

# **ANNUAL FINANCIAL MEETING**

**MARCH 26, 2020**

**FINANCIAL REPORTS 2019**

**AND**

**PROPOSED BUDGET FOR 2020**



**FIRST CHURCH CONGREGATIONAL  
UNITED CHURCH OF CHRIST  
148 BEACH ROAD  
FAIRFIELD, CT 06824**

**FIRST CHURCH CONGREGATIONAL, UCC  
Fairfield, CT  
Annual Financial Meeting  
March 26, 2020**

**Agenda**

Call to Order

*Casey Mulqueen*

Invocation

Approval of Minutes of All Church Meeting from February 26, 2019

Memorial Prayer

Receive and Accept 2019 Reports

- Clerk
- Finance Board Review of 2019
- Investment
- The Store
- Audit
- Treasurer's Report
- Annual Giving for 2020

*Cheri Evan*

*Eric Treschuk*

*Jim Meisner*

*Amy Watson*

*Tim Clark*

*Jacque Paige*

*Maria A. Ferrante*

Receive and Act Upon

- Proposed 2020 Operating Budget

*Craig Way*

**OTHER BUSINESS**

**BENEDICTION**

**ADJOURNMENT**

*Casey Mulqueen*

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**FIRST CHURCH CONGREGATIONAL, UCC  
Fairfield, Connecticut**

**MINUTES OF ANNUAL FINANCIAL MEETING**

February 26, 2019

**The Meeting was Call to Order at 7:32 pm** by Moderator Casey Mulqueen.

**A Prayer of Invocation** was offered by Reverend Vern Swett.

Quorum of 50 was reached.

**The Minutes** of the All Church Meeting on February 27, 2018 were **Accepted** and unanimously approved.

The Reverend David Spollett **offered a Memorial Prayer**. Jean Harrison is missing from the list on page 3 and will be added. David gave an overview of 2018.

**2018 Annual Reports**

- **Church Clerk's Report**

Presented by David Spollett.

**VOTE:** Accepted and unanimously approved

- **Treasurer's Report for 2018**

Jacque Paige gave remarks and highlights.

**VOTE:** Accepted and unanimously approved.

- **Finance Board Report for 2018**

Paul Kelly gave remarks and highlights from report.

**VOTE:** Accepted and unanimously approved.

- **Investment Committee Report for 2018**

Jacque Paige remarked on highlights from the report.

**VOTE:** Accepted. Note – one date change to be corrected from 2015 to 2017; unanimously approved.

- **Audit Committee Report for 2018**

Tim Clark remarked on highlights of the Report.

**VOTE:** Accepted and unanimously approved.

- **Report of The Store for 2018**

Amy Watson remarked on highlights of the Report.

**VOTE:** Accepted and unanimously approved

- **Annual Giving Report for 2019**

April Obermeyer remarked on highlights from the Report and Maria Ferrante gave an update on current total pledges.

**VOTE:** Accepted and unanimously approved

- **Action on Proposed Budget for 2019**

Craig Way presented and explained the Proposed Budget and answered questions.

**VOTE:** Accepted and unanimously approved.

- **Action on Proposed Strategic Pathways**

David Spollett gave Introductory Remarks and introduced Debby Dwyer (Invite, Love and Bless All), Charlotte Dyslin (Work for Racial Justice) and Nikki Kenney (Welcome the Stranger). Each presented their respective Working Groups.

**VOTE:** Accepted and unanimously approved.

## **Other Business**

Casey asked if there is other business to come before the meeting. Reverend Paul Jacobson mentioned music recitals during Lent will coincide with the Sanctuary Café which will open immediately following. David Spollett gave a pitch for Fat Tuesday which is next week.

Vanessa Rose gave the **Benediction**.

Casey declared the Meeting **Adjourned** at 8:59 pm.

Respectfully submitted by Patty Bilotto, Clerk

# Church Clerk's Report 2019

Membership as of  
December 31, 2018 636

Members Added to the Active List:

Reaffirmation of Faith	15
No Confirmation this year	<u>0</u>
<b>Total</b>	<b>15</b>

Members Removed from Active List:

Deaths	8
Letters of Transfer	1
By Own Request	0
Moved to Inactive List	<u>0</u>
	<b>9</b>

Membership as of  
December 31, 2019 642

Number of Baptisms: 8

Number of Marriages 7

**Deaths**

3/1	Ed Morrison
4/28	Robert Koch
5/24	Judith Brown
10/24	Giselle Hauser
11/28	Paul Parfitt
11/29	Emma Cathcart
12/7	David Jackson
12/23	Edith Verdier

**Baptisms**

3/17	Elle Carter Colonna
4/28	Leo Alexander Walker Benjamin Richard Tanner
6/16	Henry Thomas Florio
11/10	Curtis Robert Magness



12/8 Ryder Joseph Kersten  
 12/12 Sierra Candace Smith  
 12/15 Caroline Gray Breslin

**Weddings:**

2/23 Adrienne Sanna & Travis Bunnell  
 Sharil Ortiz and Melissa Perez  
 6/8 Richard Miller and Elizabeth Browne  
 9/3 Sarah Fiore and Samantha Salato  
 9/28 Amanda Lea and Nicholas Stonecipher  
 10/5 Ashley Crape and Anthony Epps  
 10/12 Theodore Layton and Chole Meunier

**New Members:**

02/24/2019	Letsch, Kevin	533 Black Rock Turnpike	Fairfield	(203) 521-5364
02/24/2019	Wieder, Meredith & *Dan	153 Brookfield Ave.	Fairfield	(203) 246-7573
02/24/2019	Tanner, Richard & Kerri	146 Hanford Dr.	Fairfield	(203) 520-3882
05/19/2019	Zilinyi, Cheryl	2200 N Benson Rd	Fairfield	(203) 256-0462
05/19/2019	Coulthirst, Lisa	1655 Post Rd., Apt 402	Westport	(203) 993-3802
05/19/2019	Perez-Ortiz, Melissa & Ortiz, Shari	450 Wilson Street	Waterbury	(203) 933-2755
05/19/2019	Velez, Michelle & Ken	49 Prince Street	Fairfield	(203) 722-5783
05/19/2019	Welchman, Dave	2625 Park Ave.	Bridgeport	
10/20/2019	Lee, Jonathan B. & Fidler, Bridget	16 Milford Point Road	Milford	(860) 878-2833
10/20/2019	Smoley, Karrin & Hillmann, Frank	332 Parkwood	Fairfield	(203) 504-2182
10/20/2019	Hodzic, Gordana	189 Reed Street	Stratford	(203) 228-1435

