



# CITY ON A HILL BUDGET

*1 October 2021 – 30 September 2022*



## BUDGET SUMMARY

---

The FY2022 budget for City on a Hill will, God willing, see our highest investment in gospel ministry in our history. Despite the challenges associated with lockdowns and gathering restrictions, our mission continues. We continue to step forward towards our ten cities vision, in faith and prayerful dependence on God, as we seek to know Jesus and make Jesus known.

Development of this budget has been guided by our strategic priorities for our local churches, as well as the outcomes from the movement strategic review.

Key notable features of this budget include:

- a) The overall giving budget forecast to increase by 4.2% compared to actual giving for the past year.
- b) Public launch of City on a Hill Wollongong; continued growth of City on a Hill Surf Coast and Gold Coast towards local sustainability; and next steps towards future church plants.
- c) Allocation of \$200,000 from retained earnings for a mercy innovation fund to seed fund new mercy initiatives across our local churches.
- d) Staffing growth from 41.1 FTE to 50.2 FTE, with key strategic hires to strengthen ministry, mission and operations including:
  - i. Director of Discipleship (Melbourne),
  - ii. Director of Mercy (Many Rooms, Melbourne),
  - iii. Community Pastor (Melbourne East),
  - iv. Church Planting Residency (CPF),
  - v. HR Manager (Movement Operations).
- e) New office and mid-week ministry centres for Melbourne city and Melbourne East.
- f) Total expenditure budget of just over \$5.9m represents a 20% increase compared to prior year budget, and a 41% increase compared to prior year actual expenditure (prior year savings were made on account of lockdowns).



- g) Intentional investment of retained earnings from the past year to fuel ministry and mission growth. The overall operating loss of \$711k and \$119k in capital expenditure are together a deliberate use of available kingdom funds recently accrued.
  
- h) With the assumptions in this budget, FY2022 will end with 6.8 months operating reserves. Kingdom funds have been retained at the upper limit of our 'healthy range' noting that:
  - i. New expenditure commitments initiated this financial year will need to be carried into FY2023, and so the need for available kingdom funds in FY2023 is likely;
  
  - ii. We are prayerfully hopeful to achieve the 4% giving growth, however the ongoing economic impact of COVID is uncertain, and availability of retained earnings will offset any loss from lower giving;
  
  - iii. Growth of our more recent church plants has not been as quick as previous churches in their planting phase, with the impact of ongoing gathering restrictions particularly challenging for developing and growing the core team phase – longer access to church planting fund support is likely.
  
  - iv. There are some ministry projects that could be on the horizon not budgeted for, which would utilise some of these retained funds.
  
  - v. Retained kingdom funds are not evenly spread across the movement, with established churches having more available than our newer churches.

We present this budget to the City on a Hill community for your support and prayers.

Ian Scarborough  
Executive Pastor – Ministry & Operations

Peter Hill  
Finance Director



## CONSOLIDATED CITY ON A HILL GROUP BUDGET

	2022 Budget	2021 Budget	% Change	2021 Actual	% Change
<b>INCOME</b>	<b>5,193,704</b>	<b>4,893,646</b>	<b>6%</b>	<b>5,410,871</b>	<b>-4%</b>
Giving - General	4,826,947	4,369,135	10%	4,630,048	4%
Giving - Special Campaigns	-	-	NA	335,683	-100%
Gospel Patrons & Grants	342,905	434,453	-21%	351,353	-2%
Other Income	23,852	90,059	-74%	93,787	-75%
<b>TOTAL OPERATING INCOME</b>	<b>5,193,704</b>	<b>4,893,646</b>	<b>6%</b>	<b>5,410,871</b>	<b>-4%</b>
<b>LESS OPERATING EXPENSES</b>	<b>5,905,145</b>	<b>4,907,467</b>	<b>20%</b>	<b>4,179,711</b>	<b>41%</b>
Ministry Staffing	3,995,526	3,478,522	15%	3,067,028	30%
Occupancy	783,208	573,597	37%	284,023	176%
Operations	291,779	217,659	34%	215,272	36%
Ministry	605,394	438,864	38%	339,267	78%
Partnerships	229,239	198,825	15%	269,473	-15%
Other Expenses	-	-	NA	4,648	-100%
<b>EBITDA<sup>1</sup></b>	<b>(711,442)</b>	<b>(13,821)</b>	<b>5048%</b>	<b>1,231,160</b>	<b>-158%</b>
Capital Expenditure	119,020	139,815	-15%	166,095	-28%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>1,928,126</b>	<b>1,019,907</b>			

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

### 1. Income

A return to giving growth more reflective of what City on a Hill has previously experienced prior to COVID lockdowns is expected in 2022. Some locations that have experienced a harder 2021 Financial Year, are budgeting for less or nil growth, but with the establishment and maturing of active plants, total giving is expected to increase by 4% on the prior year actuals. Other established church locations are expected to experience modest growth in 2022 with the continued struggle of intermittent lockdowns and the resulting lack of momentum. As plants mature, external funding from grants is beginning to decline but local giving growth is expected to meet budget shortfalls. No other income from government crisis payments is forecast for 2022 financial year. Although some giving targets may be seen as conservative, this year's investment and more relaxed position on giving growth is appropriate considering our congregations faithfulness, continuing to generously support the mission during the covid season.

