

Governing Board Report to the 2022 General Conference XXVIII

Section 1 – Report from the Clerk

Dear Friends,

It has been three years since our last General Conference and what a time it has been. Everything in our world shifted and we were faced with many new realities.

As we began, we knew that there was change needed to bring our finances into alignment with the structure of the organization. That meant reimagining both the finances and the structure through a new lens. It also meant taking you along on this journey with us. Sharing our experiences as we navigated our new models through regular communication using the Moderator's Report, Financial Snapshots and the Governing Board Narratives.

When the Governing Board was elected we had no idea about what laid ahead, who could have predicted an international pandemic? It changed the way we did everything. It changed how our churches did everything. The primary tools we used were Live Streaming to Facebook, YouTube, Zoom. It changed how we met as a denominational board, we began using ZOOM as our primary method of doing business. We committed to having a spiritual time before each meeting where the elders would have one representative come and lead us in a short meditative moment. It reminded us that we were first and foremost grounded in our faith as we did this administrative ministry.

While all this laid ahead, we began our time together looking at what debt we had and what our budget could handle. The two were not aligned. Our job became ensuring that the two were in alignment and that we had zero based budgeting. Our Moderator, began to restructure her staff team to help with the financial reality and the staffing needs of MCC while still serving our churches. No small task.

As a board we were tasked with responding to several General Conference Motions. We also understood that there were fractured relationships, within our denomination, that needed to be healed.

To begin to address the General Conference Motions, a number of team were created to respond to each motion. The primary order of the Motions was to begin to address the fractured relationships within MCC, in particular, with People of African Descent community members. The Governing Board committed to get training and to listen to those whose voices had not been heard. We met with individuals, apologized for the treatment people of color had received in MCC. We acknowledged that our apology was the first of many steps that needed to be taken, and we committed to continuing to keep this as our priority at every level of the organization.

Additionally, we began a systemic process to provide Governing Board updates after meetings and to create understandable financial dashboards. We offered Governing

Board webinars, too. We hope these actions have gone a long way to mend the trust between the Governing Board and the wider body.

The General Conference virtual packets will include reports from the Commissions. Please find below a short explanation of the work of the Commissions.

To continue the work of healing a Commission on the Pathways of Healing and Reconciliation was formed. The Commission has worked tirelessly to listen to the voices of those most hurt by our systemic racism. The mandate of the Commission has been extended by the Governing Board until the end of the year. They will be issuing a report with recommendations to the Moderator and Governing Board.

The Commission on Assessments has put on hold any meetings to recommend changes to our current system until such time that the new organizational structure and assessment rate can be evaluated.

The Commission on Rites and Sacraments began meeting late in the time after General Conference. Their work will continue and be considered at the next General Conference.

The Commission on Communications is a body that works with the staff who focus on communication and the Commission on Communications team. This work includes the ability to have communications in the three predominant language groups within MCC. It will continue to meet after this General Conference.

The Commission on General Conference was to look at the future of our conferences and how they can be run. They were also tasked with considering voting in two houses.

We held one Special General Conference to affirm the appointment of the Council of Elders. All were affirmed. Congratulations to all our Elders.

Finances is an area where we have seen a dramatic turn around. The finances when the newly elected Governing Board took office were not in the best shape. The Finance Team worked tirelessly to help turn that around. Currently MCC operates within its means and has also managed to put aside almost six months of operating expenses as a safeguard for our future. A finance team policy manual is currently being created. Thank you to the staff and volunteers who have made all this possible.

We have also been fortunate enough to establish an Endowment Fund. We have invested a significant amount of money for the future of MCC. Thank you to staff and volunteers that made this a reality.

There is a new Human Resources policy in place and we are so thankful for the hard work that has been done to make this a priority.

COVID was on our agenda each and every meeting beginning in April of 2020. We were all on a steep learning curve figuring out how to do the work of MCC in the world. The staff arranged for training for the Governing Board, Elders and MCC churches. They continued to be on top of the technology that was needed. Thank you for all your assistance.

This is only a small portion of where the Governing Board has placed its focus. None of it could have happened with out you and your churches. We have relied on your generosity and your willingness to help out. We are so grateful. You are amazing. We are also so thankful for our incredible staff teams and Moderator. Thank you for your compassion, leadership and commitment. We are so honoured to serve with you.

Respectfully Submitted By,
Rev. Elder Diane Fisher, clerk of the Governing Board

Section 2 – Report from the Treasurer of the Governing Board

The Finance Committee, Governing Board, Council of Elders and Staff want to THANK YOU for the generosity from MCC'ers around the globe!

	General/ Operating (Jan-April 2022)	Unrestricted Cash on Hand (May 2022)	Working Capital (4.5+ months Operating Reserves) (May 2022)	Endowment Fund (May 2022)
Total Income	\$336,040.66	\$221,133.87	\$361,000.00	\$263,964.92
Total Expenses	\$329,070.83			
Net Income	\$6,969.83			

Coming into General Conference 2019, the denomination was financially insolvent. Between GC 2019 and end of year 2019, the newly elected Governing Board worked hard to get the denomination on the way back to financial solvency. We want to thank the former Governing Board and Finance Committee in place in the months leading up to GC 2019 for working hard to make sound financial decisions to begin the turnaround to solvency.

Payroll of our valued denominational staff is by far our largest operating expense as well as our most valuable asset. One of the first challenges the incoming Governing Board had to take on immediately was doing a detailed review of payroll and staff structure versus income and doing a restructure of staff structure and payroll to be sustainable to the income. This was difficult and emotional work that was not easy, however it was necessary for the denomination to work towards sustainable solvency.

Thanks to the Finance Committee's decision from the 2018 end of year offering plea, money was set aside from that to work towards bringing our annual financial audits up to date. We are happy to report that audits for all years previously unaudited financial statements have been completed and we are already well into our 2021 financial audit cycle. This is a huge accomplishment!

