

## COUNCIL ON FINANCE & ADMINISTRATION NARRATIVE BUDGET 2026

For 2026, CFA is presenting a budget in two forms: a narrative budget and a numerical budget. The narrative budget, presented below, is an attempt to walk through the development of the budget, outline the key principles and highlights of the budget, and answer some questions about the budget and apportionments connected to the budget. The numerical budget, which follows the narrative budget, is an effort to show the clear allocation of apportionment collections and spending plans for the Annual Conference in 2026. Following these two items, you'll find a summary of the CFA policies for 2026.

### WHY WOULD WE DO THIS?

- ▶ Imperative of the Extended Extended Cabinet
  - In 2024, during the “Extended Extended Cabinet” process, the team discerned a narrative budget process would allow the Annual Conference to see more clearly the missional outputs of income and spending. Now CFA, in consultation with ministry offices around the Annual Conference, established this new methodology for budgeting in the hopes that it can allow the Virginia Annual Conference to see our budget as a missional document.
- ▶ Budget as a missional document
  - Because the budget is a missional document, it is the hope that CFA can show some particular alignment with the work of the United Methodist Church in Virginia. First, the primary objective of the Annual Conference is to resource the local church. *The Book of Discipline*, in describing the mission of the United Methodist Church, shares that the local church and extension ministries are the most effective arenas through which disciple making occurs. The 2026 budget is an attempt to resource the local church and extension ministries first and then resource the wider United Methodist connection, all with the hopes of transforming the world.
  - To do this, the budget has been broken down into four “buckets”:

### FOUR “BUCKETS”

- ▶ The four buckets are...
  - Ministry Infrastructure – these are the costs to provide needed institutional structure to local churches and extension ministries throughout the Annual Conference.
  - Resourcing Connection – these are the costs to provide intentional opportunities for connected, transformational ministries throughout the Annual Conference.
  - Retired Clergy Health Support – these are the costs to support clergy who have sustained local churches and extension ministries throughout their careers and have now taken on retirement status.
  - Sending into Worldwide Connection – these are the costs to live into the United Methodist connection beyond the Virginia Annual Conference.
- ▶ These categories are allocated as a result of the apportionment giving of United Methodists around Virginia.
- ▶ Each category has importance to the overall missional capacity of the Virginia Annual Conference.
- ▶ Spending in these four categories is not even. For example, it is more expensive to provide benefits to retired clergy than it is to maintain ministry infrastructure.

### WHAT DOES THIS MEAN FOR APPORTIONMENTS?

- ▶ Overall, apportionments are down from 2025

- This is largely due to removing Active Clergy Health apportionment and pivoting this cost to a direct bill to local churches.
- However, that same action has increased some of our expenses related to conference staff, campus ministry, and appointive cabinet expenses. Because the benefits of clergy in connectional roles were paid out of the former Active Clergy Health apportionment, those are now assigned as a part of the total personnel costs of the offices that employ clergy in the Annual Conference.
- This, along with some other changes, means that the total Conference Mission and Ministries apportionments are up 4.7% from 2025.
- There has also been an increase in the cost of offering Retired Clergy Health benefits, up 3.6% from 2025.
- ▶ The model for apportionments is shifting
  - First, you'll notice there are new numerical codes for apportionment line items. Lines 101, 102, 103, and 104 replace the previously used "400-series" line items. Because there are new categories for apportionments, this will help ensure we are assigning apportionments to the appropriate, current line item rather than trying to fit in a former methodology.
  - The four apportionment line items are as follows:
    - 101: Conference Mission and Ministries – Committed
      - These are funds that contractually or covenantally have already been allocated for the conference to spend and will be prioritized for payment during the 2026 budget year.
      - This includes costs from both the Ministry Infrastructure and the Resourcing Connection buckets.
    - 102: Conference Mission and Ministries – Expected
      - These are the expected costs of resourcing the local church and doing mission and ministry in 2026.
      - This includes costs from both the Ministry Infrastructure and the Resourcing Connection buckets.
    - 103: Retired Clergy Health
      - These are the expenses that support retired clergy health benefits and comprise the Retired Clergy Health Support bucket.
    - 104: General and Jurisdictional Ministries
      - These expenses represent our share of general and jurisdictional apportionments and comprise the Sending into Worldwide Connection bucket.
- ▶ Moving forward, as we live into this new missional model of budgeting together, CFA is asking that local churches make an adjustment to how they pay apportionments.
  - First, CFA asks that local churches pay the committed costs of ministry, those now found in line 101, first.
    - This represents approximately  $\frac{1}{3}$  of each church's apportioned figure.
  - Once local churches have paid line 101 apportionments, they are then asked to pay the remainder of their apportioned figure by the end of the year.
  - By the end of the year, the hope is that all churches have paid 100% of their apportioned figure. This enables our entire Annual Conference to be in mission and ministry together.
  - As local churches are paying apportionments, CFA asks that you join your hearts with the entire Annual Conference in a constant sense of prayer and discernment that our giving would have a Spirit-filled capacity for impact and that we would have a consistent mind for the efficient and effective use of funds shared for deployment around the Annual Conference.

### MISSIONAL HIGHLIGHTS

- ▶ In the supporting schedule for apportionment lines 101 and 102, you will find nearly 30 elements of the work of the Annual Conference that are impacted by apportionments. Some missional highlights from these categories include:
  - Cabinet – the funds in this line item cover the work of the Appointive Cabinet. These funds ensure that these key leaders can be present in local churches, be leaders in the Annual Conference, and be missional strategists in the geographic areas they serve. Additionally, this fund includes support for the work of belonging and advocacy as the Director is on the appointive cabinet.
  - Ministries at Educational Institutions – the funds in this line item allow campus ministries around the Virginia Annual Conference to have needed resources to reach young people at colleges and universities throughout the Commonwealth.
  - Ministry offices – The line items for the Center for Clergy Excellence, Missional and Community Engagement, Discipleship and Congregational Vitality, and Connection and Innovation resource the work of the conference office to train and equip clergy and laity to be in ministry through the local church to communities across the Commonwealth of Virginia.
  - Grantmaking cooperative – This new methodology for funding great, shared ideas in the Annual Conference is ready to enter its second funding cycle. In addition to funds from apportionments, this work will be supported by other funding sources coming with resources from closed churches.