Local Church	Melbourne	Geelong	Melbourne West	Melbourne East	Surf Coast	Brisbane	Gold Coast	Wollongong
2022 Giving Budget	\$ 150,3825	\$ 635,000	\$ 445,000	\$ 652,336	\$ 149,701	\$ 630,000	\$ 146,700	\$ 81,900
2021 Actual Giving	\$ 1,445,985	\$ 622,368	\$ 446,496	\$ 640,635	\$ 113,191	\$ 568,421	\$ 128,470	\$ 39,022
Annual Change	4%	2%	0%	2%	32%	11%	14%	10%

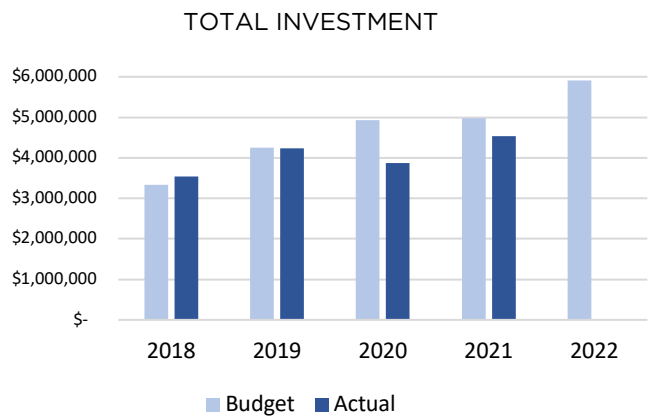
Other Funds	Digital	Many Rooms	Foundation	Church Planting
2022 Giving Budget	\$ 30,000	\$ 97,883	\$ 349,785	\$ 104,817
2021 Actual Giving	\$ 89,520	\$ 89,633	\$ 320,663	\$ 104,817
Annual Change	-66%	9%	9%	0%

## 2. Gospel patrons and grants

At the time of budget preparation, gospel patron and grant income were expected to decline in 2022 compared to 2021 budget and actuals, due to the timing of church planting grants currently supporting City on a Hill's three active plants. Grants obtained by the two major sponsors of our church planting efforts, result in more significant external contributions in the early years of planting a church. In 2022 grant income for all three churches will decline significantly compared to 2021 as these churches progress towards sustainability. As plans for new plants progress, applications will be submitted for new grants and income will again increase should those applications be successful.

## 3. Total investment

Total investment in ministry and mission (\$5,905,145) will be our largest actual budget to date. The rationale and principle behind the significant increase (30%) on 2021 actuals is the continued opening up of the economy combined with the organisational desire to meaningfully invest profits retained from the past two financial years into impactful mission in our cities. This includes significant investment in mercy ministry, planting and local church investment.

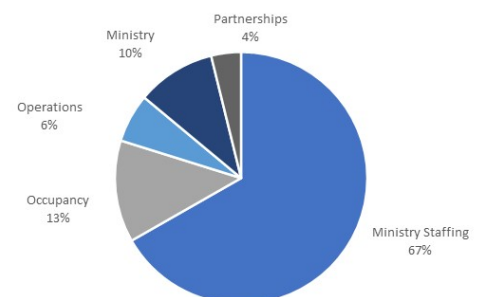


## 4. Staffing

Staffing increases across the movement of 9.1 FTE are planned (currently 41.1 FTE) including roles in mercy, discipleship, community, children's ministry, local mission, church planting and operations. Total staffing headcount by the end of the year is budgeted to be 68 individuals.

## 5. Ministry expenses

Significant investment in 2022 will be allocated to local ministry expenses, including \$200K set aside for local mercy ministry innovation. Planting church ministry budgets will increase considerably in proportion with their giving and attendance growth while other churches will invest locally in significant ways to reconnect after the difficulties of the season.



## 6. Occupancy

The 2022 budget includes new investment in occupancy with the addition of a Melbourne East mid-week ministry space and the move of the Melbourne city office from Queen Street to the more equipped office in Ievers Terrace Carlton. Costs in this first year are lower due to the agreements resulting in higher payments in the later years. Services across our Melbourne churches have been budgeted on the assumption that physical services would return in November, as has been the case. This reflects an earlier return to services from lockdown than in the prior year, and therefore higher occupancy costs are included in this budget.



#### 7. Operations

Operating costs include centralised and local insurances and legal, finance and accounting, software and licensing, HR, travel. Budget additions compared to prior year on account of moving professional development costs from the ministry grouping to the operations grouping, along with new investment in outsourced professional. Other increases reflect an increase in merchant fees from online donations and an expectation of higher insurance premiums.

#### 8. Partnerships

Partnership costs include 1% of giving contribution to the Acts 29 church planting network, overseas mission partnerships, and Anglican Diocese assessment.

#### 9. Capital expenditure

Capex budget includes provision for new or replacement asset purchases along with AVL purchases, largely for planting churches, and some office fitout costs for new office spaces.

