



Tennessee-Western Kentucky Conference

The River of Life Unites Us

Annual Conference 2022

Council on Finance & Administration
John Pearce, President

TWK Council on Finance & Administration

- John Pearce – President
- B.J. Brack – Vice President
- Sue Engle – Secretary
- Marianne Taylor
- Mark Kilpatrick
- Kylene McDonald
- Rebecca Hall
- Mona Miller
- Anita Ransom
- Scott Killebrew
- Mary Kate Myers
- Michael Waldrop
- William McAlilly – Bishop
- Larry Davis – Treasurer
- Melinda Britt – DCM
- Phil Jamieson – UM Foundation
- Scott Aleridge – District Supt.



Today's Message

- Transparency: No Secrets/No Surprises – It's your money
- Every Dollar we spend comes from a donation to a local church
- Ministry occurs at the local church and at the Conference level
- Recommended Budget returns more dollars to local churches
- Disaffiliations have had very limited financial impact
- 2021 Results – Income > Budget, Expenses < Budget
- Continued Efforts to reduce Conference Non-ministry costs
- 2022 Results to date
- Consideration/Approval of recommended 2023 budget
- Other items needing AC Approval



Ministry Impact of TWK Budget - 2021

- TWK invested \$55,739 (1/2 year) in the formation of a Wesley Foundation at UT Southern
- On July 1, 2021 UT Southern Wesley Foundation launched
- Connecting with over 200 students on campus
- Weekly Bible studies, monthly now weekly worship services occur
- Full Fall calendar is planned

Ministry Impact of TWK Budget - 2021

- Memphis Wesley Foundation has grown to include four colleges:
 - Christian Brothers University
 - LeMoyne-Owen College
 - Rhodes College
 - University of Memphis
- Executive Director now full-time
- Largest group of graduating seniors in four years
- Their student leaders are becoming alumni leaders and vocational ministers
- 28% of their 2023 budget will be funded via fundraising activities

2021 Financial Highlights

- 2021 Connectional Commitments/Appportionments Received
- 2021 Expenses vs. Budget

Apportionment/Connectional Commitment

- **Memphis Conference**

- Apportioned: 6,185,130
- Budgeted: 4,209,433
- Received: 4,321,854
- Surplus: 112,421

- **Tennessee Conference**

- Apportioned: 9,451,962
- Budgeted: 7,561,570
- Received: 8,377,158
- Surplus: 815,588

- **COMBINED SURPLUS:**

- **\$928,009**



2021 TAC Apportionments Received

	<u>Number</u>	<u>Amount Paid</u>	<u>% of Total</u>
Churches Paid 100%	353	7,728,662	92.3%
Churches Paid 50%-100%	64	537,047	6.4%
Churches Paid 1% - 50%	37	111,450	1.3%
Churches Paid Zero	81	0	
Total Churches	535	8,377,159	

88.63% of 9,451,962 Apportioned
\$815,588 Over Budget



2021 MAC Apportionments Received

	<u>Number</u>	<u>Amount Paid</u>	<u>% of Total</u>
Churches Paid 100%	250	2,907,392	67.3%
Churches Paid 50%-100%	78	1,337,876	31.0%
Churches Paid 1% - 50%	35	76,586	1.7%
Churches Paid Zero	35	0	
Total Churches	398	4,321,854	

69.9% of 6,185,130 Apportioned
\$112,421 Over Budget
(80.4% w/o one large church)

Top 10 Churches

Tennessee

- Brentwood 805,647
- Franklin First 483,266
- Murfreesboro 285,062
- West End 267,217
- Providence 187,504
- Hendersonville 185,504
- Cookeville 179,261
- Belmont 168,647
- Calvary 150,079
- St. Mark's 143,512
- 34% of Total

Memphis

- Germantown 284,039
- Collierville 212,204
- Jackson First 167,449
- Emmanuel 141,889
- Covenant 111,401
- Bartlett 143,339
- Dyersburg First 97,546
- St. Luke's 98,096
- Murray First 86,105
- Broadway 82,710
- 32.0% of Total