**Transfers**

Rev. Suzanne Wagner                      First United Church, Milford CT

Respectful submitted,  
 Cheri A. Evan  
 Minister of Congregational Life

**Treasurer's Report  
Year Ended December 31, 2019**

Our Church is financially healthy due to the gifts and pledges of our members, and is continuing to work toward balancing expenses across our buildings, human resources, programs and outreach.

**For 2019 income exceeded expenses by \$6,631.94!**

Income exceeded budget by \$21K due to greater receipts from The Store than budgeted at \$33K. This was offset by \$10K less in 2020 pledge prepayments. Expenses were \$14K higher than budgeted predominantly due to planned use of last year's surplus in church innovation of \$10K and higher than expected gas expense of \$5K.

**We are presenting a 2020 budget with a loss of \$55,753.**

UCC guidelines advise churches with membership rolls of 600 to have 1.5 to 2.0 pastors. This budget reflects a plan to reduce FCC staffing to that range providing for increased funding for programming and outreach. This process of personnel change has been a challenging one for our Personnel Committee, Church Council and Congregation. Our feedback forums affirmed we are a loving community, and, as such, we extended a much more supportive severance package to Vern. The Personnel Board is beginning the process of formalizing a new youth ministry position that will work with our existing lay leadership team that already provides for our grade school and middle schoolers.

**Long Term Assets and Liabilities**

We realized \$369K of gains in our endowment for 2019. This brings our entire endowment balance to \$1.8M which is right in non-profit guidelines of 2x the annual budget and much healthier than last year's balance of \$1.5M. We were still able to withdraw 4.5% of our unrestricted funds to contribute to the annual budget as well as almost \$8K for maintenance items at Sunnieholme parsonage. Our only long term liability continues to be our mortgage on 636 Old Post Road with a balance of \$365,248.97 as of 2/11/20 and a fixed interest rate of 4.35%.

**Checking and Money Market Accounts**

As much as possible we are trying not to use funds and have all monies pass through the income and expense statement. Since we utilize cash accounting when funds have ongoing balances we can't completely reflect all activity on the income and expense statement. Note the \* next to the 2019 expense column. These amounts could be characterized as additional outreach of \$16,975, bringing our outreach share of total expenses to 10.9% or \$98,839.

**Bequests and Gifts**

Thank you to everyone who remembers First Church with a legacy gift. The 2015 **Bromer Kearney Gift** was used in 2019 to pay for the Capital Needs Assessment and to buy a new compressor. A portion of the Capital Needs Assessment will be repaid with a grant from the State of Connecticut. The 2019 **Corey Franzen Gift** has been designated for use repairing and making the Bell Tower safe. We gratefully received \$11,470 from the **Dewitt Bequest** in 2019 and the **Wiehl Bequest** of \$77,800 in 2018. Neither of these bequests have been designated yet for a specific use.

Thank you to our wonderful business manager, Maria Ferrante. Our engaged and insightful Finance Board, Eric Treschuk, Craig Way and Jim Meisner, are always a pleasure to work with. Tim Clark, our reconciler and lay auditor, continues to be a great resource and guide. Thank you to Eric Treschuk for agreeing to Chair the Finance Board.

Respectfully submitted, Jacque Paige, Treasurer

First Church Congregational Republic Invested Funds	First	12/31/18 Balance	2019 Additions & (Withdrawals)	(4)	Allocation of 2019 Gain/(Loss) & Expenses	12/31/19 Balance
<b>Unrestricted Funds</b>		\$873,056	(\$38,172)	(1)	\$207,356.95	\$1,042,241
<b>Restricted Funds:</b>						
Betts Kippen Fund for the relief of the poor		\$62,169			\$15,440.78	\$77,610
Church School		\$40,530			\$10,066.28	\$50,596
Parsonage Fund		\$101,339	(\$7,774)	(2)	\$23,238.38	\$116,803
Stevens Scholarship		\$19,740			\$4,902.85	\$24,643
<b>Total Restricted Funds</b>		\$223,779			\$53,648	\$269,653
<b>Total Restricted and Unrestricted Funds</b>		\$1,096,835			\$261,005	\$1,311,894
<b>Maintenance Funds:</b>						
Bulkeley Fund		\$365,850			\$90,864.77	\$456,715
Bequest Fund		\$10,666			\$2,649.07	\$13,315
Burr Organ Fund		\$57,916			\$14,384.38	\$72,300
Rowland Cemetery		\$3,230			\$802.22	\$4,032
<b>Total Maintenance Funds</b>		\$437,662			\$108,700	\$546,362
<b>Total of All Funds</b>		\$1,534,497	(\$45,946)	(3)	\$369,706	\$1,858,256

(1) Annual withdrawal of 4.5% of 5 year average of unrestricted funds

(2) Expenditures for Sunnieholme furnace/AC (\$6730) and new washing machine (\$1044)

(3) Investment gains of \$379,771.69 less management fees of \$10,066.01

(4) The allocation of investment gains, losses and expenses are weighted by year-end fund balances.

