

# **Proposed Budget for FY2026**

## **(April 1, 2025 - March 31, 2026)**

### **Context**

The precarious nature of ABCORI's finances has been reported on in different formats for many years. In the absence of income sufficient to cover expenses, ABCORI has relied heavily on draws from its endowment to support its ministry for at least the past decade. Thanks to a bequest in 2023 and proceeds from the January 2024 sale of property owned by ABCORI and previously used by Quidnick Baptist Church, ABCORI was less reliant on the endowment in its most recent fiscal years. Nevertheless, a decade or more of routine draws, coupled with the allocation of funds to pay for the necessary repair to the Lake Adams dam, have nearly depleted ABCORI's endowment.

A depleted endowment has a significant impact. The smaller the endowment, the less interest income ABCORI earns. As a result, the quarterly income disbursements are significantly lower. When ABCORI's endowment was healthier, income from interest on the invested funds could contribute \$100,000 or more to ABCORI's budget. For FY2026, estimated income from interest on ABCORI's invested funds is \$25,000.<sup>1</sup> With giving from ABCORI churches also having declined as many of those churches face their own financial challenges, ABCORI is left with less money to fund its ministry. ABCORI has been unable to pursue new ministry opportunities or invest in upgrades to the Canonicus Camp and Conference Center for years due to a lack of funds.

ABCORI's dire financial situation now threatens its very existence. Simply stated, ABCORI's available cash assets<sup>2</sup> will be exhausted in less than two years without additional income sources. This would mean the end of ABCORI's ministry to its member churches and among American Baptists in the state.

### **Narrative**

ABCORI's purpose is to "establish, maintain, and assist American Baptist churches in the state." This takes the form of resourcing member congregations, equipping congregational leaders, and promoting shared ministry. To do this, ABCORI maintains an office; employs staff; and offers workshops, programs, resources, and expertise. As

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<sup>1</sup> Estimated FY2026 income from permanent trusts of which ABCORI is beneficiary is \$9,000. These figures together account for the \$36,000 reported in income line 5085 in the FY2026 proposed budget.

<sup>2</sup> ABCORI's available cash assets as of 3/31/25 were: \$82,507 in checking, \$102,134 in a CD, and \$443,827 in fully unrestricted endowment funds to which ABCORI has access to income and principal. ABCORI's additional cash assets include \$98,182 in the Baptist Fund, which has a designated purpose and is not available for general expenses; \$7,797 in savings, which is held for Elder Care Ministries outreach; \$19,150 in endowment funds earmarked for camperships; and \$44,029 in endowment funds earmarked for Canonicus expenses.

an employer and nonprofit organization, ABCORI carries appropriate insurances and has certain administrative costs.

ABCORI also has expenses resulting from its ownership of Canonicus Camp and Conference Center. These facility costs (utilities, insurance, maintenance, repairs, and related staff for the grounds and all buildings at Canonicus) are independent of any costs associated with programs that take place at Canonicus.

In preparing the FY2026 budget proposal, the Finance Committee sought to keep expenses as low as possible while also enabling ABCORI to fulfill its mission, function as an organization, and perform basic care of the Canonicus property.

The proposed budget, which was unanimously approved by the Board of Ministries for presentation at ABCORI's annual business meeting, reflects the following recommendations:

- That ABCORI continue to employ a full-time executive minister; a full-time facilities manager; a part-time office administrator (30 hours/week); a part-time maintenance worker (24 hours/week); and a part-time facilities monitor (3 hours/week).
- That staff with more than one year of employment receive a 2.5% cost-of-living allowance (COLA) raise, as recommended by the Personnel Committee.
- That camp and conference operations at Canonicus not resume in FY26 due to 1) a lack of property insurance; 2) liability insurance exclusions that significantly limit activities on the property; and 3) camp/conference program revenue historically insufficient to cover associated expenses and overhead.
- That buildings remain in “hibernation” mode in an attempt to limit facility costs.
- That repairs and maintenance of Canonicus facilities continue on an “as needed” basis, with repairs classified as capital expenses funded by drawing from ABCORI's endowment accounts designated for Canonicus capital expenses.

The proposed budget is once again a deficit budget. Even with expenses kept to a bare minimum, ABCORI's income is not sufficient to cover its ministry among its member churches and the costs associated with ownership of Canonicus. As in previous years, the greatest source of deficit is from Canonicus facilities.

If ABCORI is to fund this deficit budget without exhausting the fully unrestricted funds in its endowment, additional income funds must be found. While donations of any size are appreciated, it is unrealistic to think that ABCORI's member churches would be able to provide sufficient funds to fully support ABCORI's ministry in FY2026 or in the future.

