

Finance Committee  
Tom Karvonen & Feild Russell – Co-Chairs  
April 25, 2023

For information only the Finance Committee presents:

- ◆ The ‘Operating Budget Summary’ of the Presbytery of Western North Carolina as of March 31, 2023, BB-2.
- ◆ The ‘Operating Budget Summary’ of the Presbytery of Western North Carolina as of December 31, 2022, BB-3.
- ◆ A portion of the 2022 audited financial statements, BB-4 thru BB-8.

For the complete financial statements contact the Presbytery office at 828/438-4217 or [lpresley@presbyterywnc.org](mailto:lpresley@presbyterywnc.org)

**PRESBYTERY OF WESTERN NORTH CAROLINA  
OPERATING BUDGET SUMMARY  
AS OF MARCH 31, 2023**

**BB-2**

ACCOUNT	2023 ANNUAL BUDGET	2023 YTD BUDGET	2023 YTD ACTUAL	% OF Annual Budget	2022 YTD ACTUAL	2021 YTD ACTUAL	2020 YTD ACTUAL	2019 YTD ACTUAL	2018 YTD ACTUAL
<i>INCOME:</i>									
Unified Giving from churches	\$695,431	\$173,858	139,214	20.0%	170,937	205,577	149,827	220,274	\$159,632
Work of Presbytery only-churches	2,750	688	0	0.0%	625	0	0	0	1,000
Other income	23,000	5,750	5,475	23.8%	7,970	4,455	5,250	10,061	6,500
Anticipated Grants/Income	5,000	1,250	5,000	100.0%	5,000	5,000	5,000	0	0
Designated Proceeds for NWC	45,000	11,250	11,250	25.0%	15,183	0	0	4,880	9,840
Income from Investment(5%)	185,061	0	0	0.0%	0	0	0	0	0
Recovery-Admin Commission/Legal	10,000	2,500	0	0.0%	0	1,791	2,900	0	0
<b>TOTAL INCOME</b>	<b>\$966,241</b>	<b>\$195,295</b>	<b>\$160,939</b>	<b>16.7%</b>	<b>\$199,715</b>	<b>\$216,823</b>	<b>\$162,977</b>	<b>\$235,215</b>	<b>\$176,972</b>
<i>EXPENSES:</i>									
General Assembly Per Capita/Unified Giving	\$165,000	\$41,250	33,030	20.0%	39,463	45,943	32,959	47,734	\$34,953
Synod Per Capita	14,944	3,736	2,992	20.0%	3,722	4,477	3,193	3,441	2,499
Institutions & Agencies	4,000	1,000	801	20.0%	1,196	1,392	999	1,447	1,028
Outreach/Mission Development	\$45,900	11,475	3,600	7.8%	2,225	2,250	4,446	6,599	900
Congregational Development	25,829	6,457	4,742	18.4%	4,742	4,867	5,445	11,350	13,366
Artisan NWC	45,000	11,250	11,250	25.0%	15,183	0	0	0	0
Leadership Development	5,800	1,450	935	16.1%	(470)	19	(382)	1,269	450
Youth Ministries	16,950	4,238	(613)	-3.6%	2,489	1,411	7,608	10,787	7,704
Committee on Ministry	3,600	900	207	5.7%	86	217	727	655	1,011
Preparation for Ministry	3,400	850	1,289	37.9%	49	677	804	904	210
General Council	3,500	875	750	21.4%	750	750	798	4,478	840
Nominating/Representation	525	131	0	0.0%	0	0	0	0	0
Finance	52,589	13,147	15,410	29.3%	12,728	12,908	14,428	15,193	14,713
Personnel	504,504	126,126	89,961	17.8%	110,995	111,030	97,461	112,825	122,877
Joint Outdoor Ministries	16,000	4,000	0	0.0%	8,000	8,500	8,500	5,000	5,750
Permanent Judicial	250	63	0	0.0%	0	0	3	0	3
Supplies, Equip,Serv/Comm	34,450	8,613	6,779	19.7%	7,026	7,153	8,374	9,183	7,086
Stated Clerk	12,000	3,000	747	6.2%	683	988	1,981	737	730
Administrative Commissions	2,000	500	88	4.4%	412	0	(1,569)	5,082	504
Legal Fees	10,000	2,500	0	0.0%	0	1,791	2,900	0	866
<b>TOTAL EXPENSES</b>	<b>\$966,241</b>	<b>\$241,560</b>	<b>\$171,967</b>	<b>17.8%</b>	<b>\$209,278</b>	<b>\$204,372</b>	<b>\$188,676</b>	<b>\$236,685</b>	<b>\$215,490</b>
<b>NET INCOME/(LOSS)</b>		<b>(\$46,265)</b>	<b>(11,028)</b>		<b>(\$9,564)</b>	<b>\$12,451</b>	<b>(\$25,699)</b>	<b>(\$1,470)</b>	<b>(\$38,518)</b>

