**FINANCIAL REPORTS FOR**

**NORTHEAST GEORGIA PRESBYTERY**

**WHAT ARE THE COMPONENTS OF A FINANCIAL REPORT?**

1. The **Budget Report** gives an overview of the whole budget, with only one line item listed for each of Presbytery's Ministry Teams. It includes all of the activities that are supported by Shared Mission and Per Capita contributed by the churches, and by investment income and other sources of income for presybytery’s budget.

2. The **Ministry Team Reports** (including the Coordinating Team and Staff Salaries Reports) provide a breakdown for some of the line items in the Budget Report, and give greater program, mission, salary, and operational expense details.

3. The **Balance Sheet** gives an accounting of the presbytery’s assets, liabilities, and equity.

4. The **Non-Budget Funds** is a listing of various restricted funds that are co-mingled within the presbytery’s current assets. Each fund is listed separately with current year receipts and expenditures noted. These funds are separate from and over and above any monies in the Budget of Presbytery. A detailed explanaton of each fund follows.

5. The **Church Giving Report** lists each church with each shared mission, special benevolence, and per capita apportionment dollar sent to Presbytery.

**WHEN AND TO WHOM ARE REPORTS MADE?**

Financial summary reports (Budget Report, Balance Sheet, and Non-Budget Funds) are included in the Handbook for each Stated Meeting of Presbytery. Other financial reports are included in the Handbook if they pertain to the business being discussed at the presbytery meeting. Any financial reports included in the Handbook are also included in the printed minutes of Presbytery.

Full and complete financial reports (1 – 5 listed above) are available upon request from the presbytery office, and are printed in the Annual Minute Book for Northeast Georgia Presbytery.

**WHAT ABOUT AN AUDIT?**

Northeast Georgia Presbytery, since it was organized in 1988, has had its financial records reviewed annually by certified public accountants. Until 2009, presbytery policy was that there would be a full audit every five years. However, at its meeting in October 2009, the policy was revised to require an enhanced financial review every five years. An enhanced review of 2013 records was done in 2014. On each of the other years there is a more brief and partial review.

Each auditor's report is reviewed by the Coordinating Team and is printed in the Presbytery's permanent Annual Minute Book. That Annual Minute Book is also reviewed by the Synod of South Atlantic. A copy of any auditor's report is available in Presbytery's Office.

**EXPLANATION OF RESTRICTED FUND ACCOUNTS**

Northeast Georgia Presbytery is charged with managing a number of fund accounts separate from and in addition to its own budget. An accounting of these funds is shown on the “Non-Budget Funds” monthly report. The following information is a description of these accounts.

**PETTY CASH**

The presbytery office keeps a petty cash fund for small emergency expenditures. The Administrative Assistant is the custodian of this fund.

**UNDESIGNATED RESERVES**

This reserve fund was created at the inception of Northeast Georgia Presbytery with uncommitted monies from three former Presbyteries: Georgia, $12,991.69; Augusta-Macon, $32,878.66; Athens $-9,750.65 (negative). **Income sources**: (1) Shared Mission budgeted contributions left unused at the end of any year, and (2) until 2006, interest income. (On February 25, 2006, Presbytery approved using interest income that would have been added to Reserves to help meet the budget of Presbytery.) **Expenditures**: undesignated reserves may be used by decision of Presbytery: (1) to make up any deficit in Presbytery's annual budget; (2) to care for Presbytery expenses during "lean" months when those expenses are greater than contributions from churches; and (3) for any other purpose which Presbytery may decide. The balance in undesignated reserves should not fall below $20,000.

**CARTLEDGE FUND**

The West View Church in Bogart was the beneficiary of the Helen and Cleyn Martin Cartledge Memorial Fund at the Presbyterian Foundation. When the West View Church was dissolved in 1989, Northeast Georgia Presbytery became the beneficiary of this fund. At its May 2000 meeting, Presbytery approved having the income from the Cartledge Fund paid directly to the Oconee Presbyterian Church as the successor to the West View Presbyterian Church. Although the income is sent directly to the Oconee Church, it is still considered income to Northeast Georgia Presbytery because presbytery is considered the legal successor to the West View Church, and the income and payout must be shown in presbytery’s financial records.

