

***A church which touches the lives of people of all ages!
We strive to be a church that welcomes all and empowers all in Christ
to share their God given talents.***

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2020

FIRST CONGREGATIONAL CHURCH OF HANOVER

UNITED CHURCH OF CHRIST

ANNUAL MEETING HELD FEBRUARY 7, 2021

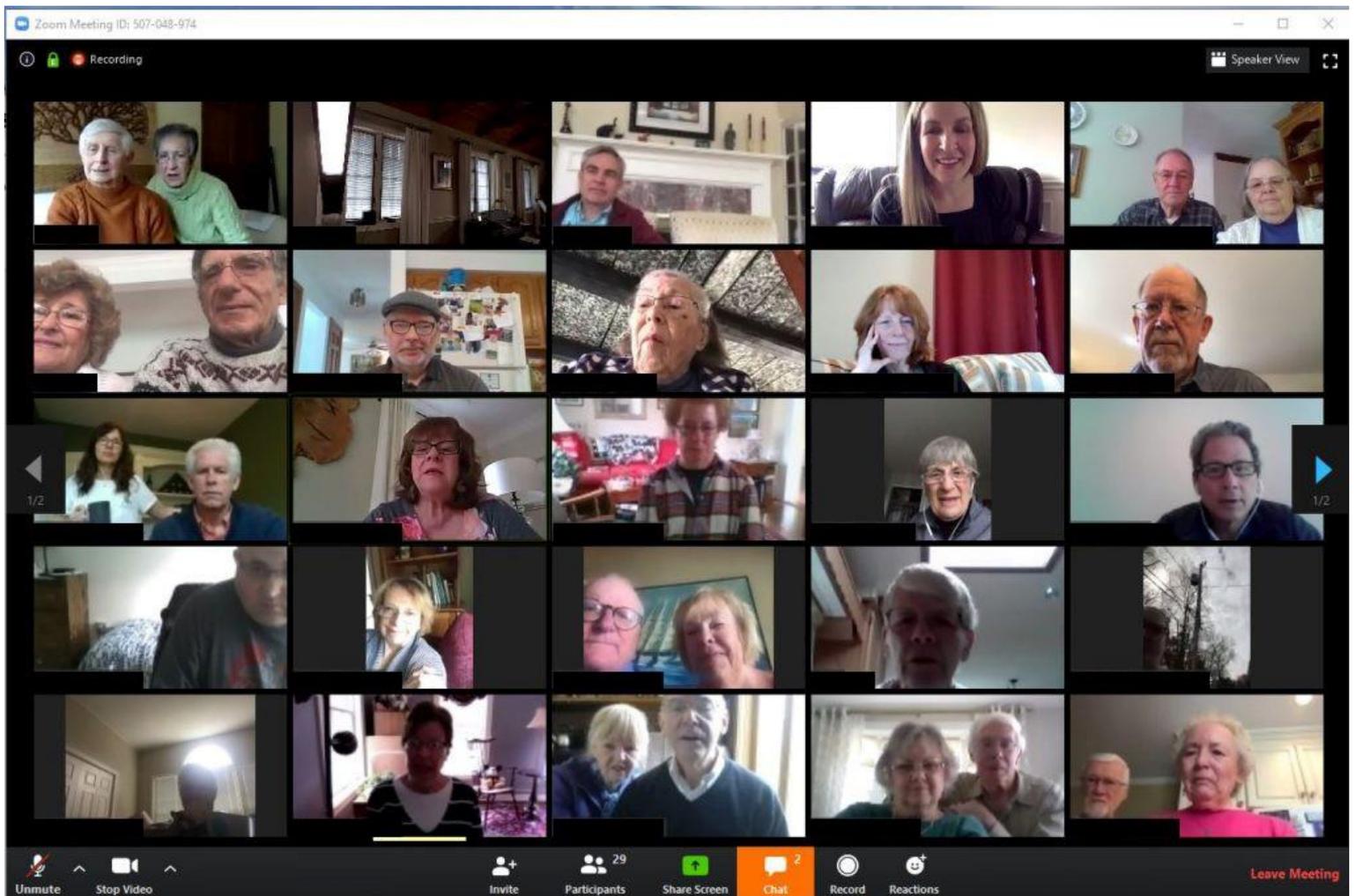


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Message from Revered John Terry, Interim Minister

Dear Members and Friends,

Normally an annual report will include things we have done and things we celebrate: the Easter crowd, the vacation Bible school, the Christmas fair. This is as much a report of what we did not do in 2020.

2020 started out like most other years, just one digit larger. Then the pandemic hit, and everything changed. Worship, meetings, youth activities, the thrift shop – it all changed. We closed the sanctuary just before Palm Sunday and it has remained closed ever since. I do not expect it to open again until well into 2021 when vaccinations are widespread and medical professionals say it is safe to return to the sanctuary.

We entered a time for which I had no experience and no training. Future generations may look back and wonder how we got through this period. I know I am on a major learning curve. I did not even know my laptop had a camera let alone how to record myself leading worship. (Thanks for the heads-up Ken!) I have spent a great deal of time reading literature, attending ZOOM meetings, and viewing podcasts trying to figure this out. I have spoken to a great many fellow pastors sharing questions and experiences. We are all generally disoriented and struggling with what to do.

Even in my stumbling way we have continued to worship – but differently. I have recorded services on my laptop at home and at church. Don White edits this and gets it on our website. For a time, Chad and Don and I recorded services in the sanctuary. When the weather warmed, we met outside in the pine grove. When the weather cooled, and I was informed of the great ventilation system in Riley Hall, we met inside. With the exhaust fan on and windows opened there was a constant flow of fresh air. When the weather got cold and the spread of the virus worsened, we went back to recorded services.

I hope we can begin live streaming the services on a Sunday morning. A couple of folks have stepped up to meet the challenge. We could use more help with this. As the virus has affected how we worship, even live streamed worship is a different experience. There are no hymns to sing together, no plate to pass, no handshake and homemade cookies after. But there can be an opportunity to exchange text messages, make announcements, and share celebrations and concerns – live.

How we manage church life is different. We worship – online. We have coffee hour – online. There is some real benefit to this. Folks a distance away can still worship with us. For many folks this is a great convenience. We have meetings – online. No one must get in their car at night to drive to a meeting. We have a lot of older members who do not like to drive at night. I do not have to drive back and forth to the Cape at night.

This quarantine is also having a major effect on our search committee. The search process for a new settled pastor in Hanover hit a brief pause, then we hit the ZOOM button. I think the Search Committee is to be commended for the work they have done. With the profile of the church completed, in 2021 we will begin the search, but it is uncertain how this will go.

Will there be more candidates or fewer? Is the right candidate waiting until the virus is under control to start a search? I do not know if more pastors will seek a new call because of the stress they are going through managing church life in their present setting; or if there be fewer seeking a call because it can feel like they are abandoning the church they serve.

How will we do the search and call? ZOOM is a help, but it is not the same as an in-person meeting. There is traditionally an opportunity for the congregation to meet the candidate in person before the vote. How can we do that? What about the candidating sermon? Preaching to an empty sanctuary is a quite different experience than preaching with a congregation present.

After candidates preach there is normally a congregational meeting; a motion made to call the candidate; they are ushered back into the sanctuary to cheers and the ministry begins. If we are still separated by the virus, how will we do that?

For me personally, it has been a time of great disorientation. For seven decades, my life has been oriented around Sunday. It started with Sunday school as a child and continued until this past March. On Saturday I usually go over my sermon notes, but not now. On Sunday I am usually up before the dawn getting ready, but my alarm clock is no longer set for Sunday at that hour. Sunday I would normally read over my notes a couple of more times, shower, put on a coat and tie and drive too fast down the highway. Not now.

It was odd – disorientating – to look out the window Sunday morning and prepare to go nowhere. Even when we are on vacation, even when we travel, Sunday morning for me is time for worship. But Sunday turned into Thursday when we began

recording the service. For a few months, Sunday in-person worship was possible, but cold weather and the virus shut it down. Again, Sunday is Thursday. It does not seem right, but it is where we are, and I am working to adjust.

We are a people of hope. I trust in the doctors and scientists who are leading us through this time. When I have the opportunity, I will get in line for the vaccination. In time we will be back in the sanctuary. In time we will sing hymns together with gusto. In time we will pass the plate. In time we will have coffee and cookies together after worship. In time we will go back to some of the ways we managed church life before.

But some things will change. Live streaming worship will allow folks who live some distance away, folks with mobility and other health issues, to interactively join in worship. We have learned that getting folks to get in their cars at night to drive to meetings is mostly not necessary. We have ZOOM.

I may well have finished my ministry with you by that time this congregation gathers in the sanctuary. Until then remember the words of the late Robert Schuller: "Tough times don't last. Tough people do."

Respectfully submitted,

Dr. John A. Terry
Interim Minister

Message from the Church Moderator

Wow, how time flies when you have no place to go! Things changed dramatically for the world a month after our last annual meeting. I was amazed at how quickly members of our church stepped up to fill the gaps caused by the need to social distance and cease live worship. Special recognition goes to the Sigsbys and others involved in organizing and running the virtual coffee hour and Dennis Falcione for doing the same for Monday Bible Study. Both are still going strong which speaks to the value they both provide. Thanks to you all. I also want to thank Don White for filming, producing, and posting the services every week. I hope you all realize how important what you are doing is for our church family. Thanks to anyone who is contributing keeping these activities going.

As we patiently anticipate the day when we can worship in person in the sanctuary, I think we are blessed to be in such a strong position financially and spiritually. That is a result of the contributions you all make with resources and time. Thanks to everyone who has kept the pledges going and Lynn and Don White for running the stewardship campaign this year. Thank you everyone who is participating on a committee.