Surplus/(Loss)	
2019	\$ 6,632.00
2018	\$ 33,664.94
2017	\$ 26,925.05
2016	\$ 66,255.52
2015	\$ 974.33
2014	\$ (41,449.50)
2013	\$ (35,010.43)
2012	\$ (12,115.14)
2011	\$ 9,402.46
2010	\$ (32,616.40)
2009	\$ (16,576.24)
2008	\$ (35,127.49)
<b>Sum of 2008 through 2019</b>	<b>\$ (29,040.90)</b>

Surplus allocated back to the operating fund to "payback" the \$160,000 line of credit that was paid off from temporarily available funds in January of 2016. (\$50,000 of 2016 surplus was used to pay back existing liability for Memorial Garden.) Total "paid back" so far is \$84,451.84.

Fairfield County Bank Checking and Money Market Accounts	as of 12/31/18	2019 Income	2019 Expense	as of 12/31/19	Explanation
Bromer-Kearney Gift	\$76,926		\$49,950	\$26,976	Building Survey and Compressor for Bell Tower
Corey Franzen Bequest		\$15,000		\$15,000	2019 Bequest, designated for Bell Tower
Dewitt Memorial Bequest		\$11,470		\$11,470	2019 Bequest, as yet undesignated
Wiehl Memorial Fund	\$77,800			\$77,800	2018 bequest, as yet undesignated
<b>Total Bequests/Gifts</b>	<b>\$154,726</b>			<b>\$131,246</b>	
Capital Campaign Seed Fund		\$4,992		\$4,992	From The Store 2019 surplus
Chapel Renovation		\$1,850		\$1,850	Designated gift in 2019
Clark Hurlburt Memorial Scholarship	\$9,985			\$9,985	Memorial Designated for Work Camp
Casey's Place	\$4,769	\$2,875	\$3,036	\$4,508	Special Needs Youth Group
Church Council Innovation Fund	\$30,000	\$12,520	\$26,277	\$16,243	Footnote 1
Core Organ Maintenance Fund	\$4,023			\$4,023	Memorial for Organ Maintenance
Covenant to Care	\$2,587	\$250	\$378	\$2,460	To Support Social Worker and clients
Deacon's Fund	\$6,826	\$4,720	\$9,986	\$1,560	Pastor Emergency Fund for needy
Music Fund	\$23,263			\$23,263	
Music Concerts Fund	\$4,536	\$1,729	\$1,058	\$5,207	
Passthrough Fund	\$750		\$750	\$0	
Remembrance Fund	\$5,259			\$5,259	General gifts in memory of those passed away
Sanctuary Café Fund	\$636	\$2,806	\$2,176	\$1,266	
Steven's Scholarship Fund	\$1,621	\$400		\$2,021	Memorial to support church members pursuing ministry
The Store	\$82,509		\$25,200	\$57,309	Footnote 2
Tiffany Windows		\$11	\$0	\$11	
Trupp Memorial Fund	\$979			\$979	Memorial to maintain bball court
SHF Workcamp Fund	\$122	\$8,719	\$6,350	\$2,492	
Silver Lake Scholarship Fund	\$1,202			\$1,202	For church members to attend Silver Lake
Website Social Media Fund		\$7,500	\$2,506	\$4,994	
Cash	(\$1,958)			(\$10,032)	
<b>Total Checking/Money Market</b>	<b>\$331,835</b>			<b>\$270,939</b>	
Pastor's Equity	\$263,373	\$9,000		\$272,373	

\* **Additional Outreach of \$16,975**

Footnote 1, Church Council Innovation	Income	Expense
AA Donations	\$1,300	\$7,500
Boy Scouts Donation	\$500	\$13,598
2019 Surplus	\$10,000	\$527
Wakeman Hall		\$2,575
AA Hallway		\$500
Banners		\$500
Welcome Stranger		\$25,200
Welcome All		
Racial Justice		
	\$11,800	

Footnote 2, The Store	Income	Expense
Website/Social Media		\$7,500
Handicapped Bathroom in Jones Wing		\$13,598
TV, DVD, Stand		\$527
Operation Hope Benefit		\$2,575
UCC Hurricane Dorian Fund		\$500
Church Wider Services Refugee Fund		\$500

Finance Board Report  
Income and Expense Actuals  
Year Ending December 31, 2019

**Overall Results & Comparison to 2018 Actuals**

The operating performance for 2019 resulted in a net surplus of \$6,632. The approved budget for 2019 envisioned break-even performance and incorporated a 1.1% decrease in revenue and 2.8% increase in expense relative to the 2018 actuals. When comparing the 2019 actual performance vs. the 2018 actuals, revenue increased 1.3% and expense increased 4.5%, resulting in the small surplus.

**Comparison of 2019 Actual Income to 2019 Budget Income**

Total income was higher than budget by \$21K or +2.4%. This positive variance was comprised primarily of an increase of revenue from The Store of \$34K (+28%) and from interest income of \$4K (+10%). This increase was partially offset by a decrease in pledges of \$10K (-2.0%) and offerings of \$5K (-17%).

The decrease in pledges was primarily driven by a reduction in pledges prepaid for future (i.e. 2020 pledges paid in 2019), which declined \$9K (-28%). Note that the budgeted amount of \$33K for prepaid pledges was set approximately equal to the actual prepaids received in 2018.

While the dollar amounts were smaller, there was significant change within the offerings which resulted in the aforementioned \$5K decrease compared to budget. Our Christmas Appeal was highly successful (+\$3K, +182%) but our 1<sup>st</sup> Sunday Deacon's Fund Loose Plate (-\$4K, -51%) and 3<sup>rd</sup> Sunday Minutes for Missions (-\$3K, -23%) both declined significantly. In all these cases, the 2019 budget had been set approximately equal to the 2018 actuals. However, the fluctuations for these accounts have no impact on the overall income statement. They are "breakeven" accounts with the actual expenses set equal to the actual income.

**Comparison of 2019 Actual Expense to 2019 Budget Expense**

Total expense was higher than budget by \$15K or 1.7%. This increase was primarily driven by an unbudgeted Church Council Innovations expense of \$10K, which was funded from the previous year's surplus. Facilities expense exceeded budget by \$14K or 7.5% and was up in all major sub-categories of Utilities (+\$6K, +12%), Maintenance (+\$3K, +4%), Property Insurance (+\$2K, +8%) and Parsonages (+\$2K, +10%).

