



## BUDGET

1 October 2020 – 30 September 2021

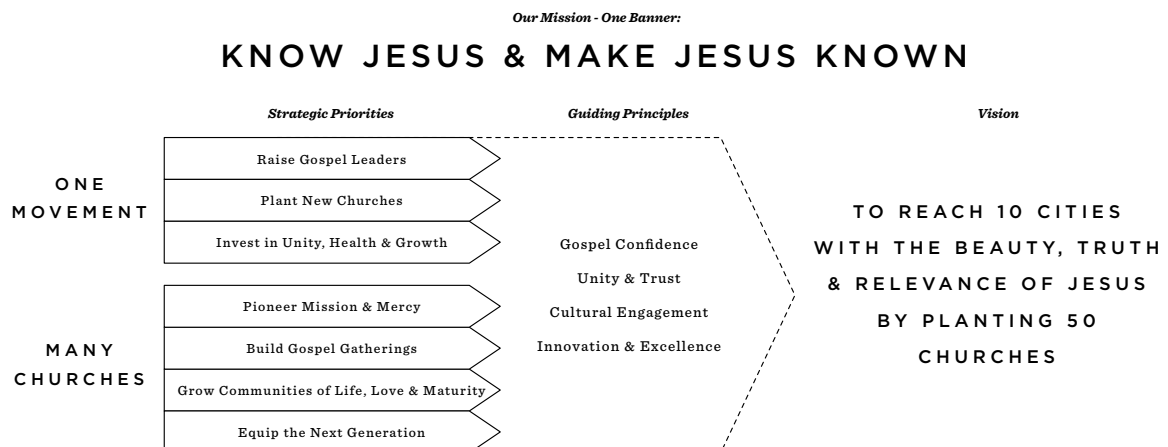
## BUDGET SUMMARY

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This year’s budget for City on a Hill is one of the most unique of our history. We are now a movement of seven local churches, across two states, united under the one banner to know Jesus and make Jesus known. However, at the time of budget preparation, only our two Queensland churches were meeting physically, and our five churches in Victoria remained in lockdown, and had not met as local congregations since March. But the mission continues.

During lockdowns digital ministry became a primary mechanism for discipleship and mission, and will continue to serve us through the end of this COVID season, into the now initiated transition back to physical gatherings, and will continue as a strategic means of ministry into the future.

Despite the many challenges we have faced in 2020, our vision to reach 10 cities with the beauty, truth and relevance of Jesus by planting 50 churches continues, and we remain committed to our strategic priorities and to advancing the mission forward.



The FY2021 expenditure budget of \$4,988,415 is planned to be our largest investment in gospel ministry to date. Whilst it is only a marginal increase against what was budgeted for the prior year (+3%), it is a significant increase compared to actual expenditure compared to prior years (+17% vs FY2019 and +34% vs FY2020)

Our giving assumptions are broadly based on a repeat of actual giving that was received in FY2020, along with additional new income budgeted at our new congregations, and reduction in expected income to special purpose funds such as the Church Planting Fund and the City on a Hill Foundation.

Overall, the giving budgets allow for a 4% drop in total giving compared to this past financial year. Given that total actual giving increased by 17% between FY2019 and FY2020 (even with the pandemic for half of FY2020), our prayerful hope is that our actual giving in FY2021 will exceed the conservative budgeted figures.

Across the financial year we have plans to progressively increase the overall current staffing profile by 4.9 FTE. These increases largely represent investment in areas of strategic growth such as City on a Hill Digital (externally funded), Church Planting and growth in some of our local churches.

Ministry and Occupancy expenses have been budgeted assuming a gradual return to physical services for our Victorian churches in early 2021, with all locations back to pre-COVID operation by April 2021.

The budgeted loss of -\$94,765 represents a planned investment of the prior year surplus in new initiatives including growth of mercy, digital and next generation ministry as movement and local church strategic priorities. The prior year surplus also gives us additional reserves to weather a short to medium term drop in regular giving if the economic impact is larger than expected.

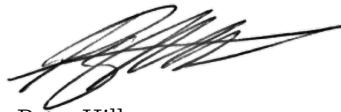
By the end of the 2021 financial year, meeting this budget will retain 5.3 months operating expenditure as cash reserves.

This budget has been reviewed and supported by the City on a Hill Finance Committee, approved by the City on a Hill Board, and we commend it to the AGM for your support and prayers.



