

Pacific Southwest District 2022 PSWD Operating Budget and Church Planting Support Budget, and 2023 Operating Expense Maximum

In the pages that follow you will find the proposed 2022 PSWD Operating Budget, the 2022 Church Planting Support Budget, and the recommended 2023 Operating Expense Maximum from the Policy Board. In 2016 the Policy Board spent a significant amount of time looking at the District budget and the operating deficits that were represented in budgets over the last several years. The determination of the 2016 Policy Board was that continued deficits at this level would not provide a base of funding at which we could work to operate as a district with the kinds of programs and support that were desired. From that work they determined that the Operating Budget deficit each year should work to be not more than \$300,000. That year they also began to bring to the District Conference a proposal to set an Operating Expense Maximum for the following year.

The District overall is in a good financial position. Investments we hold at the Brethren Foundation (over \$4 million at the time of this report) continue to perform well, generally producing growth that exceeds the deficit reflected in the operating budget. This provides the resources needed for us to carry out the ministry and program that is the work of the Pacific Southwest District.

2022 PSWD Operating Budget

In the spreadsheets that follow is the proposed 2022 District Operating Budget. The Policy Board is recommending a budget expense of \$472,720. This is an increase of \$6,000 from the 2021 District Operating Budget, and \$2,280 less than the 2022 Operating Expense Maximum set at last year's District Conference.

In this budget are salary increases for staff in line with denominational recommendations, as well as anticipated increases to health insurance. Most of the budget increase over 2021 can be found in these costs.

Other areas may have increased while some have decreased. In other areas, like our legal expenses, the expense line has been assigned to a different area of the budget and so the decrease in one area is offset by an increase in another (most legal is now in Operating Ministry - Audit and Professional Fees).

The anticipated deficit for 2022 is \$299,120, a decrease from the 2021 budget, and in line with the optimal operating deficit that the Board had articulated in 2016.

2022 District Operating Budget Notes

Commitments

Ministry Partnership Funds – These funds work with congregations to encourage entrepreneurial work to revitalize, grow, and try new ministries with shared financial support from the district. Funds are also available to support vital ministry in communities whose mission is with those who are on the economic margins. This is where the highest portion of this budget is expended. \$45,000 is marked for this work in 2022.

Ministry Training and Minister Support – Our work with providing training for those called into ministry continues to grow, and as some students finish their work other students are just beginning. It is a vital partnership - the district support of ministry training - that seeks to ensure we have strong pastoral leaders for the years to come. We also provide funds for the annual retreat for pastors and chaplains, a key week of spiritual and personal renewal, and for the professional growth event prior to District Conference.

Youth Faith Development & NYC – Summer 2022 will have the quadrennial COB National Youth Conference. We have reserved funds from each year's budget to plan for our support of getting youth to this mountain top event. The 2022 budget reflects a commitment of \$5,000 to this work, adding to the \$7,500 already set aside. Additionally we continue to grow leaders through their participation on the Youth Cabinet and as Youth/Young Adult members of the Policy Board.

Congregational Mission and Transition Support – The work of our District staff represented in the Operating Ministry portion of the budget plays key roles in helping congregations in connecting to resources, supporting Boards and pastors, and working with congregations in pastoral transitions or evaluating future steps in ministry.

2022 Church Planting Support Budget

The Policy Board set aside the funds (approximately \$123,000) from the sale of the New Harvest Lindsay church property and the Ministry & Improvement Fund approved at District Conference 2019 included \$225,000 to be used for Church Planting Support. The funds from Lindsay will have been used by the end of 2021, and the Ministry & Improvement Fund resources will start to be used in 2022. The Policy Board is recommending a 2022 budget of \$84,180 (the same amount as in 2021) across the four church plants that are in operation.

Action Item: The Policy Board recommends to the District Conference the adoption of the 2022 Operating Budget and the 2022 Church Planting Support Budget as presented.

2023 Operating Expense Maximum

The recommendation for 2023 of \$478,000 is a \$5,280 increase over the 2022 budget. This level will require the Policy Board to make strategic choices in budget planning next year. This level of expense holds us right in the area of an anticipated deficit very near the working deficit level identified by the Policy Board in their prior work.

Action Item: The Policy Board recommends to the District Conference that the expense maximum for the 2023 Operating Budget be \$478,000.

Pacific Southwest District Church of the Brethren Income & Expense Summary - Proposed 2022 Budget

		2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2022 Proposed
Contributions Income	4100	34,849	29,222	37,496	29,527	33,500	34,400
Interest and Other Income	4200	100,250	107,784	81,290	59,690	91,300	123,100
Participation Income	4600	15,337	21,983	39,136	2,713	20,700	16,100
Total Operating Income		150,436	158,989	157,922	91,930	145,500	173,600
Congregational Development Ministry	5005	117,390	36,540	30,256	49,108	46,500	46,500
Pastoral Leadership & Support	5300	21,198	31,014	32,685	10,771	31,650	29,200
District Empowering Ministry	5500	38,052	63,922	69,871	19,366	46,600	42,600
Partnership & Property Ministry	5700	126,640	42,708	54,854	10,501	23,805	18,250
Service Ministries	6300	3,365	5,471	6,434	0	9,500	6,500
District Operating Ministry	6500	290,799	296,880	296,429	293,132	308,674	329,670
Total Operating Expenses		597,444	476,535	490,530	382,877	466,729	472,720
Operating Deficit		-447,008	-317,546	-332,608	-290,947	-321,229	-299,120

