

FY2023 Budget Narrative

Overview

In the years leading up to this Covid period, Mayflower realized solid growth in participation and giving. And now Mayflower has weathered the Covid period well financially. Mayflower is charting its path from here. Covid lingers, inflation is high, the economy and the world are in transition. It makes for a difficult year to forecast. The future is not what it used to be!

Assumptions:

- The Mayflower congregation continues its trend to participate and give.
- Inflation is likely to be embedded in the economy over the next year, with rising costs across the budget.

Giving

- There is the “Mayflower Miracle”: The miracle of Mayflower is in its amazing congregation and its faithful stewardship to support this mission. Over the last fifteen years, Mayflower has achieved an average of 4-5% increase in giving annually. Mayflower has an excellent Stewardship group, leading the congregation in giving.
- We assume giving resumes its path of continued increases in giving this year.

Building Use (Rent)

MECC and Mayflower recently completed a renewed three-year license agreement. Mayflower is indebted to Moderators Maureen Lunde and Leon Erstad, working with MECC, which was led by MECC Chair Dawn Baker, in creating a constructive, mutually beneficial path forward for Mayflower and MECC! The other primary rentals are continuing (pre-schools, cell tower, parking lot with the Museum of Russian Art. Mayflower lost a couple of renters, but has also found new rentals, mostly offsetting these declines.

Building & Grounds

These expenses are going up in part due to inflation. Utility expenses have increased significantly. There has been more maintenance work done on buildings, and this is expected to continue. With the increase in the value of Mayflower’s buildings, insurance costs have also risen.

Justice

Mayflower committed to supporting OCWM (Our Church’s Wider Mission) at 10% of its giving, and achieved this goal several years ago. Mayflower is working to support social justice ministries. 1% of giving is now budgeted for the Mayflower Immigration Team for sanctuary and asylum work, 1% goes to climate change, and 1% to anti-racism.

Compensation

Mayflower has not made cost of living adjustments for wages (COLA) in the last six years. Given increased inflation, a COLA adjustment for compensation has been made for all staff at 2%. The

church also attempts to maintain comparable pay for positions, and periodically attempts to adjust compensation to match these changes. Mayflower is endeavoring to benchmark compensation to comparable level for positions. Benchmarking is done periodically, with compensation adjustments made over a three-year period. Benchmarking was last completed in 2019 for several employees, but was deferred during Covid to alleviate financial stress. This three-year adjustment started in FY22, and continues in FY23 and FY24.

Administrative

The church is investing more money in technology, including communications, computers and services.

Capital Expenditures

There is no allocation for possible capital expenditures in the budget. It is possible that there will be projects to be done, in amounts not exceeding \$45,000.

Funding

The church operated with surplus budgets for the last five years. These operating surpluses were used to invest in capital expenditures to the buildings and grounds. We estimate that at the end of the current FY22 budget year, 6/30/22, there should be \$20,000 in cash, as well as \$35,000 in cash reserves. Mayflower received a loan from the Paycheck Protection Plan (PPP) of \$99,500 which it spent in the spring, summer and fall of 2020 to retain staff and support compensation. All that money was spent for compensation support at that time. Subsequently, in 2021, Mayflower was forgiven this loan, releasing this liability of \$99,500 as cash on the balance sheet. In total, there is approximately \$150,000 in uncommitted cash on Mayflower’s balance sheet. Mayflower also has no debt. Consequently, Mayflower has sufficient resources for this projected deficit for the FY23 budget.

There are so many unknowns in this Covid and world transition time, that we will lean into our balance sheet to sustain Mayflower’s mission to provide time for greater clarity of this world, our giving, and our expenses.

There is consideration of a possible future capital campaign.

FY23 Budget	FY21 Actual	FY22 Budget	FY23 Budget	Change: FY23 from Budget FY22	% Change in FY23 from FY22 (%)	FY23 as % of Total Expenses (\$990,550)
Tithes and Offerings (Giving)	725,696	790,000	767,797	(22,203)	-2.8%	77.5%
Other & Admin (giving fees, coffee revenue, etc.)	(5,531)	(1,250)	(5,678)	(4,428)	170.2%	-0.6%

