



The Presbytery of East Tennessee: Q2 Financial Update



Culture Challenge and Transition

Committee Ownership and Accountability

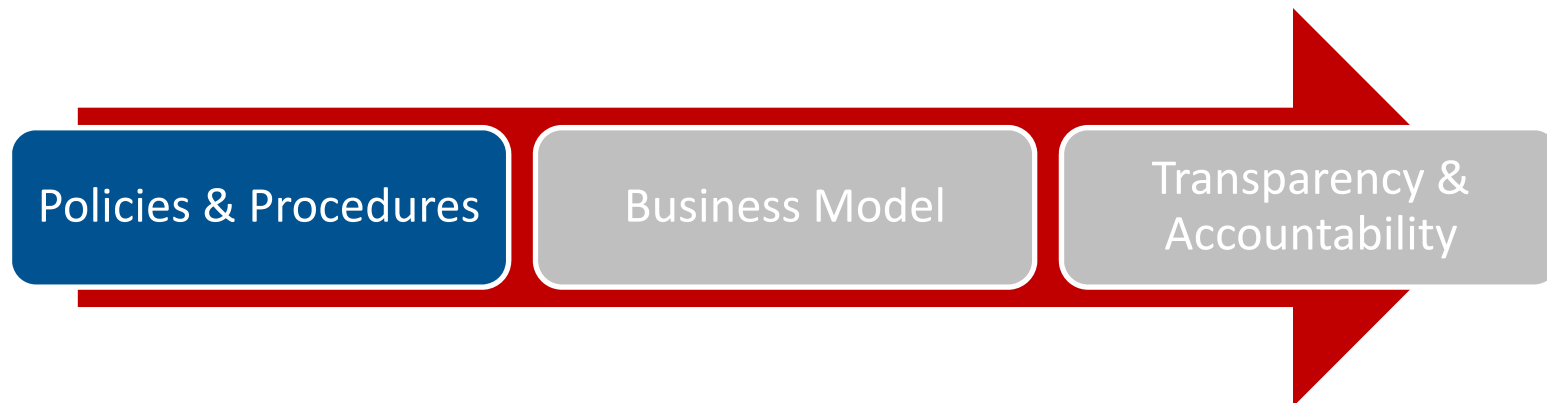
- Define roles and responsibilities
- Educate committees to promote synergy

Evaluation of Current Processes and Procedures

- Determine applicable policies for future state environment
- Develop opportunities to gain efficiencies

Review of Presbytery Manual

- Clarify ownership, roles, and responsibilities
- Align processes and policies to model future state environment



Policy and Procedure Challenges

Challenges Reside in Multiple Arenas

- Financial and accounting operations
- Regulatory requirements
- Conflicting guidelines

Culture Shift – 2017 Effects

- Committee approach and ownership
- Policy clarity
- Transparency

Example

Finance & Stewardship Committee will evaluate both operating and capital expenditure needs to operate the Presbytery. As a result, annual budgets to be presented to the Presbytery for final approval shall consist of the following:

- Presbytery operating and capital budget
- John Knox Center operating and capital budget



