

Council Report
Moderator – Joseph Moore

For Action:

- 1) That Presbytery elect TE Michael Fitzsimmons to the Nominating Committee, Class of 2021.
- 2) That Presbytery elect Teaching Elder Michael Fitzsimmons as the Nominating Committee moderator for the remainder of 2020 and for 2021.
- 3) That Presbytery approve the following *Standing Rules* change to Presbytery:
 - a) 3.1 *Stated meetings*: The Presbytery will hold a minimum of three (3) stated meetings each year, the dates and times to be determined by Council. Presbytery will publish meeting dates for the upcoming calendar year at its final stated meeting each year. Churches throughout the Presbytery will be invited to host meetings. **While in-person meetings are preferable, stated meetings by electronic media may be held, provided notice is given to all members and opportunity afforded to all who desire to participate.**
- 4) That Presbytery approve the 2021 budget.
- 5) That Presbytery set the 2021 covenant commitment at \$55.00 per person.

For Information:

- 6) Council VOTED to sign up for online giving through the Presbyterian Foundation.
- 7) The Council VOTED to appoint TE Chris Brown to the Presbytery Meetings Subcommittee as he has agreed to become the 2020 Vice-Moderator of Presbytery.
- 8) Council VOTED to send the Joint PPP/POW AC recommendation to COM to implement and ask that they report back to the Council quarterly.
- 9) The 2019 financial reviews were completed for the Presbytery and for Highlands Presbyterian Camp and Retreat Center.
- 10) Council VOTED to give \$1,500.00 to local wildfire relief through the Northern Colorado American Red Cross, \$1,500.00 toward California wildfire relief through Presbyterian Disaster Assistance, and \$2,000.00 in hurricane relief through Presbyterian Disaster Assistance.
- 11) Council VOTED to offer another set of \$500 grants to congregations. As with the technology grants in the spring, this amount would be capped at \$17,000.00 (total). A grant application similar to the one used for the technology grants would be developed and used, but with the intention of supporting new ministry opportunities. The grant application is attached to this report and can also be found on the website.
- 12) The Nominating Committee now has three members which means that there are three vacancies. The Council needs to look into filling these vacancies. If someone knows of someone (or yourself) who would be willing to serve on the Nominating Committee, please contact the Presbytery office as soon as possible.
 - a) Nominating Committee vacancies –
 - i) Class of 2020 – 2 (teaching elder and ruling elder)
 - ii) Class of 2022 – 1 (ruling elder)

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iii) Class of 2023 – 2 (teaching elder and ruling elder)

13) The Presbytery Meetings Subcommittee decided to continue the 2020 theme “Matthew 25” as the 2021 theme.

14) Council VOTED to set the 2021 Presbytery meeting dates as follows:

a) February 9, Tuesday (evening)

b) May 1, Saturday

c) August 19, Thursday

d) October 20, Saturday

i) All 2021 Presbytery meetings will be held virtually at this time. Council will take a look later in 2021 to see if this can be changed to in-person or even a hybrid of virtual and in-person.

15) A hybrid meeting (virtual and in-person) is needed to ratify the motions made at the August and (soon to be) October Presbytery meeting. Diane will work with the Presbytery Meetings Subcommittee to get a special meeting on the calendar before the end of the year.

