SOME GOOD NEWS IN A DIFFICULT YEAR
Financial Summary - Third Quarter 2018
Bing Sherrill

We knew 2018 would be a difficult financial year for Trinity. Two of our tenants, GBAUHN and Curley Associates had left in 2017, reducing our monthly rents by $6,000.

Our treasurer, Alison Mueller, our accountant, Lisa Massura, the Vestry, and Matt had a challenge to construct a 2018 budget without knowing when or whether the space would be re-leased.

In an unexpected event this year, a third tenant, Buffalo Urban League, had a major reduction in activity and had to move to a smaller space. As a result, our rental income dropped further! A difficult situation became even more complex. The $38,699 planned loss for the year, was based upon our best guess of what would happen with 370 Franklin. With the delayed sale of 370 Franklin and the loss of BUL, the actual loss will be twice the plan. Although this financial set back was caused by external forces beyond our control, we will need to take a number of actions over the next two years to recuperate.

Following those distressing financial events, I can report the positive news that during the first nine months of 2018, we tracking our budget fairly well. Here are multiple September 30th financial reports boiled down to two pages

1. **Cash coverage of Payroll**:
   Do we have too little or too much cash?

Cash / Annual Personnel Budget/12 = $35,495 / $25,583 = 139% We want this equal to or slightly above 100%

This is a terrific improvement, indicating an effective use of our cash.

2. **Offerings: Actual vs Budget**
   Are our offerings coming in as planned?

Actual / Budget [seasonally adjusted To match last year] = $157,009 / $163,240 = 98% We want this to be above 100%

Our Offerings for January thru June are keeping up proportionally with last year. On average for the whole year, we need $25,666 per month, as usual, we are well behind that rate.
However, December is the catchup month. That is why we need a line of credit, to keep us afloat until all the offerings come in at the end of the year.

3. **Expenses, not including Personnel: Actual vs Budget**:
   Are our expenses running as planned?

$$\frac{\text{Actual}}{\text{Budget}} = \frac{\$186{,}109}{\$200{,}564} = 93\%$$ We want this to be below 100%

Excellent actual results.

4. **Coverage of Restricted Funds:**
   Can we cover our obligations to our donors?

$$\frac{\text{Current Assets [\$50,501] + Investments [\$551,746]- less loans [\$104,590 and \$19,579]}}{\text{Permanently Restricted [\$677,405] + Temporarily Restricted [\$200,588]}} =$$

$$\frac{\$726{,}416}{\$877{,}987} = 83\%$$ We want this to be above 100%

At the end of September, we were still not covering our obligations, but there is solid progress. With the sale of 370 Franklin, in October, we returned to full coverage of our restricted funds obligations.

In summary, our offerings are in line with the expected seasonal pattern.
Our year to date expenses are well controlled and under the budget.
Our coverage of our obligations to donors is still too low, but will recover completely before the end of the year.

With the sale of 370 Franklin, our endowment income will increase, but not sufficiently to cover the reduction in our stream of rental income. Over the next two years, we must find ways to increase monthly revenues approximately $2,000/per month. In the next few weeks, we will have a brain-storming discussion to begin work. Please join us.