

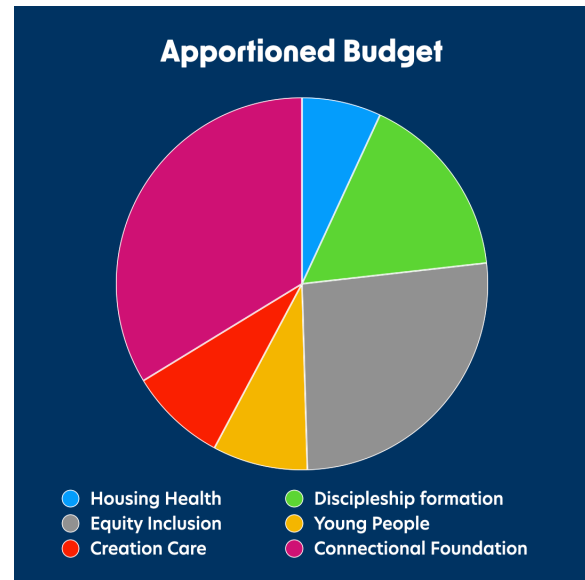
2025 Pacific Northwest Conference Budget Narrative

Prepared for the December 5, 2024 Special Session

The work to create a 2025 budget began last spring with conversations to refresh the presentation format. The Council on Finance & Administration (CF&A) hopes that our new budget category view shares information in a format more familiar to those who have worked with local church budgets.

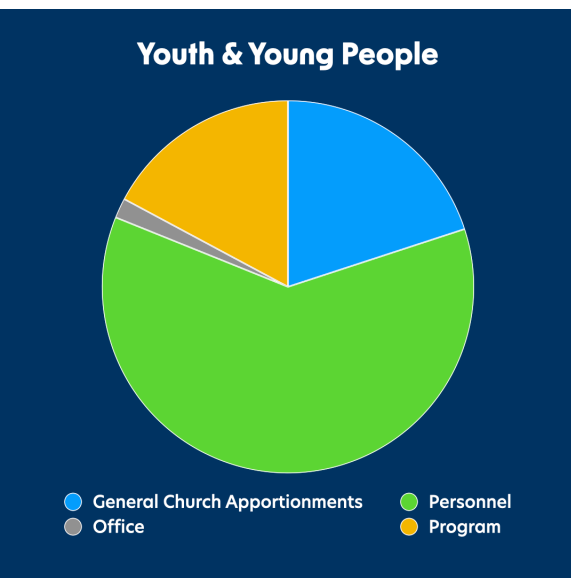
A few weeks ago, CF&A began to discern which parts of our budget align with the Greater Northwest Area and Conference ministry priorities proposed by the Bishop's task group. These materials are the CF&A interpretation of our budget alignment.

As we prepare to vote on our 2025 apportioned conference budget, we want to share with you how we approached creating what we're labeling a transitional budget. We're moving our funding structures from what they have always been to what we hope they *will be* as we live into these GNW and PNW Conference ministry priorities, if approved.



Overall, **CF&A is presenting a flat apportioned budget of \$4,420,000 for 2025**, which is \$9,380 more than the 2024 budget.

To achieve this, we used the ministry priorities—(1) spiritual formation/discipleship; (2) housing and hunger; (3) creation care and climate change; (4) equity, justice and anti-racism; (5) youth and young people; as well as our connectional foundation (the required responsibilities of the Annual Conference)—as a financial architecture to build our budget.



