



Diocesan Finances For 2022

A Report of the Finance Committee of Diocesan Council
The Episcopal Diocese of Bethlehem
2023 Convention





Diocesan Audit

- Audit for year ending December 31, 2022, was completed by Campbell Rappold & Yurasits, meeting the September deadline
- Audit shared with and accepted as presented by the Finance Committee at its September meeting
- Audit shared with Council members via e-mail to be discussed and formally accepted at the October Diocesan Council Meeting
- Audit showed no irregularities in the financial reports and no difficulties in completing the audit.
- Assets and liabilities stood at \$33,022,684



Parish Audit Team

- Virtual and in-person assistance from audit team is available on request
- All requested audits are currently underway
- A webinar, featuring audit team members' participation, offering help on parish finances, was held on March 7 with representatives from over 50% of parishes attending. Additional training is planned for the Spring 2024
- Parishes are encouraged to form internal or intra-parish audit committees to perform internal audits using audit workbook forms and instructions available on diobeth.org
- Many thanks to our capable, experienced, all volunteer audit team members and Chair, Joan MacDonald
- Anyone with an accounting background interested in joining the team should contact Libby House, Treasurer (ehhouse@yahoo.com)



Financial Tools and Resources for Parishes

The Finance Committee is committed to provide the following tools and resources to Vestries, Treasurers, and Administrators to assist with budget planning:

- Health Insurance/Benefits Plan Information
- Assessment and Acceptance Information
- CPI-U for compensation/staff performance review
- DIT Information (Investments, Payout Rate, Performance)
- Auditor's Workbook Checklist – Help with Audits
- Support for Basic Accounting Tools
- Support for Basic Accounting Policies
- Support for Ordering Basic Accounting Materials
- Support for Completing Parochial Reports



2022 Operating Statement Actual vs. Budget

CATEGORY	Actual	Budget
Revenues		
Assessment	\$940,902.37	\$940,925.04
Acceptance	\$97,563.38	\$95,914.71
DIT	\$217,143.59	\$509,118.54
Other	\$61,206.59	\$52,700.00
Total Revenues	\$1,316,815.93	\$1,598,658.29
Expenses		
Salaries & Benefits	\$917,363.71	\$920,289.53
Ministry Mission Parish Life	\$272,521.92	\$381,815.00
Administration	\$89,216.14	\$160,280.00
Buildings & Grounds	\$17,460.27	\$25,400.00
Retiree's Benefits	\$4,704.00	\$4,673.76
Conventions & Meetings	\$76,844.79	\$106,200.00
Total Expenses	\$1,378,110.83	\$1,598,658.29
NET OPERATING TOTAL	(\$61,294.90)	0



Notes on 2022 Financial Reports

- Lower than budgeted DIT draw in 2022 was both purposeful, during a time of continued transition as envisioning and preparation were underway, and also necessary due to constraints of Covid-19
- Surplus created in Diocesan DIT is available to invest in our future
- Actual expenses in many categories intentionally lower than budgeted as plans for moving the diocese into a future designed through partnership, prayer, reflection, and restructuring were underway
- During 2022, two Regional Canons joined the staff, and new and creative work for helping parishes thrive was implemented in 2023.
- Operating Loss was due to electing to use cash in checking to pay for expenses instead of drawing budgeted funds from the DIT

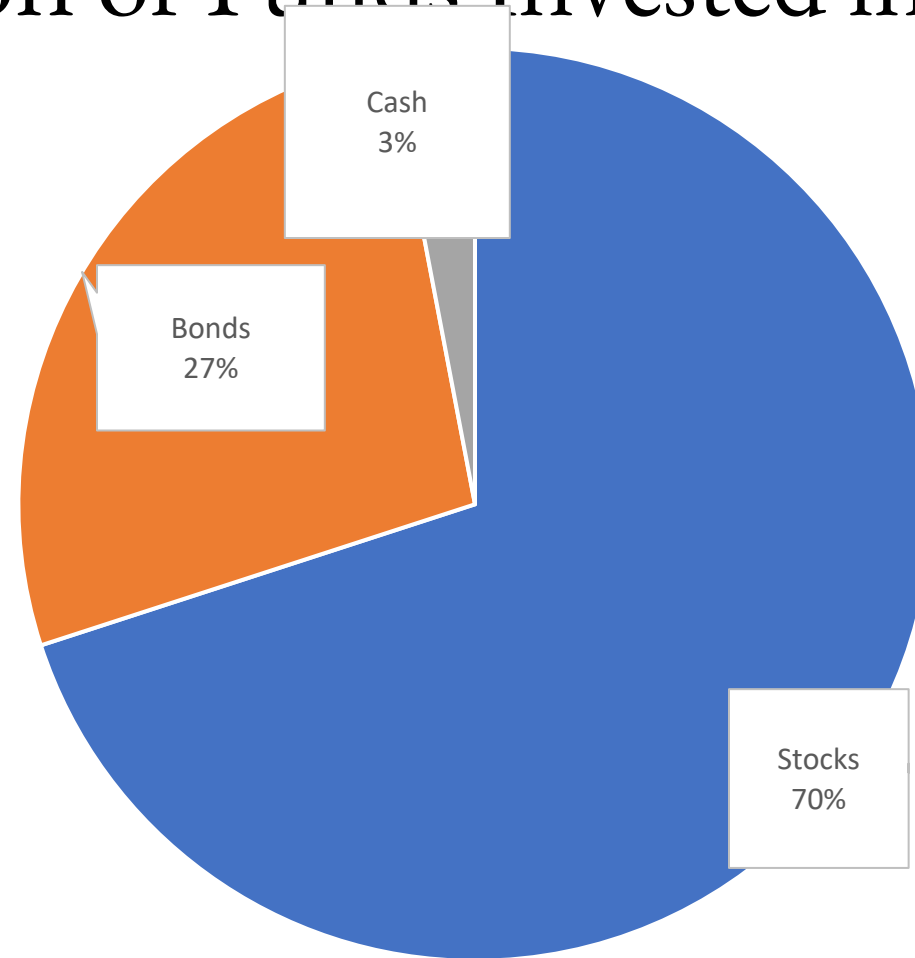


Investment Committee

- Chair: The Rev. Charlie Barebo
- Meets quarterly with Truist (previously BB&T) Investment Team for quarterly review of Diocesan/Parish Investments
- Provides reports of meetings to Diocesan Council through Finance Committee
- During each 2nd Quarter Meeting reviews prior year's performance (end of June to end of June) and the average of fund returns over the past 5 years to recommend DIT payout for the next year for Council approval



Allocation of Funds Invested in DIT Portfolio



Current mix is 27% Bonds - 70% Stocks - 3% Cash



DIT Investments Recap

- Total Market Value at the end of December 2022 was \$31,958,421
 - 1 year return: -14.7% / 3-year return: +2.6% / 5-year return: +5.4%
- During the first half of the current year (June 2023), the DIT gained 7.5% of its value when compared to the end of 2022
- The Pay-out Rate is based on the average return of the last five years.
 - Current (2023) pay-out is 4.5%
- Quarterly DIT performance is published at diobeth.org
 - Resources || Parish Management
- Please contact The Rev. Charlie Barebo for information about investing parish funds in the DIT