



Treasurer's Report

Jan 2025

Dear Quest Family,

It has truly been an honor to serve as the Elder Board treasurer this year. As a church family, we've engaged in frank discussions about our finances at several points throughout 2024 and the news hasn't always been positive. But every time we gather to discuss business as a church, I am encouraged by the openness and transparency of our conversations. I'm grateful for the good questions that people have asked and for the way we continually remind each other to trust in God's provision. **Thank you!**

The report attached gives a brief overview of our 2024 finances and the Elder Board's proposal for the Quest Church 2025 budget. The 2025 Budget proposal was initially drafted with input from staff and elders and then revised after it received congregational review and feedback in November 2024. It has been a very positive experience to walk through a budgeting process which included multiple voices and perspectives. I'm grateful for all our Quest Church members who stayed engaged in these finance conversations.

There is no denying that 2024 was a challenging year for our church financially. However, 2024 was ALSO a year that we saw God at work each and every day in our community and through our community. I was reminded every day this year that God is the great provider. And so often the method of God's provision is through us—the people of God. So, thank you, Questers! Thank you for showing up again and again. Thank you for co-creating the unique space that is Quest Church. Thank you for the generous gift of your time, your talents, and your resources.

With love in Christ,
Elder Sonja Lowe, Church Treasurer
(on behalf of the Quest Elder Board)

Review of 2024

A comparison of the 2024 operating budget v. actuals can be found in Appendix A.¹

Income & Expenses

In 2024, we set a giving income goal of 1.4 million dollars and an over-all income goal of \$1,453,637 dollars. At our 1st and 2nd quarterly finance reports, we noted that our giving was falling below budgeting goals, however, we were hopeful that traditional 3rd and 4th quarter giving increase would help us close that gap. Our congregation responded to a mid-year appeal for giving, however, the increase in 4th quarter was not as great as in previous years, so we were not able to close the income gap. We ended 2024 with approx. \$1.3 million in Sunday giving. Other income streams (including interest, internal transfers from the Bridge Fund, other donations and company matches) brought our total income for 2024 to approx. \$1.39 million.

In 2024, we budgeted for an expense total of \$1,4512,716. These budgeted expenses included all the payroll, ministry and operational expenses for Quest Church. Knowing that we are in a tight financial situation, our staff did a great job with tracking spending and reducing costs wherever possible. All our payroll and ministry expenses end the year on budget or below their budgeted expenses.

The one outlier to this is our Operations expenses. Utility costs were higher than expected in 2024. In addition, we experienced increased costs for trash pick-up, graffiti clean-up and other costs that came with maintaining the outside of our building and surrounding priority. The ongoing repairs needed to our building far exceeded our annual budgeted expenses. Some of these expenses were bills for repair projects (i.e. HVAC) that had already been approved in previous years. Money from our CD secured line of credit had already been “earmarked” for use to cover these building expenses.

Other 2024 building repair expenses (i.e. repairing the leak in the kitchen caused by heavy rains in September 2024) were not planned and exceeded our budget. The result was that we ended up using more money from our line of credit during the 4th Quarter of 2024 to cover these increased building costs. Our expense total for 2024 exceeded our budgeted expense total by approx. \$120,000. This overage was primarily because the cost for repairing and maintaining our building was much more than we had anticipated.

¹ 2024 books have not been officially closed. The numbers quoted in this report were determined prior to final reconciliation.

Account Balances

December 31, 2024 Balance Sheet and 2024 totals for designated funds can be found in Appendix B & C.

The combined result of lower the budgeted income and higher than budgeted expenses have placed Quest Church in a precarious position regarding our operating reserve. For most of 2024, we reported to the congregation that Quest Church reserves were maintaining a cash asset balance of a little more than one month's operating expenses. This is not ideal, but at least it meant that we could manage cash flow from month to month throughout the year. **By the end of 4th Quarter, however, the total cash assets available for Quest Church was just a little over \$40,000 dollars (Note: our average monthly operating expenses are \$112,000).** An increase in giving in January 2025 has ensured that we are able to pay all our expenses for January, but this narrow margin in our bank account is a cause for concern in 2025. It means that the priorities named in the 2025 Budget proposal (i.e. dramatically decreasing expenses and re-building our operating reserve) are more important than ever.