This year brought a heightened awareness to social justice issues particularly because of the George Floyd incident. I am grateful Caroline MacDonald asked our church to be involved with the vigil. If you had a chance to participate, you realize how important the subject is to Hanover and surrounding communities. There is a lot of work to do in this area and the new Social Justice Committee is already making a difference.

Thank-you so much to the entire Pastoral Search Committee. The pandemic certainly made their effort to obtain feedback from the membership, an important part of putting together our profile, difficult. I appreciate the hard work each of you and Reverend Terry are putting into this process.

As I finish my role as Moderator and Les Hoiberg takes over, I will continue to be active. I hope you will continue to be if you are or consider joining a committee. Most committees do not require a lot of work and there are a lot of opportunities. Please take the time to review the nominating committee report in this document to see if there is an opening that will enable you to exercise your God-given talents and of course, we are always open to new ideas.

Respectfully Submitted,

Ken Cheo
Moderator

Messages from Church Committees & Related Organizations

The following section contains messages from Church Committees, as presented to the congregation by the respective committee Chairperson(s). The messages are shown in alphabetical order based on the name of the committee.

Called to Care & Prayer Chain Ministry

Members of Called to Care and the Prayer Chain Ministry met in the Fall with Reverend Terry to discuss plans for the upcoming year. Confidential prayer concerns would continue to flow from the Church Office to Prayer Chain Members. Called to Care used the Church Bulletin prayer requests and shut-in list to keep in touch with people.

As the pandemic started it limited in person home and hospital visits. We are unable to include meals to keep in contact.

We pray for continue guidance from God for ways to keep reach out to others.

Respectfully submitted,
Linda Gilardi

Christian Education

During this challenging year, the Christian Education Committee looked to think “outside the box” to provide services for children. We held a virtual registration and although the numbers were lower than our typical years, we did see some success with “no contact” registration. The Committee determined that in-person Sunday School would generally follow the guidelines of the state Department of Education. While in-person church services were held in Riley Hall, the CE Committee provided a themed craft in which children could participate during the service. Our greatest achievement this year was the virtual Christmas Pageant. Many of the children of the church participated and performed via short video clips that were compiled. We were able to show the many talents and gifts of the children in different ways.

Our goal for 2021 is to promote participation by the youth of our church during this challenging time. We will also be focusing on identifying the needs, roles, and responsibilities of the Youth Education Director. We hope to being the new Youth Director position search to a close by the end of 2021.

Respectfully Submitted,
Katherine Gilligan
Chairperson

Communications Team

The Communications Team is an unofficial group of church members interested in discovering ways to reach out to the community with news and information about the First Congregational Church of Hanover. We have focused on the church website, social media, video services, and press coverage, and welcome anyone with skills in those areas or who has ideas of other ways to reach the community.

Among the tasks we have been involved with are recording church services, virtual coffee hour, emailing, utilizing YouTube, Facebook, Twitter, Instagram, community posts, Constant Contact, and press releases.

We have purchased a 26” by 42” changeable sign that can be used by all groups within the church. Town Hall has approved an “all-purpose” sign permit that allows us to use the sign whenever we wish without requiring a new permit for each usage. If your group would like to use the sign, please contact the church office.

Discussions are underway regarding the hiring of someone on a part-time basis who can perform many of the above duties on a continuing basis.

Making our church’s work known to the community is an important mission in terms of maintaining stability and the First Congregational Church’s growth. We encourage everyone to let the Communications Team know of events and activities that may be of interest to the community. Also, those of you on social media can assist by sharing your posts with friends.

Those involved in the Communications Team include Jim Hoyes, Ken Cheo, Hal Thomas, Bob Sigsby, Don White, Kate Gilligan, and others.

Respectfully submitted,
Bob Sigsby

Conference Delegate United Church of Christ

The Southwest Conference of The United Church of Christ held its virtual annual meeting on October 3rd and 4th. Reverend Darrell Goodwin was elected as the new Executive Director of the combined Conference replacing Reverend Don Remick. The Conference also held a virtual Super Saturday Event at the end of October which was well attended.

Respectfully Submitted,
Karen Tripp, Conference Delegate

Diaconate

The year 2020 started out ordinarily enough for the Diaconate. With Reverend Eric Stroshine leaving in the fall of 2019 and the introduction of Reverend Terry as Interim Pastor, the Diaconate began concentrating their efforts on how best to adapt to and support the efforts of Reverend Terry to guide us through the interim period.

When the Covid-19-19 virus came along; however, all our efforts were refocused to working with Reverend Terry to adapt to the ever-changing conditions, provide meaningful worship while keeping our members safe, and figure out how to keep in contact with everyone. Reverend Terry's efforts during this time have been extraordinary. In mid-March, the decision was made to end in house services and to go virtual. Reverend Terry worked with staff to develop a weekly newsletter that goes out to all members; he, Chad Weirick, and Don White developed a program of putting together a "virtual 'service complete with music and readings.

At the same time, our meetings went virtual on Zoom. Our virtual services continued throughout the spring and into early July. On July 5th, we held our first live outside service in the pine grove adjacent to the labyrinth. Members were asked to wear masks, bring their own chairs, and sit six feet apart. A table was set up in the rear of the worship space where bulletins, a collection box and prepackaged communion elements were placed. We were fortunate enough to enjoy good weather every Sunday throughout the summer up to the beginning of September. The outside services even included a baptism.

In September, the mornings turned cold, so the service moved to Riley Hall. Reverend Terry had the ceiling exhaust fan tested; windows were kept open; the heat turned on and seats were spaced six feet apart. Inside services continued until November 22nd, the last Sunday in the Church year, when the temperatures outside prevented us from keeping the hall warm enough to be comfortable. As of Nov 29th, the first week of Advent, we resumed virtual services.

The Spring virtual service viewership started out at 25 to 30 and quickly rose to 60 to 80. Easter service had over 200 "views". Summer and Fall live services averaged 25 to 30 people on a consistent basis. In addition, online "views" averaged another 25 to 30 "views".

As good as this participation has been, it has been a constant concern of the Diaconate that there are members and friends that we have not been able to reach, thus the decision was made to send Christmas Cards to our members and friends.

During this time, we have been able to celebrate Palm Sunday, Easter, Communion and Remembrance Day, but have not been able to visit shut-ins, deliver communion to the homebound nor make hospital visits. Reverend Terry, however, conducted several baptisms and funerals during this time.

Plans were made for a virtual Christmas Eve service that included the children, musical selections, and readings.

Based on the success of the virtual services and the forced learning curve brought on by the pandemic, the Diaconate is now looking into "live streaming" our services. This will give us the ability to have an interactive element in the services and will provide us with a way to reach out to the wider community.

According to the By-Laws the Diaconate consists of sixteen members. We have been unable to fill all the positions over the past couple of years. This year we had fourteen members. With four members leaving in January, we will have a committee of ten. Anyone interested in serving on the Diaconate please contact any of our members or the Nominating Committee. During the

continuing pandemic we are okay continuing with the existing ten members. However, when we go back to live services and have a new pastor, we would like to have as full a committee as possible to fully support the congregation and our new pastor.

We wish to thank John Wall, Debbie and Jack Shea and Marianne Christensen for their service as they leave the Board at the end of this year.

Respectfully Submitted,

Hal Thomas and Don Springhetti
Co-chairs

Deacon's Fund

2020 was a difficult time for all aspects of the Church due to the COVID-19-19 virus. Like all other facets of our mission, the Deacons' Fund suffered both through reduced contributions and diminished disbursements.

Donations are primarily funded through collections after the service on the first Sunday of the month. Likewise, specific needs are usually identified through personal contact with the Pastor. Reverend Terry reported no disbursements from the fund in the past year. The suspension of services in effect suspended the Deacons' Fund activities. The balance remaining in the fund was not available at the time of this report.

We look forward to a renewal of faith, spirit, and fellowship in 2021 that will renew the missions of the Deacons' Fund. Until we resume Sunday services in Church, please contact the Church Office if you know of someone who is in need that could be assisted with funds from the Deacons' Fund.

Respectfully Submitted,

The Diaconate

Flower Committee

The Flower Committee received six donations for altar flowers on Sunday services before our church closing. Thank you to committee member Ann Walsh for wrapping flowers and delivering them to recipients after each of those services. Donations made in advance for Sunday services after the closing will be honored for a future date when we reopen.

Sadly, there were no Easter lily or Christmas poinsettia sales and deliveries this year. This always provides our committee and church members with an opportunity to visit those unable to attend church in person.

During the summer months, committee member Maddie Thomas brought a flowering plant to adorn the outside church services. Thank you to her and Hal for caring for this plant and bringing it each Sunday. During services held inside Riley Hall, arrangements were provided by Ruth Hall and me.

The committee continued to decorate the doors of the church during all the months we were closed. Thank you to committee members Cynthia and Peter Ness for planting and caring for the urns. Also, special outdoor decorations were added to Riley Hall for the fall and Christmas seasons.

We completed our tree planting project this December. The plaque honoring the church organizations who made this possible is now in place near the walkway facing the six beautiful maple trees. Thank you to Jim Vaille for his efforts selecting, planting, and caring for our trees and for providing an appropriate stone on which to display the plaque.

We pray that we will be blessed with a healthy 2021 when we can all worship together again soon.

Respectfully submitted,

Lucinda Shaw
Chairperson

Hanover Emergency Food Pantry

We thank Barbara Itz for her three decades of service to the Hanover Food Pantry. On July 29, 2020, Barbara turned in her keys to the Hanover Food Pantry. Barbara was on the founding committee for the Pantry and served many roles, including Pantry president.

Our Church will continue to support the Hanover Food Pantry and looks forward to the time when another volunteer from the congregation will represent our Church at the Hanover Food Pantry.

