

## Financial Report

*This report comes from Maggie Biggs, Treasurer and Director of Administrative Services and the Conference Council on Finance and Administration.*

The financial health of the Iowa Annual Conference is reflected in the financial health of our local congregations and their members. We are very much aware that we are all in this together. Significant highlights of 2020 include:

- On April 15, the Council on Finance and Administration activated the spending contingency plan. This plan prioritizes our expenditures when the Working Capital Reserve drops below 90 days of cash flow based on our daily operating expenses.
- In May, the Conference received a \$1.2 million Payroll Protection Plan (PPP) Loan to fund qualifying operating expenses for the Conference, Justice for Our Neighbors, and Women at the Well. The forgiveness application has been submitted. If this loan is forgiven, it will offset some of the shortfalls in 2020 Apportionment giving.
- By the end of November:
  - We received 55% (\$7.2 million) of the 2020 \$13.1 million budgeted Apportionment giving. Based on prior years, our projection is that we will receive \$8.9 million or 68% by year's end.
  - Through designated Apportionment giving from 200 local churches, we received \$1.6 million for General Church Apportionments. An additional 90 churches were on track to pay 100% of GC Apportionments. We are thankful for this support. To pay 100% of GC Apportionments, we would have needed to receive another \$1.2 million from the remaining 447 churches. Results will be known after the January 8 remittance deadline.

Our Reserve is currently \$2 million. How much of the Reserve will remain at year end is dependent upon:

1. If the PPP loan is forgiven.
2. Savings gained by improving efficiencies, effectiveness, and reduction of staff positions.
3. Savings gained by holding the 2020 Iowa Annual Conference Session and the regular meetings of boards, agencies, and committees virtually.
4. Apportionment giving received by the deadline of January 8, 2021.

At the Annual Conference Session held last July, the Council of Finance and Administration (CF&A) presented, and the Conference adopted the 2021 Conference Budget. This reduced 2021 Apportionments by 25%, giving financial relief for congregations.

The 2021 Budget is a result of:

- Three years of intentional realignment of Conference Staff (including year-round camp staff), thus reducing the number of full-time equivalent staff positions by 40% by the end of 2021.
- Implementing cost savings and efficiency measures.
- Transitioning from district office spaces to virtual offices and reduction of districts to 5 and the number of Superintendents to 5.
- Removing the “safety net” of a budgeted allowance for unpaid Apportionment giving. It will be more important than ever that churches contribute toward the connection in 2021.

More details will be presented at the Conversations on Local Church and Conference Finances on January 23 and 30. These conversations are for all local church pastors and lay members of local churches, especially for lay members who are key leaders in their churches.

**If you have questions or comments, please email them to [vision2032@iaumc.org](mailto:vision2032@iaumc.org).**