



CHURCH OF THE TRINITY

METROPOLITAN COMMUNITY CHURCH

Board of Directors

Agenda

November `17, 2020

Preparing to Do Our Work

- Inspiration and Check In
- Reading of Agreements
- Prayer
- Establish a Quorum

Our Role as a Working Board

Receive and Approve Reports: Minutes of October 20, 2020 Board Meeting, Financials, Treasurer's Report, Pastor's report, Building and Grounds.

- Audit Update
- Treasurer's Report

Our Role as a Strategic Board

- The Hansen Bequest Investment - Update

Our Role as a Governance Body

- Campus Update (Office, ESL)
- Campus Worship Service Update

Leaving to Serve

- Any outstanding items
 1. Clerk's Review of Outstanding Items

- Review action items

- 1.

- 2.

- Prayer

- Adjourn:



CHURCH OF THE TRINITY

METROPOLITAN COMMUNITY CHURCH

Board of Directors

Minutes

October 20, 2020

Preparing to Do Our Work

The meeting was opened at 7:0pm by Rev. Lillie with a welcome. Becky Mc Donough provided the inspirational reading, check-in, reading our Agreements, and provided our prayer.

Established a Quorum: 6/7 members present were Brock, Clayton, Daniels, Kane, Mintz, McDonough
Absent: King Guests: None

Our Role as a Working Board

The following reports (see attached) were submitted for approval: Minutes of September 15, 2020 Board Meeting and October 06 Executive Board Meeting, Financial, Pastor's Report, Treasurer's Report. Fuzzy Mintz made a motion to accept reports, seconded by David Daniels, and approved unanimously.

David Daniels presented the Treasurer's Report. The September income variance was \$15, 736 under expectations, including programs and Fundraising. Fundraising is having a major golf non-event in October which will help. In addition, work towards securing forgiveness of the PPE income of \$15, 900 is well underway and will help offset this shortfall. Comparison of attendance and plate for the first nine months of 2016 thru 2020 shows we are having the best year yet in both plate and attendance. Both these areas will be a focus and expanded for the Congregational Forum and Congregational Meeting.

Our Role as a Strategic Body

For the Hansen Bequest investment, David sent out 4 files for the Community Foundation (CF) contract, which is set for Rev. Lillie to sign. Our policy is to have two (2) signers. Rev. Lillie will contact Laura for this change. We need to send a check to CF and also secure a Financial Planner (FP) from their organization. It was suggested that we have the FP attend a Board meeting.

David reported that we need to name a beneficiary for the annuity at NYL. This has generally been a person, not the organization. Marilyn agreed to use her name as long as this doesn't impact her estate or the Church. David will co-ordinate this as the main contact.

Our Role as a Governance Body

The Board then reviewed proposed changes to 4 policies and procedures:

Policy E-502 proposed changing Acceptance of Donations to Acceptance of Stipulated/Designated Gifts or Donations. The language now allows us to determine if the Stipulation is consistent with our values;

Policy E-506 proposed changing renaming it from Check Signing to Authorized Signers for Financial Transactions. It proposed to line up current practice to use the Executive Team Board members to sign to reduce the time and energy expended to meet bank signatory requirements. Discussion of the issues

indicated that this is primarily driven by the By-laws, not P&Ps. It was suggested that we should amend the By-laws in Article 10.

Policy E-509 proposed renaming it from Request for Payment to Request for Payment and Approval of Expenses clarified the dollar limit for expenditure of unbudgeted expense items

Policy E-510 proposed renaming it from Unbudgeted Items to Clarification of Financial Operations related to Budget Development, Audits, Authorized Signers, Approval Process for Expenditures, Approval Process to Borrow from Contingency (Designated) Funds and Repayment of Borrowed Funds, and Managing Stipulated or Designated Funds.

A motion to approve changes in the Policies and Procedures Sections E-502, E-5-6, E-509, and E-510 was made by Jesse Clayton, and seconded by Fuzzy Mintz, and approved unanimously.