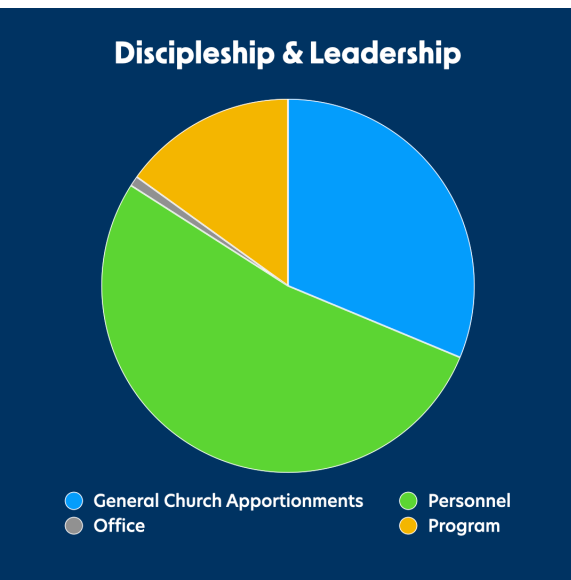
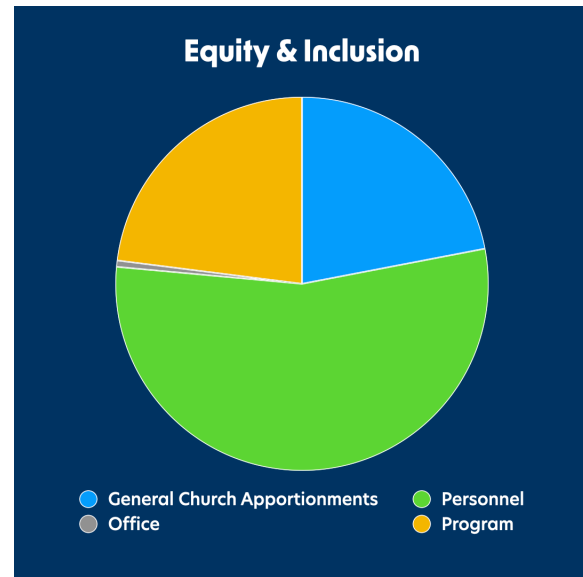
Four different elements are needed to make the ministry priorities a reality in each of these budgeted areas: committed ministry collaborations, emerging ministry collaborations, personnel and general and jurisdictional apportionments.

When we say **committed ministry collaborations**, we mean funds allocated to support ministry collaborations that are already planned and/or required to happen. One example is

the required work of the Board of Ordained Ministry which aligns with the spiritual formation/discipleship Ministry Priority.

When we say **emerging ministry collaborations**, we mean funds that are available to support ministry collaborations that emerge throughout the year. These are things that are not already planned and so there will need to be access to funds to support them. An example from last year was the Housing Event that took place in the fall of 2023. It was not planned when the budget was created but emerged as a need throughout the year. We have in place an initial pool of \$108,000, referred to in past years as the "Opportunity Fund," as seed money for emerging opportunities.

When we say **personnel**, we mean all personnel costs were split among the six categories with an estimate of where personnel resources are currently spent and how they need to shift within the 12 months of 2025 - based on what will likely be the capacity for change within 2025 (this is a transition year budget).



When we say **General and Jurisdictional Apportionments**, we mean our General and Jurisdictional Church apportionments and 100% of them are included in this budget. Each apportionment was examined to identify the kinds of ministry and work it supports in relationship to our six primary budget priorities.

When we say **Connectional Foundation**, we mean the budget area that includes the organizational and operational functions that an Annual Conference is required to perform. It also includes support for our connectional responsibilities to the greater church. One example would be the cost of holding an Annual Conference and all of the staffing work that is required to make that possible.

Keeping in mind the elements that make up the five ministry priorities, we're proposing utilizing our funding sources in the following ways:

Approximately 17 percent of our 2025 apportioned budget will be spent on Discipleship/Spiritual Formation development to help us live into our call to make disciples of Jesus Christ for the transformation of the world.

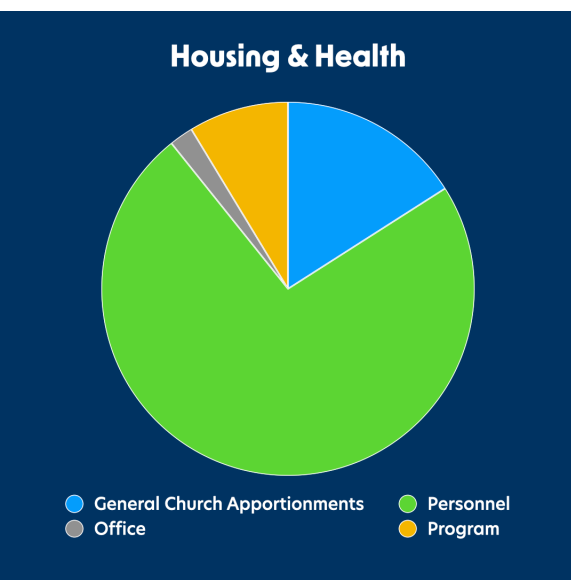
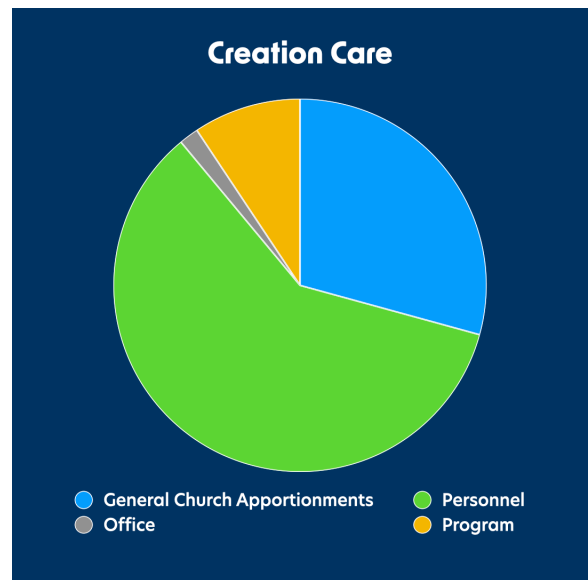
Another 7 percent of the 2025 apportioned budget will be dedicated to housing and hunger as we focus on ministries that matter and our need to care for our neighbors and communities - all of God's beloved.