Most other expenses were lower than budget:

- Christian Education (-\$3K, -17%), driven by no spending on Middle School Work Camp
- Human Resources (-\$3K, -0.6%), driven by lower than budgeted insurance expenses
- Worship (-\$2K, -46%), driven by lower-than-planned spending in almost all sub-categories

**Summary**

The Finance Board voted to recommend to the Church Council that the \$6,632 surplus be retained in the Operating Fund. This recommendation was approved.

We would like to thank our current members – Jacque Paige, Craig Way, and Jim Meisner – for their contributions. New members are welcome. We would like to recognize the valuable leadership, insight and guidance of Jacque as immediate past Chair of the Finance Board and give special thanks to Maria Ferrante and the other dedicated people who serve to administer the council.

Respectfully Submitted,

Eric Treschuk, Chair of the Finance Board

## **First Church Investment Committee Report for 2018**

2019 was a strong year for the US equity market, with the S&P 500 gaining 31.5% including dividends. Smaller cap equities underperformed, with the Russell 2000 Index gaining 25.5%. Developed market equities outside the US also underperformed, with the MSCI EAFE Index gaining 22.8%, and the MSCI Emerging Market Index gained only 18.8%. US investment grade bonds were also strong, with the Bloomberg Barclays US Aggregate Bond Index returning 8.7%, while high yield bonds did even better, with the Bloomberg Barclays US High Yield Index gaining 14.3%.

At year end the First Church endowment had about 81% allocated to US stocks, 14% to cash and US bonds, and 5% to "alternatives" (including REITs, MLPs and an option selling fund). For the full year the fund had a gain of \$380,000, or 24.8%.

As we all know, stocks have plummeted so far in 2020 due to the COVID-19 pandemic. As of the end of February, the Fund had given back about half of the 2019 gains and March is off to a rocky start. While it is impossible to predict the length and depth of the selloff, governments and central banks are now taking aggressive actions that hopefully will stabilize the market and eventually lead to a recovery.

The starting value of the endowment fund for 2019 was \$1,534,000 (rounded to the nearest \$1000). \$46,000 in withdrawals were made and management fees totaled \$10,000. Dividends and interest amounted to \$40,000 and capital gains totaled \$340,000, resulting in an ending value of \$1,858,000, an increase of \$324,000.

The Finance Board oversees the Church's endowment. As in past years we have decided to stick with an approximate 75% allocation to equities, but this climbed to 81% in 2019 on the strong performance of the stock market. Given our objective of long-term growth and inflation protection, we consider the current emphasis on US large cap dividend paying stocks to be appropriate. We will continue to review the overall portfolio composition in light of market developments and the needs of the church. The day-to-day management of the fund is delegated to our investment manager Denis Toner at First Republic Private Wealth Management in New York City. We consider the investment management fee of 0.6% to be competitive. All investments are held in a Schwab brokerage account and the manager does not participate in any brokerage fees.

Sincerely,

James Meisner  
Member of the Finance Board

(A year-end snapshot of the portfolio follows on the next page.)

**First Church Congregational Endowment Fund Holdings  
As of December 31, 2019**

	Market Value (\$000)	Percent Of Assets	Est. Current Yield	Est. Annual Income
<b>CASH</b>	<b>23.6</b>	<b>1.3%</b>	<b>1.00%</b>	<b>236</b>
<b>FIXED INCOME</b>				
Tsy 1.625% 3/20	35.0	1.9%	1.70%	595
Short Term Bond ETF	32.2	1.7%	3.00%	966
Intermediate Term Bond Fund	51.9	2.8%	3.00%	1,557
Income Funds (2)	63.6	3.4%	4.50%	2,862
Mortgage Fund	51.4	2.8%	3.50%	1,799
<b>Total</b>	<b>234.1</b>	<b>12.6%</b>	<b>3.32%</b>	<b>7,779</b>
<b>EQUITIES</b>				
Total US Stocks	1,265.6	68.1%	1.92%	24,280
Small & Mid Cap ETFs	129.7	7.0%	1.47%	1,908
Emerging Market ETF	37.8	2.0%	5.03%	1,901
International Equity Funds (2)	75.8	4.1%	1.50%	1,137
<b>Total</b>	<b>1,508.9</b>	<b>81.2%</b>	<b>1.94%</b>	<b>29,226</b>
<b>ALTERNATIVES</b>				
MLP Fund	17.5	0.9%	8.00%	1,400
REITs (2)	53.4	2.9%	2.66%	1,420
Option Selling Fund	20.8	1.1%	2.50%	520
<b>Total</b>	<b>91.7</b>	<b>4.9%</b>	<b>3.64%</b>	<b>3,340</b>
<b>TOTAL PORTFOLIO</b>	<b>1,858.3</b>	<b>100.0%</b>	<b>2.18%</b>	<b>40,581</b>
<b>Estimated Annual Fees</b>			<b>0.60%</b>	<b>11,150</b>
<b>Net Annual Income</b>			<b>1.58%</b>	<b>29,431</b>

**AUDIT COMMITTEE  
REPORT TO THE CONGREGATION  
March 26, 2020**

**SUMMARY.** Following a review of the financial exhibits for the year ending December 31, 2019, produced by the Business Manager and approved by the Treasurer and Finance Board, I believe the information contained in the Income Statement is substantially accurate as written and fairly reports the income and expense of the church for 2019 and that the cash balances listed for the funds are substantially correct and in balance as reported.

It should be noted that the written reports produced by the Treasurer, Finance Board and Investment Committee were not available at the time of submission of this report but will be reviewed in the near term.

**BALANCE SHEET.** At the time of my review, a only a partial Balance Sheet was available. On the asset side the line items related to the Checking Account and the Money Market are fundamentally accurate as reported, The Investment Fund values were not reported. There is no indication that the year-end balances as reported in account statement provided by Charles Schwab, with whom we maintain our Investment Account , have been reconciled with Quickbooks. (Note that Schwab holds and manages our Investment Account and First Republic Investment Management acts mere as our “advisor”).