Building Use (Rent)	106,118	133,334	182,933	49,599	37.2%	18.5%
Memorial Fund		4,100	4,100	0	0.0%	0.4%
Total Revenue	826,282	928,784	952,052	23,268	2.5%	96.1%
Expenditures						
Operations	5,421	10,000	12,500	2,500	25.0%	1.3%
Children Faith Formation	432	3,800	3,800	0	0.0%	0.4%
Youth Faith Formation	4,044	4,465	7,965	3,500	78.4%	0.8%
Adult Faith Formation	450	3,750	3,550	(200)	-5.3%	0.4%
Total Faith Formation	4,926	12,015	15,315	3,300	27.5%	1.5%
Pastoral Care	7,590	7,000	4,600	(2,400)	-34.3%	0.5%
Worship Life	1,668	7,140	7,140	0	0.0%	0.7%
Community & Belonging	586	7,400	7,402	2	0.0%	0.7%
Building & Grounds	119,004	153,675	180,900	27,225	17.7%	18.3%
Justice	92,772	99,260	100,340	1,080	1.1%	10.1%
Justice Teams		2,200	2,200	0	0.0%	0.2%
Ministerial Expense	220,520	228,724	238,620	9,896	4.3%	24.1%
Staff	300,948	342,218	347,734	5,516	1.6%	35.1%
Other Staff Expense	2,464	4,700	3,700	(1,000)	-21.3%	0.4%
Administrative	65,111	66,200	70,100	3,900	5.9%	7.1%
Total Expenditures	821,007	940,532	990,550	50,019	5.3%	100.0%
Total Revenue	826,282	928,784	952,052	23,268	2.5%	96.1%
Net Operating Balance	5,275	(11,747)	(38,498)	(26,751)	227.7%	-3.9%

Notes to the FY23 Budget, for the Budget and Annual Meetings

1. Tithes and Offerings. Giving has increased four to five percent annually for years. During this Covid period, total giving has moderated slightly. Members increased their pledges for calendar 2022 by an average of ten percent from 2021! There were also approximately ten percent fewer pledges, and giving practices also appear to have been affected by Covid. Giving was \$720,000 in FY21 (net of giving transaction fees), and appears to be tracking to \$765,000 for FY22 (current year). We are consequently projecting giving to continue on this path at \$767,797 for FY23 as we pass through this Covid period.
2. Other & Admin. Includes giving expenses (giving transaction fees, credit card giving fees, etc.), revenue from the coffee hour, etc.
3. Building Use (Rental income). Building rental income decreased during FY21 with the church buildings closed, and began to rebound in FY22. Rental income is expected to continue to increase with additional rentals and a renewed agreement with MECC.
4. Memorial Fund. Money from the Memorial Fund will support expenses for social justice programming.
5. Operations. Includes expenses for Council, Stewardship, consultants, etc. This increases with anticipated greater expenses for legal and other consulting expenses.

6. Faith Formation programming expenses for youth will increase with the expectation of support for the first youth trip on several years.
7. Pastoral Care. Support for congregational care and needs, support for in-care-clergy (Mayflower ministerial track members), MARS. This is budgeted to decrease from the higher budgeted amounts anticipated during Covid.
8. Worship Life. Worship and music supplies.
9. Community & Belonging. Hospitality expenses including Gathering Sunday.
10. Building & Grounds. Includes utilities, equipment maintenance, property insurance, custodial services. Utility expenses have already increased and are expected to continue to be higher. Inflation is affecting many aspects of maintenance, including custodial costs, and materials. As the buildings age they are requiring additional maintenance expenses, and we are attempting to be attentive to maintenance issues.
11. Justice. Includes:
 - a. OCWM (Our Church's Wider Mission): \$72,000, 10% of last year's giving.
 - b. Conference Dues: \$6,240.
 - c. Sanctuary and Asylum (Immigration Team): \$7,200 (1% of last year's giving).
 - d. Climate Change: \$7,200 (1% of last year's giving).
 - e. Anti-Racism: \$7,200 (1% of last year's giving).
12. Justice Teams. \$200 of support for each justice team.
13. Ministerial Expense. This includes all compensation and expenses related to the ministers. The Senior Minister receives a salary of \$102,643, and the Associate Minister \$59,888.
14. Staff. Includes all compensation for staff that are not ministers. Compensation for ministers and staff have increased with benchmarking increases beginning in FY22, as well as a COLA (cost of living adjustment) of two percent budgeted for FY23. Compensation was lower in FY21 with reduced staffing during Covid.
15. Other Staff Expense. Includes payroll fees, and other miscellaneous staff expenses.
16. Administrative. Expenses include equipment lease fees (copier, etc.), postage, office supplies, technology expenses, accounting fees. We are attempting to manage costs for the copier, postage and office supplies, while increasing investments in technology to be more productive and providing more communication with the congregation. We anticipate spending more for computers, networks and cyber-security.

