

Executive Presbyter's Report to the Presbytery of Grand Canyon
November 12, 2005
Fountain Hills Presbyterian Church, Fountain Hills, Arizona
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We have dedicated some of the General Mission pledges, although many are yet to come in, and we have dealt with the 2006 budget and have that out of the way, at least for now. But we'll need to return to it for revision early next year. If you tend to see the glass half full, then you expect we'll be able to eliminate the deficit because mission pledges from churches will have proved to be greater than anticipated in this provisional budget. If you tend to see the glass half empty, count on our needing to cut more program and mission expenditures in order to erase the deficit. Which will it be? God knows how optimistic or pessimistic our hearts really are, and we shall all see the results in a few months.

In the meantime, let me take this opportunity to do some reflecting on the economic state of the presbytery beyond what Gloria Wilson and Art Campbell have said. When I came on board as EP in 1999, the presbytery's expense budget was \$1,554,088. As I began work that summer I found the presbytery painfully embroiled in producing a budget for 2000, which included a squabble with the Synod of the Southwest about formulas for Mission Partnership Funds and other arcane matters. After months of struggle and negotiation, we made peace with our synod sisters and brothers and secured a line of credit from the synod to help us balance the budget. The 2000 expense budget we ultimately put together was nearly \$24,000 lower than the 1999 budget, and thankfully, as the year unfolded we did not need to draw upon the line of credit from the synod.

We managed to maintain our budgets in the \$1.5 million range through 2002, but each year since then we've had a smaller expense budget. This year's budget is \$1,265,633, 19% less than 1999. Of the eight budgets spanning 1999 to 2006, five have been balanced and three deficit. Exercising disciplined and prudent spending, and on several occasions making extraordinary pleas for additional mission gifts, we have managed to come out each year without invading our restricted reserves. Our restricted reserve account is a modest \$75,000, which isn't much for an operation running more than a million and a quarter dollars a year. So we should use it only in a severe emergency.

In October of this year, the presbytery had to dip into retained earnings to the tune of \$16,000 to pay our bills. Paul Freling, our Accounting Coordinator, anticipates this will increase significantly for November and December. That is, though we haven't hit rock bottom where we are forced to spend restricted reserves, we have spent beyond budgeted income and are now eating into the cushion of extra money unspent from last year. This is because General Mission giving from a number of churches is behind schedule.

If the churches that are behind on their general mission pledges get up to date by December, however, we can end the year with the cushion of retained earnings down by \$40,000 to \$50,000, but still in the black. If they don't, we'll be in tenuous financial shape and may have to invade our reserve fund to pay our bills. I am trying hard to be optimistic that our churches will come through in 2005 as they have in the past.

Now I must confess that I do not like deficit budgets. I don't manage my personal finances that way, and don't like to see church finances done that way either. My first inclination when confronted by a deficit is to see what spending we can cut. But I keep

hearing sermons from my colleagues about going forth in faith, trusting that God has given us important mission work to do and the faithful people in our churches will respond with generosity to insure that our mission succeeds. And I hear voices proclaiming the vital importance of the Native American and Hispanic ministries we are blessed with in this presbytery. And about the tremendous opportunities we have to plant new churches as the population of Arizona explodes. And the need to assist congregations in transition. And I hear Gloria Wilson deploring the way we've "nickled and dimed" the program and mission enterprises of our committees in order to balance previous budgets. And when I listen to these words of conscience and encouragement, my urge to cut mission and program withers. We've actually become quite skilled at cutting budgets, paring off pieces of our heart, but I think that's nothing to be proud of.

The 2006 deficit budget represents an increase of 6.8% in expenses over 2005. Even so, the 2006 budget is 13% lower than the 1999 baseline budget. Our track record is not one of presenting ever bigger and bigger budgets each succeeding year. Your Budget Committee has worked diligently over the years to be good stewards of the gifts that support our presbytery mission, but they have found no joy in cutting back on essential mission.