#### 10. Budget effects on sustainability and future year forecasts

As part of the budget process, this years budget has been adapted into a medium term forecast workpaper to ensure that all investment in this years budget is sustainable assuming reasonable growth estimates. At the end of 2022 there is expected to be approximately \$250,000 in controllable costs that are included as part of this years budget that are not expected or committed to for the 2023 financial year. This includes the significant Many Rooms seed funding initiative, various items of capital expenditure, less some added venue costs and wage increases. These workings show that there is likely to be a \$550,000 deficit in 2023, followed by a steady decline in yearly deficits until a profit is returned of \$80,000 in the 2026 financial year. This modelling is based on modest growth of between 4% and 7% for established churches (with more aggressive growth for plants), and will result in working capital of 4.11 months of operating expenditure at the end of the 5-year forecast.



## CITY ON A HILL MELBOURNE

	2022 Budget	2021 Budget	% Change
<b>INCOME</b>	<b>1,603,825</b>	<b>1,476,067</b>	<b>9%</b>
Giving	1,503,825	1,426,067	5%
Gospel Patrons & Grants	100,000	50,000	100%
<b>TRANSFERS</b>	<b>(187,200)</b>	<b>(72,969)</b>	<b>157%</b>
Central Funding	(337,200)	(327,600)	3%
Shared resources transfers	150,000	254,631	-41%
<b>TOTAL OPERATING INCOME</b>	<b>1,416,625</b>	<b>1,403,098</b>	<b>1%</b>
<b>LESS OPERATING EXPENSES</b>	<b>1,423,687</b>	<b>1,378,516</b>	<b>3%</b>
Ministry Staffing	899,390	928,290	-3%
Occupancy	354,940	273,603	30%
Operations	24,684	16,625	48%
Ministry	90,735	84,818	7%
Partnerships	53,938	75,181	-28%
<b>EBITDA<sup>1</sup></b>	<b>(7,062)</b>	<b>24,582</b>	<b>-129%</b>
Capital Expenditure	18,700	12,775	46%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>219,575</b>	<b>(14,274)</b>	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

Melbourne budget notes:

1. Giving budget represents an 4% increase on actual giving received in prior 12 months.
2. Transfers are made up of central funding contributions, minus a reimbursement shared movement staffing and office space. Central funding is calculated on 22.5% of budgeted income, funding centralised ministry and operations support to Melbourne, including communications, operations, ministry, and leadership.
3. Staffing budget reflects additions of roles, including: Director of Discipleship (1FTE), 2 Ministry Coordinators with differing portfolios (Total 1FTE), Production Coordinator (0.2FTE) and Director of Mercy Ministry (1FTE) costed through the Many Rooms budget. Total staffing budget reduction is due to vacant roles budgeted for in 2021 but not recruited. Total FTE has increased from 2021 budget, though has been allocated to Coordinator and Many Rooms roles thus affecting the staffing costs displayed above.
4. Occupancy increase due to fewer 'locked down Sundays' from the 2021 year. Includes the return to services from mid-November.
5. Operations includes a reallocation of Professional Development from various Ministry budgets to be consolidated into one Professional Development cost within the operations grouping as well as a reduction in stipend insurance charged by the diocese.
6. Ministry budgets include investment from 2021 budget with a total 7% increase.
7. Partnership costs, though as a total have increased across the movement, have reduced at this location due to the allocation of assessment relating to church planting, being allocated to the church planting budget listed later in this paper.

Kingdom fund investment notes:

The 2022 budget reflects a modest \$25.7K dip into Available Kingdom Funds. Total funds remain beneath the maximum allowed under current policy. Staffing commitments in subsequent years, because of hires planned in this budget, are likely to continue to draw down on available funds as the hires approach long term sustainability. There is also appetite for Melbourne to explore permanent venue options, with any such change requiring significant funding and potential investment of available kingdom funds.



## CITY ON A HILL GEELONG

	2022 Budget	2021 Budget	% Change
<b>INCOME</b>	<b>658,852</b>	<b>583,952</b>	<b>13%</b>
Giving	635,000	559,106	14%
Other Income	23,852	24,846	-4%
<b>TRANSFERS</b>	<b>(124,504)</b>	<b>(122,400)</b>	<b>2%</b>
Central Funding	(142,800)	(122,400)	17%
Shared resources transfers	18,296	-	0%
<b>TOTAL OPERATING INCOME</b>	<b>534,349</b>	<b>461,552</b>	<b>16%</b>
<b>LESS OPERATING EXPENSES</b>	<b>529,716</b>	<b>441,836</b>	<b>20%</b>
Ministry Staffing	352,417	266,503	32%
Occupancy	32,440	61,740	-47%
Operations	11,419	22,050	-48%
Ministry	47,590	39,245	21%
Partnerships	85,850	52,298	64%
<b>EBITDA<sup>1</sup></b>	<b>4,632</b>	<b>19,716</b>	<b>-77%</b>
Capital Expenditure	8,250	7,850	5%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>83,095</b>	<b>(1,623)</b>	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

Geelong budget notes:

1. Giving represents a 13.2% increase on normalised actual giving received in prior 12 months (adjusted for campaign and over and above donations). This equates to a 2% increase on 2021 general donations.
2. Central funding is calculated on 22.5% of budgeted income, funding centralised ministry and operations support to Geelong, including communications, operations, ministry, and leadership.
3. Staffing increase includes a 2dpw Community Pastor role effective January 2022
4. Reduction in occupancy expenditure relates to budget in prior year including significant repair work on the church vicarage.
5. Reduction in operations expenditure relates to the diocese determining the sufficiency of workcover and the removal of stipend insurance.
6. Ministry budgets include an increase of investment in local services and next generational ministry.
7. Partnerships include Acts 29 and Anglican Diocese of Melbourne.