**GENERAL ASSEMBLY SPECIAL**

**Income sources** are contributions received from churches for: missionary support, approved special offerings (Christmas Joy, Peacemaking, One Great Hour of Sharing, and Pentecost); Extra Commitment Opportunities; and special appeals to meet unusual crises and/or needs. All of these are "separate from" and "over and above" the amount in presbytery’s budget for the General Assembly.  **Expenditures** are monthly payments sent to the General Assembly with the designation given by the donor.

**ASSISTANCE SUPERFUND**

At its February 28, 2015, stated meeting presbytery approved establishing this fund and moving the monies from the Assistance to Ministers, Pastoral Care, Sabbatical, Aid to Candidates, and Staff Development funds into this superfund. The Assistance Superfund is under the oversight and authority of the Coordinating Team. **Income sources** are any benevolences received for this purpose. **Expenditures** are any grants authorized by the Coordinating Team.

**BETH DUNCAN FUND**

This fund was created from earnings of the Beth Duncan **Endowment** Fund, created by Anna Margaret Auld Duncan of Elberton in memory of her daughter, Beth Duncan. The Presbyterian Foundation is custodian of the permanent endowment fund, currently in excess of $128,000. Income from the Endowment Fund is to be used "in the furtherance of the work of the Church carried on by the Women's Organizations of the church” and is under the oversight and authority of a Beth Duncan Fund Committee, which is made up of appropriate members of Presbyterian Women of the Presbytery. **Income sources** for the Beth Duncan Fund are earnings from the Beth Duncan Endowment Fund, a prorated portion of interest earned by the various cash accounts of the presbytery, and offerings taken at PW gatherings. **Expenditures** are any authorized expenses of the PW moderator and expenses related to the PW Annual Gathering, Fall Retreat, and Churchwide Gathering.

**CENTRAL CHURCH**

After being ousted from their property on Alps Road, the Central Church began meeting at the Presbyterian Student Center in January 2017. Not having access to the church’s financial mechanisms, the weekly offerings are being deposited into the presbytery’s account for safekeeping, and accounted for separately in this non-budget fund. The **Income source** is Sunday offerings and other benevolences from the church members and other friends. **Expenditures** are normal operating expenses, under the authority of the Central Church New Administrative Commission with original jurisdiction.

**CONNECTIONAL EVENTS SUPERFUND**

At its February 28, 2015, stated meeting presbytery approved establishing this fund and moving the monies from the Church Professionals Retreat, Overnight Presbytery Meeting, Retreat Program, and Retreat Scholarship funds into this superfund. The Connectional Events Superfund is under the oversight and authority of the Coordinating Team. **Income sources** are any benevolences received for this purpose, and any registration fees received for related events. **Expenditures** are any grants authorized by the Coordinating Team.

**GEORGIA DOMESTIC MISSIONARY SOCIETY FUND ACCOUNT**

This "society" was developed early in the history of Presbyterianism in Georgia. Its purpose was to make possible the development of churches, and to assist smaller churches to grow in size and mission. It is ascertained that in the 1930’s the society was "Presbytery in session, simply taking recess as Presbytery, and sitting as the Society to transact business in that capacity" (quoted from a letter from Burns Gibbs, in which he referred to the minutes of Athens Presbytery, April 14, 15, 1931). In 1985, the Society was effectively disbanded, and all of its funds were turned over to the Treasurer of former Athens Presbytery.

