

Report of the Finance Task Force to the Presbytery of PNENJ – May 21, 2022

We are endeavoring to build a sense of trust and accountability in the management of the assets of the PNENJ. There are rigorous approval procedures in place for payments and we have been working to consolidate assets and liabilities of three presbyteries into the new PNENJ. From a reporting standpoint, the consolidation of assets and liabilities has been difficult, but we are working with our outside auditor, the Presbyterian Foundation which holds \$1,630,000 of permanently endowed funds on our behalf, New Covenant Funds, Fidelity, and AXA Investors where our investments are held, to present complete and accurate reports. Just a note - final distribution of assets from all presbyteries to the four new presbyteries, did not occur until October, 2021.

Assets – April 30, 2022

Cash on Hand	\$ 191,753
Mortgages Receivable*	\$ 2,181,046
Notes Receivable**	\$ 408,451
Fixed Assets***	\$ 636,229
Security Deposits Held	\$ 3,630
Investments	\$ 7,908,135
Total Assets	\$ 11,329,245

* Mortgages Receivable represent three mortgages held by the PNENJ (Church of Prophecy, Closer to God, Positive Proof)

**Notes receivable represent loans to eight churches

***Fixed Assets - we are still developing an accurate accounting of all properties held by the PNENJ

Of our net assets (assets less liabilities)

\$7,500.462 is unrestricted

\$1,788,862 is board restricted and includes Greystone Fund and property sale proceeds from Newark

\$74,044 is Temporarily Restricted and includes income from endowment funds for specific use

\$1,959,903 is Permanently Restricted Assets which includes all Presbyterian Foundation Funds and other restricted funds from which we derive income

Unrestricted net assets (operating reserve) have been accumulated over the life of the PNENJ (and the three legacy presbyteries in part, or in whole.) Unrestricted net assets fund our current obligations and fund future ministry, programs or projects. We are deeply committed to the ministry and mission of the church now and into the future.

The Finance Task Force/Capital Assets Committee has set withdrawal limits from the Presbytery's unrestricted net assets to ensure the continuation of the Presbytery into perpetuity. No more than 5% of the three-year average of total investments held by the Presbytery on July 1 of each year, including all mortgages and all interest payments received on said mortgages throughout the year held by the Presbytery shall be withdrawn.

The 2022 PNENJ Budget depends on per capita revenue of \$496,000. To date we have received \$74,752. Hopefully every congregation will pay their 2022 per capita obligation. We thank those who have done so already. The largest source of revenue in the 2022 budget is \$666,510 of reserves drawn from investments which far exceeds the recommended or prudent withdrawal from assets.

Total Revenue through April 30, 2022 is **\$432,827** which includes a drawdown from reserves of \$222,170 but does not include gains/losses from investment. Total Expenses through April 30, 2022 are **\$452,540** and are just slightly above budget.

Full financial reports, including Statement of Activities and Statement of Financial Position will be available at the September meeting of the Presbytery. At that meeting the Finance Task Force will present a full analysis of the assets and liabilities of the PNENJ.

Prior to that, if you have questions related to the finances of the PNENJ, please contact Denise Kennedy, Treasurer, at denisedkennedy@gmail.com.

Finance Task Force: David Bomgaars, Jamie Cella, Denise Kennedy, Eileen Lindner, Judy Tharaud, Joan VanPelt and Skip Winter, liaison from the Vision Team.