2021 Budget Proposal

	2020	2021	Change	Category
Membership	4,507	4,283	-224	
Covenant Commitment	\$55.00	\$55.00	\$0.00	
INCOME				
Covenant Commitment	247,885.00	235,565.00	(12,320.00)	
Presbytery Additional Support	12,500.00	12,000.00	(500.00)	
Synod Per Capita Rebate	-	1,070.75	1,070.75	
One Time Monies Income	171,112.00	171,112.00	-	
Total INCOME	431,497.00	419,747.75	(11,749.25)	
OPERATING EXPENSE				
PROVIDING RESOURCES				
Financial Review	1,000.00	1,000.00	-	Admin
Condo Assoc Fees	3,600.00	3,000.00	(600.00)	Facility
Equipment and Furniture	1,500.00	1,000.00	(500.00)	Office
Equipment Lease	3,400.00	3,600.00	200.00	Office
Insurance - Office	6,000.00	6,500.00	500.00	Facility
Insurance - Highlands	54,000.00	58,000.00	4,000.00	Highlands
Office Expenses	3,200.00	3,200.00	-	Office
Postage	600.00	600.00	-	Office
Repairs & Maintenance	575.00	500.00	(75.00)	Facility
Telephone	3,600.00	3,600.00	-	Office
Utilities	1,300.00	1,300.00	-	Facility
Total PROVIDING RESOURCES	78,775.00	82,300.00	3,525.00	
BUILDING PARTNERSHIPS				
General Assembly Per Capita	40,337.65	38,461.34	(1,876.31)	Partners
Synod Per Capita	13,521.00	12,849.00	(672.00)	Partners
Total BUILDING PARTNERSHIPS	53,858.65	51,310.34	(2,548.31)	
SUPPORTING OUR CONGREGATIONS				
Committee Expenses	8,000.00	2,000.00	(6,000.00)	Admin
Presbytery Meetings	4,500.00	2,000.00	(2,500.00)	Admin
Education/Leadership/CP Events	10,000.00	6,000.00	(4,000.00)	Congregations
Youth Triennium	3,500.00	3,500.00	-	Congregations
Background Checks	1,000.00	1,000.00	-	Personnel
Total SUPPORTING OUR CONGREGATIONS	27,000.00	14,500.00	(12,500.00)	
PERSONNEL				
Stated Clerk				
Stated Clerk Salary	19,000.00	12,000.00	(7,000.00)	Personnel
Stated Clerk Continuing Ed	1,000.00	1,000.00	-	Personnel
Stated Clerk Expenses	3,000.00	3,000.00	-	Personnel
Total Stated Clerk	23,000.00	16,000.00	(7,000.00)	
Office Administrator				
Office Administrator Salary	42,925.25	43,998.00	1,072.75	Personnel
Office Admin Pension/Medical	30,738.87	29,770.00	(968.87)	Personnel
Office Admin Continuing Ed	1,000.00	1,000.00	-	Personnel
Total Office Administrator	74,664.12	74,768.00	103.88	
Other Personnel Expenses				
Payroll Taxes	4,740.00	4,150.00	(590.00)	Personnel

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	Additional Staff Compensation	1,000.00	1,000.00	-	Personnel
	Contingencies	250.00	250.00	-	Personnel
	Total Other Personnel Expense	5,990.00	5,400.00	(590.00)	
	Total PERSONNEL	103,654.12	96,168.00	(7,486.12)	
	INTERFAITH				
	Colorado Council of Churches	500.00	750.00	250.00	Partners
	Interchurch Ministries of NE	500.00	750.00	250.00	Partners
	Total INTERFAITH	1,000.00	1,500.00	500.00	
	Total OPERATING EXPENSE	264,287.77	245,778.34	(18,509.43)	
	ONE TIME MONIES EXPENSE				
	Unrestricted Highlands Support	43,000.00	27,000.00	(16,000.00)	Highlands
	Highlands Assessment	7,500.00	-	(7,500.00)	Highlands
	1001 New Worshiping Communities	57,500.00	15,000.00	(42,500.00)	NWC
	Executive Presbyter				
	Executive Presbyter Salary	50,400.00	48,460.00	(1,940.00)	Personnel
	Executive Presbyter Housing	19,600.00	21,540.00	1,940.00	Personnel
	EP Pension/Medical	24,900.00	24,900.00	-	Personnel
	EP Continuing Ed	2,000.00	2,000.00	-	Personnel
	EP Business Expenses	10,000.00	10,000.00	-	Personnel
	Total Executive Presbyter	106,900.00	106,900.00	-	
	MP Supporting our Congregations				
	Congregational Grants	49,550.00	12,500.00	(37,050.00)	Congregations
	Mission Projects	4,900.00	12,500.00	7,600.00	Congregations
	Total MP Supporting our Congregations	54,450.00	25,000.00	(29,450.00)	
	Total ONE TIME MONIES EXPENSE	269,350.00	173,900.00	(95,450.00)	
	Total EXPENSE	533,637.77	419,678.34	(113,959.43)	
	NET INCOME				
	Operating Net Income	(3,902.77)	1,786.66	5,689.43	
	OTM Net Income	(98,238.00)	(2,788.00)	95,450.00	
	Total NET INCOME	(102,140.77)	69.41	102,210.18	

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2019 Financial Reviews
Highland Presbyterian Camp and Retreat Center
Financial Review for 2019

On September 28, 2020, the 2019 financial records of Highland Presbyterian Camp and Retreat Center were reviewed, as required by the Book of Order. Brad Culp and Diane Kenning conducted the review. Also present and assisting were Amy Lister (Treasurer), Maria Shupe (Executive Director), and Sue Spencer (Director of Sales and Marketing).