Ian Scarborough

Executive Pastor - Ministry & Operations



Peter Hill

Finance Director

## CONSOLIDATED CITY ON A HILL GROUP BUDGET

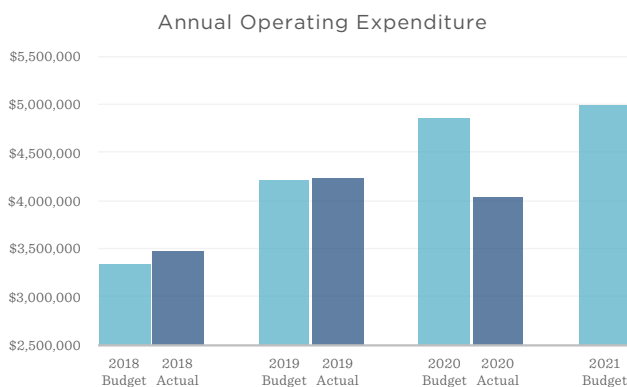
	2021 Budget	2020 Budget	% change	2020 Actual	% change
<b>Total Income</b>	4,893,646	4,934,840	-1%	5,253,404	-7%
Giving	4,587,304	4,571,475	0%	4,772,684	-4%
Grants & Patrons	216,284	190,664	13%	185,664	16%
Other Income	90,059	172,701	-48%	295,056	-69%
<b>Total Expenditure</b>	4,988,412	4,859,197	3%	3,869,473	29%
Staffing	3,479,123	2,994,556	16%	2,604,812	34%
Ministry	443,904	449,239	-1%	342,655	30%
Operations	292,963	371,249	-21%	313,515	-7%
Partnerships	198,825	176,027	13%	142,001	40%
Occupancy	573,597	868,126	-34%	466,490	23%
<b>Operating Profit</b>	(94,765)	75,643	-225%	1,383,931	-107%
<b>Capital Expenditure</b>	139,815	125,660	11%	45,000	211%
<b>Kingdom Funds (opening balance)</b>	2,532,411	1,494,077	69%	1,494,077	69%

### 1. Income

Giving across the movement has been budgeted to remain mostly on par with the prior year budget and actuals for our established churches. Income from grants & patrons represents secured funds for digital ministries and church planting. The reduction in 'other income' is related to the closure of the St Matthews Geelong Op Shop in the prior financial year, as well as not running the City on a Hill Conference this financial year.

### 2. Total investment

Total investment in ministry and mission (\$4,988,412) will be our largest actual budget to date. Whilst it is only a slight increase compared to the previous budget plans (3%), it is a significant increase compared to actual expenditure in FY2020 (29%), when COVID-19 lockdowns led to significant cost reductions against budget, as well as compared to actual expenditure in FY2019.

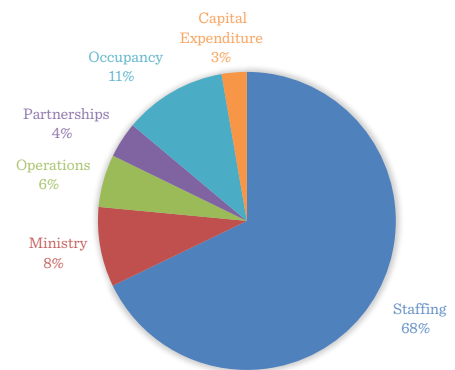


### 3. Staffing

Staffing increases across the movement include additional investment in digital ministries, mercy, next generation, community teams, and church planting, bringing the total staffing profile to 41.9 by the end of the financial year.

### 4. Ministry expenses

Total ministry expenses are comparable to prior year budget. Costs in the first quarter are reduced significantly whilst our Victorian churches continued without physical gatherings. Additional new investment includes the expansion of our digital ministries, and planting of new churches (launch of Gold Coast, and preparation for Wollongong).



### 5. Operations

Operating costs include centralised and local insurances and legal, finance and accounting, software and licensing, HR, travel, and asset depreciation. Budget reduction compared to prior year on account of various savings including reduced interstate and international travel, decrease in diocese insurance costs, and on account of moving external bookkeeping services in-house.

### 6. Partnerships

Partnership costs include 1% of giving contribution to the Acts 29 church planting network, overseas mission partnerships, and Anglican Diocese assessment. Increase in partnership costs are on account of pre-agreed increase in Anglican assessment.