We're investing 9 percent of our 2025 apportioned budget into creation care and climate justice as we seek to be better stewards of the natural resources that God has provided that nurture our mind, body and spirit.

To support youth and young people, we will invest 8.5 percent of our budget worldwide and across the Conference in meaningful spiritual experiences.

As we continue to address the need to act more equitably, dismantle racism and commit to standing up for acts of justice, we're committing 27 percent of our 2025 apportioned budget to programs and ministries that help us develop more diverse, just, equitable and inclusive practices. This work may also touch and impact the other priorities.

All of this requires taking 34 percent of our 2025 budget to support our connectional foundation. As United Methodists in our communities, we are called to support ministries that make a difference in all of the priorities listed above, not only at home, but around the globe, as we seek the light of God's love in so many ways.

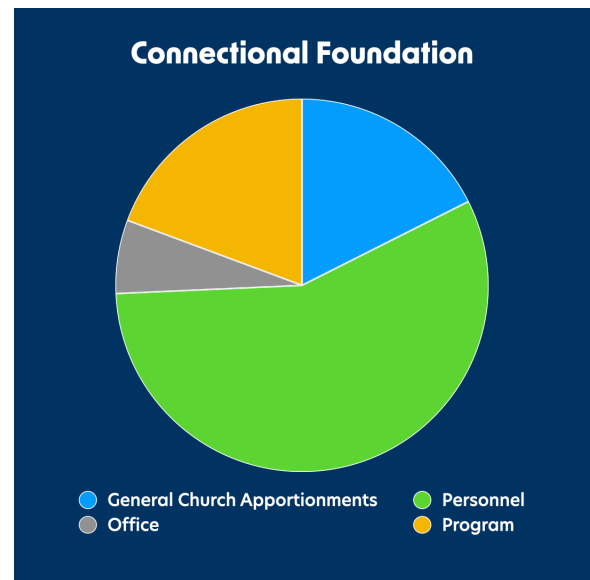


To achieve these goals takes the faithful commitment of individuals and ministries across the PNW Conference through apportioned giving.

It's been the responsibility of CF&A to anticipate income against our expenditures. Over the last decade the apportioned budget has gone from \$6.1 million dollars to the \$4.4M that is proposed in response to what we heard from our local churches. We have tried to keep pace and responsibly monitor our expenses, which continue to rise while our apportioned amount has decreased over the years. In 2025, we are anticipating our receipts to be at 91% of the total budget.

As you can see, a gap will have to be closed in order to maintain our flat budget in 2025 AND enact our ministry priorities. This will require the prayerful and faithful commitment of you—our beloved siblings in Christ—to live out this budget CF&A has had the task of creating.

Scroll down to review the proposed 2025 PNW Conference budget in the new Category View.



