

# TREASURER'S REPORT

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## **ACTION ITEMS:**

>>>> ACTION ITEM: Directive for authority given to Treasurer to draw from restricted funds for operating capital. <<<<

## **PSL FINANCIAL HIGHLIGHTS**

We have finalized the 2016 financial statement and preparing accounts for the 2017 budget cycle. The most recent financial statement I have received was from December 30, 2016. PSL Operating Accounts (including Flood Accounts) are with Capital One and to date, I do not have Administrative access to give you the *current* status of those accounts. These balances are maintained by the Synod of Lakes and Prairies (SLAP) in Minnesota and if current information on any of those accounts are needed we have to go through SLAP to obtain them.

YAV and FRC accounts are at Chase. I do have access to those accounts and current fund balances are outlined below.

NUTSHELL (PSL Operations as of December 30, 2016)  
Total Revenues: \$302,726.22  
Total Expenses: \$427,692.84  
Total Deficit: \$124,966.62

Most of the deficit has been covered through Tom's authority to draw from the New Covenant restrict funds account. (see Cash Flow below)

## **2017 BUDGET**

Per our October meeting of the Presbytery, the PSL has begun the process to venture to a zero based budget. What this means:

- The 2017 budget of the Presbytery will be funded solely from reserved funds.
- Every penny received in 2017 Remittance and Special Offerings for PSL support will be held in an escrow account throughout the year.
- The 2018 budget will be based on the funds received in 2017 (balance of the escrow account).

## **CASH FLOW**

During the months of November and December, Tom, using his authority given by Council in October of 2014 made two different withdrawals from the New Covenant fund to ensure the operating account maintained enough funds. The New Covenant account balance is \$848.77. So Council will need to approve another fund source for operating capital.

RESTRICTED FUNDS (as of December 31, 2016)

-Third Party Restricted: funds total \$585,070.11

-Internally Designated Funds: funds total \$999,182.92

The chart below provides for four internally designated funds from where we can begin the 2017 draw of capital. (Note: 2017 will be funded solely from restricted funds.)

New Covenant (3215) current draw	\$848.77
Gentilly Proceeds (3211)	\$107,134.92
Grace Franklin (3210)	\$10,004.32
Luling (3224)	\$9,278.30
Peace Church	\$146,213.68
	<b>\$273,479.99</b>

### **ASSETS AND WEALTH ASSESTMENT**

I have had the opportunity to meet our Assets and Wealth Management Team from Capital One. They have given me a copy of our 2016 Quarter Three portfolio to review. Notes from that report:

-Cash: \$291,023- 16.4% of our assets

This amount yields us roughly \$750 annually. Our current portfolio plan objective is to only maintain 10% of our assets in cash. The remaining 6.4% (\$18,334.45) we can either pull and put into our operating fund or reinvest.

-Bonds: \$1,091,094- 61.2% of our assets

-Stocks: \$ 343,423 - 22.4% of our assets

These assets yield us roughly \$27,000 annually. According to their market analysis all of our stocks and bonds are either neutral or in the negative for their current market recommendation.

From what I was told we have not made any adjustments to our portfolio in quite some time. I will schedule another meeting with them once the transition is complete and we are settled back into our office. I would not want to make any changes until we can really assess our investment needs.

### **CAMPUS MINISTRY**

The current campus ministry program provides that each campus is allotted a certain amount of funds in the PSL budget to be issued in two installments (1/2 each semester) pending the receipt and approval of campus reports by the Council.

The Vision Team met in December of 2016 and has proposed changes to the current Campus Ministry program. Each campus ministry will be notified of the changes this semester with reminders and application forms to be mailed in the Fall.

#### **- Campus Ministry 2016**

We are in the process of assuring that those campus ministries that should have received their funds in 2016 receive their funds. So far this year we have had to cut four checks based on the 2016 budget.

#### **- Campus Ministry 2017**

There will be no changes to the 2017 campus ministry program. The 2017 budget provides the following:

Texas Found. – New Orleans	\$2,300*
Campus Min.-Tulane/Loyola	\$7,000*
Campus Ministry-LSU	\$6,000
Campus Min.-Univ. of LA @ Laf.	\$2,000
Campus Min-Southeast., Hammond	\$4,000
Campus Ministry-McNeese, LC	\$2,000

\*denotes designated funds

- Campus Ministry 2018

Due to the zero based budget and the need to cut PSL expenses, the Vision Team proposes a change to the Campus Ministry program starting Spring 2018. Each campus ministry will have to apply for funding each semester with the Council approved grant application. This will ensure that there is a uniform reporting system for each ministry. Spiritual Formation has graciously volunteered to oversee the new campus ministry grant program.