### OTHER BUDGET HIGHLIGHTS

- ▶ Line 103 – Retired Clergy Health
  - 1.35m savings from direct bill shift
  - Funds held for future benefits – this represents monies contributed from disaffiliated churches.
- ▶ Line 104 – General and Jurisdictional Ministries
  - The total number of this apportionment is unchanged from 2025. CFA will support these apportionments directly based on apportionment receipts.
  - For more information about each of these apportionments, please visit the following links:
    - [Episcopal Fund](#)
    - [World Service](#)
    - [Ministerial Education](#)
    - [Black College Fund](#)
    - [Africa University Fund](#)
    - [General Administration](#)
    - [Interdenominational Cooperation Fund](#)
    - [Southeastern Jurisdiction](#)

### GOALS FOR 2026 AND BEYOND

- ▶ **Returning resources to the local church:** because the top priority of the Annual Conference is to resource the local church, the goal of the budget is to ensure the local church has the resources it needs to connect in community and transform neighborhoods around Virginia.
- ▶ **Stabilizing reserves:** while conditions for ministry in Virginia are challenging now, there is a recognition that a larger and more stable reserve fund will enable the impact of United Methodism in Virginia to be more widespread and generational.

- **Creative development:** as we look to reduce the amount of apportionments moving forward, the Annual Conference will also be relying on funds from closed churches, grants, and other forms of alternative fundraising to expand the capacity of the Annual Conference to resource local churches and extension ministries to be transformation agents around the world.

**FOR MORE INFORMATION ABOUT THE WORK OF THIS BUDGET AND CFA, PLEASE WATCH THIS CONVERSATION WITH MEMBERS OF CFA: <https://www.youtube.com/watch?v=7jb4ngftvzy>**

## REPORT OF THE CONFERENCE TREASURER

## FINANCIAL COMMITMENT REPORT

Cash Receipt for the Year Ending December 31, 2024

Virginia Conference

<b>Apportioned Funds</b>	<b>YTD 12/31/2024</b>	<b>YTD 12/31/2023</b>	<b>Increase (Decrease)</b>	<b>Pct. Pd 2024</b>	<b>Pct. Pd 2023</b>
<b><i>Conference Apportionments</i></b>					
401 Conference Mission & Ministries	2,611,002	2,447,592	163,410	80.7%	70.6%
402 Conference Services	1,608,126	1,583,829	24,297	83.8%	79.5%
403 Appointive Cabinet Fund	1,078,972	886,658	192,314	83.0%	81.0%
404 Equitable Compensation	145,540	164,414	(18,874)	80.9%	78.3%
405 Church Extension Fund	305,088	678,293	(373,205)	76.3%	75.4%
<b>Total Conference Apportionments</b>	<b>5,748,728</b>	<b>5,760,786</b>	<b>(12,058)</b>	<b>81.7%</b>	<b>75.1%</b>
<b><i>Clergy Benefit Apportionments</i></b>					
407 Active Clergy Health	8,416,365	8,426,296	(9,931)	84.2%	84.3%
408 Retired Clergy Health	4,894,802	5,023,924	(129,122)	82.6%	83.7%
<b>Total Clergy Benefit Apportionments</b>	<b>13,311,167</b>	<b>13,450,220</b>	<b>(139,053)</b>	<b>83.6%</b>	<b>84.1%</b>
<b><i>General &amp; Jurisdictional Apportionments</i></b>					
410 Episcopal Fund	663,628	665,680	(2,052)	76.7%	77.0%
411 World Service	1,652,439	1,623,803	28,636	76.9%	75.5%
412 General & Jurisdictional Fund	245,329	243,368	1,961	75.5%	74.9%
413 Ministerial Education	512,138	499,178	12,960	75.9%	74.0%
414 Black College Fund	242,868	235,286	7,582	77.1%	74.7%
415 Africa University Fund	56,276	52,738	3,538	80.4%	75.3%
<b>Total General &amp; Jurisdictional App.</b>	<b>3,372,678</b>	<b>3,320,053</b>	<b>52,625</b>	<b>76.7%</b>	<b>75.5%</b>
<b>Total Apportionments</b>	<b>22,432,573</b>	<b>22,531,059</b>	<b>(98,486)</b>	<b>82.0%</b>	<b>80.3%</b>
<b><i>Second Mile Giving</i></b>					
GBGM Advance Specials	909,955	688,295	221,660	2024	82.0%
Virginia Advance Specials	170,253	99,162	71,091	2023	80.3%
Special Sundays	47,354	69,004	(21,650)	2022	84.4%
World Service Specials	670	2,820	(2,150)	2021	80.6%
Conference Special Offerings	44,397	32,051	12,346	2020	74.3%
<b>Total Second Mile Giving</b>	<b>1,172,629</b>	<b>891,332</b>	<b>281,297</b>	2019	84.4%

**Virginia Annual Conference of The United Methodist Church**  
**Balance Sheets**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	2,211,170	4,055,319
Investments	19,383,890	17,949,154
Receivables and accrued interest	1,949,953	1,838,375
Real estate held for sale or to be determined	7,603,000	-
Prepaid expenses	85,296	111,820
<b>Total Current Assets</b>	<u><b>31,233,308</b></u>	<u><b>23,954,669</b></u>
<b>Fixed Assets</b>		
Land	5,063,619	2,522,219
Buildings	12,419,685	6,721,985
Furniture & equipment	1,169,273	1,152,055
Accumulated depreciation	(3,791,704)	(3,504,547)
<b>Total Fixed Assets</b>	<u><b>14,860,873</b></u>	<u><b>6,891,712</b></u>
<b>Other Assets</b>		
Loans receivable	108,612	120,612
<b>Total Other Assets</b>	<u><b>108,612</b></u>	<u><b>120,612</b></u>
<b>Total Assets</b>	<u><u><b>46,202,793</b></u></u>	<u><u><b>30,966,993</b></u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	3,839,439	3,265,370
Note payable	1,038,749	1,109,592
Accrued and payable personnel expenses	115,417	60,943
<b>Total Current Liabilities</b>	<u><b>4,993,605</b></u>	<u><b>4,435,905</b></u>
<b>Net Assets</b>		
Without Restrictions	1,832,812	1,940,847
Other board designated & board restricted	39,376,376	24,590,241
<b>Total Net Assets</b>	<u><b>41,209,189</b></u>	<u><b>26,531,088</b></u>

