

MEMORANDUM

To: Southwest Conference Annual Meeting Delegates
Southwest Conference Executive Board
The Rev. Dr. Altonnette Hawkins, Transitional Conference Minister

From: SWC Finance Committee, Scott Greenwood, Treasurer

Date: April 19, 2023

Re: Finance Committee Update

The Southwest Conference Finance Committee is pleased to report to the Annual Meeting a summary of its work in the past year. This committee is the successor to the Endowment Committee, in recognition of the focus and responsibilities it increasingly took over the past two years providing advice and counsel to the SWC Executive Board and Conference Minister.

The Committee met four times at regularly scheduled meetings throughout 2022 and once so far in the current year. Going forward, the Committee will continue to meet on a quarterly basis. Along with its prescribed oversight of the management of the Conference endowment, the Committee proactively took steps to ensure that the assets of the SWC would remain stable and protected, given the profound effects of both the Russian invasion of Ukraine and the SARs-CoV-2 pandemic in the capital markets, and provided recommendations and input to the Board and the Conference Minister regarding our revenue streams and assets held or coming into the Conference's stewardship.

Throughout 2022 and to date, the Endowment's advisers at Alliance Bernstein kept in constant contact with the Committee and Conference leadership. On March 31, 2023, the last ending date currently available, the Endowment was valued at \$4,012,541.37. The secondary, restricted funds held in a parallel, less aggressively invested account established by the Executive Board to support ministry and mission from the conversion of legacy real estate had a value of \$777,382.17 on that date. The decreases in the value in these accounts are largely due to the continued volatility in the capital markets and inflation caused by Russia's continuing invasion of Ukraine and the lingering impact on supply chains caused by the pandemic. Our advisers expect a cautious and gradual return to stability; indeed, inflation has begun to cool. The past growth in these funds permits an annual draw that now represents 20-25% of the Conference's annual budget and allows the funding of increased mission and ministry. Our balance sheet is strong, though, with \$6,520,348 in assets, and despite a planned deficit budget that we will recommend to the Annual Meeting, we do not anticipate the need for a draw at this time. This will allow those long-term assets the time to continue to recover from the instability

of the last two years. The Committee continues to have faith in the dedicated service and performance of our Bernstein team.

The Committee also continued its usual practice of making recommendations to the Board and Conference Minister regarding a number of gifts and plans for assets coming into the Conference's stewardship.