Looking forward to 2025

The proposed 2025 operating budget for Quest Church can be found in Appendix D.

Budget Process

This 2025 Budget proposal was drafted in stages throughout September & October of 2024 with input, discussion and discernment from Quest pastors, staff and elders. At the beginning of these budget discussions, the Elder Board and the Executive Staff team named two main priorities for the 2025 Budget.

1. The first was the urgent need to build back our church's financial reserves to a healthy and sustainable amount. Therefore, this 2025 Budget drafts a plan for operating expenses to be significantly below income goals. With budgeted monthly expenses significantly below monthly income goals, it is our hope that we can avoid the monthly deficits that have historically occurred in the early part of the year and begin to build back our cash reserve.
 - a. **Note:** To accomplish this priority in 2025, the EB Finance Committee will be carefully tracking income and expenses each month and will be in regular communication with the Quest Executive staff so that decisions about budget cuts can be made quickly in response to real time financial situations.

2. The other 2025 Budgeting priority was a concern that was voiced by our congregation in our 2024 Budgeting process. We noted that it has been several years since our staff have received a pay raise AND that 2024 was the first time that we did not pay into retirement benefits for our pastors. We named as a church body that this was a situation we wanted to address in future budgets. The 2025 budget proposal was not able to include all these payroll priorities, but we did take the first step in budgeting for a 3% pay raise for all Director level staff. Our Executive Staff team (pastors and senior director) told the Elder Board that they would prefer to make the pay raise for these staff positions the priority.

After naming these priorities and working with the Executive Staff team to create a 2025 draft budget, the Elder Board hosted a congregational finance meeting in November 2024. This meeting gave the congregation an opportunity to review the draft budget proposal with Quest members and then send feedback and questions to the Elder Board during a two-week period following the meeting. Treasurer Sonja Lowe collected this feedback for the elders to discuss at our December 2024 Elder Board meeting. Overall, the feedback we received from the congregation fell into these categories:

- **Clarification about the staff positions that are switching to reduce hours. Can these ministries still be adequately served with the reduced hours?**
Yes. Each of these changes in hours were requested by the staff member and carefully reviewed by the Executive Team to determine how best the role could shift to fulfill the current needs of church ministry.
- **Concerns about whether Quest Church's internal/external allocation of resources were out of proportion.** These comments noted that in the past a larger portion of Quest Church's budget was dedicated to global ministries and to partnerships with other outside mission partners and organizations.
- **Questions about the ongoing use of the Bridge Fund.**
(see appendix report regarding Designated Funds for Quest Church.)
- **Ideas & questions about how to address the increasing expenses and need for repairs to our building.** (i.e. rental options, capital campaigns, downsizing, property sale, dual use of our building, etc.). These were all great ideas to hear and receive. They will be helpful in informing our future building plans and discussions that we will be having with the congregation on this topic throughout 2025.

The Elder Board is grateful for all the input we received and for the thoughtful questions that were asked. In our December discussion about this feedback, we reviewed again our initial budgeting priority to maintain monthly expenses well below monthly income goals to rebuild our operating reserves, and we adjusted some budget numbers due as we acquired more accurate information about 2025 expenses. However, we did not

significantly alter our budget in any other areas.

The revised budget can be found in Appendix D of this report is very similar to the proposed budget that the congregation reviewed in 2025.

Income

Most of our church income comes through offerings and regular giving from our members and attendees, with a small percentage coming in the form of interest income or occasional miscellaneous rentals. All the giving received by the church is used to pay our pastors and staff, maintain our building, and support our ministries and Mission Partners.

For 2025, the Elder Board proposes a projected giving income goal of \$1.35 million. This is less than the giving goal we made for the 2024 Budget and it's comparable to the actual annual giving totals that achieved in 2024 and 2023. While we hope for growth in all areas in Quest's future, we feel like this giving goal is a more accurate representation of what our current community can give collectively.