Kingdom fund investment notes:

As at September 2021, City on a Hill Geelong is continuing to expand its outreach to the local community in Whittington. Not all expenditure relating to this expansion are present in this budget as opportunities are still being weighed and prayerfully considered by the team. As proposals develop outlining how best serve the Whittington community, variations to the budget and forecasts will be implemented. Whatever outreach programs may be established, it is expected that they will require significant kingdom fund investment.





## CITY ON A HILL MELBOURNE WEST

	2022 Budget	2021 Budget	% Change
<b>INCOME</b>	<b>445,000</b>	<b>481,274</b>	<b>-8%</b>
Giving	445,000	481,274	-8%
<b>TRANSFERS</b>	<b>(99,600)</b>	<b>(135,150)</b>	<b>-26%</b>
Central Funding	(99,600)	(102,000)	-2%
Shared resources transfers	-	(33,150)	-100%
<b>TOTAL OPERATING INCOME</b>	<b>345,400</b>	<b>346,124</b>	<b>0%</b>
<b>LESS OPERATING EXPENSES</b>	<b>344,250</b>	<b>338,391</b>	<b>2%</b>
Ministry Staffing	233,250	204,824	14%
Occupancy	54,076	68,564	-21%
Operations	9,270	4,100	126%
Ministry	22,404	22,530	-1%
Partnerships	25,250	38,373	-34%
<b>EBITDA<sup>1</sup></b>	<b>1,150</b>	<b>7,734</b>	<b>-85%</b>
Capital Expenditure	6,600	16,895	-61%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>85,165</b>	<b>46,468</b>	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

Melbourne West budget notes:

1. Giving budget represents a nil change on actual giving received in prior 12 months. This is largely due to stronger giving results in the beginning of 2021 than at the back. This budget plans for a 3% increase in forecasted quarter four results of 2021.
2. Central funding is calculated on 22.5% of budgeted income, funding centralised ministry and operations support to West, including communications, operations, ministry, and leadership.
3. Ministry staffing increase is due to the reallocation of staff roles that last year were reflected via recharges contained in the line *Shared resources transfers* to the staffing line. Total FTE has remained unchanged.
4. Occupancy has reduced from the 2021 budget due to planned venue changes being removed from this budget. Adjusted budgets, kingdom funds and special campaign giving will facilitate a move should an appropriate venue be found in the 2022 financial year.
5. Operations includes a reallocation of Professional Development from various Ministry budgets to be consolidated into one Professional Development cost within the Operations grouping as well as a reduction in stipend insurance charged by the diocese.
6. Ministry budgets are consistent with planned investment from the prior financial year, supporting local mission, community, Sunday services, and next generation ministries.
7. Partnership costs, though as a total have increased across the movement, have reduced at this location due to the allocation of assessment relating to church planting, being allocated to the church planting budget listed later in this paper.

Kingdom fund investment notes:

The 2022 budget reflects a \$5.5K dip into Available Kingdom Funds. Total funds remain beneath the maximum allowed under current policy. As a search for a venue continues, the West team hopes to be prepared with existing and set aside kingdom funds available to cover any shortfall in special venue fund campaign donations and actual costs associated with the fitout and early years of the lease.



## CITY ON A HILL BRISBANE

	2022 Budget	2021 Budget	% Change
<b>INCOME</b>	<b>652,500</b>	<b>494,569</b>	<b>32%</b>
Giving	630,000	494,569	27%
Gospel Patrons & Grants	22,500	-	0%
<b>TRANSFERS</b>	<b>(142,600)</b>	<b>(118,275)</b>	<b>21%</b>
Central Funding	(142,600)	(119,900)	19%
Shared resources transfers	-	1,625	-100%
<b>TOTAL OPERATING INCOME</b>	<b>509,900</b>	<b>376,294</b>	<b>36%</b>
<b>LESS OPERATING EXPENSES</b>	<b>551,451</b>	<b>355,396</b>	<b>55%</b>
Ministry Staffing	350,970	235,566	49%
Occupancy	130,100	70,020	86%
Operations	17,834	9,780	82%
Ministry	46,248	35,084	32%
Partnerships	6,299	4,946	27%
<b>EBITDA<sup>1</sup></b>	<b>(41,551)</b>	<b>20,897</b>	<b>-299%</b>
Capital Expenditure	5,775	5,225	11%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>165,668</b>	<b>59,616</b>	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

Brisbane budget notes:

1. Giving budget represents an 11% increase on actual giving received in prior 12 months. Giving increase budgeted only represents a 2.4% increase on six months giving from April to September 2021
2. Central funding reduced, calculated at 24.5% of budgeted income, funding centralised ministry and operations support to Brisbane, including communications, operations, ministry, and leadership, less a provision granted for travel.
3. Staffing change includes allocation for a ministry coordinator role from January with specific portfolio TBC (0.6FTE), and the expansion of the current City Kids Coordinator role (+0.1FTE).
4. Occupancy provides for midweek space for local staff team and anticipated venue costs relating to expansion of the evening service.
5. Operations includes a reallocation of Professional Development from various Ministry budgets to be consolidated into one Professional Development cost within the operations grouping as well as the resumption of more regular travel for events in Melbourne (offset by central contribution towards these flights).
6. Ministry budgets include an increase of investment in local ministry including an all-in service in October 2021 to celebrate the five-year anniversary of City on a Hill Brisbane.
7. Continued partnership contribution to Acts 29 church planting network.

