

Annual Meeting: 2019 Treasurer's Report and Financial Review

Overall Summary

Holy Communion had a very eventful 2019 financially, with growing operations and the "Next 150" Capital Campaign. We have a lot to feel good about in this year of change, but will need to work hard to ensure that our growth is sustainable in the coming years. In 2019 our expenses exceeded our revenue by \$24k (3%), \$27k behind our budget for the year. This deficit was mostly a result of additional, unbudgeted payments on the White Fund Loan made to the Diocese from our prior Capital Campaign, as we awaited refinancing for our 2019 "Next 150 Years" Capital campaign.

Here are some highlights of our 2019 financial year.

- 1) **Member Giving** – Our membership and giving continues to increase year over year, though at a slower rate than recent years. Total Member giving reaching \$293k, \$10k (3%) higher than in 2018. This reflects only giving for our Operating Budget. Details on our Capital campaign can be seen below.
- 2) **Space Use** – We continue to benefit from our symbiotic space sharing relationships with non-profits who are serving our community. We continue working with The Community Music School and Women's Voices organizations who are both renting space from us in our Church building. In August 2019, we started a new partnership with St. Patrick Center, who houses homeless families in our property at 7400 Gannon. Together these three organizations contributed \$29k to Holy Communion through their rents and brought dozens of non-parishioners through our doors.
- 3) **Expanding the Team** – The Vestry chose that 2019 would start a multi-year investment to reach out to communities who have been underserved by churches in the past. Midway through 2019, we added Laurie Anzilotti to the HC team as an Assistant Rector. She is focused on setting up a Liturgy for people with different abilities which will potentially extend Holy Communion's community well beyond the familiar faces we see in the pews today. Hiring talented driven individuals increases the ability to impact the community, but also increases our base expenses.

Financial Strength (Balance Sheet):

1. **Cash position** - Total available cash stood at \$650k at the close of 2019, of which \$489k is set aside for the "Next 150 Capital Campaign."
2. **White Fund Loan** - Our largest liability, the loan from the Diocese for the 2013 and 2019 Capital campaigns, currently stands at \$670k, at a 1.4% interest rate amortized over 10 years with a balloon payment of \$120k paid in July 2029.
3. **Financial Review** - In the summer of 2019, outside accounting Firm, Schmersahl Treloar & Co., completed a financial review of our 2018 financial records and statements and found them to be in order and that our reporting is sound.

Result of Operations (Income Statement):

1. Our deficit of \$24k in 2019 (using a cash based view) was driven by 1) an additional unbudgeted \$15k in principal and interest payments on our White Fund loans while we awaited the refinancing of our Loan for the "Next 150" Capital Campaign, and 2) \$6k in maintenance (new windows) at the Gannon House that we had not budgeted for.
2. 2019 Revenues totaled \$636k, \$5k (1%) less than 2018, due to the completion of our transfers from our Prior Capital Campaign.

- 2019 Expenses (Cash Flow View) for combined to \$661k, \$39k (6%) more than 2018 and 4% more than budgeted. Again, additional unbudgeted Loan payments, and additional Clergy/Staff expenses were a heavy contributors here. While our expenses were up, our outstanding liability is lower than we had anticipated as a result.

Capital campaign

- Our “Next 150 Capital Campaign” received pledges for \$930k and has already received \$599k in the first of three years of giving.
- Final payments to contractors will be completed in early 2020.
- Our refinanced White Loan Loan’s Principle in December 2019 was \$670k, at a \$1.4% interest rate amortized over 10 years with a balloon payment of \$120k paid in July 2029.

Next 150 Years Capital campaign Current position as of 12/31/2020

Income

Gifts Received	598,874
New Boiler Income - Robert Fund	50,000
New Organ - Diocesan Loan	221,780
Construction Loan Reimbursements	335,695
Total	<u>1,206,348</u>

Expenses

Church	10,948
Vandersall	28,398
Organ	110,900
New Boiler	2,206
Architect	31,700
Construction	532,830
Total	<u>716,982</u>

Net Income: 489,366

Brian Barnhart, Treasurer 1/23/2020