As successor to former Athens Presbytery, Northeast Georgia Presbytery is custodian of the fund. At its stated meeting on February 27, 2010, Presbytery approved a report from the Georgia Domestic Missionary Society Task Force, along with its recommendations. The intent for the establishment of the Georgia Domestic Missionary Society was reaffirmed, and the Congregational Development Ministry Team was named as its Board of Directors. (The Congregational Development Ministry Team was reformed in February 2017 as Clergy Support Ministry Team; therefore authority now falls to the Coordinating Team). Presbytery changed the criteria for usage of the funds at its meeting on October 27, 2012. The current policy of Northeast Georgia Presbytery is that churches of Northeast Georgia Presbytery who have average worship attendance of 50 or fewer may apply to borrow from the Fund at a simple interest rate of ½ percent “to improve accessibility, to repair storm and disaster damage, to replace or provide equipment necessary to perform worship and education functions, or to improve facilities in ways that will directly enhance program outreach ministries.” Principal and interest must be paid on a regular monthly basis, and complete repayment must be made within ten (10) years. A session may apply for a loan through the Coordinating Team, and loans must be approved by Presbytery.

At its Stated Meeting on October 24, 2015, presbytery approved Campus Ministry at UGA be granted the provision (pre-approved by presbytery without need to request or consult presbytery for use of funds) to access up to $10,000 in emergency funds for building repairs/maintenance from the Georgia Domestic Missionary Society to be repaid on the same terms as other organizations of presbytery with access to these funds.

**Income sources** are: (1) interest and principal paid by churches with loans; (2) income from investments made with the Presbyterian Foundation by the former Comer and Danielsville Churches at their dissolution; and (3) at least 25% of funds received from church facility and property sales (in February 2017, presbytery approved suspending setting aside funds received from Washington, First Toccoa, and Lexington Churches). **Expenditures** are any loans approved by Presbytery. In February 2017, presbytery approved an interest-free loan to itself from this fund to pay legal fees for defense in the lawsuit related to the Alps Road property.

**JUSTICE AND PEACEMAKING**

The **income source** for this account is the Presbytery portion of the Peacemaking Offering contributed by local congregations. **Expenditures** were under the authority of the Just/Peace Action Team, currently inactive, therefore authority falls to the Coordinating Team.

**LEXINGTON CHURCH**

The Lexington Church was dissolved on May 3, 2015, and the remaining funds in the church checking account were forwarded to presbytery and set aside in this non-budget fund. The **Income source** is earnings from the Lexington Presbyterian Church Cemetery Endowment Fund. **Expenditures** are utilities, insurance, and upkeep expenses for the building and cemetery under the authority of the Lexington Church Administrative Commission.

**NEW MINISTRY DEVELOPMENT SUPERFUND**

At its February 28, 2015, stated meeting presbytery approved establishing this fund and moving the monies from the Northeast Georgia Campus Ministry Development and New Church Development funds into this superfund. The New Ministry Development Superfund is under the oversight and authority of the Coordinating Team. **Income sources** are any benevolences received for this purpose. **Expenditures** are any grants authorized by the Coordinating Team.

**TOCCOA CHURCH**

First Presbyterian Church of Toccoa was dismissed to ECO on November 29, 2016 with an agreement that the church will remit $35,000 over five years to the presbytery. The **Income source** is these annual payments. **Expenditures** are reimbursement of Administrative Commission expenses. In February 2017, presbytery approved using the balance of this fund to pay legal fees for defense in the lawsuit related to the Alps Road property.

**WASHINGTON CHURCH**

The Washington Presbyterian Church was dismissed to ECO on September 27, 2016 with an agreement the church will remit $22,000 over five years to the presbytery. The **Income source** is these annual payments, which have now been fully remitted. **Expenditures** are reimbursement of Administrative Commission expenses. In February 2017, presbytery approved using the balance of this fund to pay legal fees for defense in the lawsuit related to the Alps Road property.

**CHURCH OFFICER TRAINING EVENT, FALL YOUTH RETREAT, MONTREAT YOUTH CONFERENCE, AND SPRING YOUTH RETREAT**

These are seasonal programs and are reported when there is financial activity. Registration fees and expenses flow through the restricted fund accounts. The Leadership Development Ministry Team budgets a subsidy for each program, and the appropriate amount of subsidy to balance the income and expense is transferred to the non-budget account in order to zero it out.