**Virginia Annual Conference of The United Methodist Church**

**Statement of Changes in Conference Reserves**

**For the Year Ending December 31, 2024**

<b>Beginning of Year Balance</b>		1,940,847
<b>Income (Expenses) charged directly to reserves:</b>		
Investment income	572,628	
Support for New Initiative	(12,000)	
Miscellaneous net receipts	(14,096)	
		<u>546,532</u>
<b>Conference Apportionment Closeouts</b>		
Conference Mission & Ministries	(248,977)	
Conference Services	(248,379)	
District Superintendents Fund	(200,426)	
Equitable Compensation	16,583	
Funds released from board designations	26,632	
		<u>(654,567)</u>
<b>End of Year Balance</b>		<u><u>1,832,812</u></u>

# REPORT OF THE CONFERENCE TREASURER

Virginia United Methodist Conference of The United Methodist Church  
401 - Conference Mission & Ministry  
Financial Summary

12/31/2024

Project Name	Apportionment Receipts	Revenues from other sources	Total Revenues	Total Expenses	Revenues Over (Under) Expenses	Beginning Balance	Closeout to Reserves	Ending Balance
Program & Board Administrative (see below)	943,877.16	42,024.51	985,901.67	1,093,868.62	(107,966.95)	-	107,966.95	-
Conference Benevolence Grants	134,727.69	-	134,727.69	140,999.92	(6,272.23)	-	6,272.23	(0.00)
CommonTable Grants	42,089.34	25,000.00	67,089.34	78,750.00	(11,660.66)	-	11,660.66	-
Campus Ministry and Higher Education	1,010,379.38	22,405.45	1,032,784.83	1,144,113.47	(111,328.64)	-	111,328.64	-
Bishop's Discretionary Fund	16,840.96	4,215.10	21,056.06	32,804.32	(11,748.26)	-	11,748.26	-
	<b>2,147,914.53</b>	<b>93,645.06</b>	<b>2,241,559.59</b>	<b>2,490,536.33</b>	<b>(248,976.74)</b>	-	<b>248,976.74</b>	<b>(0.00)</b>
<b>Program &amp; Board Administrative</b>								
Common Table	2,532.67	-	2,532.67	772.55	1,760.12	-	(1,760.12)	-
Connectional Ministries Office	35,352.95	-	35,352.95	43,541.95	(8,189.00)	-	8,189.00	-
Board & Agency Administration	21,070.79	1,831.95	22,902.74	20,103.29	2,799.45	-	(2,799.45)	-
Personnel Costs - Common Table	643,272.53	40,192.56	683,465.09	743,667.58	(60,202.49)	-	60,202.49	0.00
Personnel Costs - Communications	213,867.16	-	213,867.16	279,142.25	(65,275.09)	-	65,275.09	-
Video Production	6,736.39	-	6,736.39	6,641.00	95.39	-	(95.39)	-
CT Contingencies	21,044.67	-	21,044.67	-	21,044.67	-	(21,044.67)	-
	<b>943,877.16</b>	<b>42,024.51</b>	<b>985,901.67</b>	<b>1,093,868.62</b>	<b>(107,966.95)</b>	-	<b>107,966.95</b>	<b>0.00</b>

402 - Conference Services

Project Name	Apportionment Receipts	Revenues from other sources	Total Revenues	Total Expenses	Revenues Over (Under) Expenses	Beginning Balance	Closeout to Reserves	Ending Balance
Treasurer's Office	400,262.51	159,600.00	559,862.51	665,383.39	(105,520.88)	-	105,520.88	-
Computer Services	444,684.90	-	444,684.90	376,534.55	68,150.35	-	(68,150.35)	-
Annual Conference Session	246,316.63	15,703.74	262,020.37	461,770.94	(199,750.57)	-	199,750.57	-
Conf Publications Committee	6,593.31	15.00	6,608.31	126.89	6,481.42	-	(6,481.42)	-
Council on Finance & Admin	1,752.86	-	1,752.86	3,436.49	(1,683.63)	-	1,683.63	-
Board of Trustees	884.47	-	884.47	2,298.15	(1,413.68)	-	1,413.68	-
Committee on Episcopacy	1,752.86	-	1,752.86	-	1,752.86	-	(1,752.86)	-
Historical Society	3,521.78	-	3,521.78	1,314.05	2,207.73	-	(2,207.73)	-
Cabinet Discretionary Fund	8,796.44	-	8,796.44	11,475.00	(2,678.56)	-	2,678.56	-
Pastor Relocation Transition	6,593.31	-	6,593.31	9,375.00	(2,781.69)	-	2,781.69	-
Episcopal Residence	4,406.27	10,000.00	14,406.27	32,859.05	(18,452.78)	-	18,452.78	-
Conference Liability Insurance	17,592.91	-	17,592.91	17,102.00	490.91	-	(490.91)	-
Audit	48,388.48	-	48,388.48	35,630.75	12,757.73	-	(12,757.73)	-
Human Resources	39,592.05	-	39,592.05	43,210.72	(3,618.67)	-	3,618.67	-
General Conference Delegation	8,796.44	1,494.36	10,290.80	15,299.57	(5,008.77)	-	5,008.77	-
Contingencies	4,406.27	-	4,406.27	-	4,406.27	-	(4,406.27)	-
CFA Discretionary	-	66,704.00	66,704.00	5,000.00	61,704.00	-	(61,704.00)	-
Postage, Printing & Phone	31,663.99	2,400.00	34,063.99	47,168.12	(13,104.13)	-	13,104.13	-
BOM Personnel Costs	241,926.44	-	241,926.44	279,743.51	(37,817.07)	-	37,817.07	-
Clergy Excellence Admin.	13,636.89	-	13,636.89	19,612.79	(5,975.90)	-	5,975.90	-
Board of Ordained Ministry	62,459.61	-	62,459.61	75,768.67	(13,309.06)	-	13,309.06	-
BOM - Ministerial Support	28,158.28	-	28,158.28	23,372.70	4,785.58	-	(4,785.58)	-
	<b>1,622,186.70</b>	<b>255,917.10</b>	<b>1,878,103.80</b>	<b>2,126,482.34</b>	<b>(248,378.54)</b>	-	<b>248,378.54</b>	-