Kingdom fund investment notes:

The 2022 budget reflects a \$47K dip into Available Kingdom Funds. Total funds remain beneath the maximum allowed under current policy and planned investment listed above is significant but proportionate to funds available for sustainability. Ministry advancement items that are allocated to kingdom funds available include: Ministry coordinator addition, Venue/evening service additions and five-year celebration service.



## CITY ON A HILL MELBOURNE EAST

	2022 Budget	2021 Budget	% Change
<b>INCOME</b>	<b>652,336</b>	<b>536,558</b>	<b>22%</b>
Giving	652,336	536,558	22%
<b>TRANSFERS</b>	<b>(144,400)</b>	<b>(122,400)</b>	<b>18%</b>
Central Funding	(146,400)	(122,400)	20%
Shared resources transfers	2,000	-	0%
<b>TOTAL OPERATING INCOME</b>	<b>507,936</b>	<b>414,158</b>	<b>23%</b>
<b>LESS OPERATING EXPENSES</b>	<b>487,817</b>	<b>353,404</b>	<b>38%</b>
Ministry Staffing	332,224	259,462	28%
Occupancy	82,350	34,597	138%
Operations	9,320	4,700	98%
Ministry	40,300	28,860	40%
Partnerships	23,623	25,786	-8%
<b>EBITDA<sup>1</sup></b>	<b>20,119</b>	<b>60,754</b>	<b>-67%</b>
Capital Expenditure	34,870	23,350	49%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>224,605</b>	<b>27,002</b>	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

Melbourne East budget notes:

1. Giving budget represents a 2% increase on actual giving received in prior 12 months.
2. Central funding is calculated on 22.5% of budgeted income, funding centralised ministry and operations support to East, including communications, operations, ministry, and leadership.
3. Staffing reflects the addition of Community Director (1FTE) and Services Coordinator (0.4FTE) – appointments already made, but fully costed in this budget.
4. Occupancy increases relate to the recent establishment of a midweek space and due to an anticipated fewer 'locked down Sundays' from the 2021 financial year. Budget includes the assumption of online services up to mid-November.
5. Operations includes a reallocation of Professional Development from various Ministry budgets to be consolidated into one Professional Development cost within the operations grouping as well as a reduction in stipend insurance charged by the diocese.
6. Ministry budgets include an increase of investment in local ministry across all areas with the added notable addition of provision for biblical counselling training for gospel community leaders.
7. Partnership costs, though as a total have increased across the movement, have reduced at this location due to the allocation of assessment relating to church planting, being allocated to the church planting budget listed later in this paper.
8. Equipment costs include upgrades to AVL equipment for Sunday venue and investment into equipment at midweek venue.

Kingdom fund investment notes:

The 2022 budget reflects a \$15K dip into Available Kingdom Funds. Total funds remain beneath the maximum allowed under current policy. Some significant investment in East's midweek venue has already been processed with much of the fit out paid for in the 2021 financial year. Due to an initial reduced rent period, the commitment will lead to significant consumption of kingdom funds in the 2023 year as the initiative approaches sustainability under future budgets.



## CITY ON A HILL SURF COAST

	2022 Budget	2021 Budget	% Change
<b>INCOME</b>	<b>149,701</b>	<b>109,287</b>	<b>37%</b>
Giving	149,701	109,287	37%
<b>TRANSFERS</b>	<b>7,337</b>	<b>25,800</b>	<b>-72%</b>
Central Funding	(33,600)	(14,400)	133%
CPF transfers to churches	40,937	40,200	2%
<b>TOTAL OPERATING INCOME</b>	<b>157,038</b>	<b>135,087</b>	<b>16%</b>
<b>LESS OPERATING EXPENSES</b>	<b>170,893</b>	<b>125,087</b>	<b>37%</b>
Ministry Staffing	117,450	97,879	20%
Occupancy	27,258	8,944	205%
Operations	4,333	2,275	90%
Ministry	17,155	14,896	15%
Partnerships	4,697	1,093	330%
<b>EBITDA<sup>1</sup></b>	<b>(13,856)</b>	<b>10,001</b>	<b>-239%</b>
Capital Expenditure	3,575	4,700	-24%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>34,815</b>	<b>1,144</b>	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

Surf Coast budget notes:

1. Giving budget includes a graded increase throughout 2022 with goal to grow congregation towards self-sustainability.
2. Central funding is calculated on 22.5% of budgeted income, funding centralised ministry and operations support to Surf Coast, including communications, operations, ministry, and leadership.
3. Church planting support continues, both from the general movement fund and external partner organisations.
4. Staffing includes the reallocation of a City Kids Coordinator to a Families Minister at an increased FTE (0.4FTE).
5. Increase in Occupancy is due to an anticipated fewer 'locked down Sundays' from the 2021 financial year combined with the hope to move to a more substantial and longer-term venue arrangement on the Surf Coast.
6. Operations includes a reallocation of Professional Development from various Ministry budgets to be consolidated into one Professional Development cost within the operations grouping as well as a reduction in stipend insurance charged by the diocese.
7. Ministry budgets are set to increase from prior year proportionate with local growth.
8. Partnership costs include contribution to Acts 29 church planting network and Anglican Diocese Assessment as a proportion of income and total movement commitment.