The 2025 Budget also tracks the money that will transfer from The Bridge Fund to cover Bridge ministry expenses in 2025. This budget proposal does not list interest income as a line item for 2025 because during this year our \$500,000 CD will be maturing and closing out. Most of that money will be used to immediately pay down and close out our CD secured line of credit, and the rest of the funds (including the interest accumulated) will be transferred into Quest Church's regular bank account. About \$50,000 of this money will be used to make a final payment on our HVAC repair.

Expenses

Ministry Expenses

The ministry budget totals in this revised 2025 Budget proposal reflect mostly the same ministry expenses that we reviewed together as a congregation in November 2024. There are some increases in Operational Expenses that reflect more accurate information about 2025 costs. This budget also includes updated information regarding changes in staffing hours.

Savings Line Item

One new line item to call out in this 2025 Budget proposal is the line near the bottom of the narrative budget titled, Savings. The amount that we've budgeted for savings this year is 5% of our total operating budget. We know that it will be necessary for our 2025 budget and all future budgets to build into our budgeting process the habit of saving at least 5% of our total operating budget each year as a way to maintain our cash reserves and combat rising costs for operations.

Staffing and Compensation

Our investment in our staff reflects Quest Church’s investment both in ministries within our church Body and in ministries that impact our local community.

In the narrative budget presented in Appendix E, you’ll see that the salary and benefits for Quest staff and pastors are grouped according to the ministry areas that these positions mainly support. Of course, this grouping is a little arbitrary, because all of our ministries support each other, but it is a way to tell the story of how we are stewarding the resources of time and talent on our church staff. The totals listed in the narrative budget reflect the cost for total compensation packages (salary and benefits).

As a means of transparency, we always include the pay levels for our pastors and staff. These amounts are full time equivalents (not including benefits). The salaries for Quest Church pastors and executive team have remained the same since 2021. This year’s pay levels reflect a 3% pay raise for our director level positions. It is a goal of the Quest Church Elder Board to establish a healthy balance in our operating budgets that will allow us to offer regular pay increases for staff as well as retirement benefits for all of our staff. However, in the recent years of deficit budgets, this has not been possible.

2025 Pay Levels (FT equivalents)	
Executive Team (Lead Associate Pastor/Exec. Pastor/Senior Director Finance & HR.)	\$80,000
Associate Pastor	\$75,699
Assistant Pastor/Sr. Director	\$68,000
Director	\$63,565 (\$30.56/hour)
Music Minister	\$20,105 (\$48.33/hour)
Office Administrator	Part time (\$26/hour)

For the most part, the staffing positions and hours reflected in the 2025 Budget in Appendix E are the same as the draft budget presented to Quest Church members in November 2024. The changes made specifically to payroll expenses in this revised 2025 Budget include:

- **Increasing the Chief Storyteller staff position to 40 hrs/week at a Sr. Director pay level (\$68,000).**

Brandi Miller’s 2024 position as Chief Storyteller was a 32-hour position. In 2025, we’ve expanded this role and asked Brandi to take on further responsibility for preaching, teaching and overseeing programming that contributes to Spiritual Formation in our congregation – Sr. Director of Story & Formation.

- **Reducing weekly staff hours for different staff positions in different ministry areas.**

The staff positions of Sr. Director of Finance & HR, Director of Kids Ministry, Technical Director and the Pastor for Worship & Arts will all reduce their weekly hours during 2025. Pastor Matt, Director Kelsey, Director Alton and Sr. Director Terry each initiated conversations with the Executive Staff team about reducing their staff hours in 2025. After careful review and planning, the Executive Staff team determined that the current responsibilities and needs for each of these ministry areas can be reimaged to accommodate a reduction in weekly hours in 2025.