# REPORT OF THE CONFERENCE TREASURER

Virginia United Methodist Conference of The United Methodist Church  
CFA Designated Funds with Carryover Balances  
Financial Summary

12/31/2024

Project Name	Apportionment Receipts	Revenues from other sources	Total Revenues	Total Expenses	Revenues Over (Under) Expenses	Beginning Balance	Closeout to Reserves	Ending Balance
<b>CFA</b>								
Property & Equipment Fund	-	-	-	(8,040,003.70)	8,040,003.70	5,782,120.18	-	13,822,123.88
United Methodist Center	167,148.60	84,374.00	251,522.60	318,057.58	(66,534.98)	1,482.19	65,052.79	-
Long Term Building Maintenance Fund	-	-	-	-	-	300,000.00	-	300,000.00
Legal Expenses	79,168.03	-	79,168.03	156,401.29	(77,233.26)	50,000.00	27,233.26	-
Funds Held for Future Benefits	-	1,085,352.28	1,085,352.28	-	1,085,352.28	9,719,630.82	-	10,804,983.10
Archives	22,867.55	58,000.00	80,867.55	56,254.67	24,612.88	27,019.74	-	51,632.62
Sustentation Fund	-	-	-	-	-	15,000.00	-	15,000.00
2024 Apportionment Support	(2,120,000.00)	-	(2,120,000.00)	-	(2,120,000.00)	2,120,000.00	-	-
District Support Fund	-	-	-	245,000.00	(245,000.00)	480,000.00	(35,000.00)	200,000.00
Property management - WCD	-	80,692.76	80,692.76	106,361.34	(25,668.58)	-	-	(25,668.58)
New Town	-	81,261.66	81,261.66	212,507.03	(131,245.37)	131,245.37	-	-
Property Management - AC	-	86,184.15	86,184.15	206,459.39	(120,275.24)	35,255.59	-	(85,019.65)
Property - Undecided or available for sale	-	16,826,100.00	16,826,100.00	9,223,100.00	7,603,000.00	-	-	7,603,000.00
Trustee's General Fund	-	398,004.71	398,004.71	317,656.36	80,348.35	-	-	80,348.35
Parsonage - New Town	-	7,500.00	7,500.00	1,433.63	6,066.37	-	-	6,066.37
Residential real estate investment	-	18,890.00	18,890.00	2,953.25	15,936.75	-	-	15,936.75
	(1,850,815.82)	18,726,359.56	16,875,543.74	2,806,180.84	14,069,362.90	18,661,753.89	57,286.05	32,788,402.84

**Common Table**

Connectional Ministries Programming	67,363.85	(16,328.39)	51,035.46	3,500.00	47,535.46	34,129.70	(81,665.16)	-
Fall Youth Retreat	-	59,812.22	59,812.22	59,812.22	-	-	-	-
Conference Youth Council Leadership Retreat	-	(360.06)	(360.06)	2,139.94	(2,500.00)	2,500.00	-	-
Disaster Response Committee	-	6,713.52	6,713.52	8,755.02	(2,041.50)	2,041.50	-	-
UMVIM - Team Leader Training	-	413.71	413.71	336.66	77.05	(77.05)	-	(0.00)
Conf. Legislative Network	-	(2,648.41)	(2,648.41)	1,791.43	(4,439.84)	4,439.84	-	-
Advocate legacy funds	-	-	-	-	-	55,836.85	-	55,836.85
Wesley Fdtn Maintenance Fund	71,567.63	-	71,567.63	81,433.43	(9,865.80)	38,261.79	-	28,395.99
Wesley Foundation Proceeds	-	-	-	-	-	104,444.99	-	104,444.99
All God's Children Camp	-	72,796.08	72,796.08	54,700.17	18,095.91	16,648.95	-	34,744.86
Safe Sanctuaries Training	-	-	-	-	-	744.58	-	744.58
Lay Servant Ministries	-	4,227.03	4,227.03	4,715.41	(488.38)	11,943.33	-	11,454.95
Lay Servant Ministry Events	-	5,360.28	5,360.28	5,684.44	(324.16)	1,531.44	-	1,207.28
Discipleship Training Events	-	7,558.49	7,558.49	6,309.86	1,248.63	-	-	1,248.63
Camp Rainbow	-	61,016.53	61,016.53	104,195.02	(43,178.49)	43,178.49	-	(0.00)
Commission on Disabilities	-	200.00	200.00	680.04	(480.04)	3,514.21	-	3,034.17
Voices of Youth	-	-	-	-	-	1,549.94	-	1,549.94
UMVIM	-	3,634.43	3,634.43	44.04	3,590.39	18,657.09	-	22,247.48
Caretakers of God's Creation	-	681.00	681.00	328.19	352.81	7,710.36	-	8,063.17
Five Talent Academy - Events	-	(3,848.80)	(3,848.80)	-	(3,848.80)	3,848.80	-	-
Fresh Expressions	-	(4,309.46)	(4,309.46)	500.00	(4,809.46)	4,809.46	-	-
CDT Training Events	-	12,887.16	12,887.16	12,887.16	-	-	-	-
Grant Making Cooperative	-	50,000.00	50,000.00	-	50,000.00	-	-	50,000.00
	138,931.48	257,805.33	396,736.81	347,813.03	48,923.78	355,714.27	(81,665.16)	322,972.89

