

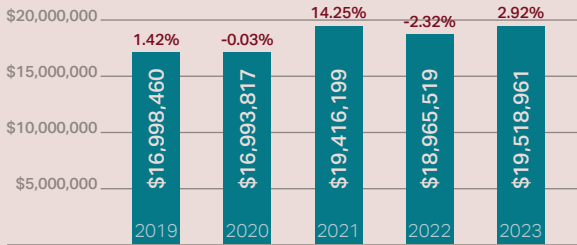
by Darin Gottfried

FINANCIAL STATE OF RMC CONFERENCE

Tithe is the major source of funding for the world church. The Conference budgets on base tithe, which excludes what we call “windfall tithe.” Windfalls are a onetime tithe of more than \$50,000 from an individual, for example, when someone sells a business and has an increase on which they pay tithe.

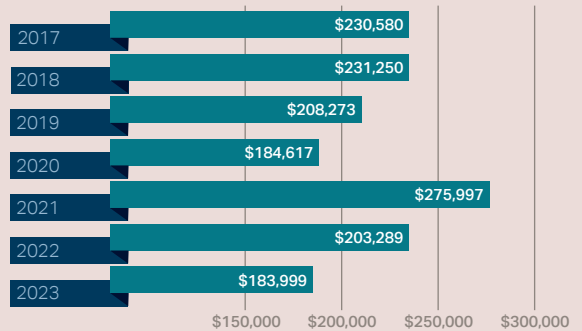
The majority of the Conferences annual expenses (77%) are employee and employee related costs. Because of increased inflation the average cost of each employee has grown significantly over the past several years. Because tithe has not kept up with those added costs, costs have had to be reduced in order to maintain a balanced budget.

Base Tithe (\$)

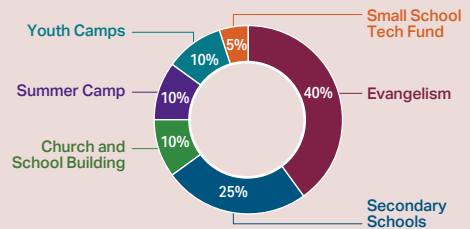
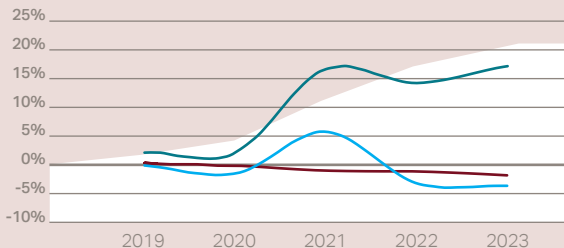


Base tithe has shown an average annual increase of 3.25% over the past five years or a total cumulative increase of 16.24%. During this same period, inflation has increased by an average of 4.12% per year or a cumulative increase of 20.59%. If tithe was adjusted for inflation, we would have a five-year cumulative decrease of 4.35%. For comparison, our membership has decreased by 2.49% over the past five years.

Conference Advance (\$)



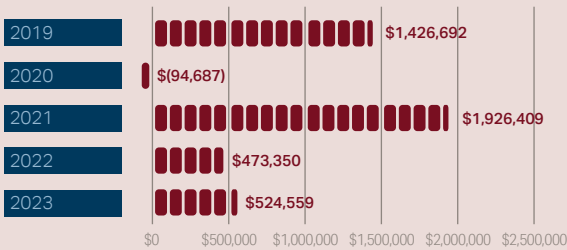
Base Tithe/Inflation (%)



All funds given to the Rocky Mountain Conference Advance stay in our conference and help fund the six things shown in the pie chart. The two largest areas are evangelism and education. The portion that goes for evangelism is used to help send funds back to the local churches and fund evangelistic outreach. The portion for education help the conference keep the amount that is billed back to schools just a little bit lower.

Legend: Inflation (grey), Membership (red), Base Tithe (teal), Adjusted Tithe (blue)

Operating Increase/ Decrease (\$)



The conference has experienced financial gains, sometimes significant, in 4 of the past 5 years. This has been mostly due to expenses being well below the voted budget. Most of those expenses are related to positions that were unable to be filled during a portion of the year. An increased cost of living in much of our Conference has led to some difficulty in finding employees who are willing to work for the Church in our territory. Because tithe has not kept up with inflation, we have not been able to keep up with the cost-of-living adjustment that employees receive in higher cost of living areas. This leaves many positions open longer than intended and is not what we want but does lead to financial gains that have helped move us towards our Working Capital goal.



Working Capital (Months)



Months of Operating Working Capital reflects the conference's ability to cover its expenses for a period of time, this excludes funds held in the Corporate/ Association books. The North American Division Policy recommends 6 months which is RMC's current goal. As of December 31, 2023, RMC has 4.87 months of working capital, the shortage of 1.13 months is equivalent to just over 2.4m. While we are not at our goal, the conference is steadily moving towards that goal and is in a relatively healthy financial position to continue to fund ministry into the future.

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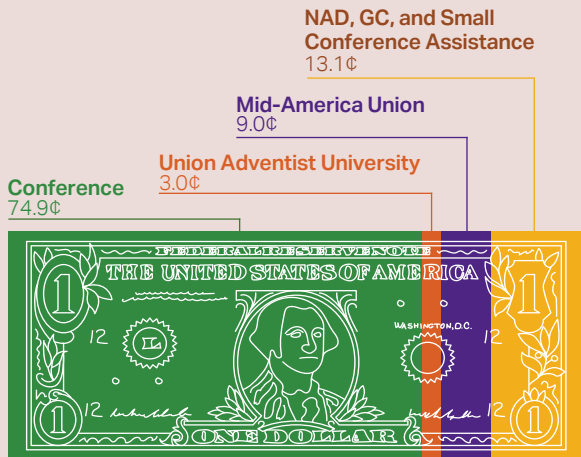
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WHERE DOES TITHE GO?

Questions often come to our office about how our church uses our tithes. Let me illustrate the answer:

Tithe Use in 2024 Budget (¢)

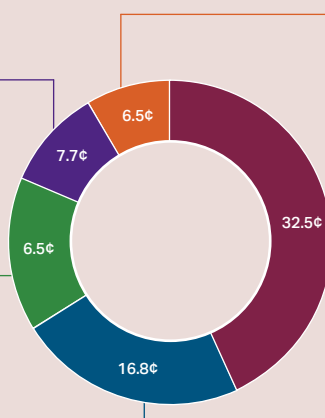
The dollar to the right shows where the average tithe dollar goes. Of the 22.1 cents that goes to the North American Division (NAD), General Conference (GC), and Mid-America Union Conference (MAUC), we receive back about 4.7 cents in appropriations that are restricted for various ministries, the large majority of those funds are restricted for evangelism, and education. The graph below shows how the 74.9 cents is used within the conference budget.



Retained Tithe Use within Conference (¢)

Administration
Covers the cost of the conference office, the cost of the administrative employees, legal expenses, miscellaneous insurance coverage for the Conference, etc.

Retirement
This portion goes to fund the old defined benefit retirement fund and will begin to diminish when the church is no longer supporting employees who were vested in the defined benefit plan before the year 2000. The Church now uses a defined contribution plan (403b).



Ministries
Evangelism, Youth Ministries, Mill Springs Ranch and Glacier View Ranch, Disaster Response, Women's Ministries, Prayer Ministries, Health Ministries, and other ministries of the Conference.

Church/Pastoral
The majority of this is used to cover the salaries and benefits for ministers and support of local church ministries.

Education
A portion of teacher salaries is eligible to be covered by tithe dollars because they engage in direct religious education, such as Bible classes.