

## 2021 Proposed Budget

Description	2019 Budget	2019 Audited	2020 Budget	2020 Actuals	2021 Budget	% of Budget	Var w/2020
<b>INCOME</b>				(7/31/20)			
Congregational Allocations	133,960	125,322	132,961	84,192	129,145	27.6%	-3.0%
Operating & Youth Contributions	36,750	33,942	40,000	26,900	40,000	8.5%	0.0%
Investment Income	144,113	144,113	137,732	80,344	138,844	29.7%	0.8%
Additional Investment Draw	87,014	87,014	68,460	39,935	82,336	17.6%	16.9%
Bend Loan Draw	9,583	9,583	11,469	11,469	13,451	2.9%	14.7%
Expansion Groups	1,000	300	1,000	150	1,000	0.2%	0.0%
Congregational Generosity	20,000	30,296	22,000	22,565	22,000	4.7%	0.0%
Alaska Mission Fund Draw	3,000	3,000	3,000	3,000	3,000	0.6%	0.0%
Administrative Fund Draw	750	750	-	-	-		
Oper. Suplus Carryover	50,105	50,105	37,278	37,278	38,224	8.2%	2.5%
<b>TOTAL INCOME</b>	<b>\$486,275</b>	<b>\$484,425</b>	<b>\$453,900</b>	<b>\$305,833</b>	<b>\$468,000</b>	<b>100.0%</b>	<b>3.0%</b>
<b>EXPENSES</b>							
<b>MINISTERIAL SUPPORT</b>							
Ministerial Staff	261,000	271,945	259,000	85,536	259,200	55.4%	0.1%
Ministry/Home Office Expenses	45,000	32,129	38,000	16,671	46,000	9.8%	17.4%
Alaska Ministry	3,000	956	3,000	-	3,000	0.6%	0.0%
Vehicle Reserve	1,375	-	-	-	10,800	2.3%	100.0%
<b>TOTAL Ministerial Support</b>	<b>\$310,375</b>	<b>305,030</b>	<b>\$300,000</b>	<b>102,207</b>	<b>319,000</b>	<b>68.2%</b>	<b>6.0%</b>
<b>SUPPORT STAFF</b>	<b>88,500</b>	<b>69,841</b>	<b>67,000</b>	<b>18,455</b>	<b>64,000</b>	<b>13.7%</b>	<b>-4.7%</b>
<b>OFFICE ADMINISTRATION</b>							
Audit	1,000	984	1,000	1,012	1,000	0.2%	0.0%
Phone/Internet	4,800	4,727	5,000	3,565	5,000	1.1%	0.0%
Copies/Printing	7,000	3,749	7,000	2,211	5,000	1.1%	-40.0%
Supplies	1,900	1,768	1,900	356	1,900	0.4%	0.0%
Technology	3,750	2,094	4,000	1,143	4,000	0.9%	0.0%
Postage/Mailing Service	6,500	3,841	4,500	1,306	4,500	1.0%	0.0%
Storage	1,300	1,572	1,500	1,968	1,500	0.3%	0.0%
Payroll Service Fees	1,500	3,038	1,500	1,230	1,500	0.3%	0.0%
Miscellaneous	1,500	1,384	1,500	870	1,500	0.3%	0.0%
Insurance	2,650	3,476	3,000	3,102	2,000	0.4%	-50.0%
<b>TOTAL Office Administration</b>	<b>\$31,900</b>	<b>\$26,632</b>	<b>\$30,900</b>	<b>\$16,763</b>	<b>\$27,900</b>	<b>6.0%</b>	<b>-10.8%</b>
<b>MISSION SUPPORT</b>							
Mission Center Conference	6,700	5,278	6,700	-	6,700	1.4%	0.0%
Spectacular	9,150	9,150	9,150	9,150	9,150	2.0%	0.0%
Camper Support	14,100	14,100	14,100	14,442	14,100	3.0%	0.0%
Caravan	4,650	7,583	4,650	-	4,650	1.0%	0.0%
International Youth Forum	-	-	-	-	-	0.0%	
Youth Ministry Support	1,000	-	1,500	342	2,000	0.4%	25.0%
Leadership Development	6,500	6,798	6,500	1,553	7,000	1.5%	7.1%
Misc. Mission	900	-	900	-	1,000	0.2%	10.0%
Ecumenical	2,000	2,000	2,000	1,000	2,000	0.4%	0.0%
Peace & Justice Ministries	1,000	900	1,000	1,000	1,000	0.2%	0.0%
Bold Moves Grants	7,500	-	7,500	-	7,500	1.6%	0.0%
Young Adult Ministries	2,000	1,943	2,000	340	2,000	0.4%	0.0%
<b>TOTAL Mission Support</b>	<b>\$55,500</b>	<b>\$47,752</b>	<b>\$56,000</b>	<b>\$27,827</b>	<b>\$57,100</b>	<b>12.2%</b>	<b>1.9%</b>
<b>TOTAL EXPENSES</b>	<b>\$486,275</b>	<b>\$449,255</b>	<b>\$453,900</b>	<b>\$165,252</b>	<b>\$468,000</b>	<b>100.0%</b>	<b>3.0%</b>
<b>NET GAIN/DEFICIT</b>	<b>\$0</b>	<b>\$35,170</b>	<b>\$0</b>	<b>\$140,581</b>	<b>\$0</b>		
<b>Operating Investment Fund (as of 12/31/19)</b>							
Operating Invest		\$4,051,179					
Operating Reserve		\$121,569					
Total Operational Investement 2019		\$4,172,748					
12/31/2018		\$3,309,356					
12/31/2017		\$3,211,981					
12/31/2016		\$3,431,178					
12/31/2015		\$3,230,278					
5 year average		\$3,471,108				\$34,711.08 per percentage point	

## Proposed 2021 Budget Notes

Above is the proposed 2021 Mission Center Budget for the Conference's consideration. The proposed 2021 budget shows an overall increase of 3% over the 2020 budget. This increase is mostly accounted for by simple cost of living expenses associated with human resource benefits—primarily health insurance.