Hospitality Committee

Due to COVID-19-19, we had to stop providing refreshments and greeters in March 2020, and we hope to be able to resume our hospitality duties soon in this new year.

Respectfully submitted,

Priscilla Cedrone & Virginia Hunt

Investment Committee

The investment climate at the beginning of 2020 featured low interest rates, high equity valuations, and signs of global recession. The endowment portfolio was in a relatively neutral position for us with equities midway between our target range of 40-60%. When the pandemic went global, US equities plunged close to 25% from the beginning of the year. As in the most recent financial crisis, history shows that the prudent strategy is to not sell at these large loss levels, and we held our positions.

The initial round of federal stimulus and the Federal Reserve Bank policy of dropping rates to near zero, started the upswing in stock prices and by the end of the summer, we were back to even. As positive vaccine news appeared, prices continued to rally and finished the year up about 20%. Our portfolio ended the year at 54% equities, 36% in intermediate maturity bonds, and 10% cash. The overall return of the endowment portfolio was 10.6%.

Prospects for the upcoming year depend upon the ability of the new administration to effectively ramp up countywide vaccination and the true state of the economy when it can safely open. We will not know the real damage to the service sector of the economy, particularly restaurants, for some months. We will continue to monitor these issues and will maintain our prudent investment strategy.

Changes to the Endowment Fund

For the year ended December 31, 2020

	Beginning			Ending	
	Balance	Deposits	Withdrawals	Gain/Loss	Balance

Endowment Fund:

	Beginning			Ending	
	Balance	Deposits	Withdrawals	Gain/Loss	Balance
General Endowment	\$426,504		\$12,500	\$55,963	\$469,966
Christie	40,300			2,904	43,204
Clapp	7,235			950	8,185
Whiting Elderly	12,639			1,680	14,319
Memorial	11,409			1,461	12,870
Flower	11,063			1,461	12,524
Haupt Bible	5,365			658	6,023
Audit Reserve	7,235			950	8,185
Pastor's Sabbatical	12,026			1,607	13,633
Special Projects (Fair)	63,198			8,329	71,527
Totals	\$596,974		\$12,500	\$75,963	\$660,437

Respectfully submitted,

Hal Thomas, Deborah Zawalich, Deb Springhetti, Rich Zawalich, Douglas Troupe

Laura's Country Church Fair

With an abundance of caution due to the pandemic, the 2020 Church Fair was put on hold. I do not remember a time in the last 30+ years of being involved in the Fair that it has been cancelled. We have had several wind events that effected the Fair in the past, but never a cancellation. We look forward to the 2021 Church Fair. Many of us have missed the Christian Fellowship that we experienced at the Fair.

Included in the Church Website starting in November we attempted a virtual Fair. Any proceeds from that will be reflected in the 2021 Church Fair Annual Report.

Respectfully submitted,

Amy Crosby, Karen Tripp, Ruth Hall, Irene MacAskill, Linda Gilardi

Memorial Fund

Donations to the Memorial Fund were gratefully received in memory of Dottie Tripp, Arnold Itz, Teresa Hall, and Nancy Bezanson in 2020. These individuals were lifted on All Saints' Day during our church service, and families of the loved one were notified of the memorial gifts. All gifts were acknowledged with a thank you card.

The Memorial Fund Committee awarded scholarships to high school seniors Caitlyn Waugh and Sophie Blanton, two accomplished young adults who were active volunteers in our church. Thank you to those who have contributed to the Memorial Fund and made these scholarships possible.

A family may request that donations in memory of a loved one be used for a specific purpose or let the Memorial Fund Committee Members vote on an appropriate expenditure. Family members are notified of how the donations are used. Purchase requests or suggestions from other committees or church members are welcome and considered by the Memorial Fund Committee.

Thank you to committee members Susan Alexander, Lee Fiske, Marilyn Melchin (Diaconate Representative) and Linda Wall for their dedication and help throughout the year.

The members of the Memorial Fund Committee extend our special thanks to Susan Alexander who has faithfully served as our Secretary and is retiring after serving two terms on our committee.

Respectfully submitted,

John Wall

Chairperson and Diaconate Representative

Merriweds

This was an unusual year for the Merriweds. For much of the year the Merriweds were unable to gather in fellowship due to the COVID-19-19 virus quarantine and restrictions on groups gathering, but we continued to stay connected with one another.

In February, Merriweds attended the Church Hill Coffee House, and in June the Merriweds continued to support Father Bill's Mainspring House by sponsoring a meal. The food was delivered to Brockton, and the Mainspring staff prepared and served the meal. The Mainspring staff appreciates the continued support by FCC Hanover as they have been seeing an increase in demand for meals.

The July annual clambake at the home of Mike & Meredith Crosby was cancelled, but a few couples were able to gather. Participants brought their own lunches, social distanced outdoors and enjoyed some good fellowship by the Crosby's beautiful pool and gardens.

The Merriweds did not have our October Potluck and planning meeting, but members have continued to stay in touch with emails, phone calls, and a Zoom meeting in early December. The Merriweds continued to generously support the Hanover VNA Community Christmas outreach to support neighbors in need by donating Target gift cards.

All adults interested in participating in any or all our activities are welcome. Notices of Merriweds events are sent to those on the membership list, listed in the weekly church bulletin, The Spire, and posted on the church calendar. As 2021 approaches, we look forward to a time when our church community is once again able to gather in person for worship and fellowship.

Respectfully submitted,

Sandra Adami & Linda Wall, Co-Chairs

Moonlighters

Moonlighters is a group of approximately 15 women who meet on the third Wednesday of the month from September - June for an evening of fellowship, mission projects, crafts, and baskets for the annual Church Fair, etc. Most months we meet @ 7:00 pm in Riley Hall.

January ~ we celebrated all our birthdays with a delicious cake and a Yankee Swap of a gently used or new item. We also planned the meal to prepare and serve at Mainspring House in Brockton for February.

February ~ on February 2nd we prepared and served a meal at Mainspring House to 120 grateful people! All members contributed either a chicken casserole, vegetable, cranberry sauce, or dessert. Moonlighters Cindy Shaw, Karen Tripp, and Janice Connolly also served the meal on that Super Bowl Sunday.

At our regular meeting we started planning craft projects for the next church fair. We also planned our International Dinner for March, which ended up being cancelled.

Then Covid-19hit, and our meetings were put on pause.

December ~ Unfortunately, we were unable to gather for our annual Christmas party this year. However, a collection of \$535 in gift cards was donated to the *South Shore Friends of the Homeless* by our members. This donation hopefully made some Christmases a bit merrier!

We always welcome new faces to be part of the fun and fellowship. Join us occasionally or every month. Hopefully, we will start up again later in 2021!

Respectfully Submitted,

Dayna Scribi

Music

The Music Committee began 2020 with big plans for special additions to upcoming Easter services. A trumpet player was engaged to play on Easter morning. Equipment for a renewed handbell choir was ordered and received. Parishioners were ready to practice and prepare to join the Easter celebration with bells.

The pandemic changed our plans. However, the trumpet player asked that we contact him again the next time we need someone. Our potential ringers are still members of our congregation, and the handbell equipment is safely stored in the music room at church. We look forward to an Easter in the future when all can come together in joy.

Meanwhile Minister of Music Chad Weirick has been providing joy with his faithful service throughout this trying time. Whenever possible, he has been present during the Sunday worship service to contribute music throughout. Now, with public school in session, Chad is no longer able to come to Hanover on Thursdays when Reverend Terry tapes the services. However, he continues to share his musical gifts, enriching the Sunday services. In collaboration with Reverend Terry and Don White, Chad comes to Hanover when his public school schedule permits, tapes the music, and gets it to Don White to add to the taped service. During these times of limited access to familiar worship, we are especially blessed to enjoy Chad's musical gifts every week.

Respectfully submitted,

Ava Sigsby
Chair

Outreach and Service

The objective of the Outreach and Service Committee is to enable people to use their time and talents to help other people.

One of our missions is to provide a meal at Mainspring House in Brockton on the first Sunday of each month. We have been unable to serve the meal in person due to Covid-19 but we have been delivering the food for the meal. We deliver the food the day before on Saturday.

During 2020 our Church participated in these Ministries:

- a. We sold 85 blankets for a total of \$850.00
- b. We collected 30 Health Kits
- c. Due to the Pandemic we did not have our normal Thanksgiving Ingathering or White Gift Sunday. Instead, we collected gift cards for Stop and Shop for Thanksgiving and department store gift cards for Christmas. The Hanover VNA greatly appreciates our Church’s generosity.

Our Committee disburses monies from our budget, which equals 10% of the total Church budget. Below is a list of our Missions and the monies allocated in the 2020 budget.

UCC BASIC SUPPORT	\$5,000
MAINSRING HOUSE	\$2,300
SNEUCC MED DEBT	\$1,000
HANOVER FOOD PANTRY	\$1,000
SOUTH SHORE FRIENDS OF THE HOMELESS	\$1,200
TEEN CHALLENGE	\$ 500
HABITAT FOR HUMANITY	\$ 500
CHRISTIAN APPALACHIA	\$ 500
CAROLINA HILL SHELTER	\$ 500
FOOD PANTRY – ROCKLAND, PEMBROKE, MARSHFIELD, HANSON, WHITMAN	\$ 200 Each

Respectfully submitted,
Karen Tripp

Pastor’s Discretionary Fund

There was little activity in either Deacon's Fund or Minister's' Discretionary Fund, either income or expense. The Minister's Discretionary Fund did purchase a portable sign we can use for more activities once we reopen.