### 7. Occupancy

Occupancy expenses assumed that our Victorian churches remain closed to physical gatherings for the remainder of 2020, with a staggered return to previous venues in early 2021, and at full use by Easter. Actual occupancy costs will be highly dependent on numerous factors. Budget variation for this area may be required as the year progresses.

### 8. Capital expenditure

Capex budget includes provision for new or replacement asset purchases associated with the return to physical services for each of our locations. Additional provision for set up and church plant launch costs for City on a Hill Gold Coast and Wollongong.

## APPENDICES: LOCAL CHURCH BUDGETS

### CITY ON A HILL MELBOURNE

	2021 Budget	2020 Budget	% change
<b>Income</b>	1,476,067	1,637,077	-10%
Giving	1,476,067	1,624,010	-9%
Other Income	-	13,067	-100%
<b>Transfers</b>	(260,600)	(356,793)	-27%
Central Funding & other transfers	(260,600)	(361,793)	-28%
Church Planting Fund Support	-	5,000	-100%
<b>Operating Income after Transfers</b>	1,215,467	1,280,284	-5%
<b>Total Expenditure</b>	1,202,625	1,258,643	-4%
Staffing	784,875	683,780	15%
Ministry	84,818	85,003	0%
Operations	28,365	31,659	-10%
Partnerships	75,181	46,240	63%
Occupancy	229,387	411,962	-44%
<b>Operating Profit</b>	12,842	21,641	-41%
<b>Capital Expenditure</b>	12,775	9,020	42%
<b>Kingdom Funds (opening balance)</b>	307,387	136,054	126%

#### Melbourne budget notes:

1. The Melbourne giving budget for FY2021 assumes repeating the same giving as received in in the past 12 months for FY2020. The reduction compared to prior budget is on account of not continuing the Docklands service.
2. Transfers are made up of central funding contributions, minus a reimbursement shared movement staffing.
3. Budgeted staffing profile is broadly the same vs previous year. The apparent increase is due to reallocation of existing staffing costs (offset by central funding credits).
4. Ministry budgets are consistent with planned investment for prior financial year, supporting local mission, community, Sunday services, and next generation ministries.
5. Operations savings include reduction in travel and insurances.
6. Partnership increase is on account of agreed Anglican assessment.
7. Cost saving expected in occupancy with no use of HOYTS in Q1, and gradual return in Q2.
8. Expected equipment costs planned in association with re-entry to physical services.

## CITY ON A HILL GEELONG

	2021 Budget	2020 Budget	% change
<b>Income</b>	<b>583,952</b>	<b>570,924</b>	<b>2%</b>
Giving	559,106	517,009	8%
Op Shop Sales	-	27,578	-100%
Other Income	24,846	26,337	-6%
<b>Transfers</b>	<b>(122,400)</b>	<b>(112,915)</b>	<b>8%</b>
Central Funding & other transfers	(122,400)	(124,915)	-2%
Church Planting Fund Support	-	12,000	-100%
<b>Operating Income after Transfers</b>	<b>461,552</b>	<b>458,009</b>	<b>1%</b>
<b>Total Expenditure</b>	<b>457,682</b>	<b>478,459</b>	<b>-4%</b>
Staffing	266,503	290,131	-8%
Ministry	39,245	47,440	-17%
Operations	37,896	41,580	-9%
Partnerships	52,298	54,670	-4%
Occupancy	41,740	42,838	-3%
Vicarage	20,000	1,800	1011%
<b>Operating Profit</b>	<b>3,870</b>	<b>(20,450)</b>	<b>-119%</b>
<b>Capital Expenditure</b>	<b>7,850</b>	<b>17,215</b>	<b>-54%</b>
<b>Kingdom Funds (opening balance)</b>	<b>152,330</b>	<b>31,963</b>	<b>377%</b>

### Geelong budget notes:

1. Giving budget represents a 5% increase on actual giving received in prior 12 months.
2. Central funding reduced, calculated at 21% of prior year income, funding centralised ministry and operations support to Geelong, including communications, operations, ministry, and leadership.
3. Overall reduction in operating expenditure vs. prior year budget partially attributable to the closure of St Matthews Op Shop.
4. Ministry budgets are consistent with planned investment for prior financial year, supporting local mission, community, Sunday services, and next generation ministries.
5. Partnerships include Acts 29, Anglican Diocese of Melbourne, and overseas missionary support.
6. Necessary maintenance for the St Matthew's vicarage planned for this year.