The Board then reviewed proposed changes to By-Law Article 10 Sections which reflected changes we made to the Policies and Procedures. We are voting on bringing these changes to the Congregation for review and approval:

A. **Authorized Signatures.** Requires two signatures.

B. **Limit on Expenditures.** The Senior Pastor and the Director of Administration shall have authority to approve expenses and request payment for items within the approved budget. **Unbudgeted** items greater than \$1,000 shall require approval in advance of payment by a majority vote (50% plus 1) of the Board of Directors. The exception to this is in the case of emergency that must be acted on immediately by the Senior Pastor or Director of Administration.

C. **Gifts.** All stipulated/designated gifts to the church are subject to the approval of the Board of Directors.

D. **Fiscal Year.** No changes

E. **Church Budget.** The Board of Directors shall be responsible for presenting to the Congregational meeting for approval, an annual operating budget that reflects anticipated receipts and disbursements to the Congregation at the Congregational meeting in November for approval. The annual budget of the Church shall cover the period from January to December.

The approved budget may be amended, as needed, by a two-thirds (2/3) vote of the Board of Directors, which shall immediately notify the Members of the Church that such amendment has been made.

F. **Assessments** –The Board of Directors shall report quarterly to the UFMCC the number of members in good standing for each month within the quarter and shall remit the Board of Pensions assessments as set by General Conference.

G. **Tithes** –The Senior Pastor and the Staff Accountant shall report all Church receipts each month to the UFMCC, and with that report shall remit a percentage of the funds reported. The percentage of funds to be remitted shall be determined by General Conference.

A motion to submit changes in the By-Laws Article 10, Sections A to F to the Congregation for approval was made by Becky McDonough, seconded by David Daniels, and approved unanimously.

The Board reviewed a list of members in good standing for use at the Congregational Meeting. It is based attendance and financial support. It does not use service and interest for this period of time. The usual time for review and purging did not occur in June due to existing conditions at the time. It will be resumed in this next year. A motion to submit changes in the By-Laws Article 10, Sections A to F was made by Jesse Clayton, seconded by Fuzzy Mintz, and approved unanimously.

The Board discussed voting and attendance recording for the Community Meeting using Zoom for this virtual meeting. One intent is to ensure we capture multiple Congregants using the same computer/phone. This could be captured by using the raised hand technique. This would have each member line up with the camera and raise the hand if voting yes. This can be done singly or as a group. Trinity has done absentee

voting in recent past elections. Those wishing to do absentee voting will need to contact the Clerk to arrange to vote so it arrives two days before the Congregational Meeting. Rev. Lillie suggested the membership list could be split into 3 or 4 sections for Board Members to record attendance as they enter Zoom. These will be tried out at the Congregational Forum on the 28th.

Rev. Lillie announced that Ambor Severson, Director of Administration would resume full time work in the Office on Nov. 1st. The Office volunteers will also cover the Office from 10am to 2pm M-Th. We will continue with CDC precautions in terms of distancing, masks, sanitizing.

Rev Lillie presented the results of the Survey regarding opening up the campus. Important questions regarding how worried the Congregation was re Covid noted 90% remained somewhat to extremely worried. Over 50% checked lots of criteria such as masks, distance, sanitizing, were needed to make it safe to return to campus. 38% were not ready and 34% were not sure about an indoor service. Others were more positive about an outdoor service. The Board then discussed that our current deadline is Nov 1st for having the Church closed with limited Office opening. A motion to continue closed until the end of the year was made by Jesse Clayton, seconded by Fuzzy Mintz, and approved unanimously. Three (3) outdoor services around All Saints Day, Thanksgiving, and Christmas are being planned.

The Board discussed outdoor programs and services which have been occurring during this period. The Courtyard had now come into use. Generally, this has been conducted by our own member for our members. A request was made to allow one of our members to conduct an ESL group primarily for non-members in the courtyard. The conditions would be masks, social distancing, sanitize any outdoor furniture used. No bathroom services would be available. A motion to allow the ESL class with above conditions was made by Becky McDonough, seconded by Fuzzy Mintz, and approved unanimously.

Leaving to Serve.

