



**Baltimore-Washington Conference**  
The United Methodist Church

# Council on Finance & Administration

Rev. Daryl Williams, President

Rev. David Norton, Vice-President

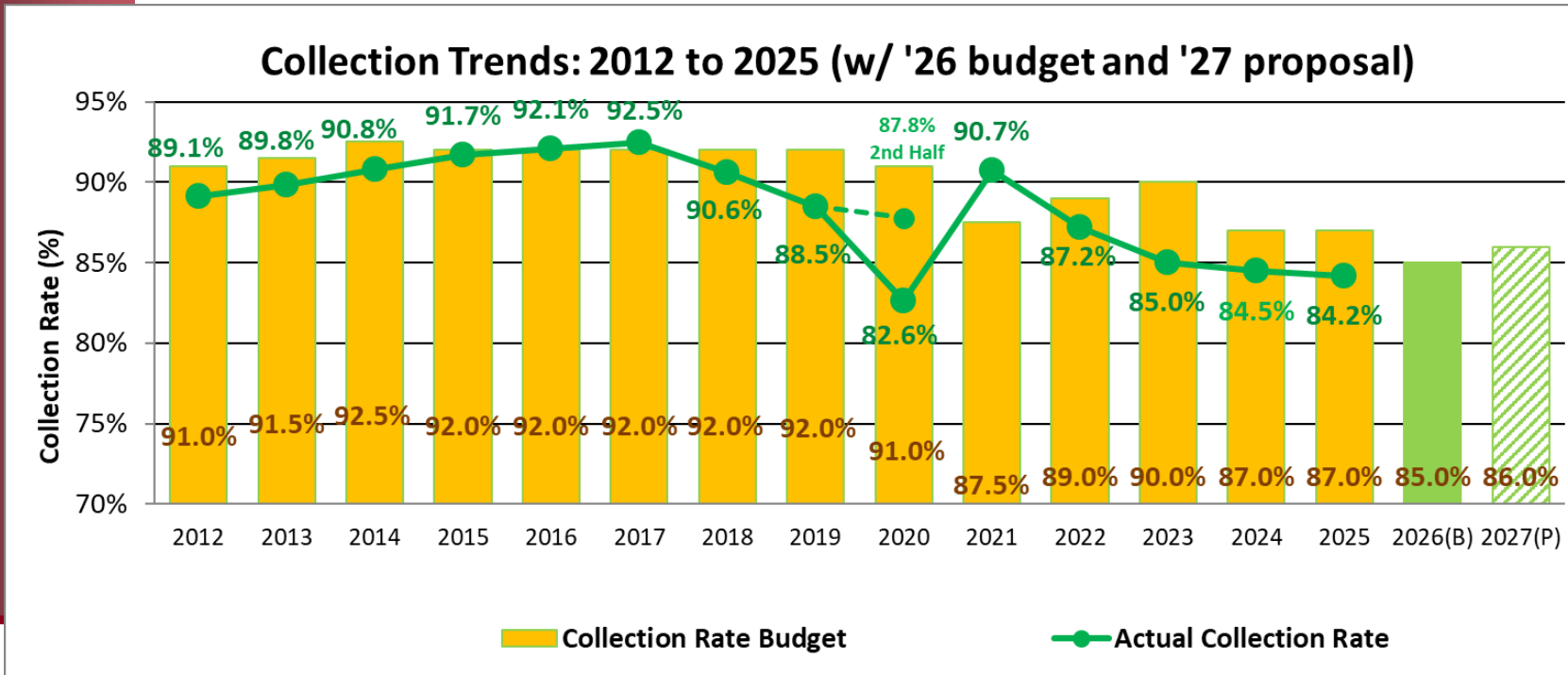
2026 PreCon Report

# Agenda

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- 2025 Year End Performance Summary
- 2027 Budget Proposal
- CFA Recommendations to Annual Conference