## CITY ON A HILL MELBOURNE WEST

	2021 Budget	2020 Budget	% change
Income	481,274	424,132	13%
Giving	481,274	424,132	13%
Transfers	(135,150)	(93,496)	45%
Central Funding & other transfers	(135,150)	(93,496)	45%
Operating Income after Transfers	346,124	330,636	5%
Total Expenditure	345,247	325,924	6%
Staffing	204,824	200,593	2%
Ministry	22,530	23,860	-6%
Operations	10,956	12,062	-9%
Partnerships	38,373	23,317	65%
Occupancy	68,564	66,092	4%
Operating Profit	877	4,712	-81%
Capital Expenditure	16,895	20,130	-16%
Kingdom Funds (opening balance)	195,226	75,254	159%

### Melbourne West budget notes:

1. Giving budget represents an 8% increase on actual giving received in prior 12 months.
2. Central funding reduced, calculated at 21% of prior year income, funding centralised ministry and operations support to Melbourne West, including communications, operations, ministry, and leadership. Transfers also include cross charge of services coordinator days, with employment housed by central.
3. Ministry budgets are consistent with planned investment for prior financial year, supporting local mission, community, Sunday services, and next generation ministries, minus some delay on account of return to physical services.
4. Partnerships include Acts 29, Anglican Diocese of Melbourne, and overseas missionary support.
5. Whilst a delayed return to physical services is expected, additional funds are also set aside for venue contingency.
6. Expected equipment costs planned in association with re-entry to physical services.



## CITY ON A HILL BRISBANE

	2021 Budget	2020 Budget	% change
<b>Income</b>	494,569	510,702	-3%
Giving	494,569	510,702	-3%
<b>Transfers</b>	(118,275)	(121,901)	-3%
Central Funding & other transfers	(118,275)	(121,901)	-3%
<b>Operating Income after Transfers</b>	376,294	388,801	-3%
<b>Total Expenditure</b>	357,507	343,008	4%
Staffing	235,566	171,188	38%
Ministry	35,128	33,084	6%
Operations	11,847	19,744	-40%
Partnerships	4,946	5,107	-3%
Occupancy	70,020	113,885	-39%
<b>Operating Profit</b>	18,786	45,793	-59%
<b>Capital Expenditure</b>	5,225	20,130	-74%
<b>Kingdom Funds (opening balance)</b>	226,629	102,434	121%

### Brisbane budget notes:

1. Giving budget is consistent with actual giving received in the prior 12 months.
2. Central funding reduced, calculated at 24% of prior year income, funding centralised ministry and operations support to Brisbane, including communications, operations, ministry, and leadership.
3. Staffing change includes new hire of a Community Pastor.
4. Ministry budgets are consistent with planned investment for prior financial year, supporting local mission, community, Sunday services, and next generation ministries, with physical services for the full year.
5. Savings expected in operations due to restrictions on domestic and international travel.
6. Continued partnership contribution of 1% of giving to Acts 29 church planting network.
7. Reduction in occupancy budget on account of closure of previous office and mid-week ministry space, as well as reduced hire rates at cinema provider whilst seating capacity is reduced.

## CITY ON A HILL MELBOURNE EAST

	2021 Budget	2020 Budget	% change
<b>Income</b>	536,558	486,740	10%
Giving	536,558	486,740	10%
<b>Transfers</b>	(122,400)	(103,398)	18%
Central Funding & other transfers	(122,400)	(108,398)	13%
Church Planting Fund Support	-	5,000	-100%
<b>Operating Income after Transfers</b>	414,158	383,343	8%
<b>Total Expenditure</b>	365,277	364,255	0%
Staffing	259,462	246,333	5%
Ministry	28,860	29,000	0%
Operations	16,572	16,064	3%
Partnerships	25,786	13,867	86%
Occupancy	34,597	58,990	-41%
<b>Operating Profit</b>	48,881	19,088	156%
<b>Capital Expenditure</b>	23,350	7,830	198%
<b>Kingdom Funds (opening balance)</b>	243,213	70,747	244%

