

## **Stewardship and Finance Committee Report to Interim Meeting of 6/11/2022**

The Stewardship and Finance Committee presents the draft budget for 2023. Note that we are not asking for approval today. This is an opportunity to ask high-level clarifying questions about the budget and how it supports the programs and priorities of BYM. We have shared a document containing summary, income and expense information for actual budgets for the years 2019, 2020, 2021 and proposed budgets for the years 2022 and 2023.

We are presenting a budget of \$2.7 million in expenditures, with a small surplus of \$41K. This represents an overall increase in expenses of about \$180K compared to the 2022 budget. Inflation is currently driving up our costs, in particular food and fuel costs of the camping program. The annual inflation rate for the United States is 8.3% for the 12 months ending in April 2022.

### **Income Highlights**

The increased income for 2023 comes from increases in the Camp Program (fees, rental income, restricted fund release), Apportionment, General Fund contributions, and Program income, including the Women's Retreat.

The Camping Program projects income of about \$1.6 million, an increase of about \$160K over 2022. Note that camp fees are not changing. We estimate that fee income will increase by about \$120K based on the experience of "Pay as Led" in 2022 where families chose to pay more in fees than we thought they would. Compared to 2022, we project an increase in camp rental income of about \$9K and expect to draw about \$38K more in reserve release from the Barry Morley Fund.

Since 2018, Apportionment has been set at a fixed rate of 25% of a meeting's income subject to apportionment. In general, contributions used for normal meeting operating expenses are subject to apportionment, but bequest and rental income are not. We project apportionment income to be about \$520K for 2023, a \$9K increase over the actual apportionment income for 2021. We note that Apportionment has been decreasing as a percentage of overall income during the last several years.

We have budgeted income of \$165K for General Fund contributions, up from \$150K for 2022. The Women's Retreat in 2022 was virtual with zero expenses but the 2023 retreat is expected to be in-person and generate about \$44K in income with offsetting expenses. Note that the Women's Retreat, the Camping Program and other BYM programs are generally expected to be net-neutral, meaning that expenses and revenues balance each other.

## **Support for Racial Justice**

In 2019, BYM declared our commitment to be an anti-racist faith community. About 7% of our 2023 expenditures are in support of achieving racial justice. These efforts include funding the STRIDE program and staff, reparations actions and anti-racism training for BYM Office and Camp staff. The Program Committee is also moving forward on selecting an HBCU (historically black college/university) to host next year's annual sessions. We know there is much more to be done but it is important to show how our budget reflects our values.

## **Expense Highlights**

We have budgeted an additional \$50K in staff compensation (including salary, benefits and taxes) for 2023. Two full-time staff positions were added in 2022: Camp Director at Catoctin and Administrative Coordinator. Note that there are no new staff positions planned for 2023. The Camping Program Committee has approved a second Camp Director position as soon as the budget allows but this position is not included in the 2023 budget due to budget constraints.

Camp program and property expenses are increasing by about \$50K over the 2022 budget. The major reasons for this increase are:

- Additional seasonal staff, including a mental health counselor role for each camp
- Increases for food, fuel and medical costs
- More training for seasonal staff

The Women's Retreat expenses are increasing by about \$43K since 2022.

## **Next Steps**

Budgeting is a process of balancing priorities, and Stewardship and Finance is open to input from all Friends regarding the priorities of the Yearly Meeting. If you find discrepancies, numbers that don't add up, or have questions about the budget, please share your concerns with me or Terence McCormally, my co-clerk. There is time for review and discussion prior to submission of the budget for approval at annual session.