To fund the FY2026 budget, the Finance Committee recommends that the Ruah property (former director's lodge) be subdivided from the larger parcel of which it is a part and sold. This stop-gap measure would not resolve the bigger picture of ABCORI's dire financial situation, but it would provide the necessary cash flow for ABCORI to remain in operation through the fiscal year without exhausting ABCORI's limited endowment.

### **Bigger Picture**

ABCORI cannot continue its pattern of patching deficit budgets from year to year. A longer-term strategy to fund ABCORI's ministry is necessary.

Additionally, it is fiduciarily irresponsible for ABCORI to continue ownership of a camp and conference center property for which it cannot obtain insurance and which has been a detriment to ABCORI's overall financial stability – and, therefore, a deterrent to ABCORI's fulfillment of its primary purpose and ministry.

To secure its long-term future, ABCORI should explore divestment of the Canonicus property<sup>3</sup> and work to increase its endowment so that it becomes a reliable, ongoing source of financial support for ABCORI's ministry among its member churches.

In the meantime, the Board of Ministries is open to considering proposals from outside organizations for use of the Canonicus property. Those proposals need to include:

- A statement of how the organization and/or proposed use of the property aligns with ABCORI's purpose and mission.
- A business plan, including an organization description; market analysis; business structure and management; products or services; customer segmentation; marketing and sales plan; logistics and operations; and detailed, audited financials.
- Evidence of immediate and ongoing financial benefit to ABCORI.
- Details of the organization's insurance coverage, including but not limited to general liability, liability for all proposed programs/activities, and property insurance for the full Canonicus property. Details of all exclusions in coverage must be provided.

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<sup>3</sup> Canonicus Camp and Conference Center is ABCORI's greatest financial asset. In 2024, that property appraised for \$4.36 million.

	FY 25 Budget (April 1,2024- March 31,2025)	FY 26 Proposed (April 1, 2025-March 31,2026)
<b>Revenue</b>		
<b>5000 REVENUE - REGIONAL OPERATIONS</b>		
5010 America for Christ Offering	\$3,200.00	\$3,100.00
5020 Regional Support	\$13,500.00	\$5,675.00
5030 United Mission Giving	\$70,000.00	\$68,000.00
5040 Honoraria		
5050 Baptist Fund of RI - Donations	\$14,650.00	\$7,000.00
5051 Baptist Fund of RI - PIF Invest	\$14,856.00	\$16,000.00
5060 Gifts & Donations-Unrestricted	\$50,000.00	\$30,000.00
5085 ABCORI - Pooled Member Qtrly	\$16,800.00	\$36,000.00
5091 Transfer - PIF MGMT Expenses	\$16,200.00	\$0.00
5540 Baptist Home of RI - Admin Serv	\$7,180.00	\$7,538.00
5560 Misc Income	\$4,644.00	\$1,000.00
<b>Total 5000 REVENUE - REGIONAL OPERATIONS</b>	<b>\$211,030.00</b>	<b>\$174,313.00</b>
<b>5200 CAMP &amp; CONFERENCE</b>		
5310 Revenue - Day Conferences	\$14,000.00	\$0.00
5320 Overnight Retreats	\$60,000.00	\$0.00
5330 Revenue - Equipment & Misc. Item	\$2,000.00	\$0.00
5340 Other Facilities - Fields/Chapel	\$16,000.00	\$0.00
5350 Surcharges	\$3,000.00	\$0.00
5380 Revenue Food Service	\$62,000.00	\$0.00
<b>Total 5200 REVENUE - CAMP &amp; CONFERENCE</b>	<b>\$157,000.00</b>	<b>\$0.00</b>
<b>5500 OTHER CANONICUS INCOME</b>		
5082 Other Donations	\$9,448.00	\$2,500.00
5090 Transfer - PIF Capital Expenses		
5512 Rental - ABCORI Units	\$36,000.00	\$0.00
5525 Income Scrap Salvage	\$0.00	\$500.00
<b>Total 5500 REVENUE - OTHER</b>	<b>\$45,448.00</b>	<b>\$3,000.00</b>
<b>TOTAL REVENUE</b>	<b>\$413,478.00</b>	<b>\$177,313.00</b>
<b>6000 REGIONAL - ADMIN EXPENSES</b>		
6010 Bank/Credit Card Fees&Interest	\$400.00	\$400.00
6030 Fees & Dues	\$300.00	\$200.00
6040 Workers Compensation Insurance	\$7,300.00	\$9,758.00
6045 Insurance - Umbrella/Liability/D&O	\$3,500.00	\$17,809.00
6050 Utilities - Lawrence Bldg.	\$7,100.00	\$6,485.00
6055 Maintenance - Lawrence Bldg.	\$3,600.00	\$4,455.00
6090 Office Expenses	\$2,000.00	\$2,000.00
6105 Lease Expense - Copier	\$2,250.00	\$2,206.00
6110 Postage	\$850.00	\$650.00
6120 Telephone	\$1,800.00	\$1,500.00
6130 Computer Services/Internet Expense	\$5,500.00	\$5,000.00
6160 Audit/Compilation Services	\$6,000.00	\$7,000.00