Concluding Thoughts

The deficit budgets for Quest Church in 2023 and 2024 have emphasized how crucial it is for Quest Church to rebuild and maintain a healthy operating reserve. The 2025 Budget proposal addresses this priority by significantly reducing expenses; however, this coming year will still be very tight financially for our church. The Elder Board and the Executive Staff team will be monitoring our income & expenses month to month. The Elder Board will be continuing our practice of making quarterly financial reports available throughout 2025, and will regularly communicate with our congregation regarding any changes that need to be made.

In addition, the increasing expenses for building maintenance and repair over the past two years have made it necessary for us to prioritize a process of discernment regarding the best way to steward our property as a resource that can contribute to the mission and ministry of Quest Church, rather than distract from it. This will be a conversation that we will have together as a church body in 2025. This will be a conversation outside our annual budget reporting because it is more than just a financial decision.

It's a reality that we have to name as we move into 2025—in terms of cash assets, our reserves are significantly lower than in previous years. And yet, when I look at the collective talent, vision and giftings of not only our pastors and staff, but also our whole Quest community, I see a church that has “more than enough” in terms of resources. As we lean into our 2025 theme of Imagine, I believe that we will see God's abundant provision for our church. And, I believe that we will see God moving through our church to abundantly bless our community, our city and our world.

The story of Quest already has so many “Ebenezers” marking God's provision along the way. As an Elder Board, we are grateful, as ever, to our Quest family for your faithful giving and we covet the congregation's support as we steward our church resources this year. Thank you for being part of this church family. If you have questions at any time, you can reach out to the Elder Board at elders@seattlequest.org.

Appendix A: Quest Church Budget vs. Actuals January - December 2024

	TOTAL		
	Actual	Budget	over Budget
Income			
40000 Sunday Offering	1,130,026.93	0.00	1,130,026.93
40020 General Offering	207,384.12	1,400,000.00	-1,192,615.88
Total 40000 Sunday Offering	\$ 1,337,411.05	\$ 1,400,000.00	-\$ 62,588.95
41000 Interest Income	18,036.07	4,000.00	14,036.07
45000 Donations	17,070.36	0.00	17,070.36
45010 Company Matches	7,181.48	0.00	7,181.48
45020 Grants	0.00	0.00	0.00
4502001 Lilly Pastoral Renewal	0.00	9,000.00	-9,000.00
Total 45020 Grants	\$ 0.00	\$ 9,000.00	-\$ 9,000.00
Total 45000 Donations	\$ 24,251.84	\$ 9,000.00	\$ 15,251.84
46000 Misc. Income	10,456.75	40,637.00	-30,180.25
Total Income	\$ 1,390,155.71	\$ 1,453,637.00	-\$ 63,481.29
Gross Profit	\$ 1,390,155.71	\$ 1,453,637.00	-\$ 63,481.29
Expenses			
60000 Quest Ministry Expenses	0.00	0.00	0.00
Total 60005 Vision & General Operations	\$ 973,675.56	\$ 810,179.00	\$ 163,496.56
Total 62000 Values	\$ 210,757.00	\$ 233,201.00	-\$ 22,444.00
Total 63000 Worship, Arts, Technology	\$ 180,979.40	\$ 200,362.00	-\$ 19,382.60
Total 64000 Family Ministry	\$ 150,179.37	\$ 176,273.00	-\$ 26,093.63
Total 60000 Quest Ministry Expenses	\$ 1,515,591.33	\$ 1,420,015.00	\$ 95,576.33
60002 Interest Expense (LOC)	12,308.04	4,000.00	8,308.04
66910 Reimbursements (Payroll)	8,906.50	0.00	8,906.50
66930 Stripe fees	9,857.63	0.00	9,857.63
66940 Stripe Other fees	5.88	0.00	5.88
66960 Uncategorized Expense	146.51	0.00	146.51
Total Expenses	\$ 1,546,815.89	\$ 1,424,015.00	\$ 122,800.89
Net Operating Income	-\$ 156,660.18	\$ 29,622.00	-\$ 186,282.18
Other Expenses			
67950 Other Miscellaneous Expense	929.27	0.00	929.27
Total Other Expenses	\$ 929.27	\$ 0.00	\$ 929.27
Net Other Income	-\$ 929.27	\$ 0.00	-\$ 929.27
Net Income	-\$ 157,589.45	\$ 29,622.00	-\$ 187,211.45

