

Hope Chapel
2024 Budget Proposal Narrative
12/4/2023

The attached proposed budget for Hope Chapel for 2024 has been approved by the Session and is being presented to the congregation for affirmation and approval.

The proposal for 2024 expenditures requires an increase in offerings from \$759,990 to \$835,508 (approx. \$75,000, or just under a 10% increase). The year-end projected offerings for 2023, however, are currently higher than budgeted and are estimated to total \$778,000. Thus, if the current projection holds, the increase for 2024 to \$835,508 would be less than \$58,000, or less than an 8% increase.

Ministry Expenses:

Changes in the Ministry Expenses are mostly due to reallocation of expenses to other line items. The largest increase for Children's Ministry is due to the overall increase in total number of children participating. The cost per child remains relatively flat from year to year. Women's Ministry increased mainly due to the cost of the annual retreat.

Missions/Missionary Support remains the same. One of our support recipients has retired and their funding will be reallocated. The Session would like to establish a mission team, and any increase needed for 2024 can be funded on a one-time basis from reserves until a larger amount can be established in future budgets.

Facility Expenses:

Overall facility expenses are projected to increase by \$12,500 due to an increased need for janitorial services, waste removal, and maintenance of the facility.

Administrative Expenses:

Administrative expenses are projected to increase by \$6,373. Nearly half of this amount is a reallocation from the Communications account for staff reimbursement for phones. This staff expense has been transferred to the Administrative Expense section of the budget. All other increases in the administrative section reflect overall increasing costs of liability and property insurance and other office expenses. Interest expense continues to decrease as we pay down the loan on the property.

Ministry Staff Expenses:

The largest changes from year-to-year are reflected in this section of the budget. The Session has reviewed ministerial compensation and determined that increases were needed to achieve compensation levels that meet several criteria including but not limited to:

- Minimum living wage calculations for Guilford County
- Comparable compensation of other ministers in our region
- Impacts of benefit reductions
- A greater desire to meet the needs of, and communicate care for, our ministers

The presentation of this section in the budget has been condensed for purposes of brevity. When a new minister is called, all details of his compensation will be included in the call and may be different from what is estimated. This presentation also assumes the new minister will be called no earlier than June 1st, 2024.

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Ministry Staff Expenses (cont.):

A brief description of the combined line items listed follows:

Ministerial Compensation, Co-Leaders: These are the combined salaries for the Associate Pastor, Director of Worship Arts, and the new Associate Pastor (to begin June 1 or after.)

Children/Youth/Assistant/Intern: These are the combined salaries for the children's minister, part-time youth minister, part-time assistant to the children's ministry, and a to-be hired part-time youth intern.

Office manager/Maintenance: These are the combined salaries for the office manager and the part-time maintenance supervisor.

Discussion of other significant items in this section include:

Education Allowances in the budget increased due to the inclusion of tuition reimbursement for the Director of Worship Arts to complete his educational program, which was started three years ago. Originally, this was an expense paid out of designated contributions and then reserves, and it was to be a benefit paid in lieu of other compensation. The 2023 expense is shown in the actual expense column this year for comparison. This increased budget amount shown will be included in the Ministerial compensation line item next year as the need for the tuition will be completed in 2024.

Staff Care and Development is a new line item to include some of the expenses previously charged to Leadership Development in the Ministry Expenses section, plus an additional amount to include any counseling support or other expenses related to the care and development of the staff.

Insurance expense increases are due to the increasing costs of group insurance. We will continue to review the costs and benefits to determine whether opportunities exist to either reduce costs or improve benefits without raising costs in the future.

The cost of providing retirement benefits for 2024 shows a decrease only because we project the new minister to be on board only 7 of the 12 months of this year.

Other:

The newly formed finance committee has recommended that the church acknowledge in the budget the need to pay down the principal on the church loan. Thus, an amount of \$5,000 was included in the budget for 2024 to make an extra principal payment on the loan. The current loan balance is approximately \$729,000. The building fund balance, from which we make the loan principal payments, is currently at just over \$125,000. The loan's interest rate is 3.5% until March of 2026, when the loan will need to be refinanced. In the short run, we would not actually make the extra principal payment, but we will reserve that amount and earn interest as long as interest rates stay higher than our current loan rate. Accumulated amounts at the end of the term of the current loan can then be used to pay off principal allowing the church to refinance a smaller amount and allow for lower payments after March of 2026.

This narrative is presented on behalf of the elders and finance committee by church treasurer Scott North. Questions may be directed to: elders@hopechapelgreensboro.org