Kingdom fund investment notes:

The 2022 budget reflects a \$17.5K dip into Available Kingdom Funds. Kingdom funds available are largely due to distributions from the bless Geelong campaign and have been allocated to venue growth and the desire of employing a families minister.



## CITY ON A HILL GOLD COAST

	2022 Budget	2021 Budget	% Change
<b>INCOME</b>	<b>166,700</b>	<b>115,000</b>	<b>45%</b>
Giving	146,700	115,000	28%
Gospel Patrons & Grants	20,000	-	0%
<b>TRANSFERS</b>	<b>14,647</b>	<b>40,600</b>	<b>-64%</b>
Central Funding	(28,800)	(14,400)	100%
CPF transfers to churches	43,447	55,000	-21%
<b>TOTAL OPERATING INCOME</b>	<b>181,347</b>	<b>155,600</b>	<b>17%</b>
<b>LESS OPERATING EXPENSES</b>	<b>196,086</b>	<b>137,104</b>	<b>43%</b>
Ministry Staffing	148,298	102,974	44%
Occupancy	19,286	12,254	57%
Operations	9,815	5,700	72%
Ministry	17,220	15,025	15%
Partnerships	1,467	1,150	28%
<b>EBITDA<sup>1</sup></b>	<b>(14,739)</b>	<b>18,496</b>	<b>-180%</b>
Capital Expenditure	11,000	15,290	-28%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>37,413</b>	<b>9,071</b>	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

Gold Coast budget notes:

1. Giving budget includes a graded increase throughout 2022 with goal to grow congregation towards self-sustainability locally.
2. Central funding is calculated on 24.5% of budgeted income, funding centralised ministry and operations support to Gold Coast, including communications, operations, ministry, and leadership, less a provision granted for travel.
3. Church planting support continues, both from the general movement fund and external partner organisations.
4. Staffing includes the addition of a Services Coordinator from October (0.4FTE) and Local Mission Director from August 2022 (0.6FTE).
5. Increase in Occupancy is due to an anticipated fewer 'locked down Sundays' from the 2021 financial year.
6. Operations includes a reallocation of Professional Development from various Ministry budgets to be consolidated into one Professional Development cost within the operations grouping.
7. Ministry budgets are set to increase from prior year proportionate with local growth.
8. Continued partnership contribution to Acts 29 church planting network.
9. Capital Expenditure includes investment into local IT needs for new and existing staff as well as some investment into Sunday AVL equipment.

Kingdom fund investment notes:

The 2022 budget reflects a \$25K dip into Available Kingdom Funds. Though total funds remain beneath the maximum allowed under current policy, special effort has been made to invest kingdom funds available to Gold Coast consistent with the desires of supporters who have largely contributed to the balance of funds available. This includes capital expenditure and staffing hires which are due to be actioned early comparative to other City on a Hill plants to fuel local growth.



## CITY ON A HILL WOLLONGONG

	2022 Budget	2021 Budget	% Change
<b>INCOME</b>	<b>81,900</b>	<b>25,881</b>	<b>216%</b>
Giving	81,900	25,881	216%
<b>TRANSFERS</b>	<b>75,603</b>	<b>70,848</b>	<b>7%</b>
Central Funding	(15,200)	1,200	-1367%
CPF transfer to churches	90,803	69,648	30%
<b>TOTAL OPERATING INCOME</b>	<b>157,503</b>	<b>96,729</b>	<b>63%</b>
<b>LESS OPERATING EXPENSES</b>	<b>156,171</b>	<b>80,846</b>	<b>93%</b>
Ministry Staffing	106,154	64,942	63%
Occupancy	30,908	2,704	1043%
Operations	7,215	5,100	41%
Ministry	11,280	8,100	39%
Partnerships	614	-	0%
<b>EBITDA<sup>1</sup></b>	<b>1,331</b>	<b>15,882</b>	<b>-92%</b>
Capital Expenditure	14,575	16,000	-9%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>(33,843)</b>	<b>(3,740)</b>	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

### Wollongong budget notes:

1. Giving budget includes a graded increase throughout 2022 with goal to grow congregation towards self-sustainability locally.
2. Central funding is calculated on 24.5% of budgeted income, funding centralised ministry and operations support to Wollongong, including communications, operations, ministry, and leadership, less a provision granted for travel.
3. Church planting support continues, both from the general movement fund and external partner organisations.
4. Staffing includes the addition of a City Kids Coordinator from January 2022.
5. Occupancy increase is based upon an assumed public launch in a suitable venue from February 2022. Budget for venue commences from January so that the local team can adapt to space in anticipation of the launch. Reforecast will occur if the COVID situation in NSW prevents the planned February launch.
6. Operations includes a reallocation of Professional Development from various Ministry budgets to be consolidated into one Professional Development cost within the operations grouping.
7. Ministry budgets are set to increase from prior year proportionate with local growth.
8. Partnerships include contribution to Acts 29 church planting network once acceptance into the network is confirmed.
9. Expected equipment costs planned in association with launch to physical services.