**PRESBYTERY OF WESTERN NORTH CAROLINA  
OPERATING BUDGET SUMMARY  
AS OF DECEMBER 31, 2022**

**BB-3**

ACCOUNT	2022 ANNUAL BUDGET	2022 YTD ACTUAL	% OF Annual Budget	2021 YTD ACTUAL	2020 YTD ACTUAL	2019 YTD ACTUAL	2018 YTD ACTUAL	2017 YTD ACTUAL
<i>INCOME:</i>								
Unified Giving from churches	\$714,709	<b>703,700</b>	<b>98.5%</b>	750,633	747,869	773,296	\$756,855	\$787,720
Work of Presbytery only-churches	3,250	<b>2,750</b>	<b>84.6%</b>	4,000	3,250	2,500	\$6,250	4,250
Other income	24,200	<b>25,889</b>	<b>107.0%</b>	25,827	20,747	57,571	\$33,000	37,850
Anticipated Grants/Income	5,000	<b>5,000</b>	<b>100.0%</b>	5,000	5,000	0	\$0	1,500
Designated Proceeds for NWC	52,500	<b>52,500</b>	<b>100.0%</b>	32,500	0	11,103	\$34,041	35,060
Income from Investment(5%)	185,118	<b>106,965</b>	<b>57.8%</b>	58,652	0	84,141	120,354	110,832
Recovery-Admin Commission/Legal	10,000	<b>295</b>	<b>3.0%</b>	12,423	15,227	14,384	\$18,891	53,487
<b>TOTAL INCOME</b>	<b>\$994,777</b>	<b>\$897,099</b>	<b>90.2%</b>	\$889,035	\$792,094	\$942,994	\$969,391	\$1,030,699
<i>EXPENSES:</i>								
General Assembly Per Capita/Unified Giving	\$165,000	<b>162,458</b>	<b>98.5%</b>	167,755	164,515	167,577	\$165,723	\$174,694
Synod Per Capita	15,563	<b>15,563</b>	<b>100.0%</b>	16,077	16,084	11,895	\$12,152	12,094
Institutions & Agencies	5,000	<b>4,923</b>	<b>98.5%</b>	5,084	4,985	5,078	\$4,874	5,990
Outreach/Mission Development	\$40,750	<b>47,739</b>	<b>117.2%</b>	32,891	28,006	34,144	\$32,232	26,997
Congregational Development	26,079	<b>20,968</b>	<b>80.4%</b>	24,467	23,279	35,788	\$62,755	70,139
Lincolnton NWC	52,500	<b>52,500</b>	<b>100.0%</b>	32,500	0	0	0	0
Leadership Development	8,800	<b>1,190</b>	<b>13.5%</b>	1,605	(696)	639	\$504	6,032
Youth Ministries	23,860	<b>14,661</b>	<b>61.4%</b>	10,540	7,783	17,052	\$23,316	15,647
Committee on Ministry	9,200	<b>2,099</b>	<b>22.8%</b>	1,114	1,382	6,623	\$4,524	3,511
Preparation for Ministry	4,150	<b>2,224</b>	<b>53.6%</b>	3,006	2,744	5,043	\$4,989	4,948
General Council	3,741	<b>4,000</b>	<b>106.9%</b>	3,011	3,124	7,246	\$9,068	5,848
Nominating/Representation	525	<b>14</b>	<b>2.7%</b>	0	17	330	\$519	293
Finance	53,150	<b>45,069</b>	<b>84.8%</b>	49,097	46,264	55,181	\$67,375	63,506
Personnel	511,909	<b>469,019</b>	<b>91.6%</b>	476,193	400,313	482,160	\$489,361	511,613
Joint Outdoor Ministries	16,000	<b>16,000</b>	<b>100.0%</b>	17,000	17,000	20,000	\$23,000	25,000
Permanent Judicial	250	<b>0</b>	<b>0.0%</b>	0	3	0	\$3	0
Supplies, Equip,Serv/Comm	33,300	<b>29,456</b>	<b>88.5%</b>	29,386	40,448	39,229	\$37,509	36,221
Stated Clerk	13,000	<b>7,409</b>	<b>57.0%</b>	5,827	7,754	8,575	\$10,550	13,303
Administrative Commissions	2,000	<b>1,513</b>	<b>75.6%</b>	1,058	280	32,051	\$2,045	1,376
Legal Fees	10,000	<b>295</b>	<b>3.0%</b>	12,423	15,227	14,384	\$18,891	53,487
<b>TOTAL EXPENSES</b>	<b>\$994,777</b>	<b>\$897,099</b>	<b>90.2%</b>	\$889,035	\$778,513	\$942,994	\$969,391	\$1,030,699
<b>NET INCOME/(LOSS)</b>		<b>(0)</b>		(\$0)	\$13,581	(\$0)	(\$0)	\$0

**Lowdermilk Church & Co., L.L.P.**  
*Certified Public Accountants*

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**Independent Auditors' Report**

To The Presbytery of Western North Carolina  
Morganton, North Carolina

**Opinion**

We have audited the accompanying financial statements of The Presbytery of Western North Carolina (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Presbytery of Western North Carolina as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Presbytery of Western North Carolina and to meet our other ethical responsibilities in accordance with the relevant ethical requirements to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management for the Audit of the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Presbytery of Western North Carolina's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of control. Misstatements, including omission, are material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

