

## **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 a single line item listed for each of Presbytery's Committees and Commissions. It includes all of the activities that are supported by Shared Mission and Per Capita contributed by the member churches, and by investment and other sources of income for presbytery's budget.
2. The **Committee 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, which includes temporarily restricted net assets.
4. The **Church Giving Report** lists each church with all shared mission, special benevolence, and per capita apportionment monies remitted to Presbytery.

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

Financial summary reports (Budget Report and Balance Sheet) 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 – 4 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 2014 records was done in 2015. 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 FUNDS**

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 Balance Sheet under "Equity". The following are descriptions of those accounts.

### **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. By Presbytery policy, the balance in undesignated reserves shall not fall below \$20,000.

### **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 (see below), 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.

### **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, any registration fees received for related events, and earnings from the Retreat Endowment Fund (see below) held at Presbyterian Foundation. **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 and on February 23, 2019. The current policy of Northeast Georgia Presbytery is that member churches that have membership of 99 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 (see below) by the former Comer and Danielsville Churches at their dissolutions; and (3) at least 25% of funds received from church facility and property sales (in February 2017, presbytery approved suspending the setting aside of funds received from Washington, First Toccoa, and Lexington Churches). **Expenditures** are any loans approved by Presbytery.

#### **JUSTICE AND PEACEMAKING**

The **income source** for this account is the Presbytery portion of the Peace & Global Witness 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.

#### **PROPERTY PROTECTION AND DEFENSE**

This fund was established in 2017 in response to the lawsuit related to the Alps Road property. **Income sources** are any benevolences received for this purpose. **Expenditures** are any payments authorized by the Coordinating Team. This fund is under the oversight and authority of the Coordinating Team.

#### **SYNOD TRANSFORMATION/DIGITAL NETWORKING**

In July 2018, the Presbytery was awarded a grant from the Synod of South Atlantic to provide theological and biblical foundations as well as practical training and strategies to establish digital and social media ministries in congregations. This project is anticipated to run for two years and is being held in partnership with Cherokee and Flint River Presbyteries, each of whom have been awarded separate grants.

#### **ASSETS HELD ON BEHALF OF NORTHEAST GEORGIA PRESBYTERY:**

The Presbyterian Church (USA) Foundation holds assets for the benefit of Northeast Georgia Presbytery, Inc. These funds are permanently restricted and contain provisions for the income generated by the principal to be distributed to Northeast Georgia Presbytery, Inc. as outlined in the fund documentation on file.

#### **BETH DUNCAN ENDOWMENT FUND**

This endowment fund was created following the death in 1958 of Anna Margaret Auld Duncan of Elberton in memory of her daughter, Beth Duncan. Her will stipulated that 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." Earnings from the endowment (\$5,575.90 in 2018) are credited to the Beth Duncan Fund for use by Presbyterian Women.

#### **HELEN GERR CARTLEDGE AND CLEYN MARTIN CARTLEDGE MEMORIAL FUND**

In 1990, Northeast Georgia Presbytery was notified by the Presbyterian Foundation of the death of Cleyn Martin Cartledge and the establishment of this endowment fund. Mr. Cartledge's will stipulated that ½ of all net income be distributed to "the proper authorities of the Westview Presbyterian Church, located on the Atlanta Highway in Clarke County, or any successor, as long as they are affiliated with the Presbyterian Church (U.S.A.), said income to be used for the general program of said church." West View Presbyterian Church had been dissolved March 26, 1989, and in accordance with Church policy, Northeast Georgia Presbytery became the successor organization and income beneficiary. At its May 20, 2000, Stated Meeting, the presbytery named Oconee Presbyterian Church as successor to the West View Presbyterian Church, however, the presbytery remains the **legal** successor. Presbytery instructed Presbyterian Foundation to remit earnings (\$10,645.86 in 2018) directly to Oconee Presbyterian Church.

#### **COMER PRESBYTERIAN CHURCH FUND OF ATHENS PRESBYTERY**

Comer Presbyterian Church was dissolved April 15, 1969, and the remaining cash assets were used to establish this endowment fund. Donor stipulations are that "all income from this fund be sent to the Central Treasurer of Athens Presbytery and used in the work of the Presbytery in areas now under the supervision of the committee on the church (church extension) or its successor. This committee shall have full discretion in the use of this income." Earnings from the endowment (\$616.62 in 2018) are credited to the Georgia Domestic Missionary Society Fund.

#### **DANIELSVILLE PRESBYTERIAN CHURCH FUND**

Danielsville Presbyterian Church was dissolved October 12, 1976, and the remaining cash assets were used to establish this endowment fund. Donor stipulations are that "all income from this fund be sent to the Central Treasurer of Athens Presbytery to be used in the work of Athens Presbytery or its successor in the area now under the supervision of the Committee on the Church and Its Work or its successor, and that this committee have full discretion in the use of this income." Earnings from the endowment (\$205.17 in 2018) are credited to the Georgia Domestic Missionary Society Fund.

### **LEXINGTON PRESBYTERIAN CHURCH CEMETERY ENDOWMENT FUND**

This fund was established by Lexington Presbyterian Church with the restriction that “proceeds from this endowment fund shall be paid to Lexington Presbyterian Church on a perpetual basis and shall be used for the upkeep, maintenance, and repair of the church’s historic cemetery and, if and when additional funds become available, for the preservation of the historic sanctuary.” The church was dissolved May 3, 2015, and Northeast Georgia Presbytery became the successor organization and income beneficiary. On May 22, 2017, the church building and property, including the cemetery, were sold to the City of Lexington with the stipulation that the earnings (\$2,258.58 in 2018) from the endowment fund be forwarded to the City for perpetual care of the cemetery.

### **RICHARD AND GUS STAPLER LOWE MEMORIAL FUND**

At the time of the establishment of this fund, the income beneficiary was Washington Presbyterian Church and there are no restrictions on the use of the earnings. On September 27, 2016, the church was dismissed to ECO: A Covenant Order of Evangelical Presbyterians, and Northeast Georgia Presbytery became the successor organization and income beneficiary. To date, quarterly earnings from the endowment (\$1,020.13 in 2018) have been used to pay legal fees for defense in the lawsuit related to the Alps Road property. At its January 29, 2019 meeting, Coordinating Team approved future earnings to be included in the General Operating Budget as investment income.

### **RETREAT ENDOWMENT FUND**

The former Athens Presbytery conducted a capital funds campaign in the early 1980’s with several goals, one of which was to build a Retreat Center on the site of Rabun Gap Nacoochee School. Campaign pledges fell short of the goal by about 50%. At its May 16, 1998, meeting, Northeast Georgia Presbytery approved abandoning the idea of constructing a Retreat Center and instead establishing an endowment fund at Presbyterian Foundation with the monies allocated from the capital campaign. Income from the fund is restricted to “be used in its sole discretion, for purposes including but not limited to the Presbytery’s Retreat Program Fund and Retreat Scholarship Fund. In the event that (a) the Presbytery prepares to purchase property for a retreat center, (b) the Presbytery prepares to construct a retreat center on land it has purchased or has otherwise obtained through some other means, or (c) the Presbytery prepares to purchase or otherwise receives through some other means a facility to be used as a retreat center, then all of the then net income and principal of the Fund shall be payable, upon request, to the Presbytery to be used for the acquisition, construction and/or up keep of such a retreat center.” At its February 28, 2015, stated meeting presbytery approved moving the monies from the Retreat Program and Retreat Scholarship funds into the Connectional Events Superfund. Quarterly earnings from the endowment fund (\$2,244.25 in 2018) are credited to the Connectional Events Superfund.