Sources of Liquidity

As of June 30, 2016

Asset Value

Checking **133,893.09**

Certificate of Deposit **430,032.42**

60 Month (2.23%) matures 11/14/2016 384,807.72

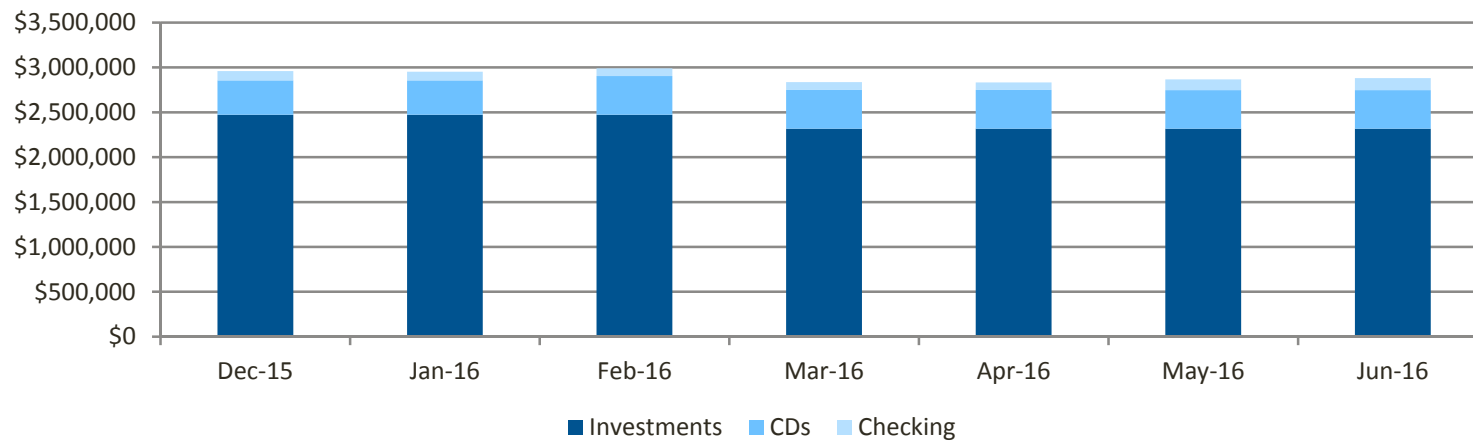
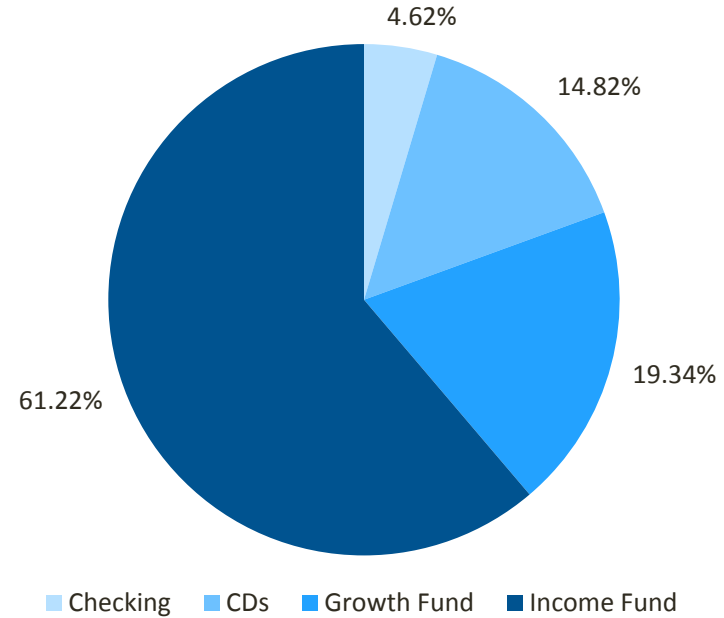
36 Month (1.00%) matures 11/18/2018 45,224.70

Investments **2,337,061.68**

New Covenant Balanced Growth Fund 561,107.69

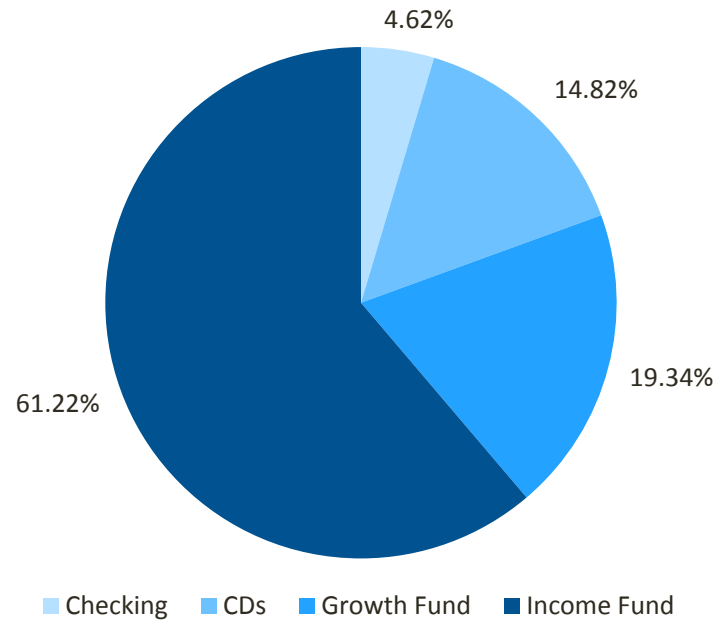
New Covenant Balanced Income Fund 1,775,953.99

Total Funds & Securities **\$2,900,987.19**



Fund Balance Review

<i>As of June 30, 2016</i>		
	Balance	%
Awarded Grants (CDT)	1,070,247.82	36.89
Benevolences	17,670.33	0.61
Committee on Ministry	18,067.92	0.62
Congregational Development Team ⁽¹⁾	67,917.34	2.34
John Knox Center	303,328.85	10.46
Loan Committee	559,633.42	19.29
Other Restricted ⁽²⁾	776,871.38	26.78
Serve Mission Team	27,885.08	0.96
Support Mission Team	33,519.70	1.16
Youth Committee	25,845.35	0.89
Total	\$2,900,987.19	



Long-Term Financial Commitments

		2017	2018	2019	2020	2021	Total
Anticipated Funding Source	Congregational Development Team	120,000	75,000	32,000	9,000	-	236,000
	Total	120,000	75,000	32,000	9,000	-	236,000
Anticipated Expense	John Knox Center	100,000	80,000	60,000	50,000	45,000	335,000
	UTC Campus Ministry	35,000	25,000	15,000	10,000	8,000	93,000
	UTK Campus Ministry	35,000	25,000	15,000	10,000	8,000	93,000
	Serve Mission Team	10,000	7,000	5,000	2,500	2,500	27,000
	Shared Missions	5,000	3,000	2,000	1,500	1,500	13,000
	Youth Committee	10,000	10,000	10,000	10,000	10,000	50,000
	Total	195,000	150,000	107,000	84,000	75,000	611,000
Funding Gap		(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(375,000)
	5%	6%	7%	8%	9%	10%	
NPV	324,700	315,900	307,500	299,400	291,700	284,300	

Notes:
 (1) Net Present Value ("NPV") calculates the additional capital investment needed today at the proposed interest rate to meet the proposed future cash flow needs based on the anticipated funding gap.
 (2) Forward looking financial information does not guarantee the accuracy of such statements; it is simply a mechanism to predict assumptions based on material merit.

