61,446.
- Our Church's Wider Mission, our support of the regional and national UCC and to its mission in the world, has been reduced a further \$5,000, a 61% decrease in 2 years.
- New funding of \$5,000 is added to the Christian Formation budget. In 2023 the Board made heavy use of the Children & Youth Ministry Reserve fund for its programming, and we expect that Fund to continue to undergird CF activities.
- Music program costs are budgeted \$3,200 more than in 2023 (\$600

over actual expenses). Brass ensembles for Easter and Christmas Eve, a big cost, are cancelled.

- Prior to 2023, designated gifts for food and drink (for coffee and to offset special events); for flowers; and for online transaction fees were subtracted from reported expense lines. This made our expenses appear smaller than they actually are. In 2024, we budget these contributions as **Miscellaneous Income**, and add the same amounts to the corresponding expense budgets. The two offset each other for a net expense of zero, but the structure more accurately portrays actual income and expense. Miscellaneous Income also now includes \$2,550 in anticipated credit card rewards redemptions.

Big Picture: What's our challenge?

The gap between income and expenses in the 2024 budget is \$16,189. We close that gap by putting it in the budget as Fundraising income.

PLYMOUTH'S BUDGET AND ME

How can I help?

Each member of this community has access to a powerful action that makes more difference than any other single act: to positively respond to the Stewardship campaign with a pledge, no matter how small or large. Though the Stewardship Board worked assiduously to contact everyone, even some regular donors chose not to respond. This presented a difficult challenge for the Budget & Finance Committee in drafting a plan for the year. How to pledge? Use the pledge card in the pew, send an email to plymouth@plymouthucc.org, or go to <https://plymouthucc.org/pledge>.

What if I have more questions?

Contact Treasurer George Theodore.