# BWC Collection Rate Trends

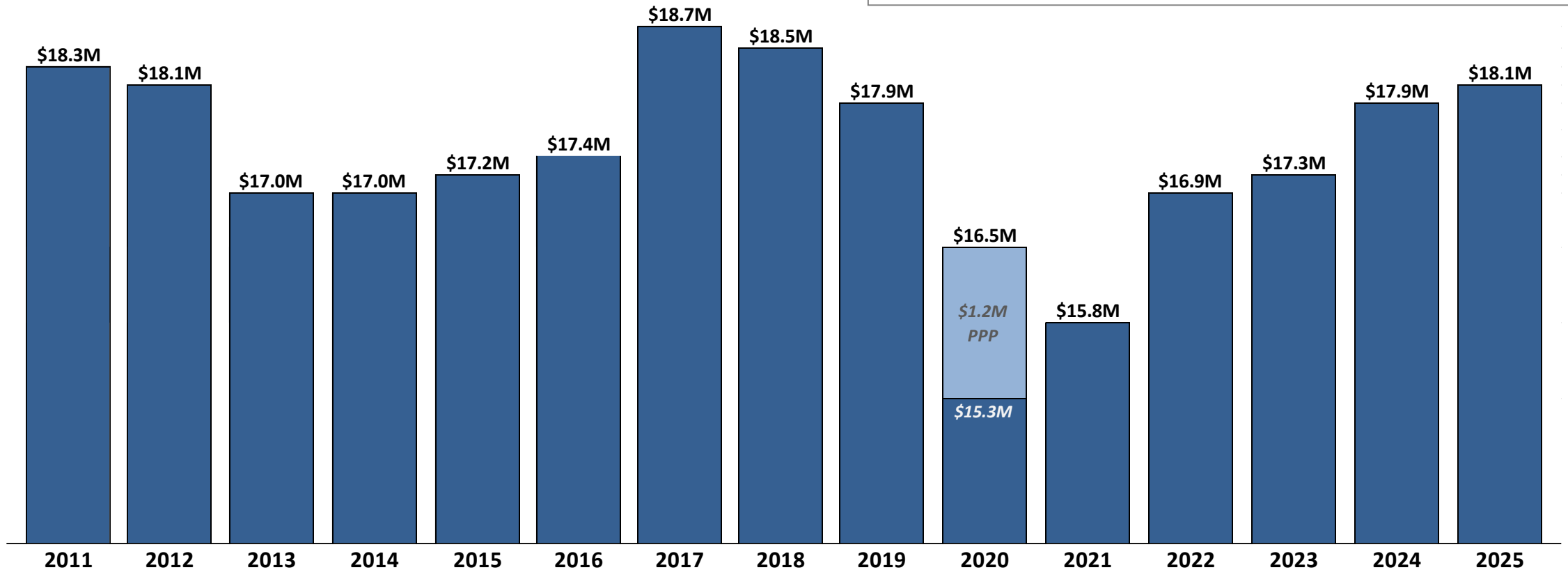


- The 2025 collection rate was 84.2%. This is slightly less than the 84.5% in the prior year.
- The 2026 budget is based on a collection rate of 85%.
- Starting a return to the historic strength in our connection is planned as the 2027 budget will assume a collection rate of 86%.

# 2025 Total Income = \$18.1M

- Total income has stabilized at pre-pandemic levels in 2024 and 2025.
- This was done with mission share income at an all-time low of \$11.8M in 2025.

