



IOWA ANNUAL CONFERENCE



TREASURY NOTES

July 2010

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Annual Conference Follow-up

I know many other sources have reported on the activities and actions of the Annual Conference Session which was held June 5-8; however, I want to highlight some actions that relate to our areas of work.

The Annual Conference Budget

The Council on Finance and Administration presented a budget of \$30,028,968 to the Annual Conference, of which \$15,992,012 was to come from apportionments. The proposed apportionment budget was 1.59% less than the 2010 apportionment budget. The Annual Conference voted to reduce the proposed apportionment budget by \$53,738. Thus, the total apportionment budget that was adopted is 1.93% less than in 2010.

The apportionment analysis is as follows:

General Church Apportionments

2010	\$2,603,829
2011	\$2,681,956

This is a increase of 3.0%

Conference Ministries

2010	\$10,230,616
2011	\$ 9,170,896

This is a decrease of 10.4%

Pre-'82 Pension Funding Liabilities

2010	\$ 0
2011	\$946,262

The reason for this funding has been explained in Pre-Conference meetings and in previous Treasury Notes. The Pre-'82 Pension funding will not appear as a separate apportionment item but will be part of the Conference Ministries apportionment.

Conference Mission

2010	\$3,416,706
2011	\$3,139,160

This is a decrease of 8.1%

Remember, just because the apportionments decreased this year, it does not mean that all congregations will receive a decrease in their share.

The share of apportionments for each church has more to do with the amount of income reported for a congregation in relationship to the income of all other congregations than it does the apportionment budget. (*For information see the February 2010 Treasury Notes—Apportionment Myths*)

Health Insurance Program for Active Clergy

The Annual Conference voted to change the health insurance program. Currently, the program contains two options; a Traditional Preferred Provider Network with co-pays for doctors' visits, hospitalizations, and prescription coverage with a maximum out of pocket cost of \$5,000 per family. The second current option is a High Deductible Health Plan with a Health Savings Account and a maximum out of pocket cost of \$5,000 per family. The change that was approved by the lay and clergy members of the conference was to offer only the High Deductible Health Plan with a Health Savings Account. The maximum out of pocket cost will remain the same. The intention is to hold a meeting in each district this fall to explain the impact of this change.

Medicare Supplement Insurance for Future Retirees

The Annual Conference voted to change the funding subsidy for those clergy who retire after June 30, 2011. Currently, the Annual Conference, through apportionments, subsidizes each Medicare Supplement Contract by \$100 per month. For those who are now retired or will retire before June 30, 2011 nothing will change and the subsidy will continue. Those retiring after June 30, 2011 will be subsidized at the rate of \$100 for the first 18 months and the subsidy will be reduced by \$20 per year until it becomes zero.

Electronic Banking

Congregations who elect to have the pension and health insurance bill directly withdrawn from their checking account by an electronic fund transfer (EFT) shall have a \$15 reduction per month in the direct bill amount. The program will begin in January of 2011. For participating congregations, this means no paper bill and the amount would come out of the church's account the same day, each month, therefore, no checks to write or postage to pay. *Look for more information about this process in late fall.*

Active Clergy Pension Program

In 2010, for clergy serving congregations in Iowa, the pension program was billed at 14% of clergy compensation. Because of the economy and the change in investments within the General Board of Pensions, this amount will be raised to 17% of compensation for the year 2011. Even with this increase, it is expected the Conference Board will need to use some of its own investments to cover the entire cost of this pension program.

Resolutions for Closed Congregations

The Annual Conference celebrated the life of seven congregations who have completed their ministry this past year. All of us give thanks for the faithful saints whose vision and faith created these congregations and sustained them as mission centers for Christ throughout the years. We also give thanks for those who have realized that sometimes a mission has completed its purpose and in faithfulness know that God has called them to celebrate the hope of Christ in these communities in a new way. The congregations who have finished their mission are:

Popejoy located in Franklin County founded in 1858 and voted to close August 24, 2008.

Grand River located in Decatur County founded in 1884 and voted to close October 7, 2009.

Inwood Bethel located in Lyon County founded in 1884 and voted to close July 15, 2009.

Promise City located in Wayne County founded in 1880 and voted to close October 26, 2009.

New Creation of Cedar Rapids located in Linn County founded in 1992 voted to close on December 13, 2009.

Vincent located in Webster County founded in 1873 voted to close May 17, 2009.

Burt located in Kossuth County founded in 1889 and voted to close May 7, 2009.

Apportionment Formula

Although the apportionment formula did not change this year, a review of what it is still in order. The formula is as follows: 1) a percent of the four-year average of income as reported on Table 3 Item 67 (81) 2) *adjusted* if the local congregations have not reported Table 3 or reported less income on Table 3 Item 67 (81) than they spent for Pastoral Ministries, Operating Expense and Program Expense. The adjustment shall be made by using the expenses reported 3) *adjusted* so no congregation's apportionment shall be more than 10% increase or decrease per year from the previous year's apportionment. The limitation of this provision shall be for the next four years ending in 2015.

June Receipts

During the summer is when the Annual Conference treasurer incurs a lot of expenses. Such as the bills for the Annual Conference Session, the cost of moving clergy from one charge to another, and the camping program which is in full swing, meaning higher costs in salaries and groceries. And of course, our standard monthly costs remain the same. The money you give to the Conference this time of year is greatly appreciated. You cannot know how grateful the Conference office is for these gifts. Thank you to all who so faithfully send your apportionments each month. Being able to depend on your gifts helps manage our cash flow in a very positive manner. Thank you for your regular and continued support. As you can see from the chart below your gifts for the current year apportionments are still greater than in 2009. Your generous support makes the ministry and mission of your Annual Conference a real witness for Christ.

	2009	4 YR AVG	2010
General Church	1,064,786 39.17%	864,677 35.29%	1,067,425 40.99%
Conference Ministries	3,166,847 30.75%	3,278,013 32.51%	3,144,925 30.74%
Conference Missions	907,242 27.25%	857,343 28.20%	965,544 28.26%
Total Apportionments	5,138,875 31.44%	5,000,033 32.10%	5,177,894 31.86%

Statistical Reports

In May, each church received a table of the statistical information provided to the conference for 2009. If you have not reviewed them, please do so. If corrections need to be made, note them on the margin of the report and send them to the Conference office. Our office will make the corrections but must be in our office before August 1. After that date, the apportionment calculations will be made. Once the apportionments have been calculated we will still make the corrections but will not recalculate the 2011 apportionments. We are required to apportion the total amount approved by the Annual Conference, and so, any one congregation's reduction or increase in apportionments by a recalculation would require all other congregations' apportionments to be recalculated as well.