**PSL SPECIAL OFFERING**

At the June 2015 meeting of the Presbytery, it was decided that a Special Offering is to be collected once a year and proceeds from that offering will go toward the operating expenses of the Presbytery of South Louisiana. As to not interfere with other special offerings, the Vision Team of the PSL has declared March 5, 2017, as the first annual PSL Offering Sunday. This information went out to each church when pledge kits were mailed in November. The pledge card included a check off box where churches could indicate whether or not the respective church would participate in the offering. Reminder letters will be mailed to each church regarding the special offering.

**2016 FLOOD ACCOUNT**

2016 Flood Account, all account numbers have the letter "F" as a suffix. These accounts report the activities of the Disaster Response Team that has been formed.

As of December 30, 2016, operating funds were \$36,336.27 and reserve was \$85,140.46.

**2017 TORNADO**

The Read Blvd property which is being occupied by PHI suffered severe damage due to a tornado that impacted the area on February 7, 2017. A claim has been filed. We have notified SLAP that we will need accounts set up to manage the funds for this claim.

**OFFICE RESTORATION ACCOUNT**

Office Restoration, all account numbers have the letter "R" as a suffix. These accounts report the activities of the Disaster Response Commission which is overseeing restoration of the PSL office after the Great Flood of 2016.

As of December 30, 2016, operating funds were \$14,219.61 in anticipation of paying the expense of replacing the office computer system and moving into temporary offices. Reserve was \$157,670.57 in anticipation of initial expenses in rebuilding the office and replacing damaged contents.

**INSURANCE**

The flooding of the PSL office is being handled by the Insurance Board who held our flood policy in August of 2016. Shortly after the flooding, we acquired a new policy with The Hartford for flood insurance. This was the only change in insurance.

## **PEACE CHURCH**

Peace Church Fund had no income and no expense for 2016 since YAV is occupying Andrew House and PHI is leasing the Read Blvd. property.

## **BATON ROUGE COMMUNITY SUPPORT**

PSL received a \$7,500 grant from PDA to support community recovery in Baton Rouge in light of traumatic events. Use of these funds remains under consideration.

## **PSL CREDIT CARDS**

PSL has moved from Chase Ink cards to Capital One Corporate cards as of December 2016. There have been several issues with the new cards that we are trying to iron out. Once we have everything situated, we will establish new procedures as to how credit cards should be managed.

## **AUDIT**

Per the Finance presentation at the October Presbytery meeting, the Finance Committee were emailed a copy of the 2015 audit and asked to review the audit and research any findings if necessary.

We have begun conversations with regard to the 2016 audit to find efficiencies to save time and money.

## **YAV FINANCIAL HIGHLIGHTS**

There is one YAV checking account and one YAV savings account, both maintain at Chase bank.

2016 Close Out: Total Income: \$177,122.97

Total Expenditures: 143,575.84

Total moved to Savings: \$40,000

YAV operating cash on hand as of January 31, 2017 was \$10,378.66. YAV Operating Reserve (savings) was \$30,406.85.

## **FRC FINANCIAL HIGHLIGHTS**

There are two checking accounts and one saving account, each at Chase bank. One checking account is the primary account used here locally by FRC staff to cover day to day expenses, the other account is maintained by SLAP and is used for major expenditures like payroll.

Locally Maintained Checking

2016 Close Out: Total Income: \$28,432.55 (28k moved from SLAP maintained checking).

Total Expenditures: \$28,120.25

SLAP Maintained Checking

2016 Close Out: Total Income: 355,601.10

Total Expenditures: \$360,428.41

2016 Draw from Savings: \$70,426.32

FRC operating cash on hand as of January 31, 2017 was \$1,995.25 in locally managed account and \$4072.06 in SLAP maintained account. FRC Operating Reserve (savings) was \$4,004.25.

The advance to FRC (from the authorized Peace Church Fund line of credit) to cover cash flow needs remains at the limit of \$65,000.