

Report of the Finance Committee

Annual Meeting 24 January 2015

Stf/C Ben Coons, JN, assistant chairman, reported on five areas including the USPS Investment and Century Endowment funds, an update on the overall financial status of USPS, a review of grant revenues and expenditures, an update on the 2014 and 2015 fiscal years, and a recommendation for the auditors for 2015.

Stf/C Coons reported that the investments under the oversight of the Finance Committee are managed by Riazzi Asset Management and totaled \$2,623,414 as of 30 Nov. 2014. These dollars are broken up into two major portfolios.

As of 30 Nov. 2014, the total value in the Century Endowment Fund was \$1,775,155 compared to \$1,550,794 one year ago. Contributions in 2014 totaled \$44,843 and investment earnings totaling \$179,518. In 2014 no investment earnings were used to fund special projects. Sixty percent of these funds are invested in common stocks, 17 percent in dividend-paying preferred stock equities and the balance in other fixed income securities and money market funds. Total earnings and unrealized gains on these invested funds produced a return of 11.6 percent.

As of 30 Nov. 2014, the total value of the USPS investment account was \$848,259, compared to \$820,713 one year ago. Sixty-four percent of these funds are invested in common stocks, 14 percent in preferred stock equities, and the balance in other fixed income securities and money market funds. Total earnings and unrealized gains of \$68,354 resulted in a return of 8.3 percent.

Stf/C Coons explained that grant monies are tracked separately and are not part of the operating budget. In 2014, USPS had \$1,772,361 in open awarded grants, of which \$1,255,043 had been collected. Of that amount, \$1,167,875 of the grant expenses had been paid as of 30 Nov. 2014, leaving an obligation to pay an additional \$604,485. He noted that an additional \$384,527 is due in grant receivables and that \$262,626 had been set aside in a separate grant reserve money market account to cover the balance of the expenses.

Stf/C Coons reported that the 2014 audit would be posted on the website when available.

Stf/C Coons concluded by stating that the Finance Committee recommended that the Governing Board approve the appointment of Williams, Overman, Pierce, LLP, as independent auditors for the fiscal year ended 30 Nov. 2015.

The Governing Board ADOPTED the motion. (2015-AM-4)

R/C Lee Popham, AP, Chairman