Respectfully submitted,
Dr. John A. Terry
Interim Minister

Pastor-Parish Relationship Committee

The Pastor-Parish Relationship Committee has been stagnant this year. Although the bylaws recommend we meet with the minister 3-4 times per year, we are typically called to meet when the minister has an issue to be discussed and only met once this year in February. Many of us have been involved with other committees and concerns that involve Reverend Terry, especially the Pandemic, so have communicated in that way.

Respectfully submitted,
Bob Sigsby Chairman
Rebecca Wolengevicz
Tina Donovan
Al Alexander

Pastoral Search Committee

During November 2019, the call went out for volunteers to be involved with the selection of a new pastor. Moderator, Ken Cheo, had sent each volunteer copies of the Search and Call Guidebook. The Pastoral Search Committee met for the first time back on the 15th of December 2019 to elect a chairperson, discuss the duties and responsibilities, and lay out a schedule for meeting dates.

Our first scheduled meeting took place on Wednesday, January 8 where we began the work of the committee to compile the Church Profile. Congregational meetings were planned for March 1, March 29, and April 6 to address three questions: Who are we now? Who is God calling us to be? and Who is our neighbor? Over the next few Wednesday night meetings, a suggested letter to the congregation was drafted explaining the committee's process and need for the congregational meetings.

During February, the committee developed questions to be asked at the first of the congregational meetings and began reviewing areas in the church profile that could be completed.

The first congregational meeting was held after church on March 1st. During March, the results of the meeting were reviewed. Plans were altered for the second of the three congregational meetings. Instead of a face-to-face meeting, a series of Zoom meetings were set up for early June with the possibility of a questionnaire to be sent out for those who could not attend. As with the first meeting, as list of questions were developed to keep conversation going. Attendance at the Zoom meetings was less than anticipated but the conversations were helpful.

We spent the summer months adding to the church profile covering items such as how the congregation worked together to purchase the new organ, description of a worship service during the pandemic, church finances, or how the church attempted to resolve a conflict involving the sacrament of baptism.

The third set of congregational meetings were held in early fall at the end of September and beginning of October immediately after the Sunday services. These meetings provided many comments about who is God calling us to become.

The remaining weeks in the year were spent reading through the church profile and adding the finishing touches with the goal to have it ready for review by Patty Kogut, the SNEUCC area conference minister for the southeast region, early in January 2021.

Respectfully submitted,

Pastoral Search Committee

Prayer Shawl Ministry

Prayer Shawl participants are always looking for ways to share with the greater community. Due to the present Covid-19 pandemic and all the social distancing and safety precautions the Prayer Shawl Ministry has not been meeting in person at the Church. We have continued to work from home.

A carrying bag for the shawls remains a part of the Prayer Shawl Ministry. We have been mailing or hand delivering shawls when able. Hospitals have not been receiving the prayer shawls to reduce the spread of Covid-19. We have held off, as well, with mailing any blankets to the Native Americans as previously planned due to the pandemic.

This past Fall Reverend Terry was able to perform a Prayer Shawl blessing remotely during a taped Church Service. It is our hope that the shawl helps the wearer feel the loving warmth of our Lord. We have been able to provide Prayer Shawls for Church members, friends, and the greater community. If you know someone that might like a prayer shawl, please contact Reverend Terry.

Respectfully submitted by the Prayer Shawl Members

Linda Gilardi

Social Matters Ad Hoc Committee

2020 was a challenging year in many respects. Following a meeting of the Pastoral Search Committee in which the congregation was asked "Who is God calling us to be?", several members of the church began to meet to discuss how we can educate ourselves, others and promote meaningful change in the world around us. This ad hoc committee is multi-generational and each meeting results in a lively discussion and actionable steps that are taken. In 2020, the Committee promoted a school

supplies drive, a food drive, and is selling “unity” masks. In the coming year, the group plans to invite members of the community to coffee hour to share their experiences and will also continue to promote and support causes in our area that are related to equity and social injustice.

Respectfully Submitted,
Nicole Conti & Katherine Gilligan

Stewardship Committee

The shutdowns due to Covid-19 impacted the stewardship campaign this year. A letter and virtual appeal were produced. Pledge cards and letters were sent out in November. Many have been returned by mail but not as many as years past. Please return your pledge promptly, if you have not already done so in November and January. You can pledge on the church’s website also under the Giving tab. A follow up letter will be sent to anyone who did not return their pledge in January 2021.

The committee has also been reduced in membership due to the need to isolate and impacts on families. Next year at least two to three new members will be needed. The committee will continue virtually until it is safe to meet in person again. Since several of the current members must continue to socially distance, perhaps a hybrid meeting model would also work.

Respectfully submitted,

Lynn White
Member, Stewardship Committee

Thrift Shop

2020 has been an interesting year for the Silver Street Thrift Shop. Weekly income was up at the start of the year and then Covid-19 hit. For many months, as the shop was closed, there was no income. However, since the staff is all volunteer, there was no overhead to worry about either. State guidelines have been followed throughout the year as we all live through this learning experience in disease control.

The ladies at the shop decided to try another open-air yard sale in the Riley Hall parking lot last August to move inventory along and generate some income. This goal was achieved. Many members and friends of all ages from the church helped. But as happened the year previous, showers fell in the final minutes of the sale and created a small crisis. Many hands quickly helped tote the unsold and now wet items back into Riley Hall before they were ruined. The sale made \$2636.50 and we could not have done it without the helping hands of some strong men - Dave, Ed, Don, Bob, and Steve.

Over the following weeks, the staff was able to sort through the items, bringing damaged goods to the dump (thanks to Dave and his pick-up) and other items that just have not sold in the shop to other venues in the area. By now, most of the staff knows what sells in the shop and what does not. It is still amazing; the range of items people donate. From dolls and dolls clothes to expensive old cameras that a collector might like. Items move when the right buyer comes along!

In the fall, the shop was opened for business for several weeks after setting up precautions as outlined by the state. It was nice to see and talk with old friends who often frequented the shop before the Covid-19 situation even if we were all wearing our masks! Income was particularly good, surprisingly higher than expected. The shop was closed just before Christmas due to the uptick in Covid-19 within the state.

The staff looks forward to opening again in the future when the current situation eases, and it is safe to do so. Thanks for all your support this year and in the past, and particularly our faithful staff: Priscilla, Ruth, Jessie, Libby, Cindy, Susan, Karen, Dayna, Amy, and Glenda.

Total sales for the year were \$11,156.62 with \$146.53 in donations.

Respectfully Submitted,
Marilyn Melchin, Sandy Vaughn, and Ginny Hunt-Burbine

Trustees

The Board of Trustees met every second Monday of the month throughout 2020. Regular maintenance issues of the Church campus were regularly identified and addressed. Certain projects were undertaken that bear special mention, however. First, the Church parsonage received significant repairs and upgrades that made it a desirable rental property. It did not take long for the building to be rented on an annual lease basis. Additional up-grades and improvements will undoubtedly be made in the future dependent upon a Senior Pastor's desire to reside in it or not.

Secondly, the Trustees authorized and oversaw the removal of thirteen (13) trees on the easterly side of the Riley Hall rear parking lot in the general area of the labyrinth. This was done for the safety of those congregants attending outdoor worship and walking the labyrinth as most of the trees were determined to be either dead or dying.

Finally, the well project was successfully completed with the discovery of a good source of water. A well pump was installed and connected to a system of sprinkler heads previously installed but not used due to the town moratorium on the use of town water for irrigation. The existing heads were found on both sides of the church as well as the area on the southerly side of the driveway. Some repairs are going to be necessary in the spring but the goal of making the church property a focal point of the town center is being achieved. A big tip of the hat is due Village Green Landscaping for really keeping the church grounds in good condition.

Respectfully submitted,

Ted Adami
Chairman Board of Trustees

Usher Committee

The Ushering Committee has sixteen members and two alternates who are assigned one week out of the month to cover the regular 9:30 worship service. During the church year we also assign ushers and church members who volunteer to cover the two Easter and Christmas services.

Because of the Covid-19 shutdown, we have not needed weekly ushering duties. Currently, we do not need any additional ushers. Anyone interested in serving as an usher, please contact Ruth Hall or Al Alexander and we will add you to the alternates list. This year, assuming we can gather for services, there will be four months (January, May, August, and October) with five Sundays during. We will ask the alternates to help usher on those Sundays.

Respectfully submitted,
Al Alexander & Ruth Hall

Youth Ministry Report

Report pending

First Congregational Church of Hanover -- Financial Report for 2020

Approved Budgets for 2020 – As a reminder, three budgets for 2020 were approved at the Annual Congregational Meeting. The approved Income budgets were as follows:

- **Operating Budget (Unrestricted) = \$264,500**

Sources of Operating Budget Income – Approved 2020 Budget	
Major Income Categories	Income Amount
<i>Offerings</i>	<i>\$200,000</i>
<i>Rentals</i>	<i>\$7,200</i>
<i>Other Donations</i>	<i>\$1,500</i>
<i>Fundraising</i>	<i>\$7,500</i>
<i>Thrift Shop</i>	<i>\$17,500</i>
<i>Other Investment Income</i>	<i>\$800</i>
<i>Endowment Transfers</i>	<i>\$30,000</i>
Total Operating Budget	\$264,500

- **Outreach & Service (Restricted) = \$19,640**
- **Building Fund (Restricted) = \$18,939**

Budgeting Background -- The Outreach & Service and Building Fund budgets are set by Pledge amounts designated to these uses and the allocation is either 80% Operating Budget, 10% Outreach & Service Budget and 10% Building Fund Budget or allocation percentages set by each member who submits a Pledge. Uses (expenses) of the Outreach & Service Budget are controlled by that specific committee and use is restricted to the committee activities. Uses (expenses) of the Building Fund Budget are controlled by the Trustees and use is restricted to the boards activities which are all related to the care and maintenance of the church campus. The church approves the Income budgets, and the committees spend the budgets as they see fit and must maintain annual spending in alignment with the approved budget. The Outreach & Service committee also raises money throughout the year for specific projects (e.g., Heifer Project or disaster relief fundraising) and any raised funds are then passed through on a 100% basis to that specific organization.

