

Finance Committee Report to July 14, 2020, Congregation Council

Daryl Ackerman, Finance Chair

Finance Committee has not met since June 2, but has conducted email business in July.

- (1) The budget summary continues to better than expected, considering the Covid-19 shutdown. June membership giving is \$6,000 below budget estimates for the month and \$27,600 below budget estimates for the year to date. June expenditures were lower than budget, and net receipts less expenditures for June were -\$4,871. The year-to-date net receipts less expenditures is \$24,603 (this does not consider the PPP loan proceeds as receipts, but as a liability).
- (2) Contributions to the Capital Appeal in June were \$7,750 (average for the first five months was \$23,300). Expenses were \$18,772, and the balance at the end of June was \$529,955.
- (3) Because outstanding items have not been provided to date for the \$500,000 loan, S&T Bank is asking that we resubmit all the documentation and provide updated financial information. The commitment letter was signed and submitted to S&T Bank on April 10, 2020, and the required remaining items relate to the schedule, contract cost, and cost breakdown for the capital appeal project. The Builder's Risk Policy also remains to be completed. Paul and I are also confirming the conditions for the Fulton Bank line of credit, which may provide an alternative.
- (4) There is a motion approved by Property and Finance Committees for Council: **motion to approve the work to be performed by Houck Services to repair the flat roof (\$9,500) and replace the portico roof (\$17,000) for a total not to exceed \$26,500 with funds from MIRA.**
- (5) The \$191,349 CARES Act Paycheck Protection Program (PPP) loan is deposited in the S&T checking account and shown as a current liability on the Statement of Financial Condition. Allowable expenditures are being paid out of the S&T checking account so that can support an application for loan forgiveness. The revenue and expense reports do not include PPP loan payments at this time. The June 5 change in the PPP loan forgiveness period to 24 weeks should permit Trinity to apply for forgiveness of the total loan amount. The rules for this new law are evolving, and, after a forgiveness application is submitted, it may take up to 5 months for a decision. Paul Hensel is consulting with our accountant on the forgiveness procedures. PPP loan forgiveness will reduce the impact of anticipated deficits in coming months. It is still difficult to estimate the financial impact of limited building opening and limited worship, whenever that may occur. After the "opening" occurs, another look at finances will be needed, or at the end of summer.
- (6) The benevolence portion, \$7,600, of the final distribution of the Jane Hess Estate was distributed as follows: \$2,500 to Trinity's Community Outreach Team, \$2,500 to Trinity's Missions Team, and \$2,600 to the Lower Susquehanna Synod, undesignated "Mission Support."
- (7) By now, you should have received the request to the congregation to financially support the IT/AV equipment purchases approved at the June 9 Council meeting. Contributions are coming in and receipts will replace MIRA funds used to jump-start the project.
- (8) Trinity's financial condition is relatively healthy compared to other churches at this time. While total receipts for June are down about 25% from budget, expenses have been constrained to result in a small deficit. It is important as we "re-open" that expenses continue to be managed by Trinity's teams and committees. As liaisons to these teams and committees, please communicate the need to constrain expenditures, while continuing ministry in this new environment. Thank you!