



# IOWA ANNUAL CONFERENCE



## TREASURY NOTES

May 2011

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### 2011 Annual Conference

Does it really seem possible that another year has gone by and our Annual Conference will be gathering in another month? I have listed some of the items that will be in front of the lay members who come from various congregations and the clergy who are members of the Annual Conference.

First is the Proposed Budget for 2012. The Council on Finance and Administration (CFA) is recommending an apportionment request of \$15,624,566. Also, an amount from other revenue is \$19,732,510. Thus, if our apportionments were paid at 100%, the total budget would be \$35,357,076.

#### The revenue from other sources is as follows:

\$219,000 for special projects within each District. This amount is an estimate that will change after each District Conference meets to approve its requests for ministries and outreach within its district.

\$3,476,225 is charitable contributions. These are monies given that are designated for a specific purpose. Examples would be relief for a natural disaster, special mission projects, Ingathering collections and advance mission projects, special gifts to Board of Camps projects or special gifts supporting Wesley Foundations.

\$1,466,442 is fees for service which can come from registrations for events that are held by the Conference. Examples would include summer camping programs, youth gatherings or one of our many Academies.

\$151,000 received as a sale of goods or services. This could be merchandise sold at a camp store or event, videos of presentations provided for purchase, or material printed in our Central Services for an agency.

\$2,184,341 is investment earnings from various bequests that have been given to the conference. Income from an investment is often restricted for a particular use; such as, Westmar College Scholarship Funds or our Pension Permanent funding. In many instances, earnings from our investments means, our apportionments are supplemented.

\$12,054,502 is contributions to benefit plans. This fund would be the direct bills to local congregations for their clergy retirement pension benefit or for the clergy health insurance cost.

\$128,000 entitled miscellaneous income, which is money that comes to the Conference but does not readily match any of the other receipt categories.

One thing that is important to remember is that with each of the above funds, all of the money received is given to the ministry or program it supports. The costs of administering these funds are covered by apportionments; therefore, 100% goes to its intended use.

#### The apportionment revenue

The apportionment analysis for 2012 reflects the fact that the recommendation from CFA is for a 1.97% decrease in total apportionments from the 2011 apportionment.

The apportionment budget is divided into three sections. The first section is **General Church apportionments**. These apportionments are assigned to Iowa by the General Church and are passed through to the local congregations without reductions. The total apportionment is \$2,816,548 for a 5% increase. The amount includes \$378,229 as a contingency to pay General Church apportionments at 100%. By using this contingency the churches of Iowa have paid the General Church apportionments at 100% for the last three years.

The second section of the apportionment budget is **Conference Ministries** which supports the work of the following:

- Board of Ordained Ministry
- Board of Pensions
- Board of Trustees
- Commission on Equitable Compensation
- District Funds
- Clergy Support Ministries
- The Office Pastoral Care and Counseling
- Conference Administrative Committees
- Council on Finance and Administration
- Iowa United Methodist Foundation
- Connectional Ministries Council
- Cash Reserves

The asking represents a 6.9% decrease from the 2011 asking. The amount of money for this fund is \$9,419,723. The major reason for this decrease is because of the changes in the Pension funding. The following article will discuss that change.

If you want to know how the money in these funds is used for ministry and to meet its Book of Discipline responsibility, you may read a description in the pre conference manual. You can access this manual on line by going to <http://www.iaumc.org/pages/detail/1830>

The third section of the apportionment budget is the Conference Missions which supports the work of the following:

- Board of Camps
- Board of Church and Society
- Board of Discipleship
- Board of Global Ministries
- Board of Higher Ed. & Campus Ministries
- Board of Laity
- Commission on Archives and History
- Comm. On Christian Unity
- Comm. Min./Persons With Disabilities
- Comm. On Religion and Race
- Older Adult Council
- Young Adult Council
- Council on Youth Ministries
- District Councils on Ministries
- Matthew 25 Fund
- Camp Deficit Reduction

The asking represents a 7.9% increase from 2011. The amount of money for this fund is \$3,388,295. A reminder that for 2011 a number of agencies in both Conference Missions and Ministries reduced askings in order to accommodate the need for Pension. You can access more information about the ministry of each fund by going to the Pre Conference Manual at [www.iaumc.org/2012budgets](http://www.iaumc.org/2012budgets).

Another piece of information about the budget to share is a review of the 2010 statistics reported by our local congregations' report of a membership decrease of 1.91%. The proposed apportionment request for 2011 is a 1.97% decrease.

### Pension Fund Report

The recession of 2009 had a major negative effect on the Pension Plans for clergy and our 2011 apportionment budget and direct bill had to reflect these costs. The Pension Plan is a combination of three various plans. First, the Pre 1982 Plan on January 1, 2009 was 90% funded whereas of January 1, 2008 it had been 121%. Because of the underfunding, the Annual Conference was required to make a contribution into this plan in 2011. \$946,262 is the amount contributed to the plan that comes from apportionments. The economy has improved enough so that on January 1, 2010, the funded amount was 101%. Thus, no contributions need to be made into this plan for 2012.

The Ministerial Pension Plan annuities on January 1, 2008 were funded at 120%, and on January 1, 2009, the funding ratio was 91%. As result of this funding, in 2011, the Conference had to fund an extra \$825,070. The funding of this Plan will come from the investments held by the Board for Pensions even if the corpus must be invaded. Currently the plan assets are enough to fund the contributions in 2012.

The third plan is the Clergy Security Retirement Plan. Extra funding is required for the defined benefit portion of this plan. Thus, for 2011 congregations were direct billed 17% of plan compensation and income from Board investments was going to be used to pay the cost of this plan for all active clergy. Since the fund will not require extra funding in 2012, the Conference Board of Pensions is recommending that the direct billed be reduced to 15% of plan compensation, and that any other needed amount to fund this plan come from Board investments.

### May Receipts

A big thank you to all the congregations who so faithfully contributed to the apportionments for April! Our receipts for the current year are greater than they were last year at this time and greater than the four-year average. Also, since our closing date of January 8, 2011, you have sent \$419,059 to pay prior-year apportionments. Our mission is to make disciples, develop leaders for the church and community and transform the world. These gifts help to make that happen in so many different ways. If you want more information about how they help go to <http://www.iaumc.org/pages/detail/1646>. Thank you so much for helping the United Methodist make a difference.

	2010	4 YR AVG	2011
<b>General Church</b>	737,562 28.33%	661,034 26.26%	787,349 29.36%
<b>Conference Ministries</b>	2,020,256 19.75%	2,049,938 20.12%	1,967,641 19.45%
<b>Conference Missions</b>	652,608 19.10%	590,396 18.38%	597,762 19.04%
<b>Total Apportionments</b>	3,410,426 20.99%	3,301,368 20.74%	3,352,752 21.04%

### Conference closings

The Conference Center and District offices will be closed Memorial Day (Monday, May 30) and Independence Day (Monday, July 4).

### Conference Center Hours during Annual Conference

The Conference Center switchboard and doors will be open during our regular hours Friday, June 3 from 8:30 am to 4:30 pm. The Conference Center switchboard and doors will be closed on Monday, June 6 and Tuesday, June 7. There will be staff in the Iowa United Methodist Foundation and Camp Registrar's office on Monday and Tuesday. You may reach them by calling their direct numbers.