6170 Accounting Fees- Controllership	\$1,800.00	\$1,200.00
6175 Bookkeeping Fees	\$18,000.00	\$18,000.00
6180 Legal/Professional Fees	\$1,500.00	\$15,000.00
6240 Payroll Service Expense	\$1,400.00	\$1,500.00
<b>Total 6000 REGIONAL - ADMIN EXPENSES</b>	<b>\$63,300.00</b>	<b>\$93,163.00</b>

**6200 REGIONAL - OPERATIONS EXPENSE**

6035 Dues - MRC	\$2,000.00	\$2,000.00
6172 Accounting Fees - Investment	\$5,200.00	\$5,200.00
6210 Payroll - Administrative Staff	\$48,082.94	\$46,800.00
6230 Payroll Tax Expense - Admin	\$3,678.35	\$3,600.00
6250 Local Travel & Hosp. - Exec	\$4,000.00	\$3,000.00
6252 National Travel & Educ. - Exec	\$4,000.00	\$2,000.00
6260 Travel - Admin	\$200.00	\$200.00
6300 Payroll - Executive Salaries	\$85,543.01	\$87,682.00
6310 Payroll-Executive Housing Allow		
6312 Payroll - Exec Medical Reimb	\$5,423.00	\$6,080.00
6314 Payroll - Exec S.S. Offset		
6315 Pension - Executive Staff	\$13,686.91	\$14,029.00
6510 Resource & Literature	\$500.00	\$0.00
6515 Seminars & Workshops - ABCORI	\$10,000.00	\$10,000.00
6520 Board Expenses - ABCORI	\$4,500.00	\$4,500.00
6810 Baptist Fund of RI-Grants	\$23,000.00	\$23,000.00
<b>Total 6200 REGIONAL - OPERATIONS EXPENSE</b>	<b>\$209,814.21</b>	<b>\$208,091.00</b>

**7000 CANONICUS FACILITES**

7040 Electricity	\$22,080.00	\$21,485.00
7050 Natural Gas	\$8,900.00	\$10,817.00
7060 Insurance - Buildings	\$41,500.00	\$50,000.00
7075 Maintenance - Building	\$5,000.00	\$4,050.00
7080 Maintenance Supplies	\$3,500.00	\$2,400.00
7085 Ground Maintenance	\$6,300.00	\$3,600.00
7090 Heating Oil	\$6,432.00	\$4,800.00
7110 Propane	\$1,290.00	\$1,680.00
7120 Equipment Repairs	\$9,500.00	\$3,000.00
7130 Vehicles Maintenance	\$6,800.00	\$900.00
7140 Gasoline	\$3,500.00	\$1,910.00
7150 Vehicle Insurance	\$900.00	\$1,200.00
7155 Vehicle Registration	\$200.00	\$200.00
7160 Water	\$3,800.00	\$2,885.00
7170 Waste Removal	\$2,820.00	\$2,700.00
7180 Contractual Services	\$8,300.00	\$2,550.00
7290 Capital Expenses		
7310 Payroll - Full Time Staff	\$42,947.71	\$44,021.00
7315 Payroll - Part Time Staff	\$13,472.16	\$23,616.00
7320 Payroll - Seasonal Staff	\$8,192.00	\$0.00
7325 Payroll - Tax Expense	\$4,942.81	\$5,175.00
7335 Medical Insurance - Staff	\$13,636.11	\$13,672.00

7340 Retirement - Staff	\$1,717.91	\$1,761.00
7350 Housing Expense - Staff	\$850.00	\$1,610.00
7355 Housing Utilities - Staff	\$6,300.00	\$6,617.00
<b>Total 7000 CANONICUS FACILITES</b>	<b>\$222,880.70</b>	<b>\$210,649.00</b>