The Operating Budget, which is an unrestricted fund, supports the operations of the church including staff salaries/benefits, Call Letter components, utilities, supplies, etc. The budget is set and approved annually; however, throughout the year, monies can be moved within the overall budget categories to address specific expenses if the total Expense does not exceed the approved Income budget. This allows the flexibility to manage the church's day-to-day operations, yet still have a control on the ceiling for spending. Any expenditures above the budget require a separate congregational vote providing an important check and balance to church finances.

The Operating Budget can use part of the General Endowment Fund investment income to support the overall budget. This investment income is a specific line item in the budget and is subject to the congregation's approval. Unless there is an extraordinary event, the principle of the General Endowment fund is not utilized and is preserved as the base for annual investment gains. All the other Endowment Funds (i.e., Christie Fund, Memorial Fund, etc.) are never used to support the Operating Budget and remain restricted to the specific use guidelines for that fund.

There is one other restricted fund, the "Fair Fund", which is funded by the proceeds from the Annual Church Fair. Usage of these funds requires a specific congregational vote to release monies. In years past, the Fair Fund has been used to provide financial support for new roofing on the Church and Riley Hall, the Window Replacement Project, and the Church Organ Replacement Project. In recent years, and to the best of my knowledge, these funds have not been used to support the Operating Budget.

Financial Framework for Year Ending 2020 (based on QuickBooks Financial Statement available on January 19, 2021) – The financial foundation of our church is very sound, and we are in a strong financial position for a religious organization. Despite the difficulties of the SARS-CoV-2 pandemic in our community, the commonwealth, the country, and the world, we have, financially, weathered the storm in 2020. However, as you will see in the proposed Budget 2021, we face, financially speaking, a more difficult year. More on that later in the report.

Restricted Budget Review

(A) **Outreach & Service:** 2020 Pledge Income was \$19,011 vs a budget of \$19,640. This represented a slight shortfall of \$629 and was 97% of target. In addition, the following donations to Outreach & Service were received and counted as Income:

- Food Pantry -- \$758 from the Souper Bowl Fundraiser and from the Social Matters Committee Fundraiser
- Special Relief - \$300 in donations from the June Social Justice Vigil
- Church World Service (Blanket Drive) - \$850
- Heifer Project - \$145 (Cans & Bottle Collections)

This brings total Outreach & Service Income to \$21,064 for 2020.

Disbursements totaled \$17,928 which was broken down as follows:

- Mainspring House - \$2,000
- Church World Service - \$1,350 (the \$850 raised as pass-through income, plus \$500.00 in additional Outreach & Service Committee contributions)
- Hanover Food Pantry - \$1,758 (the \$758 raised as pass-through income, plus \$1,000 in additional Outreach & Service Committee contributions)
- Surrounding Community Food Pantries - \$1,000 (\$200 each to Rockland, Hanson, Marshfield, Pembroke and Whitman Food Pantries)
- Sharing, Inc - \$500
- Magical Moon Foundation - \$500
- Seafarer's Friend - \$500
- Salvation Army - \$500
- Teen Challenge Brockton - \$500
- MAUCC RIP Medical Debt Program – \$1,000
- Bethesda House - \$500
- Carolina Hill - \$500
- Re-Member - \$500
- Heifer Project - \$320 (\$145 from Cans & Bottle Collection and \$175 as an O&S donation)
- Friends of the Homeless – South Shore - \$1,500
- Our Church's Wider Mission (OCWM) - \$5,000

The financial report shows a positive Net Income to Actual Income of \$3,136. These funds remain available to the Outreach & Service Committee for 2021 (or future years) as they are placed in the restricted Outreach & Service banking account.

Building Fund: Pledge Income was \$18,701 vs. a budget of \$18,939. This represented a slight shortfall of \$868 and was 99% of target. The full budget was exhausted in 2020 as the Trustees made significant repairs, enhancements, and improvements to our church campus. This included fixing clear safety / risk management issues such as the dead tree removal from the Grove area behind Riley Hall, beautification improvements such as reestablishing irrigation for the ground surrounding the church building, ongoing repairs to our facilities, and annual inspections and permitting.

Total expenses were \$20,082 which was over the approved budget by \$2,011. However, \$868 of this shortfall (almost half) was due to the Income shortfall. Given the nature of 2020, the Finance Committee supported this additional spending and was aware of all projects as communication between these two groups is strong. The excess spending of \$2,011 was covered by a withdrawal from the restricted Building Fund banking account.

Building Fund Expenses for 2020 were as follows:

- Interior Paint & Repairs - \$249 (various minor projects)
- Exterior Paint & Repairs - \$950 (gutter cleaning for all 3 buildings on campus)
- Grounds Maintenance - \$10,985 (\$4,100 for tree removal and \$6,885 for Village Green Landscaping including \$2,500 for Spring and Fall clean-ups)
- Elevator Maintenance - \$2,500 (\$1,200 for Riley Hall Chair Lift Repair; \$1,300 for various permitting and safety inspection fees)

- Boiler Maintenance - \$642 (Riley Hall repair and Parsonage gas leak repair)
- Miscellaneous - \$1,111 (Pest control and OOP expenses)
- Special Projects - \$3,645 (Irrigation well and associated electric work – in preparation for 2021 landscaping improvements)

It should be noted that the \$1,200 in Riley Hall Lift expense was unplanned, the \$4,100 tree removal expense removed an imminent hazard, and the \$3,645 Special Projects represents a long-term investment to improve the look of the church campus in town center. It should also be noted that the Windows Replacement Project (cost of \$166,133) and the New Organ Project (\$36,192) were both closed out with all invoices paid.

Unrestricted Budget Review (Operating Budget)

The Operating Budget finished the year in an exceptional position; however, this was due to many unplanned items as the year was significantly affected by SARS-CoV-2 pandemic and resulting public health guidelines. On the Income side of the financial statement, we benefited from the Payroll Protection Program under the CARES Act, from steady rental income from AA, from unbudgeted rental income from the Parsonage, and a delayed Endowment Fund transfer of \$12,500 related to 2019. We also had negative variances from closure activities. First, we had significant shortfalls in Offering which is the key driver of our budget. We also experienced shortfalls affecting the Thrift Shop Income. Of note, we did not need to utilize the approved Endowment Fund transfer of \$30,000.

On the Expense side of the financial statement, we benefited from savings from delayed or cancelled church programming, reduced usage of utilities associated with the campus closure, better management of utility rates, reduced salary costs due to reduced hours, the open CE Director position, and consistent and tight Expense management. Most of these items, while favorable to the Budget, are not good news for the church as we want to run our events, programs, and other church activities. Our overall performance also allowed us to “cover off” on the \$9,869 Expense “Challenge Goal” which was part of the Approved 2020 Budget (*reminder: the mechanism allowed us to approve a balanced budget*). Nevertheless, the financial impact was very positive for the church and we “survived” the pandemic in 2020 very strongly ... and better than many comparable religious and charitable organizations.

2020 INCOME

Sources of Operating Budget Income – Approved 2020 Budget		
Major Income Categories	Income Amount (Budget)	Income Amount (Actual)
<i>Offerings</i>	<i>\$200,000</i>	<i>\$166,051</i>
<i>Rentals</i>	<i>\$7,200</i>	<i>\$5,970</i>
<i>Other Donations</i>	<i>\$1,500</i>	<i>\$300</i>
<i>Fundraising</i>	<i>\$7,500</i>	<i>\$2,766</i>
<i>Thrift Shop</i>	<i>\$17,500</i>	<i>\$11,315</i>
<i>Other Investment Income</i>	<i>\$800</i>	<i>\$462</i>
<i>Endowment Transfers</i>	<i>\$30,000</i>	<i>\$0</i>
<i>Prior Year Endowment Transfers</i>	<i>---</i>	<i>\$12,500</i>
<i>Payroll Protection Program</i>	<i>---</i>	<i>\$33,546</i>
<i>Parsonage Rental Income</i>	<i>---</i>	<i>\$24,700</i>
<i>Misc. Income Statement Items</i>	<i>---</i>	<i>\$3,119</i>
Total Operating Budget	\$264,500	\$260,728

Positive impacts: Despite the pandemic, we finished the year at 99% attainment of our Income Budget with a shortfall of only \$3,772. Bright spots were: (1) Pledges finished at 96% attainment of goal (vs. 83% for Offerings as a whole) and (2) the Thrift Shop was able to contribute \$14,081 (including the Yard Sale earnings and cash donations of \$159) despite being closed for most of the year. We also benefitted from renting the Parsonage in July 2020 and from CARES Act funding – a combined \$58,246 financial benefit.

Concerns heading into 2021

- Offering, the key driver of our budget, was down in 2020. Although Pledge Income was steady, Non-Pledge Offering was only \$15,611, \$27,489 short of budget (36% to goal). And 2021 Offering projections continue to trend downwards. This factor of low Non-Pledge Offering Income may be related to membership declines or low engagement. Or this issue may solely be related to the pandemic. This issue needs review by relevant church committees and staff.
- Uncertainty: It is hard to forecast Thrift Shop revenue and some expenses such as Settled Pastor costs. We also do not know the impact of the Settled Pastor contract on Parsonage rental income (and will be including a full year's rent in the Proposed 2021 budget). We also do not know the full impact of the recent Stimulus Package (or subsequent packages under the new Biden Administration).