Appendix B

Quest Church Balance Sheet

As of December 31, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
10000 Umpqua Checking 8361	87,276.56
10020 Umpqua Money Market 8387	85,859.92
10050 Expense Clearing Account (Rippling Spend Mngmt)	-5,336.99
Total Bank Accounts	\$ 167,799.49
Accounts Receivable	
11000 Accounts Receivable	0.00
Total Accounts Receivable	\$ 0.00
Other Current Assets	
CD 7062 - 3	525,970.39
Total Other Current Assets	\$ 525,970.39
Total Current Assets	\$ 693,769.88
Fixed Assets	
35000 Quest Ballard	8,531,162.91
Total Fixed Assets	\$ 8,531,162.91
TOTAL ASSETS	\$ 9,224,932.79
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts payable	0.00
Total Accounts Payable	\$ 0.00
Credit Cards	
21040 Rippling Card Liability Account	-53,570.33
Total Credit Cards	-\$ 53,570.33
Other Current Liabilities	
22000 CD Secured LOC 3018 *3018	422,533.76
Total 23000 Payroll Liabilities	-\$ 95,064.41
23100 PPP Loan	0.00
Total Other Current Liabilities	\$ 327,469.35
Total Current Liabilities	\$ 273,899.02
Total Liabilities	\$ 273,899.02
Equity	
30000 Opening Bal Equity	-10,664.54
32000 Beginning Balance	9,056,580.14
Opening Balance	70,040.66
Net Income	-164,922.49
Total Equity	\$ 8,951,033.77
TOTAL LIABILITIES AND EQUITY	\$ 9,224,932.79



Appendix C: Quest Church Designated Funds

Restricted Funds	Balance as of 12/31/2023	Balance as of 12/31/2024
Benevolence	\$6,708	\$8,945
The Bridge Fund	\$166,863	\$204,955
Total	\$173,571	\$ 213,900

Quest Church Designated Funds

In 2024, Quest Church stewarded two different designated funds, The Benevolence Fund and The Bridge Fund (formerly The Bridge Care Center Fund).

The Benevolence Fund. Monies held in the benevolence fund are used to respond to financial needs that may arise for members of the Quest Church community. Our pastors may use this fund at their discretion to provide financial assistance as they become aware of needs during pastoral care. There is also an application (available through the Quest Church office) for those who call Quest home to make requests for financial assistance.

The Bridge Fund. During the annual meeting in January 2024, the Elder Board announced the decision to officially close the operations of the Bridge Care Center, and to “re-imagine” the ministry of The Bridge to be one of several ministries operating within the larger mission of Quest Church. Building on the original vision of The Bridge Care Center to give dignity and assistance to those who gathered under the Ballard Bridge, Quest staff drafted a new vision statement for an ongoing Bridge ministry continuing at Quest Church:

The Bridge Ministry will activate Quest in our value of justice by nurturing a justice-centered community that extends beyond the walls of the church, empowering Questers to address economic inequalities, challenge systemic injustices and uplift intentionally marginalized groups in their own communities and neighborhoods across the region.

In 2024, the monies held in the Bridge Care Center Fund were used to support The Bridge Ministry at Quest Church. Under the leadership of the new Bridge Director, Chloe Guillot, the Bridge Ministry organized Quest volunteers to serve in a variety of ways. For example:

- Partnering with the Seattle organization, Community Dinners, to host hot meals on Wednesday nights from January-July 2024.
- Organizing the Warmvember Clothing Drive with clothing donations collected from our church. Over 20 Quester volunteers served over 100 neighbors on the Clothing Distribution Day on Saturday November 23rd.

After a period of discernment in 2024, the Elder Board has decided to keep this designated fund (renamed The Bridge Fund) open as an option for Quest givers to make their gifts directly towards the ministry priorities named in The Bridge mission statement.

