

2024 Ask Budget (September 2023)

Dear Friends and Parishioners,

As part of the 2024 Stewardship Campaign, we are sharing the 2023 budget approved by the Vestry in February 2023 and the 2024 budget scenarios. The purpose of sharing this information is to be transparent, provide more detail on where the income from contributions (such as pledges) is planned to be spent in 2024, and project the net result (bottom-line) impact of the 2024 Stewardship Campaign.

The Ask:

- Our 2024 Pledge goal is \$350,815.
- CHT has been notified that our largest pledger in terms of dollar amount will unfortunately not be in the position to pledge at all in 2024.
- **As such, please consider increasing your pledge by at least 8% to meet the 2024 Pledge goal.**
- If we meet the 2024 Pledge Goal of \$350,815, we project a 2024 deficit of \$145,000.
- A deficit of \$145,000 would entail drawing down 9.6% of CHT's long-term funds.
- To have a deficit of \$100,000, all existing pledges should increase by 16%.
- To have a deficit of \$50,000, all current pledges should increase by 30%.
- All pledges are welcome and very much appreciated.

Requested increases in expenditures have been held to an absolute minimum and are mainly inflationary increases.

	2023 Budget	2024 Ask Budget	Change
Pledges	341,829	350,816	8,988
Plate offerings	20,000	20,000	-
Other offerings	27,600	27,600	-
Music Contributions	30,000	30,000	-
Tenant Income	295,700	299,500	3,800
Building Use Income	100,000	125,000	25,000
Other Income	19,805	20,000	195
Total Income	834,934	872,916	37,983
Salaries and related expenses	414,136	426,561	12,425
Church programs and services	91,873	94,629	2,756
Administration	223,398	236,290	12,892
Facilities	255,526	263,192	7,666
Inflow from Property Preservation Trust (PPT)	(91,289)	(93,787)	(2,498)
Capital expenses - eligible from PPT	91,289	93,787	2,498
Total expenses	984,934	1,020,672	35,739
Net surplus/ (deficit):	(150,000)	(147,757)	2,244

The Church of the Holy Trinity will also be actively seeking ways to increase facility income through use of our buildings by third parties for filming, meetings, events, etc. and leverage the value of the music program to spur inflows (e.g. spooky organ music and creepy readings on Halloween).

2024 BUDGETED EXPENSES:

All expenses have been adjusted for 3% inflation from the 2023 approved budget. The total expenditure for 2024 is budgeted at \$1,020,672.

Each line item is further explained below.

Salaries and related expenses

- This line item includes Rector compensation, supply clergy, salaries for the Director of Music; Parish Administrator; and Sexton; commission earned for administering third-party use of the building facilities, overtime, workers compensation, benefits (pension, health and, life insurance costs), and independent building subcontractor costs. The change in the 2024 budgeted expense is an increase of \$8,988, driven by inflation.

Church programs and services

- Includes Church Service expenses (flowers and Altar guild), Evangelism and Advertising Expenses, Church Hospitality and Parish Events, Music Program (vocalists, instrumentalists, Music Director, organ and piano tuning, and sheet music), Adult Christian Education, and Sunday School. The increase of \$2,756 in 2024 expenditure is due to inflation.

Administration

- Includes Office expenses, Professional fees, and Diocesan Assessment. The increase of \$12,892 is due to a ~\$11.5k increase in our Diocesan Assessment. The remaining increase of ~\$1.4k is due to inflation.

Facilities

- This line item includes Property Insurance, Utilities, Buildings, and Grounds Repair and Maintenance, as well as Building Capital Improvements. As such, the 2024 budget is projected to increase by \$7,666 due to inflation.

Property Preservation Trust reimbursement

- The Church of the Holy Trinity has a Property Preservation Trust (PPT) of ~\$1.8 million. Each year the church can use up to 5% of the Trust's value for eligible capital expenses. We calculated to have room in the PPT reimbursement in 2024 that can be used for 2024 capital expenses of \$93,787. This amount will change as the value of the PPT investment changes due to market movements.

2024 BUDGETED INCOME:

Other Income

- This line item includes dividends from the Diocesan Investment Trust of approximately \$20,000.

Facility Income

- Represents income from tenants and building use of the facilities by third parties. We are assuming \$125,000 in facility income from third parties in 2024 and \$299,500 from tenants. Building use is projected to increase by \$125,000 from budget 2023 to 2024 as we continue to return to a new normal after the pandemic and the writers and actors strike resolves. Increases with key tenants have been secured for 2024 generating additional income of approximately \$3,800.

Music Contributions

- Represent all gifts and donations received for the specified purpose to be used for music, including the contributions received from Friends of the Music. Before the pandemic, a third of the music contributions were concentrated in one person. With focused fundraising efforts, we are cautiously optimistic that our music contributions will return to pre-pandemic levels and have a more extensive base. As such, we are projecting music contributions of \$30,000.

Other Offerings

- Include gifts not received through plates or pledges. No change is expected from 2023 to 2024.

Plate Offerings

- Are collected during services. No increase is expected from 2023 to 2024.

Pledges

- CHT has been notified that our largest pledger in terms of dollar amount will unfortunately not be in the position to pledge at all in 2024.
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- To meet our 2024 Pledge goal of \$350,816, pledges would need to increase by 8%. This pledge increase is 5% higher than the inflationary rate increase assumed for the 2024 budget of 3%.
- If the 2024 Budget plans for a break-even point (meaning a zero deficit), contributions would need to increase by \$153,987. This would represent a ~45% increase in pledges.
- If the 2024 Budget plans for a \$100,000 deficit, pledges would need to increase by \$53,987, which is a ~16% increase (i.e., a \$100 pledge in 2023 would then be a \$116 pledge in 2024).
- If the 2024 Budget plans for a \$50,000 deficit, pledges would need to increase by \$103,987, which is a ~30% increase (i.e., a \$100 pledge in 2023 would then be a \$130 pledge in 2024).
- We have a long-term fund that we can draw from if absolutely necessary. We did not draw down from this long-term fund in 2020 and 2021 but made substantial withdrawals in 2022 (due

to the loss of building use income and no Paycheck Protection Program Loans from the Small Business Administration), and plan to withdraw 10% of the fund in 2023.

Overall, we hope that building use will resume its normal levels in 2024 to combat the size of our deficit. As mentioned, the purpose of sharing this information is to be transparent and provide detail on where the income from contributions (such as pledges) is planned to be spent in 2024 and the bottom-line impact resulting from the 2024 Stewardship Campaign.

Of course, this letter only highlights part of what fuels Holy Trinity: the sharing of our treasure. We know and greatly appreciate that tons of time and talents are sacrificially spent at the Church of the Holy Trinity by our parishioners, friends, and many volunteers -- this is invaluable, and we can't thank you enough.

We hope this overview of our budget can be helpful to you in your ongoing support of Holy Trinity. As leaders, we pledge to continue to grow in financial accountability and transparency.

Christine du Toit, treasurer

John F. Beddingfield, Rector