### Kingdom fund investment notes:

As City on a Hill Wollongong is still in its planting phase as a church, there are no kingdom funds available for investment at this stage. The church continues to be upheld financially by the movement and its combined working capital reserves.



## CHURCH PLANTING

	2022 Budget	2021 Budget	% Change
<b>INCOME</b>	<b>185,804</b>	<b>240,837</b>	<b>-23%</b>
Giving	104,817	172,668	-39%
Gospel Patrons & Grants	80,987	68,169	19%
<b>TRANSFERS</b>	<b>(257,187)</b>	<b>(107,200)</b>	<b>140%</b>
CPF transfers to churches	(175,187)	(85,200)	106%
Shared resources transfers	(82,000)	(22,000)	273%
<b>TOTAL OPERATING INCOME</b>	<b>(71,383)</b>	<b>133,637</b>	<b>-153%</b>
<b>LESS OPERATING EXPENSES</b>	<b>100,360</b>	<b>2,500</b>	<b>3914%</b>
Ministry Staffing	71,369	-	0%
Occupancy	-	-	0%
Operations	1,491	-	0%
Ministry	-	2,500	-100%
Partnerships	27,500	-	0%
<b>EBITDA<sup>1</sup></b>	<b>(171,743)</b>	<b>131,137</b>	<b>-231%</b>
Capital Expenditure	-	-	0%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>401,097</b>	<b>173,793</b>	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

Church Planting budget notes:

1. Giving budget assumes a repeat of actual giving received in prior 12 months. Grant income budgeted is secured funds from Genesis and Spanish River for existing plants. Any internal transfers from local church kingdom fund reserves are not factored in the budget, but would increase available church planting kingdom funds.
2. Distribution of church planting funds has increased this year with three churches in the planting phase.
3. Addition of Church Planting Resident effective January 2022 (1FTE) to prepare to plant our 9<sup>th</sup> church.
4. Operations includes merchant fees from online donations
5. Partnerships includes 50% of the church planting portion of Melbourne Diocese Assessment (contribution to local planting).

Church Planting Kingdom fund investment:

Kingdom fund investment of \$171K in 2022 is a significant investment into church planting, with three active plants and expectation for more on the way (see addition of planting resident), this investment is reflective of current planting activity as existing plants approach sustainability.



## MANY ROOMS

	2022 Budget	2021 Budget	% Change
<b>INCOME</b>	<b>160,883</b>	<b>183,220</b>	<b>-12%</b>
Giving	97,883	116,936	-16%
Gospel Patrons & Grants	63,000	66,284	-5%
<b>TRANSFERS</b>	<b>93,000</b>	<b>45,000</b>	<b>107%</b>
Central Funding	(15,000)	(15,000)	0%
Charity Transfers	108,000	60,000	80%
<b>TOTAL OPERATING INCOME</b>	<b>253,883</b>	<b>228,220</b>	<b>11%</b>
<b>LESS OPERATING EXPENSES</b>	<b>446,947</b>	<b>350,526</b>	<b>28%</b>
Ministry Staffing	232,663	268,733	-13%
Occupancy	35,800	27,837	29%
Operations	4,393	8,800	-50%
Ministry	174,090	45,156	286%
<b>EBITDA<sup>1</sup></b>	<b>(193,064)</b>	<b>(122,306)</b>	<b>58%</b>
Capital Expenditure	4,675	5,500	-15%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>224,289</b>	<b>266,750</b>	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

Many Rooms budget notes:

1. Giving in 2022 budgeted based on 9% increase of 2021 actuals.
2. Grant income is 75% secured funding from the federal government for the Community Visitors Scheme. It is budgeted and expected that this funding will continue through quarter four and beyond, securing the remaining 25% of funding.
3. Staffing budget includes the hiring of a Director of Mercy Ministry based at Melbourne to lead and pioneer mercy ministries in Melbourne from January 2022.
4. Occupancy expenses are budgeted to increase consistent with the assumption that fewer dinner services will be cancelled in 2022FY on account of the pandemic.
5. Operations decrease on account of audit costs being reallocated to COAHM – Central, consistent with consolidated statements being prepared.
6. Ministry expense increase is due to the provision of \$150K, set aside to invite local churches to innovate and apply for funding to launch new mercy initiatives in 2022.

Many Rooms Kingdom fund investment:

Kingdom fund investment of \$193K in 2022 includes significant investment into mercy ministry with the addition of the Director of Mercy Ministries role in Melbourne and the set aside provision of \$150K to invest into local mercy ministries.





