

Finance Committee Report to 2014 Convention

Authors: John M. Banks and Floyd McKneely, Co-Chairs

Revision Date: October 21, 2014

The finance committee has had another busy year. Our responsibilities and focus this year have been centered on eight main areas:

1. Creating the diocesan budget, the document that takes our vision of the diocese and incorporates the dollars needed to achieve it;
2. Overseeing the expenditure of funds to ensure that we remain in compliance with the budget;
3. Ensuring that all the congregations are audited and that all parochial reports are filed;
4. Providing financial training to congregations;
5. Anticipating the cash needs of the diocese and negotiating any needed lines of credit;
6. Reviewing requests for revolving loans for congregations and requests for grants to congregations;
7. Overseeing the system of internal controls for the diocese; and
8. Investing any excess operating cash.

Specifically, when creating the budget the finance committee asked for input on the budget from all budget managers and other stakeholders. We prepared a draft and a member of the finance committee attended a deanery meeting to submit the budget and ask for revisions. Revisions were incorporated and the budget draft was submitted to the convention. One congregation asked for a reduction in its assessment for 2015. The committee has asked for additional information.

We met periodically to review the monthly financial statements. We followed up on budget variances and submitted revisions to the budget to Executive Council, as needed.

We focused on receiving the congregational audits and can report that all the outstanding audits since 2009 have now been received. Many thanks to the congregations for making this happen.

All outstanding revolving loans are current.

In 2014, the process for requesting grants to congregations was revised. The finance committee met with representatives from three churches and approved grants totaling \$65,000 (of which \$10,000 is not expected to be spent).

The diocesan 2013 financial statements were audited, and we were issued a clean opinion. Our auditors, formerly known as Hartman, Leito, and Bolt, visited the finance committee to go over the audit results and the system of internal controls.

Our excess cash has gone down significantly in 2015 as we have paid some litigation support. A significant portion of our reserves were used to finance these costs. The finance committee is monitoring this issue.