This budget is NOT identical to the one that was included in the Mission Center President's letter. In an effort to lower those health insurance costs, I have recently obtained permission from the Presiding Bishopric to obtain healthcare coverage locally for our employees rather than participate in the plan offered by World Church. This will save GPNW Mission Center approximately \$12,000 to \$15,000 annually. However, in doing so, a number of other services traditionally provided through Human Resource Ministries will now become the responsibility of our mission center. These services include ministerial reimbursement, payroll and vehicles. After exploring the various options for our 2 church-owned vehicles, Mission Center Council has approved our proposal to purchase these vehicles from World Church. However, this requires amending the "ministerial staff" and "vehicle" lines in the budget you were provided with last month in Kim's Fall President's Letter. \$10,800 has been moved from "Ministerial Staff" to "Vehicle Reserve" in order to adequately fund the budget from which repairs, maintenance, insurance, and eventual replacement of church-owned vehicles will be paid. This amendment does not change the bottom line of the budget formerly submitted.

Other specific increases and decreases on budgetary line-items will be fully explained in the notes below. Because conference is virtual for 2020, the notes section is far more detailed than would be the case for a normal conference.

### Income Notes

- **Congregational Allocations (2019)**
  - For 2021 allocation information see below section on allocations.
  - 2019 allocations indicate that only \$125,322 came in from allocations when there was a budget of \$133,960. This is not entirely correct. \$5,337 came in from congregational allocations after the first of the year, so that money was recorded as "Congregational Generosity" instead. I am taking steps to make the accounting for late allocations more elegant in the future should it happen again.
- **Investment Income.**
  - Community of Christ Presiding Bishopric guidelines continue to recommend an eventual reduced investment draw goal of 4%, realizing that it may take some jurisdictions some years to reach that target. Making an immediate change to that level in our budgeting would mean immediate programming and personnel reductions. Expense increases and funding decreases place us in the position of proposing an additional investment fund draw of 2.3% for 2021. This is an increase of additional draw over last year's investment income by .4% and is admittedly a step away from the recommended goal. Nevertheless, the mission center leadership team and mission center council concur with taking this additional draw, but continue to encourage moving towards alignment with the recommended 4% goal.
  - GPNW's investment draw is based on a 5-year average of the Operating Investment fund (found at the bottom of the budget), a fund that is largely invested in the World Church's Affiliate Investment Pool (AIP). GPNW Pool A investments grew for the year ending December 31, 2019, at the rate of 5.27%. This was a short, 6-month fiscal year, while world church transitioned from a July to June to a January to December fiscal year.
- **Bend Loan Draw.** The Bend property is listed for sale, and if/when it sells before the end of 2021 the \$14,351 (or any unallocated portion thereof) indicated in this proposed budget will be taken from the proceeds of the sale.
- **Operational Surplus Carryover.** You can see in 2021 we will be carrying over an operational surplus in the amount of \$38,224. This is the "net gain" from the 2019 fiscal year.

## Expense Notes

- **Ministry/Home Office Expenses.** This line item is proposed to increase by \$8,000 for 2021 as a ramification of separating from Human Resource Ministries mentioned earlier. This \$8,000 would normally have been listed under “ministerial staff” but was changed to this line item because GPNW will be handling its own ministerial reimbursements.
- **Ministerial Staff.** Despite the \$8,000 that was just mentioned, this line item remains flat and represents a very conservative estimation of human resources expenses. In fact, I expect our actual expenditures in this category to reflect the \$12,000 to \$15,000 savings I’ve already mentioned.
- **Payroll Service Fees.** The 2019 expense was so much higher than anticipated because of a tax-law problem having to do with a local county tax that was not being paid. The state of Oregon assigned us penalties, and we had to pay Paycom extra to sort out the tax returns. The problem has been resolved.
- **Insurance.** Despite the fact that liability insurance rates are projected to increase by 8-9% this year I anticipate a drop in GPNW insurance expenses due to the fact that GPNW no longer covers vacant church buildings nor a church car.
- **Spectacular and Camper Support.** The 2020 actuals for these two line-items do not indicate the amounts which have been spent. They instead represent the amounts that were transferred out of the operational budget to their individual funds to support programming in 2020. I will need to make a correction in our accounting software to reverse this transfer since the events were cancelled. In fact, by the time you read these words I’m sure I will have already done so.

## Net Gain Note

- You may see on the bottom line of the budget that as of the end of July, 2020 we have a net gain (surplus) of \$140,581. This amount will rise over August and September as the last of the Payroll Protection stimulus money is spent. After that it will level off or fall in the final quarter of the year.

## Operating Investment Fund Note

At the bottom of the budget you can see how the 5-year average of the Operating Investment fund is calculated. You may see in 2019 that the amount is significantly larger than it had been for the 4 years prior. This is due to the sale of the Bellevue Property in 2019. The same bump may occur when the Bend property sells and the Bend loan is repaid. What this means is that our 5-year average is headed up over the next 4-5 years and we may not need to take as large of a percentage of that fund to support our operational budget. This will remain true if we keep our expenses under control.