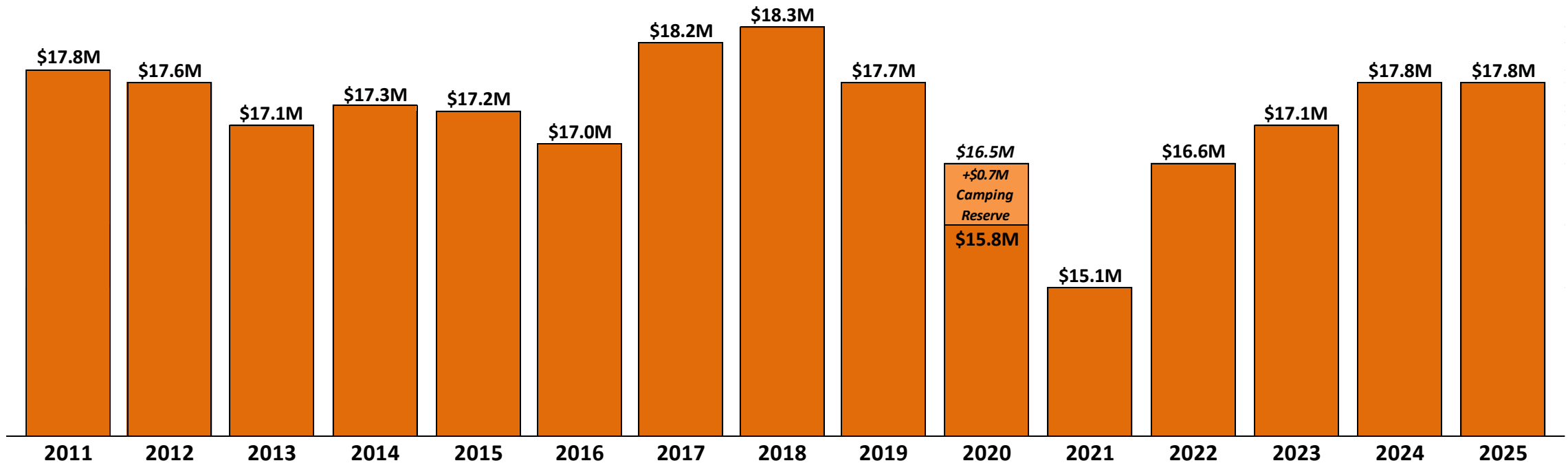
**Total Income**



# 2025 Total Expenses = \$17.8M

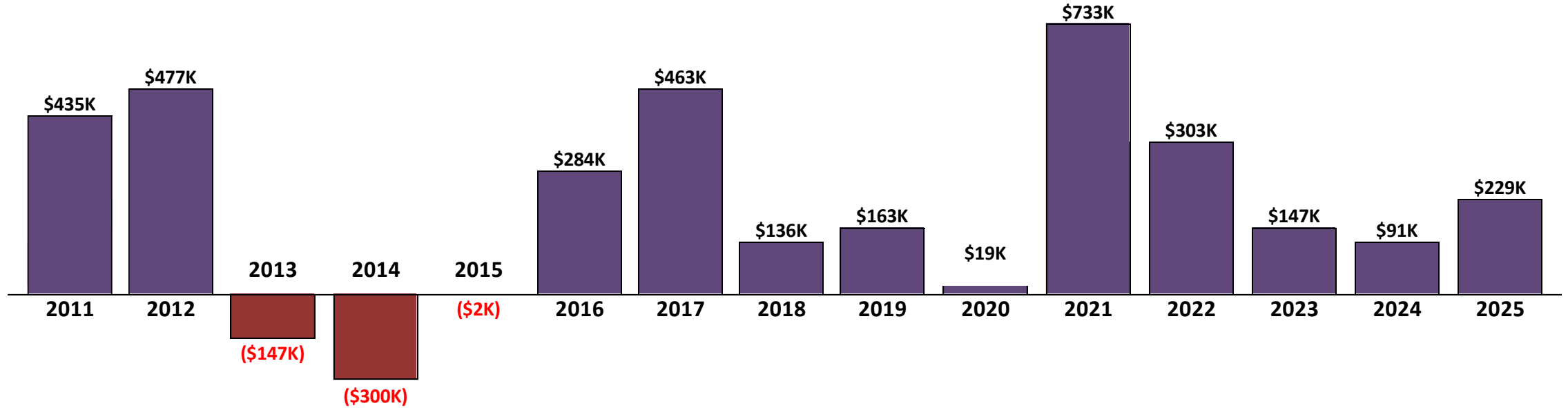
- The expenses in 2025 showed the same stabilization exhibited in the income trends at pre-pandemic levels.

**Total Expenses**



# 2025 Total Net Income = \$229K

## Net Income



- As income and expenses have stabilized at pre-pandemic levels, it is good to see the continued emphasis to keep expenses less than the total available income.

# 2027 Budget Proposal

# Comparison of Mission Share Calculations

<u>Budget Comparisons</u>	<u>Statistical Mission Share Base</u>	X	<u>Budget Benevolence Factor</u>	X	<u>Budget Collection Rate</u>	=	<u>Budget Mission Share Income</u>
2026 Approved Budget	\$ 81.5M	X	17.250%	X	85.0%	=	\$ 11.9M
2027 Proposed Budget	\$ 82.1M	X	17.250%	X	86.0%	=	\$ 12.2M

<u>Local Church Example</u>							
<u>Local Church Mission Share Base</u>		X				=	<u>Local Church Mission Share</u>
\$ 115,942		X	17.250%			=	\$ 20,000