The question then arises: Why is mission income declining? The dollars the presbytery uses to support its mission come predominantly from two directions, from without and within. From General Assembly and synod, beyond our bounds, come Mission Partnership Funds, and from inside our bounds, from churches in the presbytery come General Mission giving. In rough terms, for 2006 the presbytery expects about a quarter of a million dollars from GA and synod in partnership funds and double that—half a million dollars— from our own churches. Both sources represent decreases from previous years.

Incidentally, the personnel budget of the presbytery is subsidized by GA and synod funding. The positions of Executive Presbyter and Office Manager are underwritten by \$100,000 in Mission Partnership grants. The positions combined cost more than that, but this is a significant contribution. And the position of Associate Executive Presbyter for Native American Ministries benefits from \$30,124 in synod support. Because of these GA and synod funds, portions of the presbytery personnel budget that would otherwise belong in the per capita budget are subsidized by mission dollars. This may be too fine a distinction. A deficit is a deficit, whether it is lumped all in mission, as we have done in the past, or divided more realistically between the mission and per capita budgets as we have done for 2006. The bottom line for the presbytery is the same either way.

I've said this to the presbytery before, but it bears repeating. The major reason Mission Partnership Funds from GA are decreasing is because they are based proportionally on unrestricted General Mission giving to GA. In the days when 70% of General Mission giving flowed into GA undesignated, there was a larger pool of money to be divided and sent back to synods and presbyteries for mission within their bounds. The trend toward designating General Mission giving has tied the hands of the General Assembly and reduced its capacity to return money to presbyteries with significant mission activities, such as ours. Ironically, congregations that have sought to control the mission activities of the national church by designating their mission giving have done so to the detriment of sister congregations. One simple thing sessions can do to benefit this presbytery that would cost their congregations not a single extra cent, is to make their

General Mission pledges undesignated. And encourage congregations in other presbyteries to do the same. That way, more Mission Partnership Funds could be returned to us.

The reduction of anticipated General Mission giving from the churches in the presbytery is based on past experience. And the pattern in recent years has been a decline in mission support. I hear all sorts of reasons why churches have reduced their mission giving to the denomination. Some congregational mission committees give preference to local mostly non-Presbyterian mission causes over presbytery, synod and General Assembly mission. Some favor national and international causes unrelated to the PC(USA). Others, when faced with budget limitations, cut mission giving first before anything else. In a few cases, sessions have approved General Mission giving at levels that church treasurers aren't comfortable with, and these treasurers have taken upon themselves to withhold payments. More often than not, the pastors of these churches have not been aware of the failure to give as promised. Some churches invest large amounts of money in expanding or improving their facilities and thus choose to contribute less to denominational mission activities. There are many more reasons given for reducing denominational mission support, including theological disputes.

You may or may not judge these reasons to be adequate. Since my call is to represent and advocate for the health and mission of the larger church, however, I want to challenge the monetary priorities of our congregations and speak on behalf of the presbytery and the PC(USA). Since we are a connectional church, we need to demonstrate that with our mission dollars.

Whether we should continue our three centuries of being a connectional church is another discussion. There are forces at work in the denomination, fueled I believe by pressures from the larger American society, trying to push us toward congregationalism. Many people in our churches think their congregations ought to be independent of the denomination. This sentiment is most pronounced when it comes to money matters and the calling of pastors. It shows in other ways too. But for the moment, we are still mutually accountable to one another through our constitution and through our financial support, which flows both ways –outward and inward- throughout our denomination.

Therefore I do not hesitate to urge more affluent churches to be more generous with their mission gifts for the sake of our economically distressed congregations. For those churches that pledge to General Mission, please check to see if you're up to date, and if not, try to catch up by next month. For those churches that participate in General Mission giving but do not pledge, please be generous with your year end giving. And to all of you, thank you for all you have given and all you have done in the name of Jesus Christ to advance the mission of the Presbytery of Grand Canyon and the Presbyterian Church (USA). Please pray about increasing your General Mission giving for 2006.

Well, I've had my say. Now it's up to you. Will we drain presbytery's mission glass completely this year? And can we refill it to the brim next year or only partially full? My prayer is for sufficient generosity to satisfy the mission needs God has set before us. Thank you for listening.