

## 2023 Ministry Operating Budget

### **PROJECTED 2023 INCOME:**

**Pledge Income:** During the 2023 stewardship campaign, 567 Canterbury families made pledges of \$3.967 million. (Details on 2023 pledges shown on Attachment A)

**Rollover Pledge Income:** 140 Canterbury families (who had pledges in 2022 and fulfilled their pledges by at least 80% and had not yet submitted a pledge card) were entered as rollover pledges for 2023 in the amount of \$633.3K. All of these 140 families are considered to be ongoing viable pledging members. (Details on this group shown on Attachment A)

**GROSS PLEDGE INCOME:** The total pledge count is 567 pledges for \$3.967 million. The number of pledges has decreased from 2022 (570) by 3, and the dollar amount of the 2023 pledge total is \$103.5K higher than the 2022 pledge total on an actual basis. (See income line 1 on Attachment B)

**Overpayments:** 2023 pledge overpayments are estimated at \$150.0K, or 3.8% of gross pledges. For 2022, overpayments were 3.4% of gross pledges. (Income line 2 on Attachment B)

**Shortfall:** 2023 pledge shortfall is estimated at \$200K, or 5% of gross pledges. For 2022, shortfall was \$221.3K of pledges on an actual basis. (Income line 3 on Attachment B)

**NET PLEDGE INCOME:** Adding projected overpayments and deducting projected shortfall, net pledge income for 2023 is projected to be \$3.916.8 million. (Income line 4 on Attachment B)

**Non-Pledge Income:** This category includes all current year gifts to Canterbury made in the absence of a pledge. 2023 non-pledge income is projected at \$625K. Note that the budgeted non-pledge income for 2022 was \$530K, but the actual non-pledge income was \$690.7K. Non-pledge income has risen since 2017 and significantly between the years of 2019-2022. (Income line 5 on Attachment B)

**Other Income:** Other income is a collection of miscellaneous income sources including loose plate collections, prior year pledge payments, VISA Worldpoints, and Memorials. For 2023, other income also includes \$200K from one-time ERTC (Employee Retention Tax Credit) funds for which Canterbury UMC has been approved. This brings other income for 2023 to a total of \$325.2K. (Income line 6 on Attachment B)

**Foundation Transfers:** The final three income lines are endowment transfers from the Canterbury Foundation to Canterbury Church in support of 2023 ministries. The \$254K represents a 3.5% spending distribution from the Foundation, which is approximately \$33.3K less than last year's transfers. (Income lines 7, 8 and 9 on Attachment B)

<p><b><u>TOTAL PROJECTED INCOME:</u></b> Total projected 2023 income for Canterbury, from all sources, is projected to be \$5,121.0 million which is \$281.5K higher than 2022 actual income.</p>
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**PROJECTED 2023 EXPENSE:**

**Summary:** Expenses for the 2023 proposed budget have grown across the board due to the following reasons: unbudgeted staff positions carried over from 2022, inflationary pressures due to a 17% increase in staff insurance premiums, and inflationary pressures impacting programmatic costs.

**Personnel Expense:** The personnel expense budget for 2023 of \$2,710.5 million is the requested amount from Canterbury’s Staff Parish Relations Team to properly fund all staff positions during fiscal year 2023. (Expense line 3 on Attachment B)

**Worship:** The overall worship budget is \$149.3K. (Expense line 4 on Attachment B)

**Age-Level Ministries:** The 2023 budget amount is \$229.0K. Please note summary above. (Expense line 5 on Attachment B)

**Outreach:** Canterbury will continue to make outreach a ministry priority by allocating 10% of total annual revenue line items to this ministry, resulting in a 2023 outreach budget of \$492.1K. Please note that this 10% rule is not applied to the one-time ERTC funds as those funds will not be available beyond FY2023. (Expense line 6 on Attachment B)

**Communications/Marketing:** The 2023 budget amount is \$67.4K. (See expense line 7 on Attachment B)

**North Alabama Conference Connectional Giving:** Canterbury’s Finance Team has approved an 8% allocation of pew receipts for fiscal year 2023 towards connectional giving. This is a total of \$370.4K. We will continue to review our finances and if there is a possibility of giving more, we will allocate more through connectional giving (not reflected in attachment). Again, please note that this 8% rule is not applied to the one-time ERTC funds as those funds will not be available beyond FY2023. (Expense line 8 on Attachment B)

**Operating Costs:** Operating costs for the 2023 budget are \$1,097.8K. Please note summary above. (Expense line 9 on Attachment B)

**Scholarships:** Birmingham Southern College Scholarship Fund will remain \$4.5K for fiscal year 2023. (Expense line 10 on Attachment B)

**TOTAL PROJECTED EXPENSE:** Total projected 2023 expense for Canterbury United Methodist Church, from all sources, is projected to be \$5,121.0 million. This results in a balanced budget for FY2023.