



THE UNITED METHODIST CHURCH

VIRGINIA CONFERENCE

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An Update on Financial Matters

Dear Virginia Conference:

I am pleased to report that the Virginia Conference of the United Methodist Church (VAUMC), through several financial management actions taken in response to the pandemic and earlier, is financially stable.

As such, in 2021 we are continuing with reduced apportionments while also providing relief to those churches that have experienced significant declines in revenues due to the pandemic.

In 2020, the Conference did experience a \$1.5 million apportionment collection shortfall. This was offset by a \$1.3 million reduction in budgeted spending. We obtained \$400,000 in investment income, more than was expected, and \$100,000 in unbudgeted revenue.

As a result, the Conference's unrestricted reserves increased by \$300,000 in 2020. Total unrestricted reserves of \$3.5 million as of December 31, 2020 is above the minimum reserve level.

VAUMC 2020 Financial Summary

Shortfall in Apportionments	(\$1,500,000)
Spending Reductions	\$1,300,000
Gain on Investments	\$400,000
Unbudgeted Revenue	\$100,000
Change in Reserves	\$300,000

In 2020, the Conference received 74.28 percent of the Conference Apportionments compared with 84.39 percent in 2019. 870 churches paid all their Conference Priority 1 apportionments in 2020.

Based on a March 2020 decision by the Council on Finance and Administration (CFA), in response to the COVID pandemic, a two-tiered apportionment system was put in place. Priority 1 contributions represented 72.8 percent of the prior year's apportionment, or a 27.2 percent reduction.

Churches were asked to pay the full amount, known as Conference Priority 2 apportionments, if possible. 448 churches paid all the Conference Priority 2 apportionments in 2020. We appreciate the commitment of those churches, and all our churches, during such a unique and challenging year.

Among local churches, collections fell by 19.7 percent in 2020. Approximately 40 percent of this reduction in collections was offset by other revenue, principally Paycheck Protection Plan (PPP) loans. Most churches are expected to meet all qualifications for forgiveness of such loans. The Treasurer's Office at the Conference and the United Methodist Credit Union have helped dozens of churches and affiliated organizations to obtain millions of dollars of PPP loans.

During the first quarter of 2021, the Conference has received 15.80 percent of the Conference apportionments for 2021, compared with 15.98 percent for the first quarter of 2020. Our expenses were also under budget for the quarter.

The financial leaders of the Annual Conference are managing the expenditures and financial challenges as we continue to navigate through the pandemic. It is important to recognize that there is a great deal of variation among the financial position of our member churches. We must continue to generously help one another as we stay financially disciplined, while doing the important work of the church.

Thank you for your attention to these matters.

Peace and Blessings,

Bishop Sharma D. Lewis