2020 EXPENSES

We experienced a budget favorability in terms of Expenses in 2020. Total Operating Budget Expenses were \$233,070 vs. an approved Budget of \$274,369. This represents a \$41,300 positive variance. **This means FCC of Hanover had a \$27,658 Net Income favorability for 2020** (Budget assumed a balanced budget for 2020).

Expense commentary:

- Utilities were \$19,837, \$3,163 less than budgeted.
- Program Expenses were \$1,931 which was \$9,069 less than budgeted (which means we were not able to implement our important church work in 2020 due to the pandemic).
- Fundraising/Stewardship Programs were \$0, \$1,500 less than budgeted as we were not able to hold churchwide events in support of Stewardship and Annual Giving.
- UCC Dues were \$3,536. This payment includes Pilgrim Association Dues of \$221.
- We incurred \$1,447 in expenses, unbudgeted, for preparing the Parsonage for rental. This was a negative Expense impact but was more than offset by Parsonage Rental Income.
- Supplies Expenses were slightly over budget by \$313 as we incurred some unanticipated expenses related to outdoor services equipment and to cleaning supplies; however, this overage was more than offset by a \$879 positive variance in Office Expenses (primarily due to less copier related expenses).
- Insurance Expense of Health, Life, Disability and Liability insurances of \$28,124 were negative by \$3,249 (total approved budget was \$24,875). This overage was roughly equally split between high health insurance costs and increased liability insurance premiums.
- We had \$5,075 Expense favorability in Substitute Pastor/Guest Musician costs since live worship was curtailed including Easter Service and Advent Season.
- The remainder of the Expense favorability was due to reduced payroll costs and professional expenses related to the Interim Pastor Call Letter.
- We are also grateful for the cost savings in snow removal and snow plowing we receive from P.A. Landers and the Landers family. This is a significant savings each year and we appreciate how this contribution allows for other money to be utilized for other church endeavors.

Budget 2020 Summary – In terms of our financial statements **we show a very strong year**. However, in reality, 2020 was a disappointing year due to the pandemic and the resulting inability to fully implement our church programs. **This seemed to have a large negative impact on Offerings, and this will be an ongoing issue for 2021.** We also need to recognize we benefited from several one-off items such as the PPP and the net positive impact of the Parsonage Rental.

In summary, when non-financial issues are set aside, we had strong performance against the approved 2020 Budget.

- Income (Unrestricted and for the Operating Budget) totaled \$260,728,
- None of the budgeted \$30,000 in Endowment Funds were needed to support operating expenses,
- Expenses totaled \$233,070,
- The \$9,869 "Expense Challenge Goal" was fully covered,
- The year ended with a favorability of \$27,658 that can carry forward into 2021, and
- Total Income, Unrestricted and Restricted = \$303,538.

Looking back over the past few years, we have invested in our church campus (ex. new roofs, new windows, and a new organ), we have kept our Endowment Funds intact, we are using Endowment Fund gains to support our operating budget but keep the principal whole so we can continue to provide funds, and we built a solid financial framework that provides good transparency to the congregation and maintains appropriate financial controls.

The Finance Committee is very pleased with these financial results and is grateful for all the contributions of time, money and talent received from the entire congregation, Reverend Terry and the church staff, committee members and committee chairs. We also want to thank the Investment Committee for their strong stewardship of the Endowment Funds under their control. The investment gains have been impressive while the fund allocations remain prudent.

I would also like to highlight and thank the overall financial team supporting our church.

Church Officers: Carol Gillis (Treasurer) and Elaine Backer (Financial Secretary)

Finance Committee Members: Bob Berry (also liaison with the Stewardship Committee), Cynthia Price-Taylor, Doug Troupe (also liaison with the Investment Committee), Peter Kelly (also Assistant Treasurer), and Tony Romano

For 2021, the Finance Committee will be looking for 3 new members as Bob, Cynthia and I will be moving off the committee. Please consider volunteering.

On a personal note, I want to thank the many finance committee members with whom I had the opportunity to serve with over the last 6 years, and the congregation for their faithful and generous financial giving and for their support of our finance policies, procedures, and recommendations.

Proposed Budget for 2021 – *will be supplied as a handout prior to the February 2021 Annual Meeting and posted on our church website. Any adjustment to the final December 2020 Financial Statement will be made in the final Annual Report and/or highlighted at Annual Meeting.*

Two data points for 2021 that we know based on the Pledge Campaign for 2021.

- **Proposed Outreach & Service 2021 Budget = \$20,000, up 1.8% from the 2020 Budget of \$19,640**
- **Proposed Building Fund 2021 Budget = \$17,500, down 7.6% from the 2020 Budget of \$18,939**

Faithfully yours,

Jim Hoyes – Finance Chair

As adopted at the January 19, 2021 Finance Committee Meeting. Based on 2020 Financial Statements as of January 19, 2021. Final confirmation on financial statements will be provided at the February Annual Meeting.

Proportional Giving is the new way SNEUCC is administering UCC Dues going forward. This will replace “MAUCC Dues” and “Our Church’s Wider Mission” (OCWM) contributions. Finance Committee recommends using PG under the framework outlined in the document below.

PROPORTIONAL GIVING – WHAT IT IS & HOW IT WORKS

[Comments related to FCC of Hanover for 2020 / 2021 are in red italics and follow each question / segment]

What is Proportional Giving (PG)?

PG is the new way of funding our common mission through the Southern New England Conference (SNEUCC) that is faithful, covenantal, aligned with our Conference’s mission and core commitments, and based on an understanding of generosity rooted in scripture. It is a financial expression of covenant commitment by local churches to support the Conference and National UCC through sharing a percentage of local church income.

This is a covenant and is based on actual Income for the year, so it is flexible in terms of our exact financial results for the year. We commit to the approach and the Giving Percentage approach. In 2020, FCC of Hanover contributed \$8,536 in UCC Dues, OCWM and Pilgrim Association Fees. Under this PG method and using the calculation methodology recommended by the Finance Committee, we would have a 2021 payment of \$8,484 ... remarkably like our 2019 and 2020 actual payments.

How does it work?

OCWM Basic Support and Conference Membership Dues (Fellowship dues in MA and RI and Per Capita Contributions in CT) and United Church Mission (UCM) are replaced by a single way of giving. A church’s PG contributions are based on its historic giving percentage multiplied by its Total Income* in a given year. E.g., \$150,000 Total Income X 2% Giving Percentage = \$3,000 PG Contribution.

PG replaces OCWM and Dues with a simpler calculation. The Finance Committee supports this approach as it is simple to budget for and it clarifies Outreach & Service Budget monies that remains free for use locally and regionally. In the 2021 Proposed Budget, roughly 1/3 of O&S Budget would be a contribution to PG while the remaining 2/3 of the budget remains available for committee directed giving. Non-Pledge O&S fundraising would remain a “100% pass-through” item, as it is now. As a transitional move and due to Operating Budget Income uncertainties, Finance Committee recommends that funding of PG is split 40%/60% between Operating Budget and O&S Budget for 2021, 45%/55% for 2022 and 50%/50% for 2023.

When will PG begin?

This year is a transitional year. For 2020, we are asking churches to maintain or increase giving to OCWM Basic Support and the Conference at 2019 levels. If you are a UCM church and need these amounts, we can give you that information.

FCC of Hanover paid its 2020 UCC Dues and OCWM obligations in January 2021 once our financial position was clear. This totaled \$8,536 in total and was equal to 2019 contribution levels. We have no further 2020-related obligation.

What tools will my local church have for following the two-step process?

Local church leaders determining the church’s PG contribution will be provided with two simple spreadsheets that make the two-step PG giving determination process easy to follow. Beyond year one, only one spreadsheet will be needed annually to calculate PG contributions.

PG is easy to calculate and is based on prior year full year results vs. forward-looking budgeting and projections.

What is and is not included in Total Income*?

Income **included** in the PG Total Income calculation:

- Operating pledge receipts for the year
- Missions/Outreach pledge receipts for the year
- Plate offerings

- Investment income allocation for the year up to what the church's spending policy permits. This would be the regular 'draw' on investment income per the church's endowment policy. (For sustainability, SNEUCC recommends a draw of no more than 5% of market value averaged over 5 years using quarterly data.)
- Net rental income
- Net income from programs (e.g., a nursery school)
- Net fundraising income to general operating budget

The Finance Committee recommends following these guidelines with two exceptions – (1) we do not recommend including Net Parsonage Rental Income since this is an offset of the Pastors Housing Allowance, and (2) we recommend limiting the impact on the Endowment Funds to the annual portion of the General Endowment Fund that is included in the annual Operating Budget (i.e., a portion of the investment income from the fund). We recommend that in all cases the inclusion of General Endowment Funds in the calculation is limited to investment gains and General Endowment Fund principal remains untouched. Income from other restricted Endowment Funds is excluded.

Income **excluded** from the PG Total Income calculation:

- Capital Campaign contributions
- One-time donor-restricted gifts for a particular purpose other than general budget support
- Memorial gifts
- Bequests
- Extraordinary use of endowment funds to balance the budget. (This means any amount used in excess of 5% of the market value of the endowment averaged over 5 years using quarterly data).
- UCC Special Offerings (e.g., One Great Hour of Sharing)
- Disaster relief or other one-time mission giving
- Net income from fundraising for restricted purposes (e.g., new handbells)
- Income from one-time sale of assets (e.g., parsonage, communion silver)

The Finance Committee is aligned with these exclusions; however, it recommends adding the Building Fund to the Exclusion List, since it is a restricted account.

How does the two-step PG process work in practice?