Outstanding Items:

1. Audit Report
2. Community Foundation and NYL Update
3. 2021 Budget
4. By-law changes

Review Action Items:

1. Accept reports submitted for approval
2. Approved P&P changes for CoTT
3. Approved member in good standing list for CM voting
4. Continue with Church and Pierce Hall closed until end of the year
5. Approved ESL Class in Courtyad

Closing Prayer: Rev. Lillie Brock

Adjournment: Motion to adjourn by Becky McDonough, second by Marilyn Kane, and unanimously approved at 08.48pm

Respectfully Submitted: Marilyn Kane, Clerk

**Church of the Trinity MCC Treasurer's Report
Income and Expenses v. Budget October 2020**

Total Sources of Income	October Actual	October Budget	Over/(Under) Budget	Year to Date Actual	Year to Date Budget	YTD Variance
Plate Collections	\$ 13,375.10	\$ 16,000.00	\$ (2,624.90)	\$ 187,943.05	\$ 172,000.00	\$ 15,943.05
Seed Planters	\$ 50.00	\$ 2,500.00	\$ (2,450.00)	\$ 36,820.00	\$ 25,000.00	\$ 11,820.00
Service Income	\$ 13,425.10	\$ 18,500.00	\$ (5,074.90)	\$ 224,763.05	\$ 197,000.00	\$ 27,763.05
Ministries, Programs, and Events (Raffle, Lenen Books, Music Ministry, Wednesday Dinners)	\$ 150.00	\$ 1,350.00	\$ (1,200.00)	\$ 2,523.75	\$ 13,500.00	\$ (10,976.25)
Other (Fundraising -net, Advertising/Sponsorship, Facilities Donations, Interest Income)	\$ 1,694.10	\$ 3,704.00	\$ (2,009.90)	\$ 10,240.81	\$ 37,040.00	\$ (26,799.19)
Total Undesignated/Unrestricted	\$ 15,269.20	\$ 23,554.00	\$ (8,284.80)	\$ 237,527.61	\$ 247,540.00	\$ (10,012.39)
Interest Income - CDs	\$ -	\$ -	\$ -	\$ 1,708.68	\$ -	\$ 1,708.68
Love Offerings	\$ 50.00	\$ -	\$ 50.00	\$ 7,061.83	\$ -	\$ 7,061.83
Interest Income - Building Fund Reserve	\$ 0.77	\$ -	\$ 0.77	\$ 16.62	\$ -	\$ 16.62
Designated/Restricted & Bequest	\$ 50.77	\$ -	\$ 50.77	\$ 8,787.13	\$ -	\$ 8,787.13
Total Income	\$ 15,319.97	\$ 23,554.00	\$ (8,234.03)	\$ 246,314.74	\$ 247,540.00	\$ (1,225.26)
Adjustments						
Deferred Pledges from 2019 (10/12 of \$11,300)	\$ -			\$ (9,417.00)		
Seed Planters	\$ (50.00)	\$ (2,500.00)		\$ (36,820.00)	\$ (25,000.00)	
Total Sources of Income	\$ 15,269.97	\$ 21,054.00	\$ (5,784.03)	\$ 200,077.74	\$ 222,540.00	\$ (22,462.26)

Church of the Trinity MCC Treasurer's Report
Income and Expenses v. Budget October 2020

Total Expenses by Category	October Actual	October Budget	Over/(Under) Budget	Year to Date Actual	Year to Date Budget	YTD Variance
Preparing for and Conducting Worship	\$ 5,434.35	\$ 6,281.00	\$ (846.65)	\$ 63,619.89	\$ 67,133.00	\$ (3,513.11)
Reaching Out to Serve Our Community	\$ -	\$ 338.00	\$ (338.00)	\$ 485.43	\$ 680.00	\$ (194.57)
Staying Connected/Caring for Our Church Family	\$ 11,358.67	\$ 11,059.00	\$ 299.67	\$ 127,064.44	\$ 113,008.00	\$ 14,056.44
Spiritual Education and Growth	\$ -	\$ -	\$ -	\$ 479.70	\$ -	\$ 479.70
Equipping & Maintaining Buildings and Grounds	\$ 2,303.45	\$ 2,851.00	\$ (547.55)	\$ 36,798.40	\$ 37,210.00	\$ (411.60)
Supporting the Wider Mission UFMCC	\$ 2,142.83	\$ 2,146.00	\$ (3.17)	\$ 25,426.04	\$ 22,846.00	\$ 2,580.04
Contingency (Loans Forgiven)				\$ (13,000.00)		\$ (13,000.00)
Contingency Funds Transfer			\$ -	\$ 32,442.95		\$ 32,442.95
Total Expenses by Category	\$ 21,239.30	\$ 22,675.00	\$ (1,435.70)	\$ 273,316.85	\$ 240,877.00	\$ 32,439.85
Adjustments						
Salary T. Vigilione (Seed Planters)	\$ (1,538.46)	\$ (1,538.00)	\$ (0.46)	\$ (16,923.06)	\$ (16,920.00)	\$ (3.06)
Program Exp Seed Funded				\$ (1,677.94)		\$ (1,677.94)
Web Site Seed Funded				\$ (3,500.00)		\$ (3,500.00)
Love Offerings Paid	\$ (350.00)		\$ (350.00)	\$ (6,387.46)		\$ (6,387.46)
Contingency Funds Transfer				\$ (32,442.95)		\$ (32,442.95)
Contingency (Loans Forgiven)				\$ 13,000.00		\$ 13,000.00
Total Adjusted Expenses	\$ 19,350.84	\$ 21,137.00	\$ (1,786.16)	\$ 225,385.44	\$ 223,957.00	\$ 1,428.44

