

Edits for consideration by the Committee:

Tasked to Janet at the March 2021 Committee meeting:

- Janet to draft and bring back to the committee for consideration alternate mandatory clauses and an explanatory note for churches using compilation engagements that would align with clause 5.7.

The April 2021 version of the MCB currently reads:

3.1.2 THE COMPILED OR REVIEWED OR AUDITED ANNUAL FINANCIAL STATEMENTS MUST BE PRESENTED AT THE ANNUAL GENERAL MEETING OF THE MEMBERS.

3.1.3 THE BOARD MUST RECOMMEND AN INDEPENDENT CHARTERED PROFESSIONAL ACCOUNTANT TO THE MEMBERS TO COMPILE OR REVIEW OR AUDIT THE CHURCH'S FINANCIAL STATEMENTS FOR THE UPCOMING YEAR.

3.1.4 The members must appoint an independent Chartered Professional Accountant to compile or review or audit the church's financial statements for the upcoming year.

[Churches with an annual revenue not exceeding \$250,000 may by special resolution of the members choose to use a compilation engagement as outlined in the *Local Church Constitution*, Article 12.2.

Reminder – parallel language should be used in clauses 3.1.2, 3.1.3, 3.1.4, and 5.7 to define the financial reporting allowed.]

Suggestion: Rather than creating three parallel sets of the above three paragraphs, instead expand the explanation in purple:

From: [Churches with an annual revenue not exceeding \$250,000 may by special resolution of the members choose to use a compilation engagement as outlined in the *Local Church Constitution*, Article 12.2.

Reminder – parallel language should be used in clauses 3.1.2, 3.1.3, 3.1.4, and 5.7 to define the financial reporting allowed.]

To: [Reminder – parallel language should be used in clauses 3.1.2, 3.1.3, 3.1.4, and 5.7 to define the financial reporting allowed.

For churches that have determined that it is an audit that is required each year, 3.1.2, 3.1.3, and 3.1.4 above and 5.7 should have all references to "compiled", "compile", "reviewed", and "review" removed and instead refer only to "audited" and "audit".

For churches that have determined that it is a review that is required each year, 3.1.2, 3.1.3, and 3.1.4 above and 5.7 should have all

references to "compiled", "compile", "audited", and "audit" removed and instead refer only to "reviewed" and "review".

Churches with an annual revenue not exceeding \$250,000 may by special resolution of the members choose to use a compilation engagement as outlined in the *Local Church Constitution*, Article 12.2.

Churches with an annual revenue not exceeding \$250,000 that are choosing to use the alternate 5.7 and are choosing that the financial statements be reviewed when a compilation is not possible, would remove all references in 3.1.2, 3.1.3, 3.1.4, and the alternate 5.7 to "audits" and "audited" and instead refer only to "compiled or reviewed" and "compile or review".]

In 5.7 in the purple section, suggest changing it

From:

[Reminder – parallel language should be used in clauses 3.1.2, 3.1.3, 3.1.4, and 5.7 to define the financial reporting allowed.]

To:

[Reminder – parallel language should be used in clauses 3.1.2, 3.1.3, 3.1.4, and 5.7 to define the financial reporting allowed. See explanations below section 3.1.4 for more information]

Tasked to Janet at the March 2021 Committee meeting:

- Janet to draft and bring back to the committee for consideration a revision to clause 5.3 b) to simplify the wording

The April 2021 version of the MCB currently reads:

The Board may, upon approval of the District Executive Committee:...

5.3b) issue, sell, or pledge securities of the church including bonds, debentures, and debenture stock for such sums on such items and at such prices as they may deem expedient

If we leave 5.3b) in at all, suggest changing the wording to the following:

5.3b) sell or pledge publicly traded bonds and securities of the church at such prices as they may deem expedient

Potential issue for discussion by the Committee if the clause is left in the MCB in any form:

On a literal reading of 5.3b), a church that receives donated securities instead of donated cash is prohibited from selling those securities without DEXCOM's permission. Given the nature of the stock market's pricing of publicly held securities, even during the same day, any delay for a church waiting to obtain DEXCOM's approval to in turn sell the securities would be potentially disadvantaged should the trading price go down during that approval time.

As well, the way 5.3b) is written, for churches that choose to invest excess cash and/or designated funds in any kind of publicly traded bonds or securities, they would actually need DEXCOM's approval to sell or cash in any of those bonds or securities.

I would also suggest that churches that already have this clause in their bylaws are not interpreting it and abiding by it as it actually reads and that DEXCOM in turn is not aware of the responsibly it creates for DEXCOM to approve each sale of donated securities.

Question: Should the clause in its entirety be removed from the MCB?