Here is an example of how PG would work for a sample church determining its PG contribution: Prior Yr. Total Income X Giving % = Current Yr. PG Contribution

- In 2019 Grace Church paid \$3030 in Conf. Membership Dues and gave \$4200 in OCWM Basic Support for a total of \$7230 in wider church giving in 2019. That year, its Total Income* was \$175,000. It establishes its Giving Percentage: $\$7,230 \text{ Giving} \div \$175,000 \text{ Total Income} = 4.1\% (.041)$
- For 2020 Grace Church maintains its 2019 giving levels: \$3030 Conf. + \$4200 OCWM = \$7,230 Total
- For 2021 when its 2020 Total Income* was \$165,000, Grace determines its 2021 PG Contribution as follows: $\$165,000 \text{ Prior Yr. Income} \times 4.1\% \text{ Giving} = \$6,765 \text{ PG Contribution for 2021.}$
- In this example, Grace's PG contribution for 2021 would decrease from \$7,230 (2019 and 2020) to \$6,765 in 2021 in proportion to its decreased income from 2019 to 2020. (Note: If Grace's Total Income* would have increased to \$185,000 in 2020, its contribution would have increased: $\$185,000 \times .041 = \$7,585.$

* please see above list of what is included in Total Income.

Example for FCC of Hanover:

- In 2019 FCC of Hanover paid \$3,536 in Conf. Membership Dues and gave \$5,000 in OCWM Basic Support for a total of \$8,536 in wider church giving in 2019. That year, its Total Income** was \$256,079. It establishes its Giving Percentage: **\$8,536 Giving ÷ \$256,079 Total Income = 3.33% (.0333)**
- For 2020 FCC of Hanover maintained its 2019 giving levels: \$3,536 Conf. + \$5,000 OCWM = **\$8,536 Total for 2020**
- For 2021 when its 2020 Total Income** was \$254,528, FCC of Hanover determines its 2021 PG Contribution as follows: \$254,528 Prior Yr. Income X 3.33% Giving = **\$8,484 PG Contribution for 2021**. This means no other SNEUCC conference dues or OCWM contributions.

** please see below to see what is included in Total FCC of Hanover Income for PG purposes

	<u>2019 Income</u>	<u>2020 Income</u>	<u>2021 Income Projection</u>
Total Operating Income	\$ 242,647.43	\$ 260,728.27	\$ 264,500.00
Total O&S Pledge Income	\$ 28,552.42	\$ 18,935.05	\$ 18,500.00
Less:			
<i>Rental Income Fund</i>	\$ -	\$ 24,700.00	\$ 31,320.00
<i>Reimbursement (4900)</i>	\$ 14,883.80	\$ -	\$ -
<i>Returns / Refunds</i>	\$ 59.09	\$ 390.26	\$ 400.00
<i>NSF - Returned Checks</i>	\$ 178.00	\$ 45.00	\$ 100.00
PG Income Total	\$ 256,078.96	\$ 254,528.06	\$ 251,180.00
PG Percent	3.33%		

Is PG the same as United Church Mission (UCM) was in the Massachusetts Conference?

No, UCM also included Association giving. With PG, responsibility for funding Associations will be fully in the hands of Associations.

The Finance Committee has no comment on this section.

What does this change mean for Massachusetts Conference churches that previously opted into UCM?

MA UCM opt-in churches will use a remarkably similar process – including spreadsheet tools – to calculate PG as they did for UCM. The difference is that their PG contribution will not include Association funding. All UCM opt-in churches will have Conference staff support for making these adjustments.

The Finance Committee has no comment on this section.

With Proportional Giving is our church making a “pledge” to the wider church?

No. With PG, the Local Church is not pledging a set amount to the Conference and National UCC. PG asks churches to make a covenant to contribute annually a percentage of the income it received during the previous year. This is an ongoing commitment to contribute a percentage of income, not a one-time commitment of a pledged dollar amount.

The Finance Committee has no comment on this section. However, we note this is a covenant based on actual results and not a pledge independent of actual income.

Will our church receive a bill for its PG contribution?

No, the church will not receive a bill for PG. However, PG giving statements and reminders of your church's commitment will periodically be sent to your church by the Conference – as we currently do with OCWM contributions.

The Finance Committee has no comment on this section.

How will National UCC's share of Conference PG by local churches be determined?

PG gifts will be shared by the Conference with the National UCC just as Our Church's Wider Mission (OCWM) Basic Support have been shared previously. However, as with the local church, the Conference will calculate its annual giving to the National UCC based on an established Giving Percentage applied to the Total Income* it receives. Thus, the Conference will use a parallel approach for giving to the National UCC that local churches will use for giving to the Conference.

The Finance Committee has no comment on this section.

What support will my church have for making the transition to PG?

As indicated above, all churches will be provided with spreadsheet tools to help them calculate their PG contribution beyond 2020. In addition, a variety of support resources will be available to those implementing PG for their congregation to help them with such issues as when PG is listed in a line-item budget, navigating a split budget/pledge situation, how PG fits into the church's overall mission giving, and communicating generally about PG with local church members. Finally, the contact information for designated Conference staff to assist churches will be available.

The Finance Committee will work with appropriate FCC of Hanover committees and staff to implement this PG program. We note that SNEUCC provides resources we can use to supplement our local efforts.

Where can I find more information about PG now?

Information and resources about PG may be found on the website of the Southern New England Conferences: <https://www.sneucc.org/proportional-giving>. You may also call the Conference office and ask to speak with Reverend Dr. David Cleaver Bartholomew, Transitional ACM for Stewardship and Financial Development, or email him at: cleaver-bartholomewd@sneucc.org

The Finance Committee has no comment on this section.

Final, as adopted by the Finance Committee on January 19, 2021

Financial Statements (preliminary, pending acceptance at Annual Meeting):

- Operating Budget (2020 vs. 2019) – **attached**,
- Operating Budget (2020 vs. Budget) – available in packet with 2021 Proposed Operating Budget,
- Outreach and Service (2020 vs. 2020 Budget) – **attached**, and
- Building Fund (2020 vs. Budget) – **attached**.

OPERATING BUDGET PROFIT & LOSS

January - December 2020

	TOTAL			
JAN - DEC 2020	JAN - DEC 2019 (PY)	CHANGE	% CHANGE	
Income				
4000 Non-Restricted Income				
4001 Offerings				
4010 Pledge Income	146,871.71	156,579.73	-9,708.02	-6.20 %
4020 Loose Offering	721.00	3,057.09	-2,336.09	-76.42 %
4030 Non-Pledged Offering	12,550.00	27,727.00	-15,177.00	-54.74 %
4040 Christmas Offering	1,110.00	2,243.00	-1,133.00	-50.51 %
4050 Easter Offering	1,030.00	2,449.00	-1,419.00	-57.94 %
4060 Church School Offering		16.87	-16.87	-100.00 %
4070 Initial Offering	200.00	200.00	0.00	0.00 %
4080 Prior Year Pledge	2,568.00	532.00	2,036.00	382.71 %
4090 Next Year Pledge Income	1,000.00		1,000.00	
Total 4001 Offerings	166,050.71	192,804.69	-26,753.98	-13.88 %
4002 Paycheck Protection Program	33,545.72		33,545.72	
4005 Bank Interest	4.14	6.74	-2.60	-38.58 %
4006 On Line Giving Service Cost Offset	355.43	354.48	0.95	0.27 %
4100 Rental Income				
4110 AA Wednesday & Thursday	1,350.00	2,125.00	-775.00	-36.47 %
4121 Parsonage Rent	24,700.00		24,700.00	
4130 Other Rentals	1,740.00	4,600.00	-2,860.00	-62.17 %
4150 AA Big Book Step Workshop	2,880.00		2,880.00	
Total 4100 Rental Income	30,670.00	6,725.00	23,945.00	356.06 %
4200 Other Donations				
4210 Baptisms	200.00		200.00	
4230 Funerals	100.00	900.00	-800.00	-88.89 %
4240 Other Miscellaneous Donations		846.26	-846.26	-100.00 %
Total 4200 Other Donations	300.00	1,746.26	-1,446.26	-82.82 %
4250 Fundraising	2,765.50	1,593.30	1,172.20	73.57 %
4251 Thrift Shop	11,156.62	21,488.32	-10,331.70	-48.08 %
4252 Thrift Shop Donation	158.53	894.89	-736.36	-82.28 %
4260 Other Investment Income	462.38	747.52	-285.14	-38.14 %
4271 Endowment Income Dist - Prior Year	12,500.00		12,500.00	
4280 Refunds for Overpayments	2,324.13	1,165.34	1,158.79	99.44 %
4281 Returns/Refunds	390.26	59.09	331.17	560.45 %
4285 NSF -Returned Checks	45.00	178.00	-133.00	-74.72 %

