

Minutes of the Ad Hoc Committee on Honduras (FIN 103) meeting via Zoom on July 14th 2020

Attendees

Diane Pollard (chair)
Bishop Ed Konieczny
Steven Nishibayashi
Kurt Barnes
Blanca Echeverry
Glenda McQueen
David Copley

The meeting was opened in prayer by Bishop Ed.

Diane stated that the purpose of the meeting is to make a recommendation to Executive Council relating to the request for funding by the Diocese of Honduras, with a full report being made for the August meeting of FIN.

Glenda McQueen gave broad historical information relating to the country of Honduras and the diocese. She also shared information about the current socio-economic realities of the country and data relating to the Diocese of Honduras.

Glenda also discussed the Diocese 2019 goal for sustainability which was based on a number of programs including the 7 bilingual schools, the “Angladesh” sustainable development arm of the diocese which was supported by Episcopal Relief and Development when it was formed, supporting partner diocese’s in the Episcopal Church, parish giving, and rent for property owned.

Kurt Barnes shared the financial history of the Diocese beginning at the Province IX financial Stability meeting in Tela in 2011 up to the present day. Details included the Province IX sustainability plan (see the chart below for more details), information about the refinancing of loans and how that related to the sustainability plan.

Diocese	2013-2015			2016-2018			2019-2021	
	Block	Focus		Block	Focus		Block	Focus
Mark 2 Funds	\$1 mil			\$550k				
DR	682,500	950,000		300,000	100,000		100,000	
Honduras	682,500			682,500	800,000		300,000	280,000
Ecuador Central	504,790			504,790			504,790	500,000

In brief, the refinancing of a loan of approximately \$2.5 million which was borrowed at a rate of 17-18% was refinanced through the DFMS at a rate of 4.75% which translated to a saving of around \$200,000 a year. The principle of this loan was paid down through the sustainability

plan agreement in 2016 and 2019 using the block and focus grant funds. The principle has now been paid off although there is still some residual interest owed (\$168,000).

A broad conversation developed from this background information with the following questions being raised.

- It would be helpful to get more detailed information about the financial status of the diocese prior to the pandemic and how viable was the sustainability plan prior to the pandemic?
- Has the diocese undertaken an asset-based development analysis. What are the current assets and liabilities of the diocese?
- Who are the companion diocese's of the diocese of Honduras and how are they currently supporting the diocese?
- Could we get more detailed information about the budget?
- Given the impact of Covid which is likely to continue for some time, what is the diocese's best guess as to their financial status for 2021 and how might this affect the long term sustainability plans?
- Given that the schools are a major part of the sustainability plans, what was the viability of the schools prior to COVID, what is the current status of the schools finances, and what are the projections for 2021.

Diane will put together a list of questions to be researched prior to the next meeting to be held prior to the FIN meeting in August.