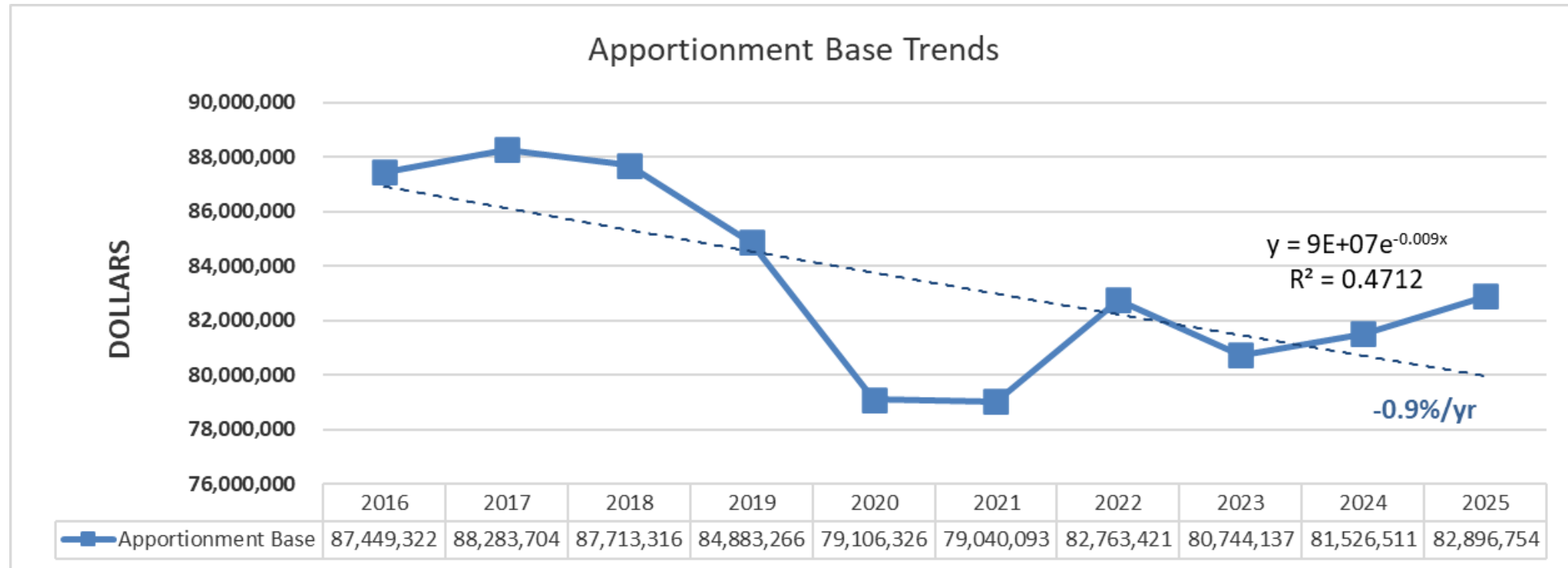
Reference: Mission Share Base Calculation

- Includes:
- Pastor's Compensation and Housing Allowance
  - Pastor's Reimbursements
  - Church Staff and Benefits
  - Church Program
  - Church Operating Expenses

Does Not Include:

