

Rocky Mountain Conference of The United Methodist Church Financial Commentary to the 2018 Annual Conference

What were financial highlights for the Year Ended Dec. 31, 2017?

Thanks to the generosity of our local churches and congregations, the **Rocky Mountain Conference paid 100% of its 2017 General Church and Jurisdictional Apportionments**. This is the fourth consecutive year we have met this connectional commitment, and our Council on Finance and Administration (CF&A) intends to continue to do so.

Our ability to meet this commitment and sustain the mission and ministries of the Rocky Mountain Conference is due to the generosity of all our churches and members. For the year 2017, we especially recognize the 131 churches that met their connectional giving commitment in full by reporting income for all 12 months of 2017 and remitting 13%. The list showing the names of these churches is online at www.mtnskyumc.org/JointACreports2018.

The 2017 revenue budget was \$5,630,000. Actual revenue was \$5,230,225 and expenses were \$5,271,016. This resulted in a deficit for the year of (\$40,791). CF&A asked ministry areas to reduce spending when it became apparent we would not meet our revenue target, and expenses for the year were 6% under budget. Ministry areas used restricted and designated funds in conjunction with annual budget funds to maintain our ability to do ministry, even with a 7% reduction in revenue.

The past due amount owed to the Rocky Mountain Conference for property and liability insurance, clergy pension, and health insurance was \$298,301 as of Dec. 31, 2017, which was \$31,996 lower than the past due amount at year-end 2016. A current report of past due amounts is online at www.rmcmc.org/budgetconnectionalgiving.

What is our revenue projection for the year 2018?

The 2018 revenue budget approved by the Annual Conference is \$5,368,000. This is 3% higher than the actual revenue we received in 2017. Through April 30, 2018 we received \$1,977,577 in Connectional Giving, which is just slightly more than we received in the first four months of 2017. CF&A will continue to monitor actual revenue and expenses and make adjustments throughout 2018 as necessary.

What are key assumptions in the 2019 Budget?

Revenue

CF&A has approved a Connectional Giving budget of \$5,400,000 in 2019. As we have engaged in strategic discernment throughout the Mountain Sky Area, this revenue target will enhance and sustain our ability to achieve our mission: To make disciples of Jesus Christ for the transformation of the world. Local churches and extension ministries of the Church provide the most significant arenas through which disciple-making occurs (§120, *The Book of Discipline of The United Methodist Church*, 2016).

Expenses

The members of the Rocky Mountain Conference are proud to fully support the connectional ministries of The United Methodist Church. The Conference has paid its General Church and Jurisdictional Apportionments at 100% every year since 2014. This budget continues that connectional commitment.

The strategic goal for the Rocky Mountain Conference is to strengthen the ability of local churches to achieve the United Methodist mission. The resources funded through this budget reflect this ministry imperative. This budget is a tangible expression of our Conference commitment to equip our local churches to be healthy and vital, and to meaningfully connect with and engage in ministry with their communities for mutual transformation. An expanded focus on leadership development includes opportunities to ensure that both laity and clergy throughout the conference have the qualities, assets and skills to achieve our vision and mission.

To meet the strategic commitment to strengthen local churches, the 2019 budget reflects several staffing changes in the Spiritual Leadership Ministry compared to the 2018 budget:

- Reduction of one District Superintendent. This budget includes five full-time District Superintendents.
- Five part-time Congregational Resource Ministers (CRMs), one within each district to resource churches and circuits.

To meet the strategic commitment of vital ministry, the 2019 budget reflects several Benevolence and Program Ministry staffing changes compared to the 2018 budget:

- Full-time Hispanic/Latino Ministries Developer
- Part-time services of a worship developer, to create and distribute worship materials and resources for churches throughout the conference.
- Part-time youth ministry coordinator in Utah
- Part-time administrative support for the Board of Ordained Ministry's work to recruit, develop and support clergy excellence.

The compensation for the Hispanic/Latino Ministries Developer is shared with the General Board of Global Ministries. For staff positions that are shared in the Mountain Sky Area, a portion of the salary and related expenses is funded by the Rocky Mountain Conference and a portion is paid by the Yellowstone Conference.

The Mountain Sky Area Senior Executive for Transition and Conference Culture functions as the conference chief of staff to provide leadership in establishing a culture that reflects best practices for organization, work environment, customer service and evaluation; and ensuring strategic alignment of resources and personnel. Through 2019 the compensation and expenses associated with this position are funded outside of this operating budget. These expenses are shared with the Yellowstone Conference.

Other significant differences in expenses from the prior year include:

- Clergy Moving Expense is budgeted to support itinerancy for part-time clergy as well as full-time clergy.
- Retiree Health Subsidy - The estimated liability for retiree healthcare in 2019 is \$340,000. The operating budget covers \$100,000 of this liability. The remaining \$240,000 will be paid from our account invested with Wespath to fund retiree healthcare liabilities.

Summary of Recommendation by CF&A

We will access a combination of restricted, designated and budgeted funds to achieve our missional imperative: To make disciples of Jesus Christ for the transformation of the world. The items funded through the Rocky Mountain Conference operating budget are a critical component of our strategic goals. The 2019 budget, totaling \$5,400,000 in revenue and expenses, is recommended by the Conference Council on Finance and Administration for approval by the Annual Conference.