We anticipate this will result in a deficit budget for FY23. FY21 was a surplus budget, and FY22 is expected to be near a breakeven budget. FY21 and FY22 had lower expenses as noted above and with reduced staffing. In FY23 we anticipate these expenses will return and be incurred as noted above.

Current Year-to-Date on Profit & Loss Statement (7/1/21 to 3/31/22)

Notes on the current fiscal year results:

Year-to-date, the profit and loss statement is ahead of budget.

- Giving is running slightly behind budget.

- The PPP (Paycheck Protection Plan) loan was forgiven, and realized as income in the year, for \$99,500.
- Building rent is slightly ahead of budget, as we secured a couple of unplanned renters.
- Operations expenses are higher with greater expenses for legal fees, related to review of more agreements and negotiations this year.
- Faith formation expense has been lower as programming has not been running as much while the building has been closed.
- Building and Grounds have been higher with greater expenses for utilities, and higher overall costs. There have been more maintenance issues, and we are trying to stay on top of maintenance events.
- Community and Belonging have not incurred as much as expense as programming has been curtailed while the building is not open.
- Justice Teams includes expenses for the Mayflower Immigration Team, with expenses ahead of scheduled budgeted amounts.
- Staff expenses have been lower with reduced staffing.
- Administrative expenses have been higher with greater costs for technology, including replacement of laptop computers, and more technology investment (computer back up systems, etc.)
- This has resulted in a surplus to budget, which includes the \$99,500 from the PPP loan forgiveness. It is anticipated that the surplus will decrease in the latter months of the fiscal year, due to the seasonality of giving leading to lower giving in the last several months of the fiscal year.

FY22 Year-to-Date Results

FY22 Year-to-Date (7/1/21 to 3/31/22)	YTD Actual (7/1/21 to 3/31/22)	YTD Budget (7/1/21 to 3/31/22)	YTD Over (Under) Budget (7/1/21 to 3/31/22)	% of Budget
Revenue				
Tithes and Offerings	608,166	619,267	(11,101)	98%
Other & Admin (giving fees, coffee)	(5,153)	(270)	(4,883)	261%
Regular Giving	603,013	618,997	(15,984)	97%
PPP Release	99,500		99,500	
Administration	(3,200)	1,350	(4,550)	-237%
Building Use	109,885	103,026	6,859	107%
Total Revenue	809,198	723,373	85,825	112%
Expenditures				
Operations	9,436	6,550	2,886	144%
Faith Formation Expense	3,075	9,086	(6,011)	34%
Pastoral Care	5,086	5,403	(317)	94%

Worship Life	5,509	5,588	(80)	99%
Community & Belonging	339	5,550	(5,211)	6%
Building & Grounds	126,883	108,494	18,388	117%
Justice				
OCWM	56,999	57,000	(1)	100%
Dues - Conference	5,670	5,670	0	100%
Justice	62,669	62,670	(1)	100%
Justice Teams	6,548	13,050	(6,502)	50%
Ministerial Expense	173,086	176,943	(3,858)	98%
Staff Expense	209,904	247,913	(38,009)	85%
Other Staff Expenses	6,378	3,525	2,853	181%
Administrative	56,705	49,650	7,055	114%
Total Support	446,072	478,032	(31,959)	93%
Total Expenditures	665,617	694,424	(28,806)	96%
Total Revenue	809,198	723,373	85,825	112%
Net Operating Revenue	143,581	28,949	114,632	496%

The Statement of Financial Position

The Statement of Financial Position (SFP) has strengthened from the current operating surplus, and the release of the PPP loan, resulting in net revenue of \$146,000 through 3/31/22. Maintenance and capital needs drew down by \$29,000 for projects throughout the year, principally for software and upgrades to the HVAC system. The Cash Reserve remains at \$37,000. With the completion of payments for the conversion of LED lighting with an Xcel program (the Energy Loan), and the forgiveness of the PPP loan, Mayflower has no debt.

