

FY23 Budget Narrative (Period from 7/1/22 to 6/30/23)

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 engage in participation and giving.
- Inflation is embedded in the economy over the next year, with rising costs across the budget.
- The MECC licensing agreement is in negotiations, and we assume it continues.

Giving

- There is the “Mayflower Miracle”: The miracle of Mayflower is in its amazing congregation and its faithful stewarding of supporting this mission with its giving. 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 (rents)

We assume the MECC license agreement is extended. The primary rents 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 nominal inflation at over 7% currently, a COLA adjustment 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, and was last completed in 2019 for several employees. Benchmarking is averaged out over three years,

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but was deferred during Covid to alleviate financial stress to the budget. FY23 will be the reinitiated this year.

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 of 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 of \$85,000 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.

We are currently digging into the details for a capital campaign.