**8200 CAMP & CONFERENCE EXPENSE**

8230 Computer Services/Tech Expense	\$4,500.00	\$0.00
8265 Travel Expense	\$250.00	\$0.00
8270 Program Supplies	\$150.00	\$0.00
8275 Medical Supplies	\$600.00	\$0.00
8280 Permits/Inspections	\$250.00	\$0.00
8285 Fees & Dues	\$300.00	\$0.00
8310 Food - Conferencing	\$27,000.00	\$0.00
8320 Kitchen Supplies	\$2,200.00	\$0.00
8345 Custodial	\$15,000.00	\$0.00
8350 Laundry Expense	\$5,000.00	\$0.00
8355 Domestic Furnishings	\$1,000.00	\$0.00
8380 Payroll - Full Time Staff	\$16,099.30	\$0.00
8382 Payroll - Part Time Staff	\$23,480.00	\$0.00
8385 Payroll - Seasonal Staff	\$23,220.00	\$0.00
8390 Payroll Taxes - Staff	\$6,461.45	\$0.00
8395 Medical Insurance - Staff	\$17,870.43	\$0.00
8397 Retirement - Staff	\$643.97	\$0.00
<b>Total 8200 CAMP &amp; CONFERENCE EXPENSE</b>	<b>\$144,025.15</b>	<b>\$0.00</b>

**TOTAL EXPENSE** \$640,020.06 \$511,903.00

**NET INCOME** -\$226,542.06 **-\$334,590.00**

## Explanation of Budget Line Items

REGIONAL INCOME		
Number	Name	Notes
5010	America for Christ	Budget figure based on a 36-month average. ABCORI receives ~29% of the donations made to this offering by its member churches.
5020	Regional Support	Budget figure based on a 36-month average. ABCORI receives 100% of the donations made to Regional Support via ABCUSA Church Mission Support/United Mission.
5030	United Mission	Budget figure based on a 36-month average. ABCORI receives 65% of the donations made to United Mission Basics by its member churches.
5040	Honoraria	Account used for any honoraria provided to ABCORI staff for pulpit supply and other work-related speaking engagements.
5050	Baptist Fund Donations	Budget figure based on a 36-months average. Entire amount will be available as grants given by ABCORI (see expense line 6810).
5051	Baptist Fund PIF Invest	Estimated income from trusts benefiting the Baptist Fund. Entire amount will be available as grants given by ABCORI (see expense line 6810).
5060	Gifts & Donations- Unrestricted	Budget figure based on a 36-month average, excluding bequests.
5085	ABCORI Pooled Member Qtrly	Estimated income from trusts and endowment accounts designated for ABCORI's general use.
5092	Transfer-PIF Draw	Funds drawn from ABCORI's unrestricted endowment on an as-needed basis to cover operating expenses and budget shortfalls. Balance of these funds as of 12/31/24 is ~\$450,000.
5540	Baptist Home of RI- Admin Serv	Portion of the Baptist Home of Rhode Island grant designated to ABCORI for overhead (office space, etc.) related to the Elder Care Ministries program.
5560	Misc. Income	Income not otherwise specified.

**CCC INCOME**

<b>Number</b>	<b>Name</b>	<b>Notes</b>
5200	Revenue-Camp & Conference	No revenue from camp/conference operations anticipated in FY26.
5082	Other donations	Donations specific to Canonicus.
5090	Transfer-PIF Capital Expenses	Funds drawn on an as-needed basis from accounts in ABCORI's endowment that are designated for Canonicus capital expenses. Total balance of these accounts as of 12/31/24 is ~\$44,000.
5512	Rental-ABCORI units	No rental income currently anticipated in FY26.
5525	Income-Scrap/Salvage Items	Income from scrap metal/salvage sale.



## REGIONAL EXPENSES

Number	Name	Notes
6010	Bank/Credit Card Fees	Fee for remote deposit capability (currently \$180/year) and any incidental banking fees.
6030	Fees and Dues	Executive minister's yearly dues for the Regional Executive Ministers' Council.
6040	Workers Comp Insurance	Budget figure based on current premium; subject to change at renewal in June.
6045	Insurance-Umbrella/Liability/D&O	Budget figure based on current premiums for general liability and director and officers policies; subject to change at renewal in June. Note: In prior budget years, liability and D&O insurance were part of a package with property insurance and not broken out in the budget in the same way.
6050	Utilities-Lawrence Bldg	Utility expenses for the ABCORI office building. Budget figure based on average usage and current rates.
6055	Maintenance-Lawrence Bldg	Maintenance costs for the ABCORI office building. Budget figure based on 3-year average.
6090	Office expense	Office supplies.
6105	Lease expense-copier	Office copier.
6110	Postage	Because postage costs continue to rise, ABCORI is selective about what it sends via USPS.
6120	Telephone	Office phone.
6130	Computer Services/Internet Expenses	Internet service, Quickbooks, Adobe, firewall, tech support.
6160	Audit/Compilation Services	An annual financial compilation report.
6170	Accounting Fees-Controllership	Controller services. Budget figure based on estimated hours this service will entail in FY26.
6175	Bookkeeping Fees	Budget figure based on estimated hours required for bookkeeping services in FY26