**Board of Ordained Ministry**

Licensing School	-	27,701.44	27,701.44	24,352.42	3,349.02	4,810.58	-	8,159.60
Order of Elders	-	-	-	66.91	(66.91)	9,276.90	-	9,209.99
Order of Deacons	-	1,419.54	1,419.54	988.72	430.82	3,614.51	-	4,045.33
Welcome Meal at AC	-	(1,322.68)	(1,322.68)	-	(1,322.68)	1,322.68	-	-
Local Pastor's Retreat/Lunch	-	2,091.66	2,091.66	2,091.66	-	-	-	-
Spouse Retreat	-	-	-	-	-	-	-	-
Seminary Scholarships	-	28,187.77	28,187.77	13,313.75	14,874.02	2,313.75	-	17,187.77
BOM Training Events	-	310.02	310.02	1,330.42	(1,020.40)	1,020.40	-	(0.00)
Clergy Education	-	65,000.00	65,000.00	30,069.25	34,930.75	89,150.00	-	124,080.75
Calling 21	-	-	-	-	-	13,270.41	-	13,270.41
AC Clergy Spouses Luncheon	-	-	-	-	-	-	-	-
Ministers' Convocation	-	27,988.20	27,988.20	19,933.62	8,054.58	16,429.86	-	24,484.44
Pilgrimages	-	(445.61)	(445.61)	-	(445.61)	445.61	-	-
Cross Culture/Cross Racial	-	2,450.00	2,450.00	47.32	2,402.68	1,563.87	-	3,966.55
VA Clergy Leadership Program	17,592.91	2,200.00	19,792.91	68,603.38	(48,810.47)	96,088.26	-	47,277.79
Candidacy Summit	-	10,015.57	10,015.57	11,027.39	(1,011.82)	10,885.95	-	9,874.13
Creating a Culture of Renewal	-	9,340.00	9,340.00	9,340.00	-	-	-	-
Clergy Spiritual Vitality	-	6,466.00	6,466.00	-	6,466.00	(6,466.00)	-	-
United Methodist Studies Program	-	1,377.50	1,377.50	4,500.00	(3,122.50)	3,122.50	-	-
	17,592.91	182,779.41	200,372.32	185,664.84	14,707.48	246,849.28	-	261,556.76

# REPORT OF THE CONFERENCE TREASURER

Virginia United Methodist Conference of The United Methodist Church  
Donor Designated and Miscellaneous Funds  
Financial Summary

12/31/2024

Project Name	Apportionment Receipts	Revenues from other sources	Total Revenues	Total Expenses	Revenues Over (Under) Expenses	Beginning Balance	Closeout to Reserves	Ending Balance
<b>Ministerial Education Funds</b>								
Ministerial Education Funds	128,034.58	(22,415.15)	105,619.43	206,205.71	(100,586.28)	384,401.36	-	283,815.08
	<b>128,034.58</b>	<b>(22,415.15)</b>	<b>105,619.43</b>	<b>206,205.71</b>	<b>(100,586.28)</b>	<b>384,401.36</b>	-	<b>283,815.08</b>
<b>Church Extension Funds</b>								
Church Extension Fund	305,088.32	45,879.04	350,967.36	790,413.02	(439,445.66)	2,644,120.03	-	2,204,674.37
	<b>305,088.32</b>	<b>45,879.04</b>	<b>350,967.36</b>	<b>790,413.02</b>	<b>(439,445.66)</b>	<b>2,644,120.03</b>	-	<b>2,204,674.37</b>
<b>Donor Restricted</b>								
NFC - New Town	-	35,800.00	35,800.00	24,916.37	10,883.63	-	-	10,883.63
Strategic Salary Support	-	125,000.00	125,000.00	-	125,000.00	-	-	125,000.00
Disaster Relief Fund	-	14,084.68	14,084.68	17,991.88	(3,907.20)	31,908.39	-	28,001.19
AC Serving Response Fund	-	134,073.63	134,073.63	143,952.10	(9,878.47)	99,663.56	-	89,785.09
Partnerships of Hope	-	38,780.91	38,780.91	1,700.00	37,080.91	29,143.93	-	66,224.84
POH - Mozambique	-	-	-	-	-	23,980.69	-	23,980.69
POH - Brazil	-	-	-	-	-	29,190.15	-	29,190.15
POH - Cambodia	-	-	-	-	-	27,802.21	-	27,802.21
POH - Vietnam	-	-	-	-	-	22,000.00	-	22,000.00
POH - Native Americans	-	-	-	253.26	(253.26)	38,084.13	-	37,830.87
POH - Haiti	-	105,998.27	105,998.27	105,000.00	998.27	5,867.92	-	6,866.19
The Olson Mission and Justice Fund	-	83,498.27	83,498.27	7,100.00	76,398.27	-	-	76,398.27
The Olson Historical Society Fund	-	40,255.91	40,255.91	10,000.00	30,255.91	-	-	30,255.91
Francis Asbury Education Funds	-	172,025.14	172,025.14	-	172,025.14	1,117,025.58	-	1,289,050.72
CEMCA-Hispanic Aid Fund	-	-	-	-	-	9,616.78	-	9,616.78
Bishops' Foundation	-	-	-	-	-	1,714.09	-	1,714.09
Journeys of Paul	-	37,500.00	37,500.00	36,000.00	1,500.00	-	(1,500.00)	-
Youth Service Fund	-	593.00	593.00	-	593.00	19,719.07	-	20,312.07
Peace with Justice	-	2,072.50	2,072.50	-	2,072.50	27,993.23	-	30,065.73
Native American Awareness Sun.	-	2,986.05	2,986.05	-	2,986.05	4,777.00	-	7,763.05
Treasurer's Discretion	-	-	-	(275.00)	275.00	1,802.68	-	2,077.68
CFA Strategic Mission Fund	-	-	-	27,000.00	(27,000.00)	274,798.27	-	247,798.27
AC Youth Gift	-	1,950.00	1,950.00	29,779.74	(27,829.74)	35,483.72	-	7,653.98
Annual Conference Offering	-	60,068.85	60,068.85	60,068.85	-	-	-	-
Hatching Faith Cohorts	-	1,250,000.00	1,250,000.00	59,099.67	1,190,900.33	-	-	1,190,900.33
	-	<b>2,104,687.21</b>	<b>2,104,687.21</b>	<b>522,586.87</b>	<b>1,582,100.34</b>	<b>1,800,571.40</b>	<b>(1,500.00)</b>	<b>3,381,171.74</b>
Clergy Support Obligation	-	-	-	362,979.06	(362,979.06)	363,732.00	(752.94)	0.00
Richmond Area Episcopal office	23,317.88	97,678.83	120,996.71	123,967.40	(2,970.69)	93,273.42	-	90,302.73
Bishop's John Wesley Service Fund	-	2,258.11	2,258.11	-	2,258.11	3,594.02	-	5,852.13
ARMS	-	10,645.00	10,645.00	9,219.11	1,425.89	17,644.45	-	19,070.34
Heritage	-	970.00	970.00	999.75	(29.75)	7,228.38	-	7,198.63
Scouting Ministries	-	-	-	-	-	11,358.82	-	11,358.82
	<b>23,317.88</b>	<b>111,551.94</b>	<b>134,869.82</b>	<b>497,165.32</b>	<b>(362,295.50)</b>	<b>496,831.09</b>	<b>(752.94)</b>	<b>133,782.65</b>

