

FY27 Budget Request Narrative

REVENUE

POI (Percentage of Income) is projected to come within .3% of the FY26 budget. FY27 POI is based on 3% growth over the projected FY26 POI.

Service Provider Income is projected to exceed the budget by 1.5%. The FY27 increase is primarily due to changes in EPC OGA staff allocations. Other costs such as office space rent and commercial insurance are included in this number.

A pledge was made and fulfilled in FY26. No pledges were made for FY27.

Interest and Dividends on an annualized basis for FY26 are expected to be over \$21,000 lower than the budgeted amount for the period. The primary reason for the shortfall was a deteriorating interest rate environment and equity market returns impacted by the level of economic uncertainty during the period. The FY27 budget reflects a more stabilized environment, albeit at the lower levels present at the end of FY26.

EXPENSES

Administration

Staff costs actual expenses are projected to exceed budget by 3.8%. This is due to additional staffing needs as well as some overtime costs. This included additional staffing needed for the increase in number of GA committees as well as new responsibilities in serving WO. The FY27 budget does not include a cost-of-living increase and is projected to be virtually the same as FY26 actual.

Limited staff travel was necessary in FY26. A relatively small amount for FY27 should suffice.

The Executive Travel lines exceeded budget due to unanticipated travel needs. It is expected that travel will be more normal in FY27.

Professional Expense Allowance is under budget for FY26. It is anticipated that the same budget should suffice for FY27.

Commercial insurance costs are slightly below budget for FY26. A 5% increase is projected for FY27.

Tech Services will finish over budget by approximately \$35,000. This was primarily due to some equipment needs that were unforeseen. This included unexpected equipment replacement premature obsolescence and equipment for new hires. The FY27 budget request is an accurate estimate of planned software and equipment costs.

General Office will finish below budget for FY26. This was accomplished through efforts to find savings by going paperless as much as possible, for example. A 5% increase is anticipated to cover inflation.

Professional Services will finish virtually on budget. A small increase is anticipated for FY27.

Church Planting will finish on budget for FY26. The same amount is allocated for FY27.

Church Health will finish on budget for FY26. The same amount is allocated for FY27.

Effective Biblical Leadership will finish virtually on budget for FY26. Increases are expected due to an increase in the number of committees meeting in FY27 plus inflation in travel costs.

Global Movement

The EPC's fixed percentage contribution to World Outreach based on POI.

Fraternal Relations will finish FY26 relatively close to budget. The FY27 budget increase is due to the Fraternal Relations Committee planning a meeting for FY27.