Operating Budget Activity

Presbytery of East Tennessee Statement of Activity

	Jan	Feb	Mar	Apr	May	Jun	Q1	Q2	YTD
Income									
General Contributions	25,032.67	17,191.00	42,122.62	47,733.05	21,508.14	71,865.30	84,346.29	141,106.49	225,452.78
Fund Transfer	168,000.00	-	-	-	-	-	168,000.00	-	168,000.00
Retstricted Income	-	-	46.25	-	-	-	46.25	-	46.25
Other Income	-	21,283.50	140.00	1,937.50	56.30	-	21,423.50	1,993.80	23,417.30
Interest Income	2,153.99	-	-	-	-	-	2,153.99	-	2,153.99
Total Income	195,186.66	38,474.50	42,308.87	49,670.55	21,564.44	71,865.30	275,970.03	143,100.29	419,070.32
Expense									
General Presbyter	6,515.16	6,515.16	6,515.16	7,036.44	6,645.48	6,645.48	19,545.48	20,327.40	39,872.88
Stated Clerk	1,042.42	1,042.42	1,042.42	1,042.42	1,042.42	1,042.42	3,127.26	3,127.26	6,254.52
Treasurer	-	-	-	-	-	1,000.00	-	1,000.00	1,000.00
Office Manager	3,337.52	3,337.52	3,337.52	3,604.56	3,404.28	3,404.28	10,012.56	10,413.12	20,425.68
SECA	498.40	498.40	498.40	538.32	508.38	508.38	1,495.20	1,555.08	3,050.28
Payroll Tax	318.81	318.80	318.82	339.24	323.91	400.42	956.43	1,063.57	2,020.00
Payroll Processing Fees	499.60	63.75	272.53	133.57	123.34	129.80	835.88	386.71	1,222.59
BOP Dues	3,676.88	3,676.88	3,676.88	3,676.88	3,676.88	3,676.88	11,030.64	11,030.64	22,061.28
Accounting Services	3,406.33	3,563.82	3,411.17	3,408.73	4,156.76	3,418.38	10,381.32	10,983.87	21,365.19
Staff Development, Travel, Dues	814.15	1,744.18	680.41	1,633.20	764.86	960.20	3,238.74	3,358.26	6,597.00
Telephones	638.63	390.15	390.25	391.53	384.96	143.92	1,419.03	920.41	2,339.44
Insurance	-	-	1,342.98	-	7,966.13	1,351.32	1,342.98	9,317.45	10,660.43
Office Supplies, Technology	698.00	374.86	1,045.60	1,258.38	560.54	496.40	2,118.46	2,315.32	4,433.78
John Knox Center	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	30,000.00	30,000.00	60,000.00
Youth Council/Summit	89.45	15,222.89	324.42	350.00	274.19	78.33	15,636.76	702.52	16,339.28
Outreach									
Morgan Scott	-	-	1,250.01	416.67	416.67	416.67	1,250.01	1,250.01	2,500.02
Newton Center	-	-	1,250.01	416.67	416.67	416.67	1,250.01	1,250.01	2,500.02
Sunset Gap	-	-	1,250.01	416.67	416.67	416.67	1,250.01	1,250.01	2,500.02
UTC	2,083.33	-	11,250.00	3,750.00	3,750.00	3,750.00	13,333.33	11,250.00	24,583.33
UTK	2,083.33	-	11,250.00	3,750.00	3,750.00	3,750.00	13,333.33	11,250.00	24,583.33
CPM	-	150.00	49.50	-	-	-	199.50	-	199.50
GA, Shared Mission	-	-	2,000.01	666.67	666.67	666.67	2,000.01	2,000.01	4,000.02
GA, Per Capita	-	-	19,722.39	6,574.13	6,574.13	6,574.13	19,722.39	19,722.39	39,444.78
Synod, Per Capita	-	-	10,027.41	3,342.47	3,342.47	3,342.47	10,027.41	10,027.41	20,054.82
Total Expense	35,702.01	46,898.83	90,905.90	52,746.55	59,165.41	52,589.49	173,506.74	164,501.45	338,008.19
Net Income	159,484.65	(8,424.33)	(48,597.03)	(3,076.00)	(37,600.97)	19,275.81	102,463.29	(21,401.16)	81,062.13

Notes:

- (1) John Knox Center operations activity is not reflected above.
- (2) Investment related activity is understated. Q2 mark-to-market adjustment and subsequent interest income related to mutual fund investments will be reported as part of July activity.
- (3) Financial information is unaudited and is subject to restatement.