**Council on Finance and Administration**

**SECTION I(a) - Proposed Conference Budget**

	<b>2026</b>	<b>2025</b>	<b>Increase (Decrease)</b>	<b>Pct Change</b>	<b>Pct Budget</b>
Ministry Infrastructure	2,437,200				15.1%
Resourcing Connection	4,368,800				27.2%
Total Conference Mission and Ministries	6,806,000	6,500,000	306,000	4.7%	42.3%
Retired Clergy Health Support	5,240,000	5,060,000	180,000	3.6%	32.5%
Sending into Worldwide Connection	4,060,000	4,060,000	-	0.0%	25.2%
Active Clergy Health - no longer apportioned	-	9,000,000	(9,000,000)	-100.0%	
Total Apportionments	16,106,000	24,620,000	(8,514,000)	-34.6%	100.0%

**SECTION I(b) - Proposed Conference Apportionments**

	<b>2026</b>	<b>2025</b>	<b>Increase (Decrease)</b>	<b>Pct Change</b>	<b>Pct Budget</b>
101 - Conference Mission and Ministries - Committed	5,459,400				33.9%
102 - Conference Mission and Ministries - Expected	1,346,600				8.4%
Total Conference Mission and Ministries	6,806,000	6,500,000	306,000	4.7%	42.3%
103 - Retired Clergy Health	5,240,000	5,060,000	180,000	3.6%	32.5%
104 - General and Jurisdictional Ministries	4,060,000	4,060,000	-	0.0%	25.2%
Active Clergy Health - no longer apportioned	-	9,000,000	(9,000,000)	-100.0%	-
Total Apportionments	16,106,000	24,620,000	(8,514,000)	-34.6%	100.0%

# REPORT OF THE CONFERENCE TREASURER

## Supporting Schedule for Conference Apportionments (101 and 102)

	Section I(a)		Section I(b)		Total	Prior Year Total	Diff
	Ministry Infrastructure	Resourcing Connection	101 - Conf. Mission & Ministries Committed	102 - Conf. Mission & Ministries Expected			
Conference Mission and Ministries							
1 Cabinet	403,800	1,211,200	1,495,000	120,000	1,615,000	1,270,000	345,000
2 Ministries at Educational Institutions	-	1,120,000	682,500	437,500	1,120,000	1,050,000	70,000
3 Operational Infrastructure	850,800	147,200	957,000	41,000	998,000	1,052,000	(54,000)
4 Center for Clergy Excellence	364,600	-	343,000	21,600	364,600	308,800	55,800
5 Annual Conference Session	350,000	-	350,000		350,000	400,000	(50,000)
6 Communications	-	306,000	286,000	20,000	306,000	278,300	27,700
7 Missional and Community Engagement	-	305,000	290,000	15,000	305,000	169,100	135,900
8 Church Extension	-	300,000		300,000	300,000	350,000	(50,000)
9 Discipleship and Congregational Vitality	-	290,000	275,000	15,000	290,000	292,000	(2,000)
10 Connection and Innovation	-	238,000	223,000	15,000	238,000	218,000	20,000
11 Building Operations and Services	170,000	-	170,000	-	170,000	170,000	-
12 Grantmaking Cooperative	-	130,000		130,000	130,000	130,000	-
13 Legal and Audit	112,000	-	112,000		112,000	112,000	-
14 Boards and Agencies	81,700	28,000	79,700	30,000	109,700	104,000	5,700
15 Benevolence Grants	-	70,000	70,000		70,000	70,000	-
16 Equitable Compensation	-	50,000		50,000	50,000	50,000	-
17 Conference Programs	-	50,000		50,000	50,000	50,000	-
18 Human Resources	35,000	8,700	43,700		43,700	45,000	(1,300)
19 Wesley Foundation Maintenance	-	40,000	20,000	20,000	40,000	40,000	-
20 CFA Contingency for Unforeseen Expenses	20,000	20,000		40,000	40,000	40,000	-
21 Episcopal Office Support	13,300	13,200	26,500		26,500	26,500	-
22 Archives	26,000	-	26,000		26,000	26,000	-
23 Bishop's Discretionary	-	20,000		20,000	20,000	20,000	-
24 Pastor Relocation and Transition	-	15,000		15,000	15,000	5,000	10,000
25 Episcopal Residence	10,000	-	10,000		10,000	10,000	-
26 Historical Society	-	4,000		4,000	4,000	4,000	-
27 General Conference	-	2,500	-	2,500	2,500	-	2,500
28 Contingency Funds - Budget Shortfall	-	-			-	209,300	(209,300)
	2,437,200	4,368,800	5,459,400	1,346,600	6,806,000	6,500,000	306,000

## Supporting Schedule for Other Apportionments (103 and 104)

	2026	2025	Diff
<b>103-Retired Clergy Health</b>			
1 Retired Clergy Health	7,000,000	5,400,000	1,600,000
2 Savings from Active Clergy Health shift to Direct Bill	(1,350,000)	-	(1,350,000)
3 Funds Held for Future Benefits	(410,000)	(340,000)	(70,000)
	<b>5,240,000</b>	<b>5,060,000</b>	<b>180,000</b>
<b>104-General and Jurisdictional Apportionments</b>			
1 Episcopal Fund	914,000	900,000	14,000
2 World Service	1,820,000	1,820,000	-
3 Ministerial Education	630,000	630,000	-
4 Black College Fund	255,000	255,000	-
5 Africa University Fund	60,000	60,000	-
6 General Administration	313,625	327,625	(14,000)
7 Interdenominational Cooperational Fund	25,000	25,000	-
8 Southeastern Jurisdiction	42,375	42,375	-
	<b>4,060,000</b>	<b>4,060,000</b>	<b>-</b>