### Melbourne East budget notes:

1. Giving budget is consistent with actual giving received in the prior 12 months.
2. Central funding calculated at 21% of prior year income, funding centralised ministry and operations support to Melbourne East, including communications, operations, ministry, and leadership.
3. Continued staffing profile of lead pastor, executive pastor, community director and city kids coordinator.
4. Ministry budgets are consistent with planned investment for prior financial year, supporting local mission, community, Sunday services, and next generation ministries.
5. Partnership increase associated with agreed Anglican Diocese assessment.
6. Occupancy savings expected with delayed return to physical services - no venue hire paid during closures.
7. Expected equipment costs planned in association with re-entry to physical services, including purchase of new portable staging.

## CITY ON A HILL SURF COAST

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	2021 Budget	2020 Budget	% change
Income	109,287	126,100	-13%
Giving	109,287	126,100	-13%
Transfers	25,800	13,019	98%
Central Funding & other transfers	(14,400)	(36,981)	-61%
Church Planting Fund Support	40,200	50,000	-20%
Operating Income after Transfers	135,087	139,119	-3%
Total Expenditure	126,248	149,525	-16%
Staffing	97,879	94,585	3%
Ministry	14,896	12,056	24%
Operations	3,436	10,059	-66%
Partnerships	1,093	2,825	-61%
Occupancy	8,944	30,000	-70%
Operating Profit	8,840	(10,406)	-185%
Capital Expenditure	4,700	19,360	-76%
Kingdom Funds (opening balance)	30,819	38,953	-21%

### Surf Coast budget notes:

1. Giving budget includes a graded increase throughout 2021 with goal to grow congregation towards level of self-sustainability as a local church.
2. Reduced central funding applied to the new church plant, with the movement subsidising central ministry and operations during church formation.
3. Church planting support continues, both from the general movement fund and external partner organisations.
4. Staffing profile continues, including local lead pastor and city kids coordinator.
5. Ministry budgets are consistent with planned investment for prior financial year, supporting local mission, community, Sunday services, and next generation ministries.
6. Partnership costs include 1% contribution to Acts 29 church planting network as a member church. Anglican Diocese assessment costs absorbed by the movement to reduce local operating costs.
7. Occupancy savings expected with delayed return to physical services - no venue hire paid during closures.
8. Expected equipment costs planned in association with re-entry to physical services.

## MANY ROOMS

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	2021 Budget	2020 Budget	% change
<b>Income</b>	<b>183,220</b>	<b>219,744</b>	<b>-17%</b>
Giving	116,936	129,080	-9%
Grants & Patrons	66,284	90,664	-27%
<b>Transfers</b>	<b>45,000</b>	<b>71,000</b>	<b>-37%</b>
Central Funding	(15,000)	(15,000)	-
City on a Hill Foundation	60,000	86,000	-30%
<b>Operating Income after Transfers</b>	<b>228,220</b>	<b>290,744</b>	<b>-22%</b>
<b>Total Expenditure</b>	<b>355,246</b>	<b>292,403</b>	<b>21%</b>
Staffing	269,334	192,288	40%
Ministry	45,156	37,518	20%
Operations	12,919	25,398	-49%
Occupancy	27,837	37,198	-25%
<b>Operating Profit</b>	<b>(127,026)</b>	<b>(1,659)</b>	<b>7559%</b>
<b>Capital Expenditure</b>	<b>5,500</b>	<b>-</b>	
<b>Kingdom Funds (opening balance)</b>	<b>269,000</b>	<b>160,000</b>	<b>68%</b>

### Many Rooms budget notes:

1. DGR giving direct and via the Foundation is budgeted to reduce with impact of economic environment.
2. Grant income is secured funding from the federal government for the Community Visitors Scheme.
3. Staffing investment is increased by 40% with appointment of local mercy staff in Melbourne, Geelong and Brisbane.
4. Overall ministry expense budget is increase. This includes both a reduction in some core services closed during COVID lockdowns, and investment of additional funds to fuel new mercy ministry.
5. Operations decrease on account of reduced domestic travel.
6. Occupancy expenses reduced in full for the first quarter of the year with kitchen services closed during this time.
7. Capital expense budget in place to support seeding new mercy ministries.
8. Overall the net deficit represents the re-investment of significant surplus accrued in the prior financial year back into existing and new mercy ministry.