**REGIONAL EXPENSES**

6180	Legal/Professional Fees	Legal counsel and professional services required by the organization. Budget figure an estimated cost.
6240	Payroll Services Expense	Payroll service. Budget figure based on estimated cost in FY26.
Above administrative expenses are split 50/50 between Regional Expense and CCCC Expense.		
6035	Dues-MRC	Annual dues for ABCORI's participation in the Multi-Regional Corporation, which is a founding partner of the American Baptist Foundation. Membership in MRC has financial benefit and provides ABCORI with access to resources.
6172	Accounting Fees- Investment	Cost for PIF-related accounting services performed by ABCORI's accountant. Anticipated savings from previous years with the transfer to the PIF to the American Baptist Foundation.
6210	Payroll-Administrative Staff	Salary, part-time administrative staff position (30 hours/week).
6230	Payroll Tax Expense- Admin	Employer-paid FICA
6250	Local Travel & Hosp.- Exec	Executive minister's mileage reimbursement and expenses.
6252	National Travel & Educ.- Exec	Executive minister's continuing education and travel to ABCUSA meetings.
6260	Travel-Admin	Mileage reimbursement to administrative staff for work-related travel
6300	Payroll-Executive Salaries	Total amount in this line in proposed budget will be distributed between salary, housing allowance, and social security offset.
6310	Payroll-Executive Housing Allowance	[Portion of executive minister's compensation designated as housing allowance, for tax purposes.]

<b>REGIONAL EXPENSES</b>		
6312	Payroll-Exec Medical Reimb	Reimbursement of cost for executive minister to be covered by spouse's insurance, rather than be on ABCORI's employee policy. This provides a net savings to ABCORI.
6314	Payroll-Exec SS Offset	[Portion of executive minister's compensation to offset part of executive minister's taxes. (Clergy are considered self-employed for federal tax purpose. Therefore, the employer does not contribute to FICA on their behalf.)]
6315	Pension-Executive Staff	Standard contribution for executive minister's enrollment in MMBB's Comprehensive Plan, which is calculated at 16% of total compensation package (salary, housing, social security offset)
6510	Resources & Literature	Periodicals and publications.
6515	Seminars & Workshops-ABCORI	Expenses associated with ABCORI programming. Funded in FY26 from the Baptist Fund.
6520	Board Expenses	Expenses associated with board meetings and the ABCORI annual gathering
6810	Baptist Fund Expenses	Amount available to be given as grants by ABCORI from the Baptist Fund (balances income from 505 and 5051 above).

<b>CCCC EXPENSES</b>		
Number	Name	Notes
7000	Canonicus Facilities	Estimated budget figures for utilities and necessary maintenance while most buildings are in "hibernation" mode. Based on a combination of historical data, current rates, and projected utility usage.
7060	Insurance-Buildings	Estimated premium <u>if</u> ABCORI is able to secure a property insurance policy.

<b>CCCC EXPENSES</b>		
7180	Contractual Services	Professional services required on a routine basis (fire inspection, boiler inspections, etc.) even when buildings not occupied or in use.
7290	Capital Expenses	Capital repairs/improvements using funds drawn on an as-needed basis from Canonicus-specific accounts in ABCORI's endowment.
7310	Payroll-Full Time Staff	Salary, full-time maintenance/facilities staff.
7315	Payroll-Part Time Staff	Hourly wages, part-time maintenance/facilities staff.
7320	Payroll-Seasonal Staff	No seasonal staff anticipated in FY26.
7325	Payroll-Tax Expense	Employer-paid portion of FICA for maintenance/facilities staff.
7335	Medical Insurance-Staff	Employer-paid insurance premium for full-time maintenance/facilities staff.
7340	Retirement-Staff	Employer-paid retirement contribution for full-time maintenance/facilities staff.
7350	Housing Expenses-Staff	Upkeep costs for onsite staff housing (facilities manager).
7355	Housing Utilities	Utility costs for onsite staff housing (facilities manager).
8200	Camp & Conference Expenses	No camp/conference program proposed in FY26.

[Note: The Elder Care Ministries budget is maintained separately and is no longer included as part of ABCORI's budget. The Elder Care Ministries budget is fully funded by a grant and is not subject to the same approval process as ABCORI's budget.]