## SECTION II – Recommended Apportionments to Districts and Local Churches

### A. TOTAL RECOMMENDED APPORTIONMENT LEVELS:

The Council of Finance and Administration (CFA) recommends that the amounts apportioned from the General, Jurisdictional, and Annual Conference be apportioned to the districts as follows:

#### 2026 Virginia Annual Conference Apportionments

101 - Conference Mission and Ministries - Committed	5,459,400
102 - Conference Mission and Ministries - Expected	1,346,600
	6,806,000
103 - Retired Clergy Health	5,240,000
104 - General and Jurisdictional Ministries	4,060,000
	\$ 16,106,000

### B. CONFERENCE APPORTIONMENT RECOMMENDATION SPECIFICS:

The Conference Apportionments are intended to carry out the mission and ministry of the Virginia Annual Conference. All balances at the end of the year are to be closed to Conference Reserves unless an exception is granted by the Conference Council on Finance and Administration.

All apportionments are important to the mission and ministry of The United Methodist Church. Starting in 2026 by the end of the calendar year, churches must fulfil the 101 Apportionment (Conference Mission and Ministries - Committed) before the other apportionments can be funded. This is important to protect the required reserves of the Annual Conference for committed costs.

#### Report on 2024

As set in the Annual Conference procedures, the Annual Conference is informed through this report of shortfalls in the apportionments that impact Conference reserves. These shortfalls were managed through budget cuts, contingency funds, and Conference reserves in accordance with Annual Conference-approved policy.

Below are the stated Apportionment shortfalls for 2024.

	<b>Shortfall</b>
401 Conference Mission & Ministries	625,998
402 Conference Services	311,874
403 Appointive Cabinet	221,028
404 Equitable Compensation	34,460
	1,193,360

## SECTION III — Apportionment Procedures

### A. APPORTIONMENT FORMULA:

- **All Apportionments except for the Active Clergy Health Benefits**

Apportionments are calculated using the last year of available statistics of each local church (i.e. 2026 apportionments are calculated using 2024 statistics). The formula is based on total net paid expenses which are the total expenditures of the church minus expenditures for benevolent causes, apportionments, capital improvements, and payments on loans and mortgages. The apportionments for each church are sent to each district based on decimal calculations from the formula below:

$$\frac{\text{Individual Church Net Paid}}{\text{Total of all Conference Churches Net Paid}} = \text{Church Decimal}$$

- The district then passes the apportionments on to the local church.
- The Council on Finance and Administration, in consultation with the Church Development Team and Cabinet, has the authority to set a policy for apportioning newly chartered churches, legacy churches, and 2<sup>nd</sup> sites of chartered churches.
  - Effective January 1, 2016, the policy will be to phase in the apportionments for new chartered churches over a five year period with the first year beginning at 20% and increasing 20% for each subsequent year until the church is at 100%.
  - Effective January 1, 2016 for 2<sup>nd</sup> site (satellite & multi-site) locations that are recognized as new faith communities by the Church Development Team and the Cabinet, the existing chartered church may exclude direct expenses of the second site from the apportionment calculation based upon the following schedule:

<u>Months since est.</u>	<u>Percentage excluded</u>
0-42 months	100%
43-54 months	80%
55-66 months	60%
67-78 months	40%
79-90 months	20%

### B. REPORTING GUIDELINES:

- District superintendents will report the apportioned amounts for each church to the Conference treasurer and the apportioned amounts will be shown on the monthly Treasurer's report sent to each church.
- Apportionments are to be calculated and distributed annually rather than on a quadrennial basis.
- The Annual Conference will raise World Service funds only through contributions from the local churches. CFA urges that district superintendents, pastors, and local church leaders seek to fully implement Section 812 of the 2024 Discipline.

### SECTION IV - Annual Conference Special Offerings

Annual Conference offerings provide important and life-giving support for key Conference programs. The following are recommended for approval for 2026:

- United Methodist Family Services. It is recommended that December be designated as United Methodist Family Services Month and that each church promote an offering during this time for this purpose.
- Pinnacle Living (Samaritan Fund). It is recommended that the period between Mother's Day and Father's Day be designated in support of the Pinnacle Living (Samaritan Fund), and that each church promotes an offering during this time for this purpose.
- Heart Havens. It is recommended that February be designated as Heart Havens Month and that each church promotes an offering during this time for this purpose.
- Partnerships of Hope. It is recommended that September be designated as Partnerships of Hope Month and that each church promote an offering during this time for this purpose.
- Annual Conference Offering. CFA recommends continued support for this important offering.

### SECTION V - Policies

#### A. CABINET

Overall Policies for the Fund:

- In compliance with the Book of Discipline, the current salaries and expenses for district superintendents (DS), and those under special appointment, will be published in the Conference Journal with each DS's salary individually calculated and assigned each year as part of the appointive process, using the following criteria:
  - Each District Superintendent's salary shall be \$103,000.
  - Each year, the annual salaries of the District Superintendents are to be recommended by CFA to the Annual Conference.
  - CFA also administers salary-related expenses, to include such items as pensions, supplemental benefits, travel by voucher, continuing education, and other Cabinet-related expenses. CFA, in consultation with the Bishop, sets the Assistant to the Bishop's salary and related personnel costs.
  - The total cost of salaries and related expenses apportioned to Districts are to be based on the current approved decimal system (upon recommendation of CFA).
  - All other District Superintendents' costs, such as housing, district office expenses and staff, are to be paid at the district level.

#### B. TRAVEL & MEETING EXPENSES

Board and Agency members and staff engaged in Conference business are provided reimbursements for travel and meeting expenses per the guidelines below:

- The mileage reimbursement rate is set at the IRS business rate for Conference staff. The mileage reimbursement rate is set at the IRS volunteer rate for those serving as volunteers of Conference boards and agencies.
- Meals are to be reimbursed at actual costs, but not to exceed \$50 per 24-hour period. (breakfast on the date of departure from home/office is not accepted; dinner on the date of return is not accepted, except when the arrival to home/office is after 7 p.m.).