It is noted that First Church continues to lack a full and complete Balance Sheet, which would be required if the church were to seek to refinance or seek additional bank financing in the future. Review of the Minutes from the January 2020 Finance Board Meeting document that the Board is aware that First Church lacks a fully reconciled and complete Balance Sheet and is taking steps to address this situation.

Even without a full balance sheet, for each “fund” the beginning and ending balances were tested against income and expense activity. The overwhelming majority of the funds balanced perfectly. In the rate instances where minor differences were identified, the Church has been notified and steps have been taken to complete reconciliation.

**LIMITED SCOPE OF REVIEW.** The ongoing internal reviews and reconciliation as well as the information and conclusions presented in this report should not be construed or considered to be equivalent to a formal independent audit performed by a certified public accountant (CPA). An independent audit would entail additional and more detailed testing of balances, income and expense items as well as further verification of practices that adhere to agreed-upon financial policies and procedures. This represents an effort that is outside the scope of any internal audit committee.

**FUNCTION & FOCUS.** The function of the Audit Committee is to conduct a review of the following aspects of First Church Congregational by an independent person from the congregation:

- Independently verify the reports of the Treasurer and Finance Board.
- Review the Finance Board Minutes to track decisions as related existing financial policies and practices.
- Follow the money and test how it is treated at different steps.
- Document that donated and earned funds of the congregation have been used as stipulated by the donors.
- Review accounting controls (systems that reduce the possibility of loss, embezzlement or errors).
- Segregation of duties (assurances that more than one person is involved in critical steps in handling money so that there can be checks and balances).
- Records that show donors’ stipulations for the use of gifts made to the local church.



**“ACCOUNT RECONCILIATION.** During the past year, I have personally performed monthly bank reconciliations of the Operating, Money Market, Payroll and Vanco accounts. During the course of these reconciliations, records maintained in QuickBooks have been reconciled to the bank statements and major transactions have verified against supporting documentation. As expected, while minor discrepancies were identified, all have been properly resolved and the resulting differences between QuickBooks and bank statements requiring write offs have been small.

**DOCUMENTATION OF USES OF MAJOR GIFTS.** There is strong documentation through Finance Board and Church Council minutes that outlines and directs the use of donated funds. Owing to the fact that, in recent years, First Church has benefitted from a number of significant donations and bequests, I continue to review the accounting of the transactions related to these gifts.

**FUTURE INTERNAL REVIEW INITIATIVES.**

- Review available documentation for each Fund to ensure that there is clear understanding of “the intent” of how money held within any Fund is to be used and test that any use of money from a Fund is consistent with that “intent”.
- At such time as a Capital Campaign commences, there will be an ongoing review of transactions to ensure that there is no “co-mingling” of funds between the Capital Campaign Account and the Operating Account.
- Review approval process on Endowment Fund transfers

**ACKNOWLEDGMENTS.** While it may be possible to think of any church as a sanctuary for celebrating our religious faith, First Church is surprisingly complex while effectively serving the needs of so many with resources so few. One must not underestimate the effort of our ministry team and volunteers who daily accomplish so much. In particular, we should all thank Maria Ferrante, our Business Manager, Jacque Paige, our Treasurer, members of the Finance Board, and everyone on all boards and committees whose contributions allow our church to have such a positive impact on our community.

Respectfully Submitted,  
Timothy Clark



## The Store - 2019 Annual Report

- Supported the Church and its outreach mission.
- Served the community by providing quality, thrift-priced clothes and household goods.
- Created a place of community and friendship for volunteers and customers.

The Store	Surplus	2019 Actual	2019 Budget
<b>Income</b>	\$33,638.00	\$153,638.00	\$120,000
15% to Capital Campaign Seed Fund	(5,045.70)		
85% of surplus to Church operating budget	(28,592.30)		
<b>Total raised from The Store for Church operating budget</b>		<b>\$127,600.30</b>	
<b>Expenses</b>			
Supplies		(1,969.00)	(2,000.00)
Advertising		(134.00)	(2,000.00)
Taxes		(8,889.00)	(8,000.00)
<b>Annual Grants</b>			(10,000.00)
Operation Hope		(2,000.00)	
FCC Work Camp		(2,000.00)	
Westbridge		(2,000.00)	
Mercy Learning Center		(2,000.00)	
CIRI		(2,000.00)	
<b>Total Expenses</b>		<b>(20,992.00)</b>	<b>(22,000.00)</b>

<b>Store Savings Jan 1, 2019 Balance</b>	\$82,509.00
<b>Additional Grants Made</b>	
New Church Website Funding	(\$7,500.00)
Jones Wing Handicapped Bathroom	(\$13,598.00)
Adult Education TV, DVD, Stand Funding	(\$526.57)
Operation Hope Benefit Sponsor	(\$2,575.00)
UCC Dorian Relief	(\$500.00)
CWS Refugee Fund	(\$500.00)

<b>Store Savings Dec 31, 2019 Balance</b>	\$57,309.43
Plan to give to Cap Camp Seed Fund in 2020	(\$7,309.43)

The Store also supported (with donated goods) the Deacon's Fund, Covenant to Care, multiple Bridgeport services and missions, Social Services of Fairfield, Operation Hope, Refugee Resettlement, Fairfield Animal Shelter, Fairfield Public Libraries, the Fairfield Senior Center, Great Beginnings Montessori School and others.

Respectfully submitted by:

Amy Watson

## ANNUAL GIVING REPORT FOR 2020

### *Living the Love of God*

This year at Consecration Sunday we were energized by our guest minister, The Reverend Rick Floyd. His sermon was one of inspiration and poignancy, in his words "Generosity in giving your money to the church will make the church more important to you; you'll have some skin in the game." To me this means that every gift counts, no matter how small, because every person counts at First Church.

We are grateful for the 157 households who pledged \$452,433 for 2020, representing an average household of \$2,881. While this number is encouraging, the number of households who pledge is decreasing from previous years.

