

## **COUNCIL ON FINANCE & ADMINISTRATION**

*Scott Whitmire, Chair*

The COVID-19 pandemic certainly caused our churches, our conference, and our world to be disrupted in many ways this past year. From a financial perspective, however, the faithfulness of our churches helped it to be a solid year. Apportionment receipts in 2020 declined only 0.7% from 2019. With the \$464,900 Paycheck Protection Program (PPP) loan the Conference received in 2020 (and which was also forgiven and recorded as income in 2020), our total income actually increased for the year. Additionally, COVID-19 resulted in a significant decrease in expenses as in-person gatherings and meetings were not held. Accordingly, our available cash at December 31, 2020 was the highest it has ever been. This allowed our Council on Finance & Administration (CFA) to declare an apportionment dividend and cover one month's apportionment payment for all churches at the beginning of 2021.

CFA is truly honored to work with the generous and faithful people of the Desert Southwest Conference. As noted above, this faithfulness and generosity resulted in solid 2020 apportionment receipts. For the year, our churches contributed 78.7% of their apportionments. This was 0.7% below last year and 7.7% below our average apportionment contributions for the last ten years, but it was well above the 75% that we budgeted to receive for the year. The West District apportionments were up 2.2% from last year, the East District improved 0.9%, the North District declined 2.0%, and the South District was down 7.2%.

The proposed 2022 Conference apportioned budget was developed in cooperation with all of the Conference ministry teams and the Covenant Council. In November and December 2020, the ministry teams of the Conference developed plans for ministries and programs along with requests for funding in keeping with our initiative for growth and vitality. These ministry funding requests were reviewed and approved by the Covenant Council Cabinet in February 2021. That proposed budget from the Covenant Council totaled \$5,626,735. In March 2021, CFA voted to propose utilization of \$66,120 in cash reserves to keep the proposed 2022 Conference budget at \$5,560,615, the same as for 2021. It is this budget that we offer to the annual conference for final approval.

We also note that the proposed 2022 budgets for Ethnic Local Church Concerns and Religion & Race remain at the levels to which they were increased for 2021. The proposed 2022 budgets for Hispanic Ministries and Higher Education & Campus Ministries have been increased based on their requests for greater ministry activities. No other program ministry requested an increase in their 2022 budget.

CFA extends its appreciation to Bishop Robert Hoshibata and to Randy Bowman, Treasurer, and Dale Cook, Assistant Treasurer. Most especially, CFA extends much credit and gratitude to all of you in the local congregation who faithfully support the connectional system of The United Methodist Church through this Conference and its extension of Christ's ministry.