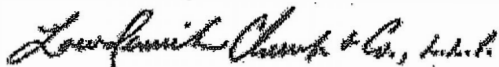
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Presbytery of Western North Carolina's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Presbytery of Western North Carolina's ability to continue as a going concern for a reasonable period of time

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, on pages 14-29, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Morganton, North Carolina  
April 6, 2023

THE PRESBYTERY OF WESTERN NORTH CAROLINA

BB-6

Schedule of Financial Position

December 31, 2022

	Without Donor Restrictions					With Donor Restrictions	
	General Fund	Restricted Fund	Loan & Grant Fund	Plant Fund	Total	Conley And Reid	Total All Funds
<b>Assets:</b>							
Cash	\$ 476,636	\$ (308,655)	\$ 237,500	\$ -	\$ 405,481	\$ 5,154	\$ 410,635
Receivables	521	-	-	-	521	-	521
Loans receivable	-	1,434,763	-	-	1,434,763	-	1,434,763
Investments	-	4,905,069	-	-	4,905,069	-	4,905,069
Property, plant and equipment at cost-net	-	-	-	360,482	360,482	-	360,482
<b>Total assets</b>	<b>\$ 477,157</b>	<b>\$ 6,031,177</b>	<b>\$ 237,500</b>	<b>\$ 360,482</b>	<b>\$ 7,106,316</b>	<b>\$ 5,154</b>	<b>\$ 7,111,470</b>
<b>Liabilities and Net Assets:</b>							
Benevolences payable	\$ -	\$ 4,436,713	\$ -	\$ -	\$ 4,436,713	\$ -	\$ 4,436,713
Accounts payable and payroll withholdings	6,074	-	-	-	6,074	-	6,074
<b>Total liabilities</b>	<b>6,074</b>	<b>4,436,713</b>	<b>-</b>	<b>-</b>	<b>4,442,787</b>	<b>-</b>	<b>4,442,787</b>
<b>Net assets</b>							
Without donor restrictions:							
Undesignated	459,283	1,554,052	-	360,482	2,373,817	-	2,373,817
Board designated	11,800	40,412	237,500	-	289,712	-	289,712
With donor restrictions	-	-	-	-	-	5,154	5,154
<b>Total net assets</b>	<b>471,083</b>	<b>1,594,464</b>	<b>237,500</b>	<b>360,482</b>	<b>2,663,529</b>	<b>5,154</b>	<b>2,668,683</b>
<b>Total liabilities and net assets</b>	<b>\$ 477,157</b>	<b>\$ 6,031,177</b>	<b>\$ 237,500</b>	<b>\$ 360,482</b>	<b>\$ 7,106,316</b>	<b>\$ 5,154</b>	<b>\$ 7,111,470</b>

Schedule of Revenue and Expenses Compared to Budget - General Fund  
For the Year Ended December 31, 2022  
(With Comparative Totals for the Year Ended December 31, 2021)

	2022		Over (Under) Budget	2021 Total
	Budget	Actual		
<b>Revenue</b>				
Presbytery support:				
Unified giving	\$ 529,146	\$ 520,755	\$ (8,391)	\$ 561,718
Total (page 15)	<u>529,146</u>	<u>520,755</u>	<u>(8,391)</u>	<u>561,718</u>
Program receipts and other income:				
Receipts to support legal fund	10,000	295	(9,705)	12,423
Synod support for HAE	5,000	5,000	-	5,000
Designated proceeds	64,500	64,425	(75)	45,955
Church receipts PWNC only	3,250	2,750	(500)	4,000
PWNC only individuals	12,200	13,845	1,645	12,250
Interest		120	120	122
Transfer from other funds	<u>185,118</u>	<u>106,965</u>	<u>(78,153)</u>	<u>58,652</u>
Total	<u>280,068</u>	<u>193,400</u>	<u>(86,668)</u>	<u>138,402</u>
Total revenue	<u>\$ 809,214</u>	<u>714,155</u>	<u>(95,059)</u>	<u>700,120</u>
<b>Expenses</b>				
Congregational development division	\$ 78,579	73,467	\$ 5,112	56,967
Outreach division	40,750	47,739	(6,989)	32,891
Leadership development division	8,800	1,190	7,610	1,605
Youth ministries	23,860	14,661	9,199	10,540
Administration division	565,059	514,088	50,971	525,291
Special division	16,250	16,000	250	17,000

Schedule of Revenue and Expenses Compared to Budget-  
 General Fund (continued)

	2022			2021 Total
	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>	
Book of order division	\$ 3,741	\$ 4,000	\$ (259)	\$ 3,011
Nominating/representation division	525	14	511	-
Ministry division	13,350	4,323	9,027	4,121
Office support division	<u>58,300</u>	<u>38,672</u>	<u>19,628</u>	<u>48,695</u>
Total expenses (page 23)	<u>\$ 809,214</u>	<u>714,155</u>	<u>95,059</u>	<u>700,120</u>
Excess revenue over (under) expenses per budget		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>