Expenses vs. Budget 2021

- TAC

- Budget 7,349,073

- Actual 7,287,221

- Variance 61,852

- MAC

- Budget 4,212,431

- Actual 3,710,999

- Variance 501,432

Ministry Impact of TWK Budget - 2021

- TWK invested \$80,000 in Reelfoot Rural Ministries
- RRM provides:
 - Dental Clinic 50 for patients per month
 - Outreach Housing ministry
 - Modifies homes for seniors and disabled persons
 - Long-term recovery from recent tornadoes
 - Grocery Distribution Assistance for 250 families per month
 - Household Financial Assistance \$2,500 monthly

2023 Budget Returns Money to Local Churches

- CFA is recommending an acceleration of annual reduction of Connectional Commitment to 10.0% goal
 - 2021 – 11%
 - 2022 – 10.75%
 - 2023 – 10.0%
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- Pension & Health Committee voted to provide 9% Pension Holiday for local church direct bill
 - F.T. will pay only 6% of 15% cost
 - P.T. will pay 0% of 9% cost



Ministry Impact of TWK Budget - 2021

- TWK invested \$50,000 in Project Transformation
- Project Transformation celebrated 10 years in ministry
- 4,330 children improved their reading, social and emotional skills
- 378 Young adult interns
- 6,267 volunteers
- 80% of their interns have gone on to serve in ministry of some form

2022 Year to Date Results

- May 31 is 41.6% of the year
- Apportionments received year to date:
 - \$4,464,865
 - 39.6% of Budget
- Expenses year to date:
 - \$4,476,152
 - 39.5% of Budget

Financial Impact of 2022 Disaffiliation

- In accordance with BOD paragraph 2553 60 TWK Churches are disaffiliating at this AC
- These 60 Churches paid \$386,781 or 3.0% of 2021 total paid
- 7 Churches previously completed disaffiliation and they paid \$4,347
- 42 other Churches have inquired about disaffiliation and they paid \$513,045 or 4.0 % of 2021 total paid
- The 60 Churches must pay their previous 12 months of Connectional Commitment plus an additional 12 months which is \$648,625 more
- The 60 Churches must pay \$1,974,708 of unfunded pension liability

Ministry Impact of TWK Budget - 2021

- TWK invested \$120,000 in Hannah's Hope & Miriam's Promise
- These two agencies:
 - Worked with 260 families in different stages of their adoption journey
 - Offered thousands of hours of counseling and case management to vulnerable mothers and children
 - Developed online courses for mothers and families

TWK Cost Reduction Efforts

- Facilities Cost:
 - Done:
 - MAC Jackson Office – Under Contract
 - Episcopal Office – moved into HQ
 - District Office – some eliminated
 - Working on:
 - District Offices – more eliminated
 - Archives and History – eliminate rent
- Admin Positions:
 - Office of Admin Services
 - Communications Office
 - Districts
 - Campus Ministry
 - Covenant Entities
- Combined TAC and MAC Annual Budget w/o Health Care
 - 2018 - \$17,501,241
 - 2023- \$12,747,097
 - Reduction of \$4,754,144 or 27% over 5 years



Ministry Impact of TWK Budget - 2021

- TWK invested \$756,503 in New Church Development Opportunities
- One TWK Value is the foundation of the conference is the local church or faith community where disciples are formed
- New church plants supported—such as Home Church in East Nashville and Bluff City Church in Memphis
- Through Essence Plants and other faith community experiments the NCD team is working with leaders to discover new ways church is being birthed for our future.
- Cosecha, an innovative community partnership in the most diverse zip code of Nashville has reignited a historic congregation while serving children, families, and neighborhoods with the harvest of food and love.

TWK 2023 Recommended Budget

REVENUE:

- | | |
|---|---------------------|
| • 10.5% of Line 52(t) for local church Stat Reports | • 13,829,135 |
| • Reduction to 10.0% ask rate | • (550,000) |
| • Est. Reduction for Disaffiliations | • (200,000) |
| • Estimated Reserve for Non-Payments | • (2,344,038) |
| • Use of Prior Year Surplus | • 500,000 |
|
 | |
| • Net Revenue | • 11,235,097 |

TWK 2023 Recommended Budget

GENERAL CHURCH APPORTIONMENT:

World Service	1,560,006
Ministerial Education	488,596
Black College	225,796
Africa University	50,763
Episcopal Fund	626,401
General Admin	192,114
Interdenominational Coop	6,754
Total	3,150,430