Complete financials as well as financial dashboards with snapshot highlights have been published faithfully every month since September of 2019 through June of 2022 covering financials for June 2019 through April 2022 and can be found here: <https://www.mccchurch.org/how-we-work/mccfinances/>

Since GC 2019 to current times, the Finance Committee, Governing Board and Staff have been able to establish a working capital account that covers more than four and one half month's of our operating expenses. Our goal is to be at 6 months operating

expenses in this account by the end of 2022. In addition, an endowment fund has been established to ensure the future of MCC. This started with \$100,000 in August 2021 which was raised through the Still Giving Campaign (as well as an additional approx. \$45,000 raised in that campaign that was designated towards racial justice work) and the endowment fund is now close to \$300,000.

We are blessed to have an amazing Finance Committee chaired by the Governing Board Treasurer that is composed of 3 staff members including the Moderator; 2 GB members and 3 volunteers that are not staff or Governing Board and 2 of those 3 are certified public accountants. This team has stepped up into a very active role in the budgeting and financial decisions of the denomination and make their recommendations to the Governing Board. The Finance Committee and Governing Board have consciously published achievable and realistic operating budgets from 2020-2022.

A huge thank to our staff that has been so diligent and faithful working with the treasurer to be great stewards of our financial resources and ensure we were using the most cost effective solutions in all areas.

All figures in US Dollars

General/Operating = Money given to the General Fund and used for every day operating expenses. For example: Payroll, Admin, etc.

	General/ Operating (Jan-Dec 2019 YTD)	General/ Operating (Jan-Dec 2020 YTD)	General/ Operating (Jan-Dec 2021 YTD)
Total Income	\$1,227,628.65	\$1,061,281.55	\$1,355,573.78
Total Expenses	\$976,943.44	\$798,087.89	\$876,303.38
Net Income	\$250,685.21	\$263,193.66	**\$479,270.40

**We were blessed and so very grateful to receive just over \$21,000 for our year end offering from generous MCC'ers around the globe; as well as \$200,000 from an MCC church that has sadly decided to close. As a reminder, we also received 2 Payroll Protection Loans as part of the Cares Act which were then forgiven and did not have to be paid back per the parameters of the program. This added an additional approximately \$200,000 to our income in 2021. All of these factors make up why year end Net Income exceeded our expectations.

The UFMCC Finance Committee (appointed by the Governing Board) is made up of the following members: Chad Hobbs-Chair; Rev Marie Alford-Harkey; Rev. Marsha Warren, Doug Berger, Kirk Blandford, Tammy Erwin, Marina Laws, Rev. Dr. Kharma Amos and Rev. Elder Cecilia Eggleston. Cathy Campbell-Heroux also served faithfully on this committee for many years through the end of 2020.

Respectfully submitted,
Chad Hobbs, Treasurer, Governing Board

Section 3 - Governance Committee Report

The 2019 General conference elected an entirely new slate of Governors. After a prior challenging period, it was a blessing to have a full contingent.

Lay person seats:

1. James Chavis – 6 year term continues through 2025
2. Clare Coughlin – 3 year term ending in 2022
3. Mark Godette – 6 year term ending in 2025
4. Chad Hobbs – 3 year term ending in 2022

Clergy seats:

1. Rev. Marie Alford- Harkey – 6 year term continues through 2025
2. Rev. Elder Diane Fisher – 3 year term ending in 2022
3. Rev. Alberto Najera – 6 year term continues through 2025
4. Rev. Paul Whiting 3 year term ending in 2022 (resigned due to personal reasons on November 30, 2021). The remainder of the Governing Board wished Rev. Paul well and kept him in prayer. After a time of prayer and discussion, since the term was ending in July 2022, the Governing Board decided to leave the position vacant since it would take considerable time to recruit and onboard a new Governor leading up to the July General Conference when the position would be filled in the election.

From 2019 to 2022, the Governance Committee (Huey Lee, Gavin Ward, Lowana Wade, Leo Rossetti) worked with MCC's attorneys to determine the legality of virtual business meetings and publish an advisory. Members also worked on protection of marriage equality, advising on church closures and disaffiliations and Rev. Whiting advised the Moderator on the process of appointing the new Council of Elders. The Governance Committee was tasked by the Governing Board to oversee the application process for those wishing to serve on the Governing Board Nominating Committee. Once the GBNC had been appointed, there was no further interaction with the Governance Committee.

The 2022 Governing Board Nominating Committee was appointed by the Governing Board in June 2021 and trained in preparation for the 2022 General Conference (members: Rev. Stuart Sutherland, Jo-Anne Lundy and Janet Fitzsimmons) and worked independently from the Governance Committee. Due to Janet's unavailability during the candidate application stage, the Governing Board appointed Rev. Tijuana Gray to the Governing Board Nominating Committee. Those on the Governing Board who had submitted an application to serve again recused themselves from this appointment. The Committee was tasked with presenting a slate to fill two Lay and two Clergy positions on the Governing Board.

- The Nominating Committee accepted applications for the Lay and Clergy seats on the Governing Board. Submissions were reviewed and interviews held. Following this process, the GBNC presented the slate which is detailed in their report.

The Governance Committee has reviewed all bylaw proposals coming before General Conference 2022 and given feedback to the Governing Board. The Governance Committee Chair serves on the Procedures Committee which has been tasked with developing the procedures for the online Business Meeting.

We wish to thank Rev. Paul Whiting for his leadership in Governance prior to his resignation, all of the Governance Team volunteers, as well as those who put their names forward to serve the denomination in the future.

Blessings,

Clare A Coughlin

Chair, Governance Committee (effective December 1, 2021)