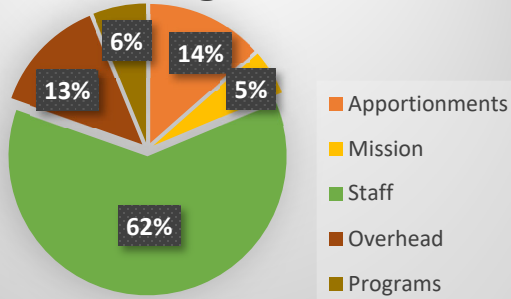
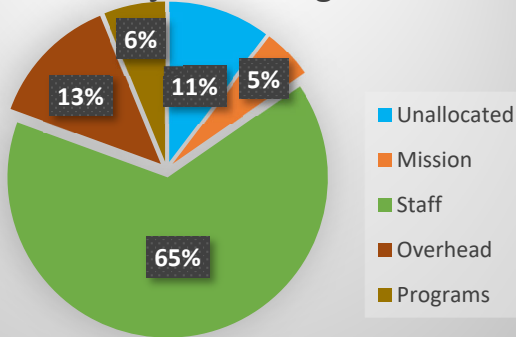


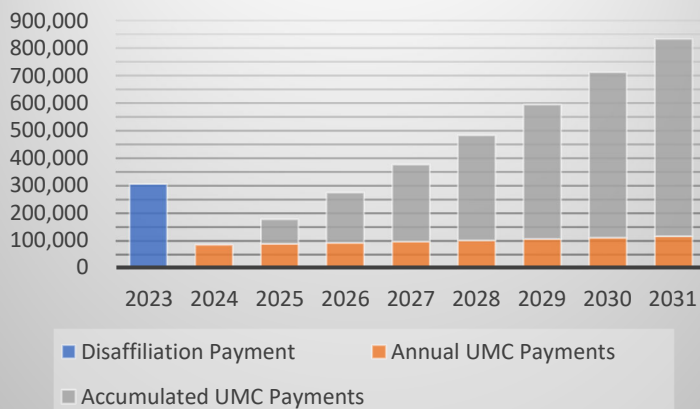
2023 BFUMC Projected Budget



Independent Church Alternative Projected Budget



Disaffiliation Payment vs. Annual UMC Payments



Annual Expense Comparison

The top pie chart to the left depicts a full year of BFUMC expenses based upon the 2023 annual budget. Apportionments, which are payments made to the UMC each year, comprise 14% of the BFUMC annual budget. As a comparative, if BFUMC disaffiliates from the UMC, it would no longer make apportionment payments. Thus, an additional 11% of the budget would be available each year for missions or church programming. This is depicted in the middle pie chart on the left. Apportionment payments are currently ~\$70,000 per year and are likely to increase over time.

In the Projected Independent Church budget, staff expenses increase to 65% of the budget as a result of paying the pastor's health insurance if the church is no longer affiliated with the UMC. All other benefits expenses, including clergy pension, is embedded in the staff category of the annual budget.

The Cost of Disaffiliation

Disaffiliation from the United Methodist Church under Paragraph 2553 is contingent upon paying a disaffiliation fee known as the Taylor Number. This payment is composed of 1) apportionment payments for the current year and one subsequent year, 2) BFUMC's share of the Annual Conference Pension Liability Payment and the Annual Conference Retiree Health Liability.

The bar graph chart to the left depicts this one-time Taylor Number payment (blue bar). To assess the real cost of disaffiliating, the years 2023-2031 (gray bars) accumulate the savings from not paying future UMC apportionments and health insurance liability payments (orange bars). As depicted, in three years the accumulated savings will nearly cover the one-time disaffiliation fee and, in following years, exceed the cost of the disaffiliation fee. Another financial aspect of disaffiliation that is not depicted is that Burnt Factory will own all of its personal and real property going forward

Church Disaffiliation Worksheet for a Church Seeking Disaffiliation - As Prepared by Virginia Conference		
Under Paragraph 2553	District	Shenandoah River
	GCFA	484591
Burnt Factory UMC	Date	2/20/2023
Figures Uses in the Pension and Health Liabilities Calculation (Subject to change until locked.)		
Church's share (apportionment decimal of liabilities)		0.00242560
Total Annual Conference Pension Liability		37,354,468
Total Annual Conference Retiree Health Liability		53,847,081
Estimate of Amount to be Paid if Church Disaffiliates		
1 Church's share of Annual Conference Pension and Health Liabilities		
1a. Church's share of AC Pension Liability		90,607
1b. Church's share of AC Retiree Health Liability		130,611
Total for Pension and Retiree Health Liabilities		221,218
2 Two Years of Annual Conference and District Apportionments		
2a. Annual Conference (2023 Apportionments X 2)		122,712
2b. District (2023 Apportionments X 2)		17,592
2c. Less: Total 2023 Apportionment Payments		17,538
Total for Two Years of Apportionments		157,842
Total of 1 and 2 Above		379,060
3 Other Amounts to be Paid - Not Yet Determined		
3a. Repayment of Conference Grants		0
3b. Conference's legal expenses related to church's disaffiliation		0
3c. Remaining salary, housing and benefits for appointed clergy through the end of the appointment year if the clergy stays with the Annual Conference		
Total of 1, 2 and 3 Above		379,060

Church Disaffiliation Worksheet for a Church Seeking Disaffiliation - With Anticipated Corrections		
Under Paragraph 2553	District	Shenandoah River
	GCFA	484591
Burnt Factory UMC	Date	2/20/2023
Figures Uses in the Pension and Health Liabilities Calculation (Subject to change until locked.)		
Church's share (apportionment decimal of liabilities)		0.00242560
Total Annual Conference Pension Liability		37,354,468
Total Annual Conference Retiree Health Liability		53,847,081
Estimate of Amount to be Paid if Church Disaffiliates		
1 Church's share of Annual Conference Pension and Health Liabilities		
1a. Church's share of AC Pension Liability		90,607
1b. Church's share of AC Retiree Health Liability		130,611
Total for Pension and Retiree Health Liabilities		221,218
2 Two Years of Annual Conference and District Apportionments		
2a. Annual Conference (2023 Apportionments X 2)		122,712
2b. District (2023 Apportionments X 2)		17,592
2c. Less: Total 2023 Apportionment Payments		(70,152)
Total for Two Years of Apportionments		70,152
Total of 1 and 2 Above		291,370
3 Other Amounts to be Paid - Not Yet Determined		
3a. Repayment of Conference Grants		0
3b. Conference's legal expenses related to church's disaffiliation		15000
3c. Remaining salary, housing and benefits for appointed clergy through the end of the appointment year if the clergy stays with the Annual Conference		
Total of 1, 2 and 3 Above		306,370

Notes

- The top chart to the left is the Taylor Number worksheet provided by the Shenandoah River District Office.
- The bottom chart to the left depicts what the Taylor Number should be at year end when Burnt Factory has paid its 2023 apportionments. It also corrects a math error in the top chart (adding rather than subtracting apportionment payments already made).
- The bottom chart also includes a projected \$15,000 cost for legal fees and signage removal.
- Burnt Factory received a \$100,000 grant from the Winchester District in 2018; it is not a Conference Grant and we believe should not require repayment. Nevertheless, this will be confirmed following the straw vote, if necessary.
- Financially, Burnt Factory can afford the Disaffiliation Fee, regardless of whether the \$100,000 is included.
- This financial info and the analysis on the first page is provided for context because the UMC sent the Taylor Number with the expectation that it would be provided to the congregants.
- While these numbers are interesting and relevant, professing members should only be voting on affiliation as their consciences dictate based on the human sexuality issues facing the church.