1

CHURCH OF THE TRINITY - MCC			
CASH POSITION SCHEDULE			
as of October 31, 2020			
	01/01/2020	10/31/2020	
Contingency Fund	\$ 400,820.13	\$ 370,065.88	
Benevolence Fund	609.56	658.56	
Love Offering Fund (detail below)	5,660.38	8,534.73	
Capital Fund-Building	4,866.31	4,882.83	
Seed Planters Fund	32,870.00	14,719.00	
Fund Balance Total	\$ 444,826.38	\$ 399,061.00	
CASH BALANCE DETAIL			
DISC #9901	\$ 10,441.87	\$ 10,886.23	
MMA #9903: Love Offering Reserve	5,660.38	8,534.73	
MMA #9903: Insurance Reserve	5,201.70	5,024.22	
MMA #9903: Contingency Reserve	318,177.83	316,291.14	
MMA #9903: Perpetual Care Reserve (for future garden care)	4,787.95	1,606.84	
MMA #9903: Benevolence Reserve	609.06	658.56	
MMA #9903: Tithe 2020 Deferred Reserve	11,300.00	-	
MMA #9903: Seed Planters Reserve	32,870.00	14,719.00	
MMA #9903: PPP Loan	-	-	
Bank of the Ozarks - Certificates of Deposit	61,617.37	36,789.59	
Party Cash - Wednesday Dinner	50.00	50.00	
PEX Holding Account	196.48	314.83	
Ameriprise	8,025.13	8,025.13	
Operating Cash Total	\$ 458,910.78	\$ 402,882.87	
MMA #0270: Building Fund Reserves	4,005.31	4,662.83	
Operating + Capital Cash Total	\$ 462,916.09	\$ 407,545.70	
Cash Surplus or (Deficit)	\$ 18,950.70	\$ 10,884.72	
Deferred 2020 Tithes	(11,930.00)	(10,000.00)	
Cash Advance - Contingency 04/24/20	-	-	
Cash Advance - Contingency 06/30/17	(3,000.00)	-	
Cash Advance - Contingency 06/30/17	(2,500.00)	-	
Cash Advance - Contingency 06/30/18	(2,800.00)	-	
Cash Advance - Contingency 06/30/19	(3,858.22)	(3,019.02)	
Unpaid Expenses	-	(2,134.19)	
Cash less Unpaid Expenses	\$ (8,207.62)	\$ (2,134.19)	
LOVE OFFERING SCHEDULE			
Description	Amount	Amount	
Adopt a Family	\$ 100.00	\$ 100.00	
AIDS Day	207.00	-	
Booker	-	370.00	
Conference Women's	3,440.87	3,440.87	
Greche	90.81	90.81	
Fall Festival	46.00	-	
Family Outreach	350.00	350.00	
P.E.U.T.	-	200.00	
First Bank Card (Debit)	-	-	
Gov Fund Raiser Postage	-	(100.00)	
Great American Financial (Property Tax)	(124.26)	-	
Kempala - Emerging Church	310.00	100.00	
Oct 5th	320.00	-	
Pencakes Breakfast	-	25.00	
Prei Fair	187.50	-	
Racquet-Lay Delegates	88.25	172.79	
Social Justice thru MCC2	94.00	508.00	
Soup for Seed 07/19	-	40.00	
St. Barbara	300.00	-	
Trinity Mom	25.99	-	
Trinity Strong	-	1,000.04	
SBA Taxes reimb	341.22	341.22	
Total	\$ 5,660.38	\$ 8,534.73	

