

Finance Chair Report to Congregation Council for January 2023

- (1) In the January financial statements, the Statement of General Fund Receipts and Expenses shows net receipts less expenses for the month of \$83,448 (budget was \$75,527). However, the 1959 Market Street rent (+\$3,000) and the Portico benefit payment (-\$26,000) do not appear on the statement (will be on the February statement), so the net income in January is more like \$60,000. For January, Membership Envelopes are under budget by \$23,413, which may result from optimism in budgeting the receipt of RMDs (QCDs) in January (instead of February) and in delays by contributors in updating their e-giving to match their pledge.
- (2) The receipts include the Balance Carried Forward of \$25,000 (from 2022 net income) and the transfers in from Designated Funds (Operating Reserve and Men of Trinity) of \$14,624. The remaining 2022 net income is in Designated Fund #610, General Operating Reserve, which with the 4th quarter ELCA Investment Fund distribution totals \$41,787.
- (3) The S&T Bank loan was paid off in January, and \$36,539.86 of the debt remains to be paid. This is shown on Designated Fund #425 as a negative amount. Continued Capital Appeal contributions will be applied to Fund #425. In accordance with Finance Committee action at the January meeting, money that is received after Fund #425 is paid back will be directed to the Quasi-endowment fund to repay back the \$200,000 that was used for capital improvements, including the parking lot and steeple. This is an intentional action to pay down that debt and restore the Quasi-Endowment Fund, which acts as Trinity's operating reserve.
- (4) The Quasi-Endowment balance as of January 31 is \$61,486.
- (5) The MIRA balance at the end of January was \$26,844.
- (6) At its February 7 meeting, the Finance Committee discussed Item 5 of the Strategic Plan. The first part, a 2-year budget, seemed not advisable, with the uneasiness of the financial environment. Instead, A&P and Property (and others as appropriate) will consider and forecast two years out to identify key changes in budget. The committee discussed the second part, congregational approval of the budget, and stressed instead the collaboration between Give, Serve, Lead, Finance, A&P, and Property that occurred in Fall 2022 and identified that as a model for future budget development. The third part, strengthen and refine alignment among staff/teams and committees and with the budget, was more intentional in Fall 2022 and provided a better way of forecasting and budgeting. The fourth part, timetable and plan, will be done by Give, Serve, Lead and Finance chairs with Pastor Horner. For the fifth part, increasing membership giving by 3% per year, it was noted that General Fund Contributions increased by 3.5% in 2022 (from 2021) and that the goal should be reexamined in that A&P and Property drive the budget and are likely to experience higher increases. The sixth part, identify changes to policy and constitution to implement the strategic plan, will continue with the review of Constitution and By-Laws, possibly transferring this activity to the Secretary of the Synod.
- (7) Action was approved to redeem two CDs (at 1.24%, \$20,000 and \$6,241) to reinvest in S&T Bank for less than two years at a current interest rate of 4.25%.
- (8) The committee discussed directing the 2022 distribution from the Endowment Fund. More information is needed before action is taken. The motion was tabled until the March meeting.
- (9) Trinity has received the Alan Bowman non-restricted bequest of \$20,000. The committee acted to use \$14,000 to fund the bequest line item provided for in the 2023 operating budget, and to direct the remaining \$6,000 to MIRA. This is recommended to Council for approval.