

**FINANCE COMMITTEE  
REPORT TO THE PRESBYTERY OF MIDDLE  
TENNESSEE  
AUGUST 13, 2022**

**INFORMATION**

1. Pastors and Clerks of Session will soon be receiving information from the Finance Committee about how the Presbytery of Middle Tennessee used the funds that were contributed to it this year and asking each church to make a pledge for 2023. It is important that we receive pledge cards from as many churches as possible so we can accurately forecast our operating revenue for next year and prepare a realistic budget. Feel free to contact any member of the Finance Committee if you have questions.
2. The General Assembly per capita rate for 2023 will be \$9.85 per active member reported in 2021, an increase of \$0.87 over the \$8.98 rate for 2022. As a result, our GA per capita expense will increase by nearly \$10,000—from \$139,450 to \$149,237. This is in addition to the \$60,301 we will owe in Synod per capita, assuming the current rate of \$3.98 remains unchanged. These expenses account for 35% of our annual operating budget. One way to help reduce Presbytery's expenses is to clean your rolls and remove inactive or departed members.

**ADMIT TO RECORD**

1. Financial reports and investment results as of July 31, 2022, are attached,
2. The Finance Committee has received a draft of the Independent Accountants' Review Report for Presbytery for 2021 from Clemmons, Mullins & Mayes. There were no unresolved issues relating to Presbytery's finances, and we expect the report to be finalized shortly.
3. The Finance Committee allocated \$1,000 to cover expenses of the Stated Clerk Search Committee.
4. The Board of the Kharis Foundation awarded two grants to the Presbytery of Middle Tennessee. The first, for \$25,000, was to help fund Presbytery's

Latinx Ministry Initiative. The grant was conditioned on Presbytery providing currently budgeted funds to support the Latinx Ministry, continuing to use Ministry Architects as a resource, and giving Kharis the right to approve staff hired for the Latinx Ministry. The Finance Committee voted to accept these conditions. The second grant, for \$20,000, was to support Presbytery's Matthew 25 Food Bank at Glencliff PC.

5. So far this year Presbytery has made 14 grants totaling \$62,309.61 from its designated funds. Nine of these, totaling \$41,309.61, were for social media and technology initiatives. There were also \$16,000 in hunger action grants and a Matthew 25 grant for \$5,000. A complete list showing amounts and recipients is included in the financial reports.
6. Presbytery's investment portfolio at Baird & Co. is being liquidated and the proceeds transferred to Presbytery's account at Vanguard, where they will be invested over time in a balanced fund, as previously approved by Presbytery.
7. The Finance Committee is consulting with two churches that have expressed an interest in leasing or selling their property. Both are at a preliminary or exploratory stage, and no concrete steps have yet been taken. In such matters the committee seeks not only to offer advice and assistance to the church but also to represent Presbytery's constitutional interests in the property held by its churches.
8. The Finance Committee's budget working group has been soliciting input from Presbytery's committees and staff and from related organizations in preparation for compiling the 2023 budget. The committee's proposed budget will be submitted to Presbytery at the November meeting.
9. The Finance Committee has received information from the Presbyterian Investment and Loan Program (PILP) concerning so-called "mortgage grants" made by predecessor denominations to several churches in this presbytery more than 60 years ago. The churches receiving the funds agreed to record mortgages covering the church property that ostensibly require repayment with interest if certain triggering events occur, such as the church dissolving or leaving the denomination. PILP has invited churches and presbyteries subject to mortgage grants to repay a portion of the original loan to resolve PILP's claimed contingent interest in the church property. The committee has doubts about the enforceability of these repayment provisions but is conferring with the affected churches and will work with them to determine how best to respond to PILP's invitation.

10. The Finance Committee recently received a request from Hillsboro PC to approve the church's application for a \$350,000 construction loan from the Presbyterian Investment and Loan Program to cover a portion of currently ongoing renovations to the church building. As with all PILP loans, Presbytery would be asked to certify that it has reviewed and approved this project as compatible with the borrower's mission and that it has reviewed and approved the borrower's financial plan as fiscally responsible. Presbytery would also be required to guarantee the loan. The Finance Committee is reviewing financial and other information provided by the church and will meet to act on the request and make a recommendation to Presbytery before the stated meeting.