

BURNSIDE CITY UNITING CHURCH

2023 BUDGET COMMENTARY

The budget prepared for 2023 includes total income of \$442k, total expenses of \$(463)k and a further \$(9)k addition to the Property and Manse Maintenance Reserves. The budget deficit is therefore \$(30)k, which compares favourably with the \$(50)k deficits adopted for 2021 and 2022, neither of which has eventuated. Reserves available to meet any actual deficit from 1 January 2023 are expected to exceed \$150k.

BCUC continues to budget prudently, planning for the worst outcome but praying for the best. In 2022 God has continued to answer our prayers. Although we started the year planning for a deficit of up to \$(50)k, this year has seen a number of favourable variances including:

- Use of BCUC hire income expected to exceed budget by \$14k
- Up to \$18k of savings against the salaries budget adopted
- Up to \$9k of savings against the Facilities budget adopted

Most significantly, offering income has been maintained at a similar level to 2020 and 2021.

Three graphic illustrations have been prepared to illustrate the key trends identified. In addition to Total Church income (the red line) a blue line plotting Offerings income has been added, showing how it has remained stable since 2020 but is now a smaller proportion of total income.

Property related expenditure on the church and manses is budgeted for routine maintenance as advised by the Facilities Committee. For a number of years we have been setting aside funds (\$9k each year) into a separate renovation provision and bank account. By the end of 2023 these will total approximately \$37k for the manses and \$25k for the church available for “non-routine” work when it arises. This will help to avoid the “nasty surprise” effect experienced when large expenses arose for manses in 2017 and, to a lesser extent, for facilities in 2019 and 2020. The provisions will be available to meet them in part or in full.

The increasing facilities hire income is expected to reach \$70k for the first time in 2023. It is unlikely to increase further in subsequent years as this would start to impinge upon BCUC activities in the building. In the meantime, however, this income has significantly reduced the facilities expense to be met from offerings (and from the small but steady surplus rental income generated by the manses). Until the BCUC congregation grows to a size which uses the whole building all week, and generates sufficient offering income to maintain the building by ourselves, the current strategy is the most sensible to ensure that our building is both used and maintained.

The 2023 Budget includes all current staff at their current hours, with the Connections Co-ordinator role fully funded by the Mission Trust Fund. It also incorporates some additional expenses for projects led by that role and for children’s ministry. Finally, the Mission Focus budget is maintained at \$9k and the BCUC Cares budget increased from \$6k to \$8k (excluding MTF funded donations).

In adopting the 2023 Budget, BCUC will need to pray that God continues to grow our offerings income and that, as in 2021 and 2022, not all of the expenses for which we have budgeted will need to be incurred. We know, however, that our accumulated surplus to meet any deficit is likely to exceed \$150k and that we will have over \$50k in the Church/Manse Renovation Fund at the end of this year. Under these circumstances, the budget remains a conservative and responsible financial plan for 2023.