TWK 2023 Recommended Budget

ADMINISTRATION:

Admin Services	508,875
Episcopal Office	247,414
Conference HQ	234,900
General Conference Delegates	10,000
Archives & History	87,000
Legal	45,000

TOTAL	1,133,189
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TWK 2023 Recommended Budget

Jurisdictional Admin	26,724
Equitable Compensation	533,000

TWK 2023 Recommended Budget

DISCOVER AND SEND

New Church Development	530,558
Reserves	(530,558)
Evangelism	0
Volunteers in Mission	0
Disaster Response Preparedness	60,000
Discover and Send Team Innovation Fund	20,000
TOTAL	80,000

TWK 2023 Recommended Budget

EQUIP

Equip Staff	227,705
Young People's Ministry	202,000
Disability Concerns	0
Board of Ordained Ministry	160,000
Safe Spaces	11,500
Board of Laity	23,600
Higher Ed/Campus Ministry	1,036,510
Camping	205,000

TOTAL	1,866,315
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TWK 2023 Recommended Budget

CONNECT:

Ethnic Local Church Concerns	28,500
Church & Society	0
Health & Wellness	6,500
Council on Religion & Race	6,300
Role & Status of Women	0
Anti-Racism Coalition	14,700
Creation Care	1,000
Christian Unity	1,200
Connect Strategy Team Innovation Fund	11,000

TOTAL	69,200
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TWK 2023 Budget

Covenant Entities Total	519,000
Family Services of West Ky	6,000
Hannah's Hope	30,000
Miriam's Promise	100,000
Project Transformation	50,000
Reelfoot Rural Ministries	125,000
Trinity Community Commons	50,000
Turner Center at UT Southern	30,000
UM Neighborhood Centers	28,000
Lakeshore Camp & Retreat	100,000

TWK 2023 Recommended Budget

CONNECTIONAL TABLE	423,693
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COMMUNICATIONS

Communications	352,087
Annual Conference	218,000
Journal Committee	14,500

DISTRICT SUPERINTENDENTS (same for each)	1,409,070
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TWK 2023 Recommended Budget

DISTRICT ADMINISTRATION:

Caney Fork River	167,566
Cumberland River	166,373
Harpeth River	133,004
Metro	166,321
Mississippi River	152,965
Purchase	158,689
Red River	166,871
Stones River	167,287
Tennessee River	160,590

TWK 2023 Health Benefits Budget

- Health Flex Premiums \$5,091,000
- Direct Billing of Health Premiums (\$5,091,000)
- For the church/employer the annual premium for one clergy person increased from:
 - \$13,440 in 2022 to
 - \$14,400 in 2023

TWK 2023 Pension & Other Benefits

Pension Costs	3,752,300
Direct Bill Pension Costs	(1,512,000)
Retiree Health	800,000
Other Income	(10,000)
Retiree AC Expense	150,000
Retiree Moving Expense	60,000
Disability Healthflex Premiums	75,000
Audit/Actuarial Evaluations	30,000
Administrative Services Support	273,044
Other Expenses	39,000
Use of Reserves	(3,657,344)

CFA Action Items for 2023

- TWK CFA moves for the approval of the recommended 2023 Tennessee-Western Kentucky Conference Budget as posted on the website and reviewed today
- CFA moves that the TWK Cabinet be authorized by the Annual Conference to use the Cabinet Reserve Fund in accordance with its written process, in its sole discretion, in an amount up to \$250,000 for calendar year 2023. Any amount above \$250,000 within the calendar year shall require consultation with, and agreement of, CFA.

CFA Action Items for 2023

- CFA moves that the approved travel expense for staff and members of councils, boards, committees and other entities of the conference be reimbursed at the mileage amount allowed by the Internal Revenue Service for business travel. All other business-related expenses may be reimbursed in accordance with the CFA approved Accountable Reimbursement Policy.
- CFA moves that the housing allowance designated for clergy pursuant to Internal Revenue Code section 107 be approved for 2022-2023 as printed in the Conference Journal.
- CFA moves that the compensation for the District Superintendents for 2023 be set at \$132,544 inclusive of the housing allowance.