Procedures and observations:

1. Reconciled the First National Bank accounts (the "Cash - Summer Program" is a second FNB checking account) for the month of September 2019. It was observed on the Reconciliation Report numerous outstanding items, going back to 2017-2019. The "deposits in transit" are more than \$6,000. The staff researched these items while the review was going on and identified those that they got to as duplicates. Staff and the accountant will clean these items up. RECOMMENDATION: review the processes for recording deposits and reviewing the monthly bank reconciliation for outstanding items.
2. Reconciled the following Balance Sheet monetary asset accounts against statements from financial institutions for the month of September 2019: Bank of Colorado checking, Bank of money market account, the Texas Presbyterian Foundation account, and two Presbyterian Foundation accounts. Due to delays in the receipt of statements, TPF and PF account balances are accurate but lag the date of the Balance sheet.
3. Verified the following Balance Sheet liabilities against documentation for September 2019 Retreat Center Principal. Awaiting documentation via email to verify the Cafeteria plan balance for September 2019.
4. Verified designated funds were recorded in accounting records, reported to the donating party, and used for the designated purpose. Highlands employs the use of Raiser's Edge donor management software to provide accurate reports and ensure compliance with donor restrictions.
5. Verified for the month of September 2019 the proper recording of all credit card deposited in the checking account. The September credit card transactions appear to be correct with no duplicates for that month.
6. Verified for the month of September 2018 that payments were properly requested, authorized, recorded, and checks written for the following expense line items: Administrative Business & Travel and Maintenance Gas/Diesel. One E-470 toll invoice was missing from the files. Amount paid was similar with October's invoice with no past due amount noted.
7. Reviewed payroll procedures for the year. Tested two staff members, both of whom received a change in contract during the year. Both were paid according to their contracts. All staff records show proper withholding of SS & Med.
8. Reviewed payroll records by department for the month. Staff that worked in more than one department showed the different expense lines in the payroll reports, which were then transferred correctly to the Statement of Activities for the month. Staff that only work in one department were also properly recorded.
9. The 1099-MISC report was compared and reconciled to the vendor payment records and invoices.
10. Awaiting documentation via email to complete inspection of the Worker's Compensation audit report.
11. Verified that financial records are available from the previous three years.
12. Verified that payroll records are available for a minimum of 7 years.
13. Reviewed the accuracy of regular periodic reports of finances provided to Council.
14. Verified that no Camp real property was sold, purchased, or leased without documented proper approval.
15. Confirmed adequacy of insurance coverage has been reviewed with insurance agent by Maria Shupe (Executive Director) and Michael Hanratty (Director of Facilities).

Other than recommendations mentioned above and completion of pending document inspections, no issues were encountered during the review. The diligent work of Amy and the staff at Highlands is much appreciated.

Submitted by Brad Culp, Presbytery Treasurer

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**Presbytery of Plains and Peaks
Internal Financial Review for 2019
August 27, 2020**

Participants: Diane Kenning, John Irons, Bobbi Hoffman (administrative assistant), Brad Culp (treasurer).

Check balance sheets for individual funds. This should include:

1. Beginning balance
2. Summary of receipts and disbursements by fund
3. Closing balances

Review completed. Checking accounts and securities statements were examined for reconciliation and beginning and closing balances. Income and expenses from designated accounts appear to be made in accordance with instruction.