It should be noted that The Bridge Fund is different from the Benevolence Fund in that it currently supports a staff position and ministry operational expenses. It is possible in the future that this fund could be utilized to make direct gifts on behalf of Quest Church to partners in the community that align with the mission of The Bridge. However, keeping this fund as a designated fund is a means of accountability that ensures that within the Quest Church operational budget, the monies from the Bridge Fund will ONLY be used to support the staffing hours for the Director of The Bridge (currently a part time position) and other ministry expenses dedicated to Quest Church's Bridge Ministry.

APPENDIX D: QUEST CHURCH NARRATIVE BUDGET PROPOSAL 2025

		2025 Budget
QUEST CHURCH		
Total Income Projection		\$1,445,000
	Congregational Giving	\$1,350,000
	Bridge Care Center Xfer	\$45,000
	Xfer from CD/LOC Funds	\$50,000
	Misc Income (benevolence, matches, interest, unexpected, etc.)	\$15,000
	Rentals	\$0
Total Expense Projection		\$1,381,795
	Other Expenses & Fees	\$79,721
	Operating Expenses	\$1,302,073
		\$63,205
Vision & General Operations		\$787,804
<p>A community's vision is only as good as its operational health and commitment to transparency, accessibility, and integrity in every area of organizational life. The area of Vision and Operations establishes where we are going, and assists the execution of every ministry area as we embody our vision and commitment to our values.</p>		
	Benevolence	\$1,000
	General Operations	\$360,406
	LOC Payment & Interest	\$0
	Events & Hospitality (<i>church wide events and hospitality</i>)	\$15,000
	Leadership & Development	\$11,665
	Payroll, Benefits, and Employer Taxes	\$399,733
	Office Administrator - Resource Admin	
	Executive Pastor	
	Properties & Facilities Director	
	Lead Associate Pastor/Transitional Pastor	
	Sr. Director of Finance & Human Resources	
Reconciliation, Story, & Values		\$239,940
<p>Soul, Community, Reconciliation, Justice & Compassion, Global Presence—these are our values at Quest Church. Our values reflect the culture we're building, the impact we're having in our community and world, and the legacy we desire to leave for the next generation. In this way, our values speak back to the vision of our church: "to be disciples of Jesus who leave a multiplying impact for the flourishing of our community, our city, and our world.</p>		
	Community Life (<i>C-Groups & Gatherings</i>)	\$4,700
	The Bridge	\$5,000
	Storytelling (<i>Communications & Storytelling Platforms</i>)	\$5,920
	Formation (<i>Classes, Discipleship, Membership</i>)	\$2,400
	Reconciliation	\$5,000
	QueerPlus	\$1,350
	Ministry Partners	\$15,000
	Payroll, Benefits, and Employer Taxes	\$200,570
	Associate Pastor, Teaching & Reconciliation	
	Sr. Director, Story & Formation	
	Director, Community Life & The Bridge	

Worship, Creative Arts, & Techonology		\$137,607
Worship is at the center of Quest Life. We engage the arts and use technology in ways that meaningfully reflect and magnify our expressions of love and devotion for God in a multi space.		
	AVL & Technology	\$8,800
	Worship & Arts	\$9,500
	Payroll, Benefits, and Employer Taxes	\$119,307
	Associate Pastor, Worship & Arts	
	Director, Techology	
	Minister of Music (<i>former Associate Director of Worship</i>)	
Kids & Youth		\$137,721
Family Ministry is a multi-ethnic, all abilities, Queer affirming, and intergenerational ministry to and with children and youth. We believe children and youth are a vital part of the diverse body, each created in God's image and designed to worship God and be valued; to have a place and presence in the church community.		
	Kids Ministry	\$5,900
	Youth Ministry	\$5,610
	Payroll, Benefits, and Employer Taxes	\$126,211
	Director, Kids Ministry	
	Director, Youth Ministry	
	Child Care	
	Other Expenses & Fee's	
	Bank Fees	\$9,600
	Savings	\$69,121
	Building & Improvemnt Fund	\$0
	Global Presence + Disaster Response	\$0