- Reimbursement for daily room charges is set at \$200 if the travel incurred extends to a period over three hours prior to the starting time of 10 a.m. on the day of the meeting.
- Spouse expenses are not part of allowable expenses.
- To encourage stewardship in this area, CFA suggests: (1) that advance reading materials be provided for study prior to meetings; and (2) that there be use of teleconferencing, where feasible.

### C. INDIVIDUAL EXPENSES FOR ANNUAL CONFERENCE

Reimbursements for Annual Conference expenses will be provided per the guidelines below:

- Each charge is responsible for the expenses of both the clergy and lay members (including diaconal ministers) from that charge to the annual conference, working out its own plan of compensating for actual expenses.
- Persons not covered through local church appointment shall receive annual conference reimbursement not to exceed \$200 a night for mileage, meals and lodging; the Conference treasurer shall reimburse the claimant through voucher of approved expenses. Coverage under this section extends to:
  - (a) retired clergy who retired with pension under one of the Disciplinary options and who are not serving full-time;
  - (b) clergy on medical leave;
  - (c) clergy on sabbatical leave who are members of the Virginia Annual Conference;
  - (d) retired diaconal ministers who served at least eight years in the Virginia Conference and who are granted a retired relationship by the Conference;
  - (e) persons expecting their first appointment;
  - (f) members of the conference who have been appointed to attend a theological school;
  - (g) those serving as chaplains in Armed Forces;
  - (h) deaconesses under appointment;
  - (i) furloughed missionary members of the Virginia Annual Conference;
  - (j) those on loan to other annual conferences, whose expenses are not otherwise provided for; and
  - (k) clergy returning from an approved leave of absence receiving local church pastoral appointments.
- Each district is responsible for the expenses of its district superintendent, youth members and members-at-large.
- Each board, agency or committee is responsible for the expenses of its chairpersons, if that person is not a clergy or lay member whose costs are covered by their charge or district.

### D. CONFERENCE RESERVE FUNDS

Policies on the Maintenance of Reserve Fund Levels:

- The Council monitors the Conference Reserves to ensure the ability to cover future contingencies including:
  - a) Reserve funds for emergencies and catastrophic needs related to the maintenance of Conference property held by the Conference trustees and include: (1) Virginia United Methodist Center; (2) Wesley Foundation buildings; (3) the Episcopal residence and (4) closed church properties.
  - b) Reserve funds for cash flow purposes.
  - c) Reserve funds for economic and financial downturns.



- d) Council on Finance and Administration has the authority to utilize reserves in excess of the minimum to preserve the Conference's financial stability.
- The Council has set the following target for Conference Reserve Funds:

Core Reserves:

A. 20% of the Conference budget that closes to reserves	\$ 1,230,000
a. 401 – Conference Mission and Ministries	
b. 402 – Conference Services	
c. 403 – District Superintendents Fund	
d. 404 – Equitable Compensation Fund	
B. 15% of Invested Assets not including cash equivalents and investments designated for specific purposes	<u>376,000</u>
	<u>\$ 1,606,000</u>

On December 31, 2024, the Annual Conference had reserves in excess of the target amount (see Treasurer's Report for details).

- Consistent with approved Annual Conference policies (effective January 1992), the use of investment income is authorized to maintain reserve levels. At the discretion of CFA, excesses may be used to: (1) meet shortfalls in Conference benevolences; (2) meet shortfalls in Conference Services; and/or (3) reduce apportionments from the Annual Conference to local churches.
- Reserve funds in the amount of \$300,000 are available to cover actions emerging from Annual Conference vote, emergencies, support of advances for campaigns, and potential liabilities of the Conference.
- Of the amounts reserved: (1) up to \$50,000 is available for emergency needs of the Common Table, with the approval of CFA; and (2) up to \$100,000 may be allocated by CFA between sessions of Annual Conference, as deemed necessary.
- The status of Conference reserves at the end of the prior actual year is to be reviewed each year by CFA and included in the Treasurer's Report to the Annual Conference Session.

### E. PASTOR RELOCATION TRANSITION FUND

1. By action of the June 2003 Annual Conference, CFA has established the Pastor Relocation Transition Fund and has provided funding through the Conference Services apportionment.
2. Churches/charges which are served by full-time clergy appointed to their charge as pastor may request reimbursement on the following schedule for an incoming pastor, if the previous pastor served two years or less in the appointment to their charge:
  - One-year appointment – Verified moving expenses up to a maximum of \$1,500 reimbursement.
  - Two-year appointment – Verified moving expenses up to a maximum of \$1,000 reimbursement.
3. No moving expenses will be reimbursed that are not in compliance with the Virginia Annual Conference Guidelines for Moving Expenses as printed in the Journal of the Virginia Annual Conference.

### **F. AUDIT REPORTS**

The Council on Finance and Administration reminds all district offices, agencies, institutions, and organizations receiving any financial support from conference funds or from any authorized conference-wide appeal to be in compliance with the *2024 Book of Discipline* to submit audited financial statements to the Conference Treasurer no later than six months after the end of the organization's fiscal year.

### **G. IRS REGULATIONS**

CFA reminds all church and/or charge treasurers to comply with the IRS regulations.

### **H. REQUESTS FOR BUDGET FUNDING**

CFA requires that all groups requesting funding from CFA submit requests for budget funding to CFA by January 15 each year for the following year's budget (i.e. budget requests for the 2027 budget must be submitted by January 15, 2026). This will allow the requests to be reviewed by CFA in sufficient time for consideration at the Annual Conference Session each June.

### **I. FINANCIAL COMMUNICATIONS**

When CFA proposes significant changes in apportionments (10% or more) for any board, agency, or other recipient of financial support, such proposed changes and the guiding rationale shall be presented to the Annual Conference for its final approval, with the information being conveyed no later than 30 days prior to the Annual Conference session.

### **J. LEGAL EXPENSE POLICY**

The Annual Conference shall not pay for the legal expenses for local church or district matters such as non-appointed personnel, churches seeking disaffiliation, property issues, etc.

Angie Williams, President