

Finance Committee Report to April 13, 2021, Congregation Council
Daryl Ackerman, Finance Chair
Finance Committee met April 6

(1) Based on the first quarter financial statements, Membership Envelopes were \$21,322 over budget – this is due to RMDs and one-time gifts of about \$60,000. RMDs are often received toward the end of the year, and it is not known whether this represents new giving or giving brought forward in the year (due to the current strength of the market). Total income is \$23,986 over budget. Expenses for the first quarter are \$24,290 under budget. This includes A&P at \$11,560 under budget (due to currently unfilled positions) and Property at \$6,959 under budget. Net receipts minus expenses through March 31 were \$48,758, over budget by about \$48,000. Without RMDs and one-time payments, receipts for the first quarter would have been roughly \$12,000 less than expenditures.

(2) Finance Committee was to review first quarter financial results and report to Council any changes in budget due to actual results. With the uncertainty surrounding RMDs and one-time gifts, and with receipts less than expenditures without those RMDs and gifts, Finance has no changes to report to the Council for budget concerns. Finance Committee should again report to Council in June.

(3) On the Statement of Financial Position, as of March 31, total current assets are \$265,468 lower than a year ago. These lower amounts are due to expenditures for the Appeal project and the 1959 Market St. renovation. There is a March 31 liability of \$234,177 for the S&T Bank loan for the main building renovation project. Another roughly \$400,000 will be spent during the next couple of months on Capital Appeal, 1959 Market St., and MIRA.

(4) Contributions to the Capital Appeal in March were \$14,863, with a Capital Appeal fund balance at the end of March of \$142,757. The Appeal Team meets April 12. Through June 30, the estimated expenses for the current project appear to exceed the revenues by close to \$200,000. Please see Bob Frymoyer's report to Council.

(5) A third S&T Bank construction loan disbursement was processed on April 6, which will bring the total loan amount to \$379,038. Nine months is interest only, then the loan is amortized at \$10,700.95 monthly for 4 years, 3 months (interest and principal). We plan to pay down the loan with available appeal funds after the project is completed and at that time request a reamortization of the loan, to lower the monthly payment.

(6) The Capital Appeal project budget balances at \$1,175,000 (as approved by the congregation) with \$1,026,300 design-build (phase 1 \$133,776, phase 2 \$892,524), \$79,657 Architectural/engineering (\$70,858 spent through March 11), \$24,043 furniture, and \$45,000 construction loan interest (includes \$417 for boxes to pack for renovation, \$1,790 Builders Risk insurance).

(7) The second construction invoice was received for 1959 Market Street. The total contract sum is \$263,291 (design \$12,400, construction \$250,891), and the expenditure to date is \$60,021 (includes \$12,400 for design). The funding is \$245,000 from the Quasi-endowment Fund and the \$20,000 Synod contribution.

(8) The March 31 MIRA account balance is \$59,101, of which about \$48,000 is not allocated to a project. Finance approved funding for two projects requested by Property: relining and sealing the parking lot at \$12,000 and exterior repainting at \$25,000. Both are not-to-exceed costs resulting from multiple quotes. Property has also revisited its list of future projects with a cost of \$325,000 and items in the Nave (for Phase II of the Appeal) with a cost of \$170,000. There is a continuing need for MIRA funds.

(9) Trinity's financial stability criteria and the current status are: Operating Reserves (Quasi-Endowment) – 25% of operating budget, or about \$345,000; currently \$24,000 (\$222,000 less \$205,000 remaining on 1959 Market St. contract and 7,000 in General Operating Reserve). MIRA – 10% of operating budget, or about \$138,000; currently \$11,000 (unallocated \$48,000 less two Property items April 6 at \$37,000). Membership Envelopes – increasing 2% per year; for the year 2020 vs. 2019, it decreased by 3%; for the quarter ending March 31, 2021 vs. 2020, it increased 7.7%. Endowment – equal to operating budget, or about \$1,380,000; as of March 31, about \$1,040,000. Debt - should be short-term within the ability of the church to repay through a capital campaign; it does not appear that the capital campaign will be able to repay the entire 5-year loan.

(10) The Finance Committee will be drafting an investment policy, desiring to move investments from CDs and money market accounts to other investment possibilities that are quickly accessible.