

2024 Budget Narrative

By Bill Strawbridge, Treasurer

INCOME

1. Per Capita
 - a. GA has promised to decrease their per capita by **5¢** for 2024 from \$9.85 to \$9.80. We believe Synod plans to maintain their per capita at \$3.81. Admin has suggested we raise our per capita by **\$1.05** to make the **total** per capita that churches pay for 2024 **\$37.25**, up **\$1.00** from 2023.
 - b. 2024 Membership from stats was 8,677, down 505 from last year. The percentage of membership covered by actual per capita giving was averaging 85% up until 2022, when it fell to 82%. We estimate that our 2023 coverage will be 83% and that is the number we are using for 2024. Assuming 83% of our members are covered by per capita payments, our expected headcount for GRP income is 7,202 giving a per capita income of \$170,255 (7202 x \$23.64 [GRP portion of \$37.25]).
2. Interest income
 - a. We have \$100,000 in laddered CDs, some of which will be maturing in 2024 giving an expected interest income of around \$4,000. We will assess the health of our checking account as these CDs mature to determine if we need to transfer their monies back into checking.
3. Mission income.
 - a. Mission income was budgeted at \$61,600 for 2022 and came in at \$67,126. We budgeted \$60,000 in 2023 and we expected to exceed that number slightly. We are budgeting the same amount for 2024: \$60,000.
4. Dividends and Unrealized gains – from our investment account.
 - a. As will be seen from the investment “roller coaster” chart during my presentation, our New Covenant funds were down 16% in 2022 and have thus far bounced back up 10% for 2023 but remain more than \$60,000 below the peak we experienced in 2022. The Finance Committee felt we should budget 4% of our account balance as of the end of June, making our unrealized gains for 2024 \$30,000.
5. Trust clause payments.
 - a. The trust clause payments from Northminster Presbyterian Church for their succession from PCUSA terminate in 2023. We will continue to receive a little over \$600 for the next 3 years from other trust clause payments.

Total budgeted income for 2024 is expected to be \$264,855.

Expenses

1. Presbytery Office Expenses – the total is up \$1,408 from 2023.
 - a. Our 3-year office lease increases 2% each year of the lease contract.
 - b. Service Agreements are higher due to increases in our service agreements and the inclusion of \$1800 for Treasurer’s Training.
 - c. The remaining costs have been adjusted for actual previous year’s costs.
2. Meeting Expenses – down from 2023 by \$250.
 - a. These expenses are adjusted for actuals from previous years.

- b. We added in the cost of room rent for when committees meet in person in the Garden Room of FFC, which costs \$50 per session.
3. Administration Expense – up more than \$15,000 from 2023.
 - a. Our financial manual calls out we do an audit of our books every third year. The last time we had it done in 2021 the cost was \$7500. Given that fewer companies are now doing audits and the auditor would have to go from our 2021 previous audit, we expect the cost to be at least \$8,000, more than half of the Admin Expense increase. We are considering alternatives to “every-third-year” audits to help save money while maintaining the integrity of our finances. Admin will recommend.
 - b. Our payroll processing fees and insurance costs remain about the same.
 - c. Based on recent “hybrid” assembly costs, we estimate about \$2500 will be needed to cover 4 Assemblies in 2024. Recall that when we had Assemblies at 5-Points, they cost \$2500 each! We are asking people to pay the cost of their meals for lunch at the Assemblies.
 - d. GA will be meeting in 2024. GA pays for attendees to share a room together. We have budgeted \$2000 to cover the costs of allowing attendees to have their own rooms.
 - e. The unpaid per capita for 2023 will likely exceed \$22,000 due to fewer members being covered in per capita payments. (83% instead of 85% mentioned above) With the drop in membership, that 83% would equilibrate to \$21,300 in 2024.
 - f. Presbytery events has been increased to cover some of the engagement work that our Lead Presbyter plans with pastors across the presbytery.
4. Mission Programs – Visioning grants continue to be reduced towards the goal of 10% of total costs. Next year’s available grants total \$37,000.
5. Committee on Ministry (COM) and CPM costs have been established based on actual usage.
6. Personnel Costs: \$206,462.
 - a. In 2018 our Personnel costs were \$276,000. Since then, we have gone to a virtual assistant, a bookkeeper and payroll company instead of CPA, and a part time stated clerk we share with East Iowa. Our expected costs for 2024 are just over \$206,000 – a \$70,000 reduction compared to 6 years ago.
 - b. The Lead Presbyter package includes Board of Pension dues at 39% (\$28,000) based on an effective salary of \$72,000 (\$42,000 cash salary, \$30,000 housing allowance).
 - c. While we pay for our clerk’s full salary, we are reimbursed by East Iowa for their half and our budget covers only GRP contributions to her pay.
 - d. Virtual Ministries has agreed not to increase their costs in 2024 for the second year in a row. The \$600 increase that is shown is for the FFC admin to cover our mail for the year.

Total Budgeted Expenses are \$314,358 resulting in a deficit of just under \$50,000.

The actual estimated impact of the 2024 budget on the cash flow to the checking account is (\$79,603) because we do not sell off our investments to realize the gains shown. Of this amount \$56,000 is from churches not paying 100% of their per capita.