- Pastor's Pension and Benefits
- Mission Giving
- Capital Expenditures

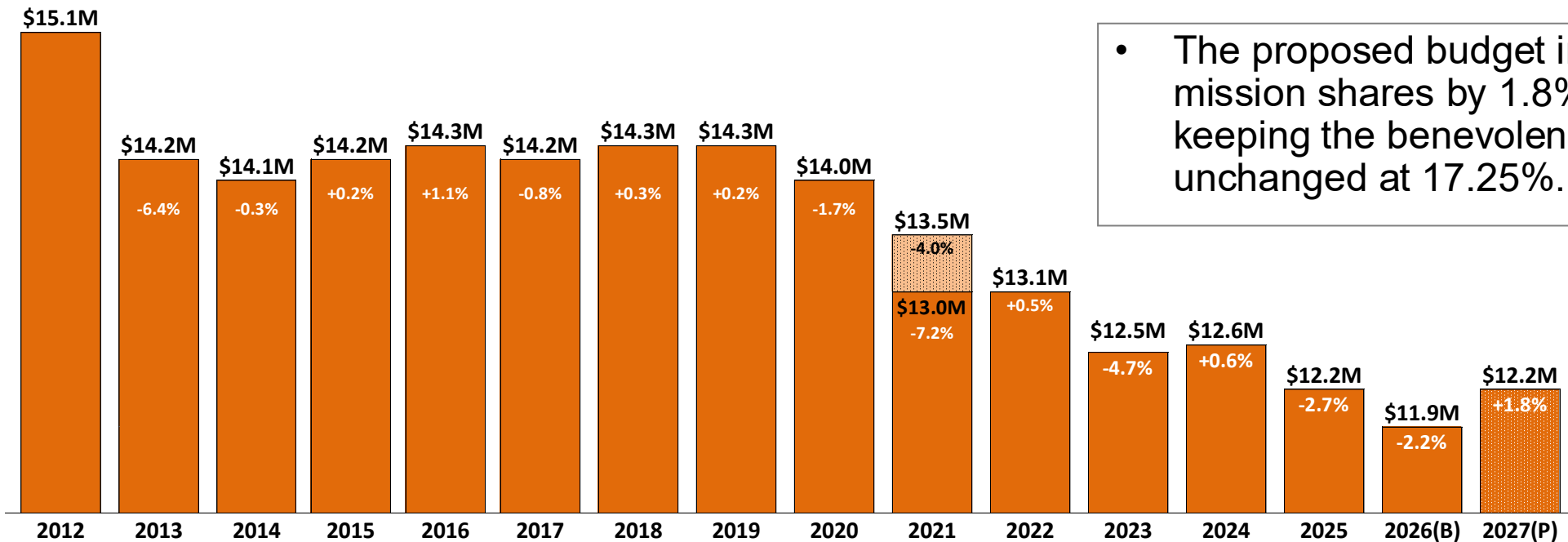
# Mission Share Base Trends



- The 1.6% increase in the apportionment base in 2025 appears to be setting a plateau from which future growth may be expected.

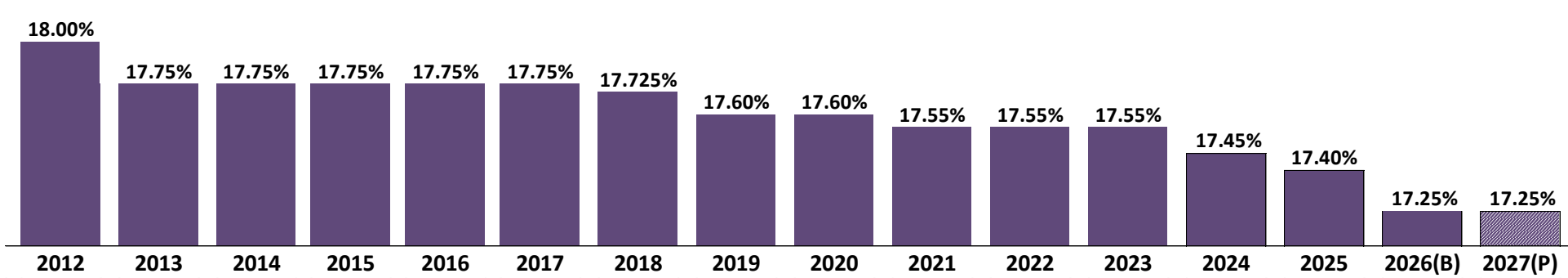
# Budget Trends

Mission Share Income



- The proposed budget increases mission shares by 1.8% while keeping the benevolence factor unchanged at 17.25%.

Benevolence Factor



# 2027 Budget Proposal

	<u>2026(B)</u>	<u>% Budget</u>	<u>2027(P)</u>	<u>% Budget</u>	<u>Change</u>
<u>Income:</u>					
Mission Shares	\$ 11,954K	65%	\$ 12,175K	66%	+221K
Other Income	6,263K	35%	6,331K	34%	+68K
<b>TOTAL INCOME</b>	<b>\$ 18,217K</b>	<b>100%</b>	<b>\$ 18,506K</b>	<b>100%</b>	<b>+289K</b>
<u>Expenses:</u>					
Regions/Ministry Teams	11,238K	62%	11,469K	62%	+231K
Stewardship/Episcopal	6,979K	38%	7,037K	38%	+58K
<b>TOTAL EXPENSE</b>	<b>\$ 18,217K</b>	<b>100%</b>	<b>\$ 18,506K</b>	<b>100%</b>	<b>+289K</b>
<b>NET INCOME</b>	<b>0K</b>		<b>0K</b>		

- Mission shares will be supported by more than \$6M of other income.
- 80% of the budget increase will support the ministry teams.

# 2027 Budget Highlights

- General Church Apportionments increased by \$70K or 2.8% to \$2.6M.
- Staffing budget is aligned with the new district structure. Increases in Discipleship Ministries are offset by reductions in Central Administration and Episcopal Office.
- New staff position added for Property with Purpose Coordinator. This position supports Missional Action Planning projects at local churches.
- Closed church reserves support \$906K of the \$1.1M Unified Funding Local Church Grants.
- Staff Salary/Benefits are proposed to increase by 2.3%. Same as 2026.
- Many administrative and missional budget lines were adjusted based on actual spending over the last three years.

# CFA Recommendations

1. Proposed 2027 budget = \$18,505,650
2. Proposed 2027 Benevolence Factor = 17.25%
3. Combined Apportionment Budget Ratio Statement:  
33% World Service  
67% Conference and General Church Benevolences
4. Independent Auditors for 2026 - Ellin & Tucker
5. Close 2026 books on January 12, 2027
6. Grant authority to CFA, in consultation with the Bishop, Cabinet, and the Discipleship Council, to act on financial matters between sessions of the Annual Conference



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Thank You