

Finance Committee Report to January 12, 2021, Congregation Council
Daryl Ackerman, Finance Chair
Finance Committee met January 5 by Zoom

(1) We thank all of you who contributed so generously to Trinity this past year, and especially the year-end giving! For the period January through December, net receipts less expenses were \$7,119. Contributions were 92.5% of budget, and total receipts (including other receipts) were 88.3% of budget. Expenses for the year were impacted by the church closing and limited in-person worship and meetings; expenses were 87.8% of budget. Receipts do not include the PPP loan, which is being treated as a balance sheet liability.

(2) Finance Committee commends staff for its pivot to on-line worship and ministry and wishes to thank them for their positive approach during a difficult and trying year.

(3) The Finance Committee placed the small 2020 net income in the General Operating Fund Reserve (a Designated Fund) to be available if 2021 Membership Envelopes and Other Receipts are lower than budgeted. No changes were made to the 2021 Budget approved by Congregation Council. The budget for Membership Envelopes is \$1.11 million (or 92.5% of the \$1.2 million budget in 2020). Total 2021 budget contributions and other receipts are \$1.26 million (or 88.7% of the \$1.42 million budget in 2020). The 2021 budget is balanced with the one-time use of PPP loan fund proceeds of \$0.12 million, to bring total receipts to \$1.38 million. Total expenditures in the 2021 budget are \$1.38 million, or 97% of 2020 budget expenditures. With the continued rise of Covid cases, vaccine hiccups, continued economic stress, and church in-person gathering uncertainty, it will be a while before we learn what the new normal is.

(4) Contributions to the Capital Appeal in December were \$26,539, with total contributions for the year of \$249,567. Disbursements construction-related expenses in December were \$213,896, with total expenses for the year of \$483,515. The balance at the end of December was \$210,292 (after architect's and contractor's invoices and transferring to Vicar and Synod). The Capital Appeal Team is in the process of looking at the performance of the pledges.

(5) Loan closing for the \$500,000 Capital Appeal project loan with S&T Bank occurred on January 4, 2021. The first construction loan disbursement is expected in February. For the first 9 months, we pay interest only on amounts disbursed, then the loan is amortized at \$10,700.95 per month for 4 years and 3 months (for interest and principal).

(6) The forgiveness application for Trinity's Paycheck Protection Program (PPP) loan is in the hands of S&T Bank for review. If they find the application acceptable, S&T Bank will submit it to the Small Business Administration for its review (SBA has up to 3 months).

(7) Property Committee is coordinating renovation design of 1959 Market Street with the architect and contractor. A portion of the \$20,000 payment from the Synod has been disbursed, but none of the \$240,000 Quasi-Endowment loan has been used to date.

Summary of Jan.-Dec. activities

Finance Committee provides oversight for all congregational finances and manages financial support for Trinity's mission and ministry. As of December 31, 2020, total General Operating Fund receipts were \$1,257,952 which was 88.3% of budget. Disbursements were \$1,250,833 which was 87.8% of budget. For 2020, receipts exceeded expenses by \$7,119. We thank the congregation for its support during this past year. Your generous contributions, along with expense savings by staff and ministry teams, enabled Trinity to end the year with a small positive balance in the General Operating Fund.

On December 8, 2020, Congregation Council approved the 2021 total budget of \$1,379,467, which is approximately 3.2% lower than the budget for 2020. Membership giving to the General Operating

Fund declined by 5.8% in 2020 as compared to 2019, and expenses were 13.5% lower than 2019. Ministries and committees were asked to keep budget requests roughly equal to actual 2020 expenses, and the reduced requested budgets, along with reduced receipts, resulted in a balanced 2021 budget. With so much uncertainty in 2021, it is difficult to tell what the new normal will be.

As of December 31, 2020, the Honor Our Past, Plan Our Future fund balance was \$210,293. Disbursements of \$483,515 occurred for construction, which is continuing. A 5-year, \$500,000 loan was closed on January 4, 2021, with S&T Bank to provide project financing until pledges are received.

The accounting firm of Boyer & Ritter, LLC, performed the 2019 annual review to confirm that statements of cash receipts and disbursements conform to accounting principles, that financial procedures are appropriate, and that financial issues are properly disclosed. The report is available for review in the church office.