Inventory assets of the Presbytery to include:

1. CD's – *None.*
2. Trust funds - *None*
3. Mortgages, loans, and properties – *No loans outstanding as of 12/31/19, excluding Highlands Camp.*
4. Other assets – *New Covenant Funds, Presbyterian Foundation, and Texas Presbyterian Foundation – see above.*

Review income and expenses summary for operating fund. *Completed.*

Verify that designated funds were recorded as such in the accounting records, reported as such to the donating party, and actually used for the designated purpose. *Review completed, see financial statements.*

Verify on a sampling basis that payments were properly requested, authorized, recorded, and checks were written sequentially. Verify that checks had appropriate number of signatures and were properly endorsed by the payee. *Review completed, spotted checked documentation of 4th quarter receipts and payables.*

Review payroll procedures to include:

1. All staff are paid according to the terms of their contracts or terms of call
2. Withholding is done in accordance with federal and state requirements
3. All forms are filed in a timely manner (e.g. 941's)
4. Appropriate W-2 forms are prepared at year-end for all employees.

Review completed.

Review content of any lock boxes and/or safe deposit boxes and inventory their contents. *Not applicable.*

Verify that financial records are available from the previous three years. *Done.*

Verify that payroll records are available for reference (recommended 7-year minimum). *Done.*

Review the adequacy of permanent documentation for all bequests, endowments, and larger gifts, including donor restrictions. *Not reviewed.*

Review the accuracy of regular periodic reports of finances provided to Assembly. *Review completed.*

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Verify that no Presbytery real property was sold, purchased, or leased without documented proper approval.
Not reviewed.

Verify that appropriate insurance is in place. *Not reviewed.*

Recommendations of review team:

1. The funds collected for designated purposes at meeting of the Presbytery, as well as the disbursement of those funds, should be recorded in a Payable or Pass-through Liability account, not in Miscellaneous Income. The review team did not find anything improper about the receipt or disbursements, merely in the recording of them.
2. The year-end bank reconciliations should not be finalized until it is certain that all December entries have been made.

**Presbytery of Plains and Peaks
Internal Controls Review for 2019
August 27, 2020
Fifty Internal Control Practices for Every Church
from "The Church Guide to Internal Controls" by Richard J. Vargo**

- 1. Are specific accounting functions handled by the individuals or groups assigned these functions in the Presbytery's organization?** Yes. Administrative Assistant performs bookkeeping duties including preparation of bank deposits and writing checks along with recording financial transactions in QuickBooks. Monthly financial reports are prepared from QuickBooks and distributed. Treasurer oversees financial reports and presents them to Presbytery at regular meetings.
- 2. Does the Presbytery have a written, up-to-date accounting procedures manual?** No. Administrative Assistant maintains personal notes as needed but a procedures manual is lacking.
- 3. Does the financial secretary's or treasurer's activities involve only keeping the records of cash collections and preparing the support for disbursements?** The Administrative Assistant collects and deposits cash as well as maintains the records.
- 4. Are facilities locked when not in use?** Yes.
- 5. Are the accounting records safeguarded at all times?** Yes. Electronic files are password protected; paper records are kept in a locked filing cabinet.
- 6. Is an internal audit committee operational?** Not an ongoing activity. Financial review committee appointed as needed.
- 7. Are the accounting records and the underlying internal controls audited annually?** Reviewed annually.
- 8. Are new personnel screened?** Background checks required for new hires. Staff reviewed annually by personnel committee.
- 9. Are all employees who have access to cash bonded?** Yes, through the Presbytery's insurance policy.
- 10. Are members encouraged to use offering envelopes?** Not applicable.
- 11. Are members encouraged to use checks in making their offerings (and other gifts as well)?** Not applicable.
- 12. Is the handling of offerings always controlled by at least two people?** Offerings at Presbytery meetings, installations, etc. are handled by two people.
- 13. Is the handling of other receipts of cash always controlled by at least two people?** No.
- 14. Is cash counted in a secured area?** Not always.
- 15. Do the money counters verify that the contents of the offering envelopes are identical to the amounts written on the envelopes by members?** Not applicable.
- 16. Are all checks received restrictively endorsed as soon as possible?** Yes.
- 17. Is cash deposited as soon as possible after receipt?** Yes.
- 18. Is all cash received deposited in the bank?** Yes.
- 19. Is cash safeguarded in a safe, lock box, or similar protective container when at the church?** In a locked file.
- 20. Are collections reports given to the financial secretary or treasurer for entry into the accounting records, and a copy sent to the internal audit committee for subsequent audit purposes?** Not applicable