Church of the Trinity MCC - Sarasota FL
Balance Sheet as of October 31, 2020

Wednesday, November 4, 2020

Page 1 of 2
 YTD Balance

3

Account #	Account Name	Beginning Balance	YTD Balance
1.12000	Checking #9901	10,441.57	10,889.23
1.12001	MMA #9903: Love Offering Reserve	5,660.36	6,334.73
1.12002	MMA #9903: Insurance Reserve	5,201.70	8,024.22
1.12003	*MMA #9903: Contingency Reserve	318,177.63	315,291.14
1.12004	MMA #9903: Perpetual Care Reserve	4,787.95	1,606.64
1.12005	MMA #9903: Benevolence Reserve	509.56	658.56
1.12006	MMA #9903: Tithes 2020 Deferred Reserve	11,300.00	0.00
1.12007	MMA #9903: Seed Planters Reserve	32,870.00	14,719.00
1.12010	MMA #0272: Capital Fund Building Program	4,666.31	4,682.93
1.12103	*CD #3103, 0.751%, due 09/23/21	25,210.17	26,518.99
1.12105	*CD #8997, 0.751%, due 05/14/21	10,000.00	10,250.60
1.12107	*CD #7021, 2.5%, due 04/15/20	25,907.20	0.00
1.13100	PBX Holding Account	169.48	314.63
1.13101	*Ameriprise (Hines Global REIT)	8,025.13	8,025.13
1.13301	Petty Cash-Wed Dinner Box	50.00	50.00
	Bank Accounts & Petty Cash	\$463,477.06	\$407,365.80
1.21000	Buildings At Cost	228,000.00	228,000.00
1.22000	Computer Equipment	18,480.43	18,480.43
1.23000	Furniture & Fixtures	81,232.58	81,232.58
1.24000	Land Main Campus	115,000.00	115,000.00
1.24001	Land Annex	750,000.00	750,000.00
1.25000	Site Improvements	98,000.00	98,000.00
	Fixed Assets	\$1,290,713.01	\$1,290,713.01
1.37000	Security Deposit-PPL	250.00	250.00
1.37100	*A/R: Due from Operating Funds	13,000.00	10,000.00
	Other Assets	\$13,250.00	\$10,250.00
	TOTAL ASSETS	\$1,767,440.07	\$1,708,328.81
LIABILITIES			
2.00000	Accounts Payable/Vendors	0.00	100.00
2.01311	Metropolitan Community Church-Pensions	0.00	576.25
2.12000	Payroll Taxes Payable	3,858.22	1,772.28
2.12100	Deferral: 403b Liability	0.00	570.54
2.12101	Bank Ozarks: PPP Loan	0.00	15,900.00
2.12200	A/P: Due Contingency/MMA	13,000.00	10,000.00
2.15001	Deferred 2020 Plate Collections	11,300.00	0.00
2.15002	Deferred 2020 Seed Planters	32,870.00	0.00
	TOTAL LIABILITIES	\$61,028.22	\$28,919.07
FUND BALANCES			
3.10000	Operating Fund	484,229.07	459,402.24