Pacific Northwest Annual Conference Budget by Category

	2023 Actual	2024 Budget	2025 - Apportioned Funding	2025 - Other Funding	2025 -Total Funding	Notes
APPORTIONMENT INCOME	\$ 4,591,551.00	\$ 4,410,620.00	\$ 4,420,000.00		\$ 4,420,000.00	
Other income	\$ 160,000.00	\$ 170,000.00			\$ 290,000.00	
EXPENSES						
General Church Apportionments						
Africa University Fund	\$ 15,727.00	\$ 14,192.00	\$ 13,503.00			
Black College Fund	\$ 69,655.00	\$ 63,413.00	\$ 60,334.00			
Episcopal Fund	\$ 188,706.00	\$ 188,706.00	\$ 215,544.00			
General Administration Fund	\$ 55,890.00	\$ 55,890.00	\$ 73,903.00			
Interdenominational Cooperation Fund	\$ 2,092.00	\$ 2,092.00	\$ 6,259.00			
Jurisdictional Administration Fund	\$ 30,000.00	\$ 30,000.00	\$ 30,046.00			
Ministerial Education Fund	\$ 151,374.00	\$ 158,973.00	\$ 151,253.00			
World Service	\$ 483,312.00	\$ 470,679.00	\$ 437,280.00			
Total General Church Apportionments	\$ 1,133,756.00	\$ 983,945.00	\$ 988,122.00		\$ 988,122.00	
GNW Episcopal Office						
Office Expenses	\$ 45,000.00	\$ 35,000.00	\$ 35,000.00			
Bishop's office (shared with OI & Alaska)						
Total GNW Episcopal Office	\$ 45,000.00	\$ 35,000.00	\$ 35,000.00		\$ 35,000.00	
PERSONNEL						
GNW Equity Vitality/Congregational Development						
Salaries Staff	\$ 387,650.00	\$ 332,700.00	\$ 113,300.00			
Benefits (i.e. prof. expenses, cont. ed, moving,)	\$ 148,326.00	\$ 180,700.00	\$ 36,000.00			
Other expenses (i.e. travel, computer replacements)			\$ 1,000.00			
Total	\$ 535,976.00	\$ 513,400.00	\$ 150,300.00		\$ 150,300.00	
District Service Center						
Salaries Staff	\$ 100,500.00	\$ 100,500.00	\$ 104,000.00			
Benefits (i.e. prof. expenses, cont. ed, moving,)	\$ 30,200.00	\$ 33,000.00	\$ 35,000.00			
Other expenses (i.e. travel, computer replacements)	\$ 500.00	\$ 1,000.00	\$ 1,000.00			
Total	\$ 131,200.00	\$ 134,500.00	\$ 140,000.00		\$ 140,000.00	
District Superintendents						
Salaries (including Utilities & Housing)	\$ 553,327.00	\$ 558,327.00	\$ 502,000.00	\$ 125,000.00		Housing Endowment covers DS housing
Benefits (i.e. prof. expenses, cont. ed, moving,)	\$ 103,000.00	\$ 99,000.00	\$ 120,000.00			
Other expenses (i.e. new DS expense)	\$ 1,000.00	\$ 1,000.00	\$ 3,000.00			
Total	\$ 657,327.00	\$ 658,327.00	\$ 625,000.00	\$ 125,000.00	\$ 750,000.00	
Office of Connectional Ministries						
Salaries Staff	\$ 371,808.00	\$ 386,075.00	\$ 440,000.00			

Benefits (i.e. prof. expenses, cont. ed, moving,)	\$ 173,330.00	\$ 175,500.00	\$ 183,333.00		
Other expenses (i.e. travel, computer replacements)			\$ 10,000.00		
Total	\$ 545,138.00	\$ 561,575.00	\$ 633,333.00		\$ 633,333.00
Ethnic Ministries					
Salaries Staff	\$ 83,420.00	\$ 87,560.00	\$ 90,200.00		
Benefits (i.e. prof. expenses, cont. ed, moving,)	\$ 54,700.00	\$ 55,000.00	\$ 50,000.00		
Other expenses (i.e. travel, computer replacements)					
Total	\$ 138,120.00	\$ 142,560.00	\$ 140,200.00		\$ 140,200.00
Treasurer's Office					
Treasurer's Salary	\$ 110,000.00	\$ 115,000.00			
Other Staffing Salaries	\$ 172,000.00	\$ 180,000.00			
Benefits (i.e. prof. expenses, cont. ed, moving,)	\$ 78,650.00	\$ 85,200.00			
Other expenses (i.e. travel, computer replacements)	\$ 6,000.00	\$ 8,000.00			
Total	\$ 366,650.00	\$ 388,200.00	\$ 430,000.00	\$ 75,000.00	\$ 505,000.00
TOTAL PERSONNEL	\$ 2,374,411.00	\$ 2,398,562.00	\$ 2,118,833.00	\$ 200,000.00	\$ 2,318,833.00
PROPERTY					
District Parsonages					
	\$ 6,000.00	\$ 8,000.00	\$ 8,000.00		
TOTAL PROPERTY	\$ 6,000.00	\$ 8,000.00	\$ 8,000.00		\$ 8,000.00
OFFICE					
Connectional Ministries Office					
Office Expenses	\$ 43,400.00	\$ 44,200.00	\$ 45,000.00		
Equipment, Repair & Maintenance	\$ 28,000.00	\$ 29,000.00	\$ 20,000.00		
Information Technology	\$ 3,500.00	\$ 5,000.00	\$ 5,000.00		
Total	\$ 74,900.00	\$ 78,200.00	\$ 70,000.00		\$ 70,000.00
District Service Center					
Office Expenses	\$ 43,150.00	\$ 44,000.00	\$ 25,000.00		
Equipment, Repair & Maintenance	\$ 2,300.00	\$ 2,500.00	\$ 2,500.00		
Total	\$ 45,450.00	\$ 46,500.00	\$ 27,500.00	\$ 20,000.00	\$ 47,500.00
Treasurer's office					
Auditing	\$ 26,000.00	\$ 26,000.00	\$ 28,000.00		
Insurance/Bonding	\$ 1,000.00	\$ 2,000.00	\$ 2,000.00		
Total	\$ 27,000.00	\$ 28,000.00	\$ 30,000.00		
TOTAL OFFICE	\$ 147,350.00	\$ 152,700.00	\$ 127,500.00		\$ 127,500.00
PROGRAM/MINISTRY					
Annual Conference Sessions					