21. **Are incoming mail and in-office contributions handled by people who are not responsible for accounting records?** No. Administrative Assistant enters receipts into QuickBooks and prepared bank deposits.
22. **Has the bank been instructed in writing never to cash checks payable to the Presbytery?** No.
23. **Are contribution records maintained for members?** Yes, the churches receive receipts for each contribution sent.
24. **Do members receive periodic (perhaps quarterly) notices of their contributions from the internal audit committee?** Presented at Council and Presbytery meetings.
25. **Are the periodic notices of contributions sent to each member photocopied?** Not applicable.
26. **Are members instructed to report any irregularities or errors in their notices of contributions to the internal audit committee?** Yes.
27. **Are requisition slips prepared for anticipated disbursements that do not have standing authorization?** Yes.
28. **Are pre-numbered purchase orders used for all disbursements that do not have standing authorization for payment?** No.
29. **Are invoices for goods and services approved by a qualified person before payment is made?** Yes.
30. **Are invoices checked for accuracy before being paid?** Yes.
31. **Is a check authorization slip prepared to support the disbursement of funds?** Voucher attached to check stub and retained in files.
32. **Are all disbursements of cash, except for minor items, made by serially numbered checks?** Yes.
33. **Is a check protector used (a machine to emboss the amount)?** No.
34. **Do all check signers inspect all supporting documents before signing?** Yes.
35. **Are at least two signatures required for all checks?** No.
36. **Are supporting documents canceled when checks are issued (marked "Paid")?** No.
37. **Are all voided checks marked and retained?** Yes.
38. **Is preparing a check to Cash prohibited?** Yes.
39. **Are blank, unused checks safeguarded at all times?** Yes, in a locked file.
40. **Are expenses always recorded in the correct accounting period?** Yes.
41. **Is a petty cash fund used for minor disbursements of cash?** Yes.
42. **Are vouchers prepared for all disbursements from the petty cash fund?** No, but receipts are used to refill petty cash.
43. **Are transfers among bank accounts properly authorized?** Procedure was not reviewed.
44. **Are reconciliations of all bank accounts prepared monthly by a person who is not involved in writing checks?** No. Administrative Assistant performs both duties.
45. **Is the petty cash fund reconciled on a surprise basis at least once year?** No.
46. **Are account balances in "the books" ever reconciled with the amounts presented in financial reports?** Yes.
47. **Are valuables (securities, jewels, valuable documents, and so on) afforded protection in a bank safe-deposit box?** No valuables.
48. **Are two signatures required for access to the safe-deposit box?** No safe deposit box.
49. **Is an updated inventory of securities, valuables, equipment, and other major noncash assets maintained?** Financial statements.
50. **Are scheduled reviews made to determine if insurance is adequate?** Yes.

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Pandemic Response Mission Project Grant Application

The Council of the Presbytery of Plains and Peaks recognizes that the COVID-19 Pandemic brings the need and opportunity to respond with creativity and compassion in the communities we serve. We are happy to announce the initiation of a new grant that is immediately available for churches who are engaging in mission, outreach, and community support in response to the pandemic.

Pandemic Response Mission Project Grant for Congregations – up to \$500

Grants to initiate mission projects in response to the COVID-19 pandemic are immediately available to congregations in an amount of up to \$500. Approved expenses could include support services for the community, food programs, emotional/spiritual support programs, student support, older adult services, etc.

Name of Congregation	
Name of Person Completing This Application	
Your Position in Congregation	
Your E-mail Address	
Preferred Phone Number	
Secondary Phone Number	
Grant Amount Requested <i>(please provide a budget for the project expenses)</i>	
Date of Request	
How will you use this grant? <i>(please attach additional description)</i>	

Thank you for your application!

The Mission Subcommittee of the Presbytery Council will be reviewing the applications and approving the requests. Please send application information and documentation to brown.christopher.a@gmail.com and he will forward the applications to the subcommittee for consideration.

The Council looks forward to hearing the good news of how this grant equips your ministry and will be in touch for you to share the results with us.