As always, Consecration Sunday was a success due to the support of our devoted pastors, David, Vanessa and Vern and our wonderful pastoral team. I would like to thank all our speakers during worship services prior to Consecration Sunday. Special thanks go to Marilyn Cosme and April Obermeyer, co-chairs of Consecration Sunday, who are always a pleasure to work with, and our generous Congregation.

Number of Church Households	368
Households pledged in 2020	157

PLEDGE HISTORY	# OF PLEDGES	AVERAGE PLEDGE	TOTAL
2020	157	\$2,881	\$452,433
2019	162	\$2,825	\$457,607
2018	170	\$2,728	\$463,808
2017	180	\$2,592	\$466,540

Respectfully submitted,  
*María A. Ferrante*  
Business Manager

## **2020 Budget**

On behalf of the Finance Board and Church Council, we present a 2020 Budget with an expected loss of \$55,753. This loss is driven by lower Income (approximately \$45k less than the previous 2 years' average) and higher Expenses (approximately \$31k more than the previous 2 years' average). The \$55,753 loss represents the more supportive severance package offered to Vern after the open forum discussions.

### **2019 Income**

Total Income of \$850k primarily driven by \$455K in Total Pledges, \$178k in Rental Income and \$130k from The Store. For comparison, Total Pledges were \$480k in 2019 and \$493k in 2018.

### **2019 Expenses**

Total Expenses of \$906k primarily driven by \$498k in Human Resources (55% of the Budget) and \$240k in Facilities (26% of the Budget) leaving only 19% of the Budget for important Programming and Outreach.

### **Motion To Cover 2020 Loss**

We have a \$225,000 line of credit available from Fairfield County Bank at an interest rate of 4.75% as of 3/10/20.

*Motion: The Finance Board requests, and the Church Council has approved, that the Treasurer, Jacque Paige, be authorized to withdraw up to \$60,000 from the line of credit to cover any cash shortages that arise in 2020 as predicted by the 2020 budget.*

### **Expectations for 2021**

UCC guidelines recommend budget allocations of 50% Human Resources, 25% Facilities and 25% for the combination of Programming and Outreach. With the reduction in Human Resources expense in 2021 we hope to reach these UCC goals for programming and outreach and increase our maintenance budget to more effectively maintain our buildings.

Thank you to Jacque Paige, as Treasurer, Maria Ferrante, as business manager, Eric Treschuk, as chair of the Board and Jim Meisner for all your work throughout the year.

Respectfully submitted,  
Craig Way, Finance Board Member

First Church Congregational, Fairfield	2020 Budget	2019 Actuals	2019 Budget	2018 Actuals
<b>Income</b>				
400 Pledges -Current Year	425000	451227.07	450000	451,545.78
400.1 Pledges for past year	5400	5349.00	7500	7,690.00
400.6 Pledges prepaid for future year	25000	23910.00	33000	33,645.00
<b>Total Pledges</b>	<b>455,400</b>	<b>480486.07</b>	<b>490,500</b>	<b>492,880.78</b>
400.3 Other Sundays loose plate	5500	5931.00	6500	6,602.00
400.3A 1st Sunday Deacon's Fund Loose Plate	4000	3791.46	7750	7,728.08
400.3B 3rd Sunday Minutes for Mission	9000	9206.00	12000	12,605.26
401 Sunday School Offerings	0	0.00	0	
425.5 Easter Memorial Flowers	600	548.00	900	894.00
425.7 Christmas Appeal	3700	4088.00	1450	1,425.00
425.6 Easter	2000	1906.00	2000	2,025.00
<b>Total Offerings</b>	<b>24,800</b>	<b>25470.46</b>	<b>30,600</b>	<b>31,279.34</b>
430.20 Birthday (at Pentecost)	3000	2918.00	3000	3,043.59
409.10 Refugee Resettlement	0	0.00		200.00
430.12 Spring Event	3000	0.00	3000	0.00
403.00 Memorial Day	0	0.00	0	
430.14 Pasta Dinner for Deacon's Fund	3000	4137.00	2500	2,916.00
430.16 Equal Exchange	500	689.00	500	668.00
430.35 Stop and Shop Coupons	2000	1931.25	2000	2,318.75
430.25 Three Kings Bazaar	8000	9117.10	8000	9,099.50
<b>Total Fund Raising</b>	<b>19,500</b>	<b>18792.35</b>	<b>19,000</b>	<b>18,245.84</b>
450 Investment Income	39816	38172.00	38172	37,740.00
451 Checking Account Interest	500	603.78	100	105.14
460 Pastor's Equity Interest	0	0.00		
411.05 Money Market Interest	2000	4021.82	750	761.04
<b>Total Interest Income</b>	<b>42,316</b>	<b>42797.60</b>	<b>39,022</b>	<b>38,606.18</b>
411 636 Old Post Road	90000	90000.00	90000	90,000.00
Outreach Passthrough		1495.00		2,550.00
420 Facilities	88000	87741.00	90000	90,639.00
<b>Total Rental Income</b>	<b>178,000</b>	<b>179236.00</b>	<b>180,000</b>	<b>183,189.00</b>
410 The Store	130000	153637.90	120000	124,558.66
<b>Total The Store</b>	<b>130,000</b>	<b>153637.90</b>	<b>120,000</b>	<b>124,558.66</b>
<b>Total Income</b>	<b>850,016</b>	<b>900420.38</b>	<b>879,122</b>	<b>888,759.80</b>
<b>Expense</b>				
66900 Reconciliation Discrepancies		-20.51		1.42
<b>Administration</b>				
510.30 Telephone and Internet	3400	3344.03	3500	3,228.86
511.3 Web Design and maintenance	1400	1477.36	1250	1,167.92
511.4 Contracts	200	192.39	200	128.46
511.1 Hardware	250	485.79	500	303.58
511.2 Software	200	0.00	250	200.00
<b>Total Computer and Internet Expenses</b>	<b>5,450</b>	<b>5499.57</b>	<b>5,700</b>	<b>5,028.82</b>
510.40 Office Equipment Leases	12000	11561.02	9200	9,212.76
510.41 Office Service Contracts	4500	4282.34	5500	5,691.08
510.05 Office Supplies	3000	3144.46	2750	2,594.15
510.10 Postage	3000	2859.26	3000	2,735.64
510.20 Printing and Reproduction	1000	954.23	2000	1,965.36
510.5 Publications	0	0.00	50	0.00
<b>Total Office Expenses</b>	<b>23,500</b>	<b>22801.31</b>	<b>22,500</b>	<b>22,198.99</b>

