

## 2023 Budget Narrative

### INCOME

1. Per Capita
  - a. GA increased their per capita from \$8.98 to \$9.85, an **87¢** increase for 2023. Synod plans to maintain their per capita at \$3.81. Admin has suggested we raise our per capita by **13¢** to make the total that churches pay for next year \$36.25, up **\$1.00** from 2022.
  - b. 2023 Membership from stats: 9,182. Assuming 85% of our members are covered by per capita payments, our expected headcount for income is 7,805 giving a per capita income of \$176,308.
2. Interest income
  - a. Our CDs matured last year, and the money was left in our checking account. We will have no interest income in 2023. Having this extra cash in our checking account means we do not need to transfer money from our investments to our checking. This is a good thing with markets being down this year.
3. Mission income.
  - a. Mission income has been falling as has our per capita. If we ratio our mission income to the reduction in our membership, 2023 mission income is estimated to be \$60,000.
4. Dividends and Unrealized gains – from our investment account.
  - a. While the last three years have seen extraordinary gains in our investments (19%, 12%, 12%), thus far in 2022 our account is down about 12% or ≈\$100,000 at the end of July. The Finance Committee felt we should budget 4% of our account balance as of the end of June, making our unrealized gains for 2023 \$31,500.
5. Trust clause payments.
  - a. This is money currently being paid by Northminster Presbyterian Church for their succession from PCUSA. It runs out at the end of 2023.

**Total budgeted income for 2023 is expected to be \$280,024.**

### Expenses

1. Presbytery Office Expenses – the total is down about \$10,661 from 2022.
  - a. Our 3-year office lease ended in April of 2022, and after consolidating our offices, we signed a new 3-year lease that reduces our monthly rent from \$1,200 to \$350. That rent also includes the use of FFC's WiFi, which allowed us to cancel our contract with Comcast saving almost \$2800/yr.
  - b. While Service Agreements totals are about the same as 2022, they include \$1800 of Treasurer Training by Amy Gardner. With the savings we realized from Comcast, we are able to absorb an increase from Stellar for their Information Technology support and also purchase new software for our Newsletter.
  - c. Our office supplies are reduced as we do more virtual work within the presbytery.
2. Meeting Expenses – up \$350 from 2022 as we anticipate more in-person meetings in 2023.

3. Administration Expense – down about \$5,500 from 2022.
  - a. We continue to use the Presbytery’s “Review of the Books” method rather than an official audit. We thank Pam Moore and Craig Mousty for doing this year’s review, which found no discrepancies of the financial records. If you would like to volunteer to do it next year, please contact me.
  - b. Our payroll company increased their costs for 2023 by \$300 (the first increase in 3 years).
  - c. With less office space and fewer fulltime staff, our insurance costs dropped by \$500.
  - d. With no GA meeting in 2023, those costs were removed for 2023.
  - e. The unpaid per capita for 2023 dropped by \$2750 compared to 2022 because our membership continues to drop.
4. Mission Programs – Visioning grants continue to be reduced towards the goal of 10% of total costs. Next year’s grants total \$40,000.
5. Committee on Ministry (COM) and CPM – while budgeted costs reflect a \$1700 increase in COM due to Leaderwise payments, the actual cost compared to 2022 will be about the same. That is because we had more assessments in 2022 than we budgeted for and our total costs are likely to be \$4500. (We have already spent more than the \$2000 budgeted amount in the first half of this year.)
6. Personnel – as noted in the Personnel and Leadership Reports, there are several changes for 2023:
  - a. Leadership is seeking a full time Lead Presbyter for 2023. An estimate of the call is shown in the budget which includes an increase in Board of Pension dues from 37% to 39%.
  - b. With the additional workload for the stated clerk and our partnering with East Iowa to share that position, the cost has risen, which now includes Board of Pension dues (39%).
  - c. Elimination of a full-time admin and the use of a virtual assistant has reduced those costs about \$42,000. Virtual Ministries agreed not to increase their costs in 2023.
  - d. Our bookkeeper received her first substantial, well deserved raise effective July 1, 2022.
  - e. Our CLP coordinator has also been asked to increase the support she offers.
  - f. Total personnel expenses are up about \$600 from 2022.

**Total Budgeted Expenses is \$305,619.**

**Overall**

1. 2023 compared to 2022:
  - a. Income is down \$18,628, mainly from lower membership and fewer gains on our investments.
  - b. Expenses are down by \$21,609.
  - c. Net Income to Expenses in 2023 of (\$25,595) is \$2,981 better than 2022.
2. The actual impact of the 2023 budget on the cash flow to the checking account is (\$57,095) because we generally do not sell off our investments to realize the gains shown.