

**FINANCE COMMITTEE
REPORT TO THE PRESBYTERY OF MIDDLE TENNESSEE
JULY 17, 2021**

INFORMATION

1. The budget working group of the Finance Committee has begun soliciting input for the 2022 budget from staff, committees, funding recipients, and other interested persons. Please respond promptly to their inquiries. We need your help to meet our goal of having a proposed budget ready to present at the October meeting.

ADMIT TO RECORD

1. Financial reports and investment results as of June 30, 2021, are attached.
2. The Independent Accountants' Review Report for the year ending December 31, 2019, prepared by Mullins Clemmons & Mayes, PLLC, is attached. Presbytery's financial statements were determined to be in accordance with generally accepted accounting principles, with only one long-standing exception involving our decision not to book pledges as income until they are paid rather than at the time of receipt.
3. At the request of Dr. Jaco Hamman of Vanderbilt Divinity School, the Finance Committee voted to establish a designated fund to serve as a conduit for gifts to support the family of Rev. Lucas Mburu, a Kenyan doctoral candidate at Vanderbilt.
4. A working group of the Finance Committee, headed by vice-moderator Melinda Sanders, is reviewing Presbytery's designated funds with an eye toward proposing revisions that would:
 - a. More clearly define the purposes and uses of each fund;
 - b. Specify how the money in each fund can be accessed and, if appropriate, how the funds will be augmented or replenished in the future;
 - c. Identify the committee of Presbytery responsible for administering the fund; and
 - d. Categorize the funds according to duration (temporary or permanent), formal constraints on how the funds are used (restricted or unrestricted), and whether the object is to hold funds for Presbytery to use for its own purposes or to serve as a conduit for contributions to third parties (accumulation or pass-through).
5. The Finance Committee approved the purchase of a database system – the Presbytery Office Management Assistant – specifically designed for the needs of mid-councils like PMT. This software will allow staff to maintain a single dataset for information such as contact information for pastors, staff, and clerks of session that can be used for all purposes, as opposed to our current system in which separate lists are maintained in a variety of different programs and formats. The result should be both greater accuracy of information and increased efficiency. The \$4,980 cost includes data loading, training, and maintenance for the first two years.
6. The partial denial of a tax exemption application for property adjacent to East Brentwood PC, which is owned by PMT but leased to the Christian Legacy Foundation and the Pastoral Center for Healing, has been appealed to the State Board of Equalization.

7. The Finance Committee reviewed the Report of the Administrative Commission for First United Presbyterian Church of Sparta, and will propose two amendments on Recommendation No. 3 of the report. The amendments will clarify the end date of the ten year term and which Presbytery committee will be responsible for the administration of funds. It is our understanding that the Administrative Commission has no objection to the proposed changes.

RECOMMENDATIONS

1. The Finance Committee recommends approval of the attached amended and restated Investment Policy, which replaces the version that accompanied the Committee's October 15, 2020, report to Presbytery. Major revisions include a greater percentage allocated to equities, a detailed schedule for transitioning the portfolio from its current certificates of deposit, and the use of a Vanguard balanced fund as our primary investment vehicle.
2. The Finance Committee recommends that Presbytery approve the transfer of six church properties currently owned by Presbytery to the individual church corporations. The six churches to whom the property would be transferred are:
 - a. Emmanuel Presbyterian Church, Nashville;
 - b. Priest Lake Presbyterian Church, Nashville;
 - c. Southminster Presbyterian Church, Nashville;
 - d. St. Andrews Presbyterian Church, Nashville;
 - e. Double Springs Presbyterian Church, Cookeville; and
 - f. East Brentwood Presbyterian Church, Brentwood.

These transfers are being made pursuant to the Presbytery's Church Property Sale Policy, adopted February 6, 2020. Attorney Jack Stringham, a ruling elder at First Presbyterian Church, Nashville, has been authorized by the Finance Committee to effectuate these property transfers on behalf of Presbytery's Trustees, if the recommendation is approved.