Hope Chapel				
2024 Budget Proposal				
	2023		2024	
	Jan - Oct 2023 YTD Actual	Annual Budget	Projected Budget	Dollar Amt Increase (Decrease)
Income				
4010 Tithes/Offerings	624,478.00	759,989.88	835,508.20	75,518.32
4030 Interest Income	5,416.94	-	5,000.00	5,000.00
408 Other Income	1,000.00	-	-	-
4080 Other Operating Income	1,692.79	-	1,500.00	1,500.00
4081 Youth Activity Receipts	2,450.03	-	-	-
4086 Facility Use Receipts	2,000.00	2,400.00	-	(2,400.00)
4250 Counseling Center Rent	5,500.00	6,000.00	6,000.00	-
4420 Retreat Receipts	4,612.58	-	-	-
Total 408 Other Income	17,255.40	8,400.00	7,500.00	(900.00)
Total Income	647,150.34	768,389.88	848,008.20	79,618.32
Expenses				-
5 Ministry Expenses				-
5101 Serving/Evangelism	5,893.59	9,000.00	7,500.00	(1,500.00)
5105 Cultural Engagement	62.22	1,200.00	500.00	(700.00)
5120 Counseling Support	-	750.00	1,500.00	750.00
5151 Denominational Support	2,557.00	3,000.00	3,600.00	600.00
5152 Presbytery Assessment	1,150.00	1,500.00	2,170.00	670.00
5155 Campus Ministry Support	2,500.00	2,500.00	2,500.00	-
5160 Missions/Missionary Support	-	12,000.00	12,000.00	-
5165 Mission Trip Expenses	-	2,500.00	2,500.00	-
5175 Pastoral Search	154.00	-	-	-
5201 Community Groups	2,449.44	2,500.00	2,500.00	-
5205 Women's Ministry	-	2,000.00	3,000.00	1,000.00
5215 Men's Ministry	-	1,500.00	1,500.00	-
5301 Worship & Arts	12,016.84	16,000.00	16,000.00	-
5320 Prayer Ministry	592.10	1,200.00	1,200.00	-
5401 Children and Nursery	17,471.32	12,785.00	19,585.00	6,800.00
5415 Childcare	718.13	1,500.00	1,500.00	-
5450 Youth Ministry Expenses	7,583.23	7,000.00	7,000.00	-
5501 Leadership Development	5,064.21	10,000.00	7,500.00	(2,500.00)
5515 Discovering Hope Chapel	2,862.10	2,000.00	2,000.00	-
5550 First Touch	5,028.27	7,500.00	6,000.00	(1,500.00)
5555 Hospitality (Weddings/Funerals)	662.76	1,000.00	750.00	(250.00)
5570 Fellowship Meals	2,216.92	2,000.00	2,200.00	200.00
5599 Other Ministry Expenses	1,172.27	-	-	-
5601 Communications	4,324.38	6,500.00	3,600.00	(2,900.00)
Total 5 Ministry Expenses	74,478.78	105,935.00	106,605.00	670.00
5420 Retreats	5,284.12	-	-	-

Hope Chapel				
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	2023		2024	
	Jan - Oct 2023 YTD Actual	Annual Budget	Projected Budget	Dollar Amt Increase (Decrease)
5700 Facility Expenses				
5710 Janitorial Service	9,894.79	7,000.00	14,600.00	7,600.00
5715 Janitorial Supplies	1,264.68	1,750.00	1,750.00	-
5750 Waste Removal	2,271.38	1,750.00	3,000.00	1,250.00
5760 Lawn Care	4,245.00	6,500.00	6,000.00	(500.00)
5801 Security, Fire, Internet	3,493.90	4,250.00	4,400.00	150.00
5851 Utilities	17,396.89	24,000.00	24,000.00	-
5871 Building Maintenance	25,647.90	36,000.00	40,000.00	4,000.00
Total 5700 Facility Expenses	64,214.54	81,250.00	93,750.00	12,500.00
5800 Administrative Expenses				-
5830 Computers & Network	2,977.99	4,000.00	5,000.00	1,000.00
5840 Phones			3,000.00	3,000.00
5852 Office Expenses & Supplies	5,515.41	4,000.00	6,000.00	2,000.00
5853 Interest Expense	22,194.63	26,261.00	24,814.00	(1,447.00)
5855 Bank Service Charges	535.88	420.00	240.00	(180.00)
5860 Insurance	11,698.00	14,000.00	16,000.00	2,000.00
Total 5800 Administrative Expenses	42,921.91	48,681.00	55,054.00	6,373.00
Ministry Staff Expenses				
Ministerial Compensation, Co-Leaders	149,185.78	232,643.01	244,166.00	11,522.99
Children/Youth/Assistant/Intern	58,773.45	82,034.00	89,045.19	7,011.19
Guest Preachers	1,800.00	2,000.00	2,500.00	500.00
Office manager/Maintenance	55,771.90	68,854.40	70,960.00	2,105.60
Expense Reimbursements	4,789.76	6,200.00	7,260.00	1,060.00
Education Allowances	18,341.09	1,750.00	11,600.00	9,850.00
Staff Care & Development			10,000.00	10,000.00
Insurance - Employees	66,183.58	88,234.36	100,595.44	12,361.08
Payroll Taxes	15,015.12	14,055.45	17,633.19	3,577.74
Payroll Processing Expenses	2,367.12	2,250.00	2,500.00	250.00
Retirement	18,813.00	34,502.66	31,339.38	(3,163.28)
Total Ministry Staff Expenses	391,040.80	532,523.88	587,599.20	55,075.32
Additional Debt Reduction			5,000.00	5,000.00
GRACE Expenses & Counseling Exp	77,186.73	-	-	-
Total Expenses	655,126.88	768,389.88	848,008.20	79,618.32
Net Operating Increase (Decrease)	(7,976.54)	-	-	-