Budget

Exhibit C

PACIFIC SOUTHWEST DISTRICT OF THE CHURCH OF THE BRETHREN												
2016-2022, District Budget Overview												
Power Church Report Levels					PC	2016	2017	2018	2019	2020	2021	2022
1	2	3	4		Line #	Actual	Actual	Actual	Actual	Actual	Budget	Proposal
INCOME					4000							
MINISTRY INCOME					4010							
CONTRIBUTIONS INCOME					4100							
				Individuals	4110	337	1,667	838	2,610	2,790	1,200	2,100
				Congregations	4120	31,201	30,520	27,714	32,471	26,637	32,000	32,000
				Church Closure Contritribution	4125	17,880	0	0	0	0	0	0
				Groups	4126	0	100	0	0	0	0	0
				Subtotal Temp Restricted Income	4700	2,059	2,087	0	0	0	0	0
				CDS Children's Disaster Rapid Response	4135	0	0	670	416	100	300	300
				Other Income	4140	1,000	475	0	2,000	0	0	0
Subtotal Contributions Inc.					4100	52,477	34,849	29,222	37,496	29,527	33,500	34,400
INVESTMENT INCOME					4200							
				CHECKING/MONEY MKT INCOME	4210	2	1	0	11,216	25,162	2,000	18,000
				NOTES REC. INTEREST/FEES	4301	39,044	72,326	107,784	66,908	34,309	89,000	74,800
				SALE OF CHURCH PROPERTY	4500	0	0	0	0	0	0	0
				MISC. INCOME	4550	3,578	27,923	0	3,165	220	300	30,300
Subtotal Investment Income					4200	42,624	100,250	107,784	81,290	59,690	91,300	123,100
PARTICIPATION INCOME					4600							
				DIST CONF INCOME	4610	16,770	12,002	14,962	34,969	1,850	17,000	10,000
				EVENTS INCOME	4630	2,624	3,335	7,021	4,167	863	3,700	6,100
Subtotal Participation Income					4600	19,394	15,337	21,983	39,136	2,713	20,700	16,100
TOTAL INCOME						114,495	150,436	158,989	157,922	91,930	145,500	173,600
EXPENSES					5000							
MINISTRY INVESTMENTS					5001							
CONGREGATIONAL DEV MIN					5005							
				WEB SITE DEVELOPMENT	5020	306	715	801	1,088	2,241	1,500	1,500
				Ministry Partnership Funds	5180	268	25,675	35,739	29,168	46,866	45,000	45,000
				Cong Minister Support Grants	5100	132,477	91,000	0	0	0	0	0
Subtotal Congregational Dev Min					5005	133,052	117,390	36,540	30,256	49,108	46,500	46,500
PAST'L. LDRSHP & SUPPORT					5300							
				TRIM (TRAINING IN MIN)	5310	1,637	220	230	1,641	245	1,500	1,500
				SEBAH & EPMC	5315	15,648	4,137	9,849	2,784	3,020	3,150	2,900
				BETHANY THEO. SEMINARY	5320	0	0	0	4,300	4,400	7,000	5,000
				PASTORS' RETREAT	5325	17,319	10,710	17,446	14,387	606	15,000	14,800
				MINISTER'S WORKSHOP	5330	1,800	4,221	2,120	2,180	0	2,500	2,500
				OTHER DISTRICT WORKSHOPS	5335	0	744	1,369	1,273	500	500	500
				MINISTER'S ETHICS TRAINING	5336	0	0	0	5,421	1,000	1,000	1,000
				PROF. GROWTH SUBSIDY	5338	485	583	0	700	1,000	1,000	1,000
				TEMP RESTRICTED EXPENSES	7943	248	583	0	0	0	0	0
Subtotal Past'l. Ldrshp & Support					5300	37,137	21,198	31,014	32,685	10,771	31,650	29,200
DISTRICT EMPOWERING MINISTRY					5500							
				DISTRICT CONFERENCE	5520	18,827	17,967	19,088	42,885	1,945	18,900	13,000
				MINISTRY COMMISSION	5540	765	1,644	708	3,370	546	500	2,000
				STEWARDS COMMISSION	5560	234	0	220	0	0	500	1,000
				BD OF ADM & WORK GROUPS	5600	14,347	13,092	16,570	14,305	2,589	11,200	8,100
				NURTURING/CREDENT.COMM	5630	3,483	3,232	12,152	6,128	11,101	8,500	9,500
				RESOURCE MATERIALS	5650	0	0	0	0	185	500	500
				INTER-CULTURAL MINISTRY	5660	200	0	1,213	108	500	1,500	1,500
				NATIONAL YOUTH CONFERENCE	5670	1,961	0	13,741	2,500	2,500	2,500	5,000
				Youth Activity & Cabinet Expense	5680/7	786	2,117	230	575	0	2,500	2,000
Subtotal District Empowering Min					5500	40,604	38,052	63,922	69,871	19,366	46,600	42,600

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