Statement of Financial Position

	As of Mar 31, 2022	As of Jun 30, 2021	Change	% Change
ASSETS				
Current Assets				
Total Bank Accounts	427,229	436,489	(9,260)	-2%
Total Accounts Receivable	84,362	11,568	72,793	629%
Total Current Assets	511,590	446,867	64,723	14%
Fixed Assets				
1200 Fixed Asset				
1201 Church Building	637,419	637,419	0	0%
1202 Parking Lot	29,032	29,032	0	0%
1203 CE Wing	182,753	182,753	0	0%
1204 Church Furnishings	50,723	45,323	5,400	12%
1205 Elevator	456,491	456,491	0	0%
1206 Pipe Organ	101,500	101,500	0	0%
1208 Boy Scout Property	10,000	10,000	0	0%

1209 All Are Welcome Improvements	127,332	127,332	0	0%
1210 Small Equipment	43,841	43,841	0	0%
Total 1200 Fixed Asset	1,639,091	1,633,691	5,400	0%
Total Fixed Assets	1,639,091	1,633,691	5,400	0%
TOTAL ASSETS	2,150,681	2,080,558	70,123	3%
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Total Accounts Payable	13,344	61,222	(47,878)	-78%
Credit Cards				
20002 Wells Fargo Credit Card 3799 - Bree	1,264	351	914	261%
20003 Wells Fargo Credit Card 8507 - Thor	(1,738)	54	(1,792)	-3311%
Total Credit Cards	(474)	405	(878)	-217%
Other Current Liabilities				
2020 Accrued Expenses	3,982	(3,160)	7,142	226%
2100 Designated accounts	(167)		(167)	
2021 Olive Oil Pass Through	3,060	1,565	1,495	96%
2101 In/Out Misc	24,174	(17,707)	41,881	237%
2103 Youth Funds	9,877	9,981	(104)	-1%
2105 Earthwise	36	36	0	0%
2111 Faith Formation	(0)	(0)	0	0%
2113 6 & 7th Grade retreat	(1,090)	(1,090)	0	0%
2116 Mayflower Immigration Team	14,638	11,757	2,881	25%
2117 Flowers	(65)	(65)	0	0%
2118 La Creche	695	695	0	0%
2119 Wild Rice Pass through	2,409	909	1,500	165%
Total 2100 Designated accounts	53,568	6,081	47,487	781%
Total Other Current Liabilities	57,549	2,920	54,629	1871%
Total Current Liabilities	70,420	64,547	5,873	9%
Long-Term Liabilities				
2700 Energy Loan	0	1,250	(1,250)	-100%
2800 PPP SBA Loan - Citizens Bank	0	99,500	(99,500)	-100%
Total Long-Term Liabilities	0	100,750	(100,750)	-100%
Total Liabilities	70,420	165,297	(94,877)	-57%
Equity				
3000 Equity				
3002 Boy Scout Property	10,000	10,000	0	0%
3100 Donor Restricted Funds				
3102 Memorials	23,103	22,202	901	4%
3104 Camperships	10,928	10,928	0	0%
3105 Open & Affirming	3,754	3,754	0	0%
3106 Aldrich Music (Children/Youth)	1,488	1,488	0	0%
3107 Music Funds	3,088	6,944	(3,856)	-56%
3108 Memorial Garden	25,661	19,164	6,497	34%

3110 Handbell Fund (Memorial)	171	171	0	0%
3111 Creekside	4,497	4,272	225	5%
3113 Groundwise	1,335	1,335	0	0%
3114 Memorial - Dana Blanck	13,810	13,971	(161)	-1%
3150 WOCA Funds	152	152	0	0%
3152 Senior Living Project	(342)	(342)	0	0%
3910 Faith Formation Grant	3,354	3,354	0	0%
Total 3100 Donor Restricted Funds	91,000	87,393	3,607	4%
3200 Church Designated Funds				
3112 Maintenance & Capital Needs	3,708	32,389	(28,681)	-89%
3115 Sarah Sabbatical	14,925	12,675	2,250	18%
3116 Christian Sabbatical	4,660	3,535	1,125	32%
3117 Pastoral Care	487	487	0	0%
3118 Cash Reserve	36,954	36,954	0	0%
3119 Climate change	2,132	2,132	0	0%
Total 3200 Church Designated Funds	62,867	88,173	(25,306)	-29%
3900 Operating Designated	63,936	23,398	40,539	173%
Total 3000 Equity	227,803	208,964	18,840	9%
3400 Unrestricted Net Assets	1,706,298	1,706,298	0	0%
Net Revenue	146,160		146,160	
Total Equity	2,080,262	1,915,261	165,000	9%
TOTAL LIABILITIES AND EQUITY	2,150,681	2,080,558	70,123	3%

Giving History FY2008 to FY2023