**Pastor's Report
October 2020**

Item	Comments	Next Steps	Action Items
Congregational Meetings/Pastor Chats	Congregational Forum and Annual Meeting have happened and went well. Budget passed and bylaw amendments approved. Both unanimous.		Post minutes and new budget
Pledge Campaign/Generosity	Pledge Campaign is underway and will be finished on Nov. 22	Determining what we have to do after Nov. 22 nd since having a virtual Pledge Campaign may present us with some ongoing work (I.e. calling people to get their pledge cards).	Ingathering Sunday Determining results of pledges Determining results of Bridge the Gap Campaign Get bridge plaques made Start making memorial books
Pastoral Care	We have begun a 3 Absence process of follow up. We can already see the difference they make	The goal is to call those with three absences in a row every week.	I want to send all church folks a card for Christmas.
Planning for 2020/Working the Plan	An operational plan needs to be put together	I will put this together and then share with staff.	Staff will develop their own flushed out plans from the overall plan.
Staff	I am considering some job description shifts for 2021 as I try to determine the right seats on the bus and get the right people in those seats.	I want to see if I can raise the money to keep Nick on. He is our most productive paid person.	I need to finish evaluations.
Programming	December will have fewer programs . . . we are going to give folks a break.	Plan only church wide events or programs that are one-offs.	Schedule events Start planning Christmas Eve.

Building and Grounds Report Nov. 2020

1. Continue to keep grounds groomed.
2. Areas around church, front entrance and new bridge with new plants/mulch. Sandy Hasenjager assisted with this project.
3. Keeping columbarium trimmed and weeded.
4. Put backing on cross with Jesse.
5. Relocated cross with Laticia/Ron.
6. Gutters cleaned.
7. Stag horns placed on trees.
8. Put gutter up on shed with Jesse.
9. Recycles taken care of as needed.
10. Filter in office changed and others checked.
11. Painted 12 brown folding chairs pewter gray and put new caps on legs
12. Clean up day:
 - a. grounds raked
 - b. butterfly garden weeded, plants trimmed as needed
 - c. windows washed in all buildings inside and out
 - d. adopt an areas taken care of
 - e. picnic tables in court yard bleached

Submitted by Bonnie Alberti



CHURCH OF THE TRINITY

METROPOLITAN COMMUNITY CHURCH

November 17, 2020

Dear Trinity Board of Directors:

It is our pleasure to inform you that we have received and reviewed the completed financial audits for the years ending December 31, 2019 and December 31, 2018 from Mercurio & Maxwell CPA's LLC.

It is also our pleasure to share with you that the overall results for both the 2019 and 2018 audits were outstanding.

The Qualified Opinion from the auditors reads as follows:

"In our opinion, ..., the financial statements referred to above present fairly, in all material respects, the financial position of Church of the Trinity, Metropolitan Community Church, Inc. as of December 31, 2019 and December 31, 2018, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United State of America."

There were three notes contained in the audit that the Finance Team would like to bring to your attention:

1. Church of the Trinity decided many years ago (more than 18 years) not to depreciate fixed assets in the categories of Computer Equipment, Furniture, and Fixtures. The amount of these fixed assets represents \$99,713.00 (7.7%) of our entire fixed asset category of \$1,290,713.00. The primary reason to reflect annual depreciation of a fixed asset is to ensure its value has been fully depreciated over its useful life. The Finance Team recommends we continue to keep assets valued at original cost without recording depreciation. (Note D)
2. FDIC Insurance for Bank OZK is \$250,00.00 in aggregate deposits for a single accountholder. In 2019, we exceeded this threshold, and we exceed this FDIC limit at the present time. However, when we make the transfer of our investment portfolio to New York Life and Sarasota Community Foundation, we will no longer exceed the FDIC threshold for federally insured banks. Recognize, though, the investment portfolios that we have selected are not FDIC insured. (Note C)

Policy and Procedure # E-510

Subject: Clarification of Financial Operations

Adopted by the Board of Directors: July 15, 2008; July 16, 2013; October 20, 2020.

II. Annual Audit

An annual audit will be completed after the close of financial records at year-end. The Finance Committee is responsible for ensuring the audit is completed in a timely fashion. The annual audit can be completed in one of two ways:

- A team of individuals may be appointed to form an internal audit team or
- An external audit may be completed by a CPA firm.

Every third year, an external audit will be the methodology required to complete the audit.

Example: 2018 and 2019 audits were completed by an external CPA firm. Therefore, audits for the years 2020 and 2021 will be completed by an appointed internal audit team. The audit for the year 2022 will be completed by an external CPA firm. This will require that funds be included in the 2023 budget to pay for the 2022 audit that will be completed in 2023.

If there is a financial hardship and the Church cannot afford the expense of an external audit, the Board may elect to defer the external audit requirement by one additional year. This exception requires a two-thirds vote (2/3) of the Board.