First Church Congregational, Fairfield	2020 Budget	2019 Actuals	2019 Budget	2018 Actuals
541.60 Bank & Vanco Service Charges	1000	1005.04	1500	1,044.05
541.75 Church Council Innovations	0	10000.00	0	30,000.00
541.8 Credit Line Interest			0	0.00
540.05 Hospitality	5000	5079.92	5000	3,580.12
541.10 UCC Delegates Expenses	700	690.00	700	184.30
541.50 Associate Pastor Search/Relo/Party			0	0.00
<b>Total Other Expenses</b>	<b>6,700</b>	<b>16774.96</b>	<b>7,200</b>	<b>34,808.47</b>
<b>Total Administration</b>	<b>35,650</b>	<b>45075.84</b>	<b>35,400</b>	<b>62,036.28</b>
<b>Christian Education</b>				
577.23 Special Programs - Men's Retreat	500	1206.00	500	821.88
577.24 Special Programs -Women's Retreat	125	-144.78		
577.22 Study Group	300	207.00	300	586.78
<b>Total Adult Education</b>	<b>925</b>	<b>1268.22</b>	<b>800</b>	<b>1,408.66</b>
573.20 Childcare	1500	1341.00	1750	35.00
573.08 Curriculum	750	293.82	750	841.52
573.10 Special Programs	750	455.73	750	365.65
573.05 Supplies	1500	2049.12	750	615.18
570.02 Vacation Bible School	250	171.95	250	34.98
<b>Total Church School</b>	<b>4,750</b>	<b>4311.62</b>	<b>4,250</b>	<b>1,892.33</b>
575.2Workcamp High School	4500	4753.89	5000	6,000.00
575.25 Workcamp Middle School	1000	-30.69	3000	1,195.72
575.30 Youth Song Writing Program	0	1700.00	1200	0.00
575.17 Confirmation	500	159.99	500	92.13
575.00 Middle School Expenses	1500	1521.15	2000	1,035.11
575.16 Senior High Youth Expenses	1500	1925.45	2000	685.50
<b>Total Youth Ministry</b>	<b>9,000</b>	<b>10029.79</b>	<b>13,700</b>	<b>9,008.46</b>
<b>Total Christian Education</b>	<b>14,675</b>	<b>15609.63</b>	<b>18,750</b>	<b>12,309.45</b>
<b>Facilities Expenses</b>				
523.20 Facility Service Contracts	30000	30046.95	30000	30,135.29
523.10B Lawn Service	6000	5125.00	6000	5,700.00
523.10C Garden Maintenance	2500	2422.83	4000	4,093.50
523.10A Snow Removal	10000	9756.25	11000	7,092.50
523.00 Repairs - General Maintenance	20000	26713.47	20000	22,360.32
523.30 Supplies	5000	4870.62	5000	4,292.35
<b>Total Maintenance</b>	<b>73,500</b>	<b>78935.12</b>	<b>76,000</b>	<b>73,673.96</b>
531.05 Rowland Road Maintenance	4000	4092.03	4000	3,927.56
530.05 Sunnieholme Maintenance	8000	8894.46	8000	8,205.15
531.10 Rowland Road Utilities	5000	4340.72	4000	3,581.29
530.10 Sunnieholme Utilities	7000	6825.40	6000	6,722.13
<b>Total Parsonages</b>	<b>24,000</b>	<b>24152.61</b>	<b>22,000</b>	<b>22,436.13</b>
<b>529.35 Property Insurance</b>	<b>35464</b>	<b>35464.00</b>	<b>33000</b>	<b>32,261.00</b>
521.20 Water, Sewer	3500	3423.52	4000	3,464.69
521.05 Electricity	28000	27863.56	26000	26,181.95
521.10 Gas	22000	21478.54	17000	15,698.62
<b>Total Church Utilities</b>	<b>53,500</b>	<b>52765.62</b>	<b>47,000</b>	<b>45,345.26</b>
<b>Total Facilities Expense</b>	<b>186,464.00</b>	<b>191317.35</b>	<b>178,000.00</b>	<b>173,716.35</b>
<b>Human Resources Expense</b>				
508.0 Car Allowance - Pastor	4800	4800.00	4800	4,925.00
508.1 Car Allowance - Associate Pastors	2000	3000.00	3000	3,180.00

