

## Finance Report to September 13 Congregation Council

(1) Finance Committee met on September 6.

(2) In financial statements for August, the budget summary shows net receipts less expenses for the month of -\$45,265 (budget was -\$50,851). Membership Envelopes for the month are under budget (by \$6,200). Total Receipts for the year to date are \$916,800 (which includes the \$19,644 balance carried forward from 2021). Total Expenses year to date are \$967,100. The net receipts less expenses for the year to date are -\$50,300 (but versus a budget of -\$94,900). Summer is typically a "slow" period for contributions, and may be better for Trinity due to a high proportion of regular electronic giving.

(3) Salaries and Benefits were under budget by \$22,200 for the year-to-date, and Faith Formation is under budget by \$24,000 year-to-date. Worship is over budget for the year-to-date (due to a continuation of individual worship elements), but this is offset by contributions (Expense Reimbursements) for worship elements.

(4) Membership Envelopes are 1.4% lower than the budget through August 31 of this year. The year-end Membership Envelopes are estimated to be \$1,159,800 (or \$10,800 under budget). Estimating all other receipts, the year-end total receipts would be an estimated \$1,506,100. However, this year's budget contains \$120,800 (reserved from 2021 from the PPP loan program, which was for salaries, benefits, and utilities in 2020) as a one-time receipt (budgeted for December), leaving estimated actual receipts for 2022 at \$1,385,300. Considering that 2022 expenses are near budget, the year-end expense budget is nearly \$1,506,000. Inflationary increases and mission and ministry expansion appear likely to increase the expense budget by 9 to 14 percent in 2023, so the outlook at this time for 2023 becomes one of a potential shortfall of about \$150,000 to \$250,000. This means there is a need for either increased giving and receipts from other sources, or significant reductions in 2023 expenses may be needed to balance the 2023 budget.

(5) The Honor Our Past, Plan Our Future (Capital Appeal) balance as of August 31 was \$12,040. On September 1, the loan payment and an extra principal payment was made, and the balance in the S&T Bank loan is now just under \$72,000.

(6) The Quasi-Endowment balance as of August 31 is \$52,238.

(7) The MIRA balance at the end of August was \$30,154.

(8) Finance approved a **motion to accept the auditor's financial review for the year ending December 31, 2021**. This is now a motion from Finance for approval by Council.

(9) In August, the Finance Committee received a report from the auditor In addition to the annual review, Boyer & Ritter reviewed at the request of the Finance chair our internal controls and provided recommendations for improvement. Their recommendations have been responded to and incorporated into Trinity's normal operations. As part of that response, an expense policy, credit card policy, and procedures for checks and payroll were developed. These policies and procedures were adopted by the Finance Committee to satisfy internal control recommendations, knowing that as we use them there may be modifications.

(10) It's budget time again. The Finance Committee directed its chair to send a letter to Trinity's teams and committees for the 2023 budget preparation. That letter will indicate that they should prepare their budgets to further Trinity's mission and ministry goals without restrictions. And a big Thank You in advance to our 2023 budget subcommittee: Meredith Askey, Kathryn Melear, and Bob Frymoyer.

(11) Finance Committee welcomed David Holste as the new Director of Finance. David has been at Trinity 3 weeks and is coming up to speed quickly. He is also coming at it from a business perspective, and we're looking forward to his suggestions. Welcome!