Shared services transition, pension contribution, end of reserve drawdown

District Reserve draw down

Conference Session	\$ 68,000.00	\$ 75,000.00	\$ 85,000.00			
Travel	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00			
Journal	\$ 500.00	\$ 1,200.00	\$ 100.00			Spending down reserves
Total	\$ 71,000.00	\$ 78,700.00	\$ 87,600.00		\$ 87,600.00	
Boards & Agencies						
Board of Higher Ed & Ministry	\$ 78,651.00	\$ 80,933.00	\$ 72,000.00			
Board of Ordained Ministry	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 60,000.00	\$ 82,000.00	Endowment earnings and MEF cover additional costs
Board of Trustees	\$ 15,000.00	\$ 15,000.00	\$ 10,000.00			
Camping Support (fire & liability insurance)	\$ 90,000.00	\$ 75,000.00	\$ 70,000.00			
GNW Equity Vitality/Congregational Development	\$ 180,000.00	\$ 115,000.00	\$ 167,700.00			
Council on Finance and Administration	\$ 125.00	\$ 250.00	\$ 50.00			
Global Mission	\$ 15,640.00	\$ 29,000.00	\$ 29,000.00			
Total	\$ 401,416.00	\$ 337,183.00	\$ 370,750.00	\$ 60,000.00	\$ 430,750.00	
Ethnic Ministries						
Ethnic Ministry Development	\$ 31,620.00	\$ 52,600.00	\$ 35,000.00			
Circle of Indigenous Ministry	\$ 35,000.00	\$ 40,000.00	\$ 40,000.00			
Total	\$ 66,620.00	\$ 92,600.00	\$ 75,000.00		\$ 75,000.00	
Local Ministry Funds						
Cabinet Special Needs Fund	\$ 5,860.00	\$ 10,000.00	\$ 1,000.00			Using reserves as needed
Clergy & Church Support Funds						
Equitable Compensation	\$ 38,450.00	\$ 35,000.00	\$ 30,000.00			
Mission Aid	\$ 85,000.00	\$ 100,000.00	\$ 100,000.00			
Moving Expense Assistance	\$ 26,850.00	\$ 50,000.00	\$ 40,000.00			
Recruitment of Clergy	\$ 2,000.00	\$ 5,000.00	\$ 5,000.00			
District Service Center	\$ 27,589.00	\$ 30,000.00	\$ 30,000.00			This is for AC Young People, Clergy Day Apart, etc.
Leadership Development within Districts	\$ 100.00	\$ 50.00	\$ 50.00			Reserves available if needed
Total	\$ 185,849.00	\$ 230,050.00	\$ 206,050.00		\$ 206,050.00	
Office of Connectional Ministries						
Program	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00			
Total	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00		\$ 5,000.00	
Other Ministries						
Faith Action Network	\$ 15,300.00	\$ 13,770.00	\$ 13,000.00			
Healing Care Fund	\$ -	\$ -				Emergency funds for local church trauma
OCM Scholarships	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00			
Total	\$ 32,300.00	\$ 30,770.00	\$ 30,000.00		\$ 30,000.00	
TOTAL PROGRAM	\$ 762,185.00	\$ 774,303.00	\$ 774,400.00		\$ 834,400.00	

Other					
Funds to Cover Unpaid Apportionments	\$ 413,366.00	\$ 370,072.00	\$ 399,196.00		
TOTAL OTHER	\$ 413,366.00	\$ 370,072.00	\$ 399,196.00		\$ 399,196.00
TOTAL EXPENSES					
	\$ 4,831,068.00	\$ 4,679,582.00	\$ 4,451,051.00		\$ 4,711,051.00
total income	\$ 4,751,551.00	\$ 4,580,620.00	\$ 4,420,000.00	\$ 280,000.00	\$ 4,710,000.00
Net	\$ (79,517.00)	\$ (98,962.00)	\$ (31,051.00)		\$ (1,051.00)

Anticipated underpayment by some churches