First Church Congregational, Fairfield	2020 Budget	2019 Actuals	2019 Budget	2018 Actuals
<b>Total Automobile Expense</b>	<b>6,800</b>	<b>7800.00</b>	<b>7,800</b>	<b>8,105.00</b>
Cell Phone Allowance - Pastor	660	660.00	660	660.00
Cell Phone Allowance - Associate Pastors	440	660.00	660	660.00
<b>Total Cell Phone Allowance</b>	<b>1100</b>	<b>1320.00</b>	<b>1320</b>	<b>1,320.00</b>
507.14 Parsonage Equity (Ministers)	6688	6570.00	6570	6,448.00
<b>Total Housing</b>	<b>6,688</b>	<b>6570.00</b>	<b>6,570</b>	<b>6,448.00</b>
502.90 Life and Disability Insurance	3789.75	4557.30	4241	3,967.33
503.90 Medical Insurance	25318.11	34476.07	37471	30,667.37
502.95 Workman's Compensation	5000	5061.75	5000	4,619.50
<b>Total Insurance Expense</b>	<b>34,108</b>	<b>44095.12</b>	<b>46,712</b>	<b>39,254.20</b>
500.15 Staff Wages	327714.54	352523.92	351877	345,005.49
509.15 FICA Employer	15248.18	14715.28	14761	6,796.33
509.25 Payroll Service Fee	2500	2480.73	1600	2,217.77
Severance	55753			
500.2 Other Staff Wages	7000	2250.00	2000	2,000.00
<b>Total Payroll Expense</b>	<b>408,216</b>	<b>371969.93</b>	<b>370,238</b>	<b>356,019.59</b>
505.90 Pension Expense	39301.1	42808.32	43980	42,767.13
<b>Total Pension</b>	<b>39,301</b>	<b>42808.32</b>	<b>43,980</b>	<b>42,767.13</b>
506 Staff Development	1500	1351.03	2000	1,463.59
<b>Total Training</b>	<b>1,500</b>	<b>1351.03</b>	<b>2,000</b>	<b>1,463.59</b>
<b>Total Human Resources Expense</b>	<b>497,713</b>	<b>475914.40</b>	<b>478,620</b>	<b>455,377.51</b>
542.12 Spring Event Expense	3000	258.39	3000	2,675.85
542.14 Pasta Dinner	250	168.42	250	249.16
540.10 Annual Campaign Expenses	2500	2430.83	2500	2,008.75
542.34 Equal Exchange	450	631.00	450	665.50
542.2 Birthday Expense	100	0.00	250	0.00
542.3 The Store Taxes	8000	8889.00	8000	8,044.00
542.31 The Store Supplies	2000	1969.47	2000	1,970.87
542.32 The Store Advertising	2000	133.87	2000	1,903.29
542.33 The Store Escrow		4992.22	0	0.00
542.0 Memorial Day Expenses	300	0.00	300	0.00
542.03 Other Fund Raisers Expense		0.00	0	2,000.00
542.25 Three Kings Bazaar	1000	1198.66	1000	1,108.97
<b>Total Fund Raising Expenses</b>	<b>19,600</b>	<b>20671.86</b>	<b>19,750</b>	<b>20,626.39</b>
560.05 Instrument Expense	1500	1179.29	4000	2,807.05
560.10 New Music	750	1364.35	750	934.42
560.25 Musicians and Soloists	6500	6200.00	5000	4,700.00
<b>Total Music</b>	<b>8,750</b>	<b>8743.64</b>	<b>9,750</b>	<b>8,441.47</b>
550.08 Our Church's Wider Mission	32000	25590.00	25596	15,000.00
550.16 Community Suppers	2400	2072.93	2400	2,110.30
550.17 Operation Hope Outreach		849.00		
550.18 Council of Churches	12000	11000.00	10000	10,000.00
550.55 Per Capita FEA/UCC Expense	1725	1725.00	1725	1,710.50
550.19 Equal Exchange - Joe's Café	50	58.00	50	0.00
550.21 Outreach to be designated	4710	1470.00	1000	531.49
550.27 Sunday of Service(2) - meals, supplies	500	566.81	500	535.03
550.22 The Store Grants	10000	10000.00	10000	10,000.00
550.23 Deacon's Fund	6750	8477.60	10250	10,394.92
550.25 Minutes for Mission	9000	9206.00	12000	12,605.26

First Church Congregational, Fairfield	2020 Budget	2019 Actuals	2019 Budget	2018 Actuals
550.26 Easter & Christmas Appeal	5700	4088.00	1200	1,160.00
550.60 Parish Court	200	200.00	200	200.00
550.10 Refugee	500	336.06	500	608.44
550.54 Per Capita CT/UCC Expense	0	6225.00	6225	6,220.00
<b>Total Outreach</b>	<b>85,535</b>	<b>81864.40</b>	<b>81,646</b>	<b>71,075.94</b>
528.40 Social Media	1500	0.00	500	0.00
528.2A Easter & Christmas Memorial Flowers	600	558.00	1150	900.00
528.2 Flowers - Other	125	121.15	0	346.30
528.1 Devotional Books	750	421.81	1000	870.44
528.00 Sanctuary Supplies	1000	1139.25	1500	1,180.50
<b>Total Worship</b>	<b>3,975</b>	<b>2240.21</b>	<b>4,150</b>	<b>3,297.24</b>
<b>636 Old Post Road</b>				
590.05 Interest Expense - Mortgage	37557	37556.40	37556	37,556.40
590.20 Maintenance Expense	10000	9747.06	10000	6,511.23
590.15 Utilities	1000	659.41	1000	1,047.68
590.16A Lawn Service	1600	1540.00	1000	600.00
590.16B Garden Maintenance	250	0.00	500	300.00
590.16C Snow Removal	3000	2868.75	3000	2,197.50
<b>Total 636 Old Post Road</b>	<b>53,407</b>	<b>52371.62</b>	<b>53,056</b>	<b>48,212.81</b>
<b>Total Expense</b>	<b>905,769</b>	<b>893788.44</b>	<b>879,122</b>	<b>855,094.86</b>
<b>Net Income/(Expense)</b>	<b>-55,753</b>	<b>6631.94</b>	<b>0</b>	<b>33,664.94</b>

Target Allocations by Expense Area	2020 Budget	2019 YTD Act	2019 Budget Allocation
Facilities & 636 Old Post Road 25%	239,871	243,689	231,056
Human Resources 50%	497,713	475,914	478,620
Administration	35,650	45,076	35,400
Fund Raising	19,600	20,672	19,750
Christian Education	14,675	15,610	18,750
Music	8,750	8,744	9,750
Worship	3,975	2,240	4,150
<b>Total Programming 15%</b>	<b>82,650</b>	<b>92,341</b>	<b>87,800</b>
<b>Outreach 10%</b>	<b>85,535</b>	<b>81,864</b>	<b>81,646</b>
<b>Total Expenses</b>	<b>905,769</b>	<b>893,809</b>	<b>879,122</b>