## MOVEMENT MINISTRIES & OPERATIONS

	2022 Budget Central	2022 Budget Digital	2022 Budget Central & Digital	2021 Budget Central & Digital	% Change
<b>INCOME</b>	-	86,418	86,418	258,183	-67%
					0%
Giving	-	30,000	30,000	101,808	-71%
Gospel Patrons & Grants	-	56,418	56,418	150,000	-62%
Other Income	-	-	-	6,375	-100%
<b>TRANSFERS</b>	1,216,415	-	1,216,415	993,117	22%
					0%
Central Funding	961,200	-	961,200	841,400	14%
Shared resources transfers	255,215	-	255,215	151,717	68%
<b>TOTAL OPERATING INCOME</b>	1,216,415	86,418	1,302,833	1,251,300	4%
<b>LESS OPERATING EXPENSES</b>	1,380,845	105,366	1,486,211	1,277,987	16%
					0%
Ministry Staffing	1,061,180	90,161	1,151,340	1,049,349	10%
Occupancy	16,050	-	16,050	13,333	20%
Operations	179,400	1,049	180,449	122,655	47%
Ministry	124,216	14,156	138,372	92,650	49%
<b>EBITDA<sup>1</sup></b>	(164,430)	(18,948)	(183,378)	(26,687)	587%
Capital Expenditure	5,500	-	5,500	10,230	-46%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	499,856	(26,341)	473,515	50,988	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

### Central budget notes:

1. Central funding has reduced by 0.5% from 2021 budget and is based upon budgeted income.
2. Shared resource transfers include staffing recharges and some use of office space across the movement.
3. Staffing includes additions of HR Manager during the year (0.8FTE), additional 0.2FTE contributed to the finance function and the provision 0.2FTE for governance and company secretary support. The budget also includes Executive Assistant return from maternity leave (0.6FTE).
4. Operations increase includes additions for professional fees (Legal, Accounting, Kooyoora Professional Standards), professional development, insurances, software, travel and safe ministry.
5. Ministry expense increase is due to the provision of \$50K, set aside to invite local churches to innovate and apply for funding to launch new mercy initiatives in 2022.

### Digital budget notes:

1. Digital budget is split from the general Central budget for clear tracking of the ministry project.
2. Digital giving expected to continue to decline as ministry continues to return to physical church locations. Total income reflects a 30% reduction on current 4month average.
3. Grant income is secured, and cash has been received.
4. New grant funding applications for digital ministry are in progress in accordance with the movement digital review.

### Central Kingdom fund investment:

Kingdom fund investment of 183K includes continued investment in digital ministry and provision of \$50K towards local mercy ministries. Kingdom funds are also set to be investment in HR role to support the addition of 17 roles as part of this budget.



## CITY ON A HILL FOUNDATION

	2022 Budget	2021 Budget	% Change
<b>INCOME</b>	<b>349,785</b>	<b>229,979</b>	<b>52%</b>
Giving	349,785	229,979	52%
<b>TRANSFERS</b>	<b>(438,000)</b>	<b>(177,000)</b>	<b>147%</b>
Central Funding	-	3,000	-100%
Charity Transfers	(438,000)	(180,000)	143%
<b>TOTAL OPERATING INCOME</b>	<b>(88,215)</b>	<b>52,979</b>	<b>-267%</b>
<b>LESS OPERATING EXPENSES</b>	<b>6,202</b>	<b>5,812</b>	<b>7%</b>
Operations	6,202	5,812	7%
<b>EBITDA<sup>1</sup></b>	<b>(94,417)</b>	<b>47,168</b>	<b>-300%</b>
Capital Expenditure	-	-	0%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>525,750</b>	<b>180,000</b>	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

Foundation budget notes:

1. Giving in 2022 budgeted based on 9% increase of 2021 actuals.
2. Distributions of \$330,000 and \$108,000 to City on a Hill Creative and Many Rooms respectively.
3. Operations includes merchant fees for online donations.

Foundation Kingdom fund investment:

City on a Hill Foundation will contribute 94K of kingdom funds between City on a Hill Creative and Many Rooms as part of the 2022 budget.



## CITY ON A HILL CREATIVE

---

	2022 Budget	2021 Budget	% Change
<b>INCOME</b>	-	158,838	-100%
Gospel Patrons & Grants	-	100,000	-100%
Other Income	-	58,838	-100%
<b>TRANSFERS</b>	<b>(13,511)</b>	<b>(187,107)</b>	<b>-93%</b>
Central Funding	-	1,500	-100%
Charity Transfers	330,000	120,000	175%
Shared resources transfers	(343,511)	(308,607)	11%
<b>TOTAL OPERATING INCOME</b>	<b>(13,511)</b>	<b>(28,269)</b>	<b>-52%</b>
<b>LESS OPERATING EXPENSES</b>	<b>5,353</b>	<b>60,062</b>	<b>-91%</b>
Operations	5,353	10,062	-47%
Ministry	-	50,000	-100%
<b>EBITDA<sup>1</sup></b>	<b>(18,864)</b>	<b>(88,331)</b>	<b>-79%</b>
Capital Expenditure	5,500	22,000	-75%
<b>Max Available Kingdom Funds (opening)<sup>2</sup></b>	<b>11,450</b>	<b>220,600</b>	

<sup>1</sup>Earnings before interest, taxes, depreciation and amortisation

<sup>2</sup>Adjusted local working capital less three months operating expenditure held as reserve

Creative budget notes:

1. In 2022 the City on a Hill Foundation is expected to be the primary funder for Creative, with no secured and ongoing patron or grant support at this stage.
2. 2021 was an anomaly in relation to foundation distributions and 2022 budgeted distribution of \$330K is reflecting a return to pre-covid distributions as required for creative's continued operations
3. Shared resource transfers include reallocation of various staff roles across the movement that are predominately creative in nature, due to their roles relating to the production or promotion of Christian music, film, television or other art forms.
4. Operations budget relates to certain software requirements of City on a Hill's Creative teams.