The audit findings from the previous year's audit (either external or internal) will be presented at the Annual Congregational Meeting of the current year.

Institute of Certified Public Accountants. A review includes primarily applying analytical procedures to your financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review does not contemplate obtaining an understanding of the Association's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion regarding the financial statements as a whole. The required supplementary information about future major repairs and replacements of common property accompanying the reviewed financial statements, although not a part of the basic financial statements is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The required supplementary information will not be subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but will be compiled from information that is the representation of management, without audit or review. We will not express an opinion or provide any assurance on such required supplementary information. Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our review procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our review procedures regarding illegal acts that may have occurred. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

Compilation - The objective of an engagement is to prepare financial statements, apply accounting and financial reporting expertise in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care. We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements. Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our compilation procedures regarding any wrongdoing within the entity or noncompliance with laws and regulations that may have occurred. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.



CHURCH OF THE TRINITY

METROPOLITAN COMMUNITY CHURCH

November 17, 2020

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It is also our pleasure to share with you that the overall results for both the 2019 and 2018 audits were outstanding.

The Qualified Opinion from the auditors reads as follows:

"In our opinion, ..., the financial statements referred to above present fairly, in all material respects, the financial position of Church of the Trinity, Metropolitan Community Church, Inc. as of December 31, 2019 and December 31, 2018, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United State of America."

There were three notes contained in the audit that the Finance Team would like to bring to your attention:

1. Church of the Trinity decided many years ago (more than 18 years) not to depreciate fixed assets in the categories of Computer Equipment, Furniture, and Fixtures. The amount of these fixed assets represents \$99,713.00 (7.7%) of our entire fixed asset category of \$1,290,713.00. The primary reason to reflect annual depreciation of a fixed asset is to ensure its value has been fully depreciated over its useful life. The Finance Team recommends we continue to keep assets valued at original cost without recording depreciation. (Note D)
2. FDIC Insurance for Bank OZK is \$250,00.00 in aggregate deposits for a single accountholder. In 2019, we exceeded this threshold, and we exceed this FDIC limit at the present time. However, when we make the transfer of our investment portfolio to New York Life and Sarasota Community Foundation, we will no longer exceed the FDIC threshold for federally insured banks. Recognize, though, the investment portfolios that we have selected are not FDIC insured. (Note C)

Policy and Procedure # E-510

Subject: Clarification of Financial Operations

Adopted by the Board of Directors: July 15, 2008; July 16, 2013; October 20, 2020.

II. Annual Audit

An annual audit will be completed after the close of financial records at year-end. The Finance Committee is responsible for ensuring the audit is completed in a timely fashion. The annual audit can be completed in one of two ways:

- A team of individuals may be appointed to form an internal audit team or
- An external audit may be completed by a CPA firm.

Every third year, an external audit will be the methodology required to complete the audit.

Example: 2018 and 2019 audits were completed by an external CPA firm. Therefore, audits for the years 2020 and 2021 will be completed by an appointed internal audit team. The audit for the year 2022 will be completed by an external CPA firm. This will require that funds be included in the 2023 budget to pay for the 2022 audit that will be completed in 2023.

If there is a financial hardship and the Church cannot afford the expense of an external audit, the Board may elect to defer the external audit requirement by one additional year. This exception requires a two-thirds vote (2/3) of the Board.

The audit findings from the previous year's audit (either external or internal) will be presented at the Annual Congregational Meeting of the current year.

Institute of Certified Public Accountants. A review includes primarily applying analytical procedures to your financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review does not contemplate obtaining an understanding of the Association's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion regarding the financial statements as a whole. The required supplementary information about future major repairs and replacements of common property accompanying the reviewed financial statements, although not a part of the basic financial statements is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The required supplementary information will not be subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but will be compiled from information that is the representation of management, without audit or review. We will not express an opinion or provide any assurance on such required supplementary information. Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our review procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our review procedures regarding illegal acts that may have occurred. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

Compilation - The objective of an engagement is to prepare financial statements, apply accounting and financial reporting expertise in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care. We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements. Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our compilation procedures regarding any wrongdoing within the entity or noncompliance with laws and regulations that may have occurred. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.