OPERATING BUDGET PROFIT & LOSS

January - December 2020

TOTAL				
	JAN - DEC 2020	JAN - DEC 2019 (PY)	CHANGE	% CHANGE
4900 Fund Reimbursements				
4920 Flower Fund Reimbursement		8,212.83	-8,212.83	-100.00 %
4940 Christy Fund Reimbursement		2,400.00	-2,400.00	-100.00 %
4970 Pastor's Sabbatical Reimbursement		4,270.97	-4,270.97	-100.00 %
Total 4900 Fund Reimbursements		14,883.80	-14,883.80	-100.00 %
Total 4000 Non-Restricted Income	260,728.42	242,647.43	18,080.99	7.45 %
Total Income	\$260,728.42	\$242,647.43	\$18,080.99	7.45 %
GROSS PROFIT	\$260,728.42	\$242,647.43	\$18,080.99	7.45 %
Expenses				
6000 Unrestricted Expense				
6100 Payroll				
6105 Salary and Wages	146,818.85	137,789.28	9,029.57	6.55 %
6110 Payroll Taxes	4,768.25	6,332.09	-1,563.84	-24.70 %
6115 Annuity	10,733.34	8,695.70	2,037.64	23.43 %
6120 Flexible Spending Account		900.00	-900.00	-100.00 %
6125 Pastor's Home Equity		2,680.50	-2,680.50	-100.00 %
Total 6100 Payroll	162,320.44	156,397.57	5,922.87	3.79 %
6150 Substitute/Guest Expenses				
6155 Guest Musicians	750.00	5,150.00	-4,400.00	-85.44 %
6160 Substitute Organist		700.00	-700.00	-100.00 %
6165 Substitute Preacher	175.00	1,050.00	-875.00	-83.33 %
Total 6150 Substitute/Guest Expenses	925.00	6,900.00	-5,975.00	-86.59 %
6200 Insurance				
6205 Health & Dental	15,442.00	18,809.50	-3,367.50	-17.90 %
6210 Liability Insurance	11,532.00	11,181.00	351.00	3.14 %
6215 Life/Disability	1,150.00	845.89	304.11	35.95 %
Total 6200 Insurance	28,124.00	30,836.39	-2,712.39	-8.80 %
6280 Refund for Overpayments	1,202.73	916.70	286.03	31.20 %
6281 Returns/Refunds	780.44	59.09	721.35	1,220.76 %
6300 Office Expenses				
6305 Bank Charges		23.12	-23.12	-100.00 %
6307 Deposit Item Returned NSF	56.43	178.00	-121.57	-68.30 %
6315 Computer Software/Support	988.78	556.99	431.79	77.52 %
6320 Copier Expenses	1,761.22	2,498.98	-737.76	-29.52 %
6325 Postage	814.50	1,289.71	-475.21	-36.85 %
Total 6300 Office Expenses	3,620.93	4,546.80	-925.87	-20.36 %
6350 Supplies & Expenses	5,813.22	5,106.97	706.25	13.83 %
6351 Parsonage Rental Expenses	1,447.25		1,447.25	

OPERATING BUDGET PROFIT & LOSS

January - December 2020

	TOTAL			
	JAN - DEC 2020	JAN - DEC 2019 (PY)	CHANGE	% CHANGE
6400 Professional Development				
6405 Professional Expenses	298.56	1,949.54	-1,650.98	-84.69 %
6410 Study Allowance		487.98	-487.98	-100.00 %
6415 Travel	125.86	2,400.00	-2,274.14	-94.76 %
Total 6400 Professional Development	424.42	4,837.52	-4,413.10	-91.23 %
6500 Professional Fees				
6510 Payroll Service	861.31	1,301.81	-440.50	-33.84 %
6515 Accounting Software	892.56	828.78	63.78	7.70 %
6520 Online Giving	1,353.40	1,303.00	50.40	3.87 %
Total 6500 Professional Fees	3,107.27	3,433.59	-326.32	-9.50 %
6600 UCC Dues	3,536.00	3,536.00	0.00	0.00 %
6700 Fundraising				
6710 Fall Dinner		462.50	-462.50	-100.00 %
6715 Stewardship Materials		146.53	-146.53	-100.00 %
Total 6700 Fundraising		609.03	-609.03	-100.00 %
6800 Program Expenses				
6805 Children's Day & Christmas		580.46	-580.46	-100.00 %
6810 Confirmation & Youth Diaconate		1,335.89	-1,335.89	-100.00 %
6815 Curriculum		533.99	-533.99	-100.00 %
6820 Diaconate		320.51	-320.51	-100.00 %
6830 Transportation	231.04	422.68	-191.64	-45.34 %
6835 Upper Room	166.25	199.50	-33.25	-16.67 %
6840 Vacation Bible School		2,093.14	-2,093.14	-100.00 %
6850 Youth Ministry - Fellowship	405.84	1,687.16	-1,281.32	-75.95 %
6870 Music Supplies & Expenses	1,128.29		1,128.29	
Total 6800 Program Expenses	1,931.42	7,173.33	-5,241.91	-73.07 %
6900 Utilities				
6905 Alarm System	660.00	1,428.00	-768.00	-53.78 %
6910 Electricity	4,122.05	4,852.26	-730.21	-15.05 %
6915 Fuel	8,107.61	10,065.65	-1,958.04	-19.45 %
6920 Telephone/Internet	4,498.11	4,542.79	-44.68	-0.98 %
6925 Trash Removal	921.96	1,162.80	-240.84	-20.71 %
6930 Water	1,526.77	961.09	565.68	58.86 %
Total 6900 Utilities	19,836.50	23,012.59	-3,176.09	-13.80 %
Total 6000 Unrestricted Expense	233,069.62	247,365.58	-14,295.96	-5.78 %
Total Expenses	\$233,069.62	\$247,365.58	\$ -14,295.96	-5.78 %
NET OPERATING INCOME	\$27,658.80	\$ -4,718.15	\$32,376.95	686.22 %
NET INCOME	\$27,658.80	\$ -4,718.15	\$32,376.95	686.22 %

O&S BUDGET VS. ACTUALS: 2020 BUDGET P&L

January - December 2020

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
4300 Restricted Income				
4700 Outreach & Service				
4710 Pledges	18,935.05	19,640.00	-704.95	96.41 %
4720 Food Pantry	758.00		758.00	
4740 Special Relief	300.00		300.00	
4750 Church World Service	850.00		850.00	
4760 Heifer Project	145.00		145.00	
4770 Prior Year Pledge	76.00		76.00	
Total 4700 Outreach & Service	21,064.05	19,640.00	1,424.05	107.25 %
Total 4300 Restricted Income	21,064.05	19,640.00	1,424.05	107.25 %
Total Income	\$21,064.05	\$19,640.00	\$1,424.05	107.25 %
GROSS PROFIT	\$21,064.05	\$19,640.00	\$1,424.05	107.25 %
Expenses				
8000 Restricted Expenses				
8500 Outreach & Service				
8505 UCC OCWM	5,000.00		5,000.00	
8515 Mainspring House	2,000.00		2,000.00	
8522 Church World Services	1,350.00		1,350.00	
8530 Hanover Food Pantry	1,758.00		1,758.00	
8540 Other	7,820.00		7,820.00	
Total 8500 Outreach & Service	17,928.00		17,928.00	
Total 8000 Restricted Expenses	17,928.00		17,928.00	
Total Expenses	\$17,928.00	\$0.00	\$17,928.00	0.00%
NET OPERATING INCOME	\$3,136.05	\$19,640.00	\$ -16,503.95	15.97 %
NET INCOME	\$3,136.05	\$19,640.00	\$ -16,503.95	15.97 %

First Congregational Church of Hanover – Proposed 2021 Operating Budget

The **key take-away messages related to Proposed 2021 Operating Budget** recommended by the Finance Committee are

- **Projected Income of \$290,870 ...** up 11.6% over 2020 due to the roll-over of the \$27,000 2020 surplus, a full year of Parsonage Rental Income, and inclusion of a \$30,000 contribution from General Endowment Fund income (as in 2020).
- **Projected Expenses of \$277,302 ...** up 19% over 2020, primarily due to (1) higher utilities as the church buildings are expected to be more “normally” used by late 2021, (2) expenses related to the Call Letter agreement (components such as professional development that were lightly used in 2020), (3) additional Sexton position-related costs (related to a Trustees project) **and (4) a return towards full church programming (a good thing!).**
- **Operating “Profit” (surplus) of \$13,568.**
 - As the year progresses and uncertainties are removed, this surplus can be used for new positions (*Communications?*), for covering Income shortfalls (*delayed ability to fundraise or lower than projected PPP funding?*) or kept as cash as a future budget hedge.

Please review the attached line item Proposed 2021 Operating Budget as recommended by Finance Committee for Congregational Approval. There is a Finance Committee commentary associated with the proposed budget that immediately follows the financial statements.

Proposed Operating Budget for 2021

	2021 (P)	2020 (A)	Change	% Change
OPERATING INCOME (Non-Restricted)				
4000 Non-Restricted Income				
4001 Offerings				
4010 Pledge Income	138,500.00	146,871.71	-8,371.71	-5.7%
4020 Loose Offering	1,000.00	721.00	279.00	38.7%
4030 Non-Pledged Offering	12,000.00	12,550.00	-550.00	-4.4%
4040 Christmas Offering	1,250.00	1,110.00	140.00	12.6%
4050 Easter Offering	1,250.00	1,030.00	220.00	21.4%
4060 Church School Offering	-	0.00	0.00	
4070 Initial Offering	-	200.00	-200.00	-100.0%
4080 Prior Year Pledge ¹	27,000.00	2,568.00	24,432.00	951.4%
4090 Next Year Pledge Income	-	1,000.00	-1,000.00	-100.0%
Total 4001 Offerings	\$ 181,000.00	\$ 166,050.71	\$ 14,949.29	9.0%
4002 Paycheck Protection Program	\$ 25,000.00	\$ 33,545.72	\$ (8,545.72)	-25.5%
4005 Bank Interest	\$ -	\$ 4.14	\$ (4.14)	-100.0%
4006 On Line Giving Service Cost Offset	\$ 350.00	\$ 355.43	\$ (5.43)	-1.5%
4100 Rental Income				
4110 AA Wednesday & Thursday	1,500.00	1,350.00	150.00	11.1%
4121 Parsonage Rent	31,320.00	24,700.00	6,620.00	26.8%
4130 Other Rentals	1,500.00	1,740.00	-240.00	-13.8%
4150 AA Big Book Step Workshop	2,000.00	2,880.00	-880.00	-30.6%
Total 4100 Rental Income	\$ 36,320.00	\$ 30,670.00	\$ 5,650.00	18.4%
4200 Other Donations				
4210 Baptisms	100.00	200.00	-100.00	-50.0%
4230 Funerals	500.00	100.00	400.00	400.0%
4240 Other Miscellaneous Donations	500.00		500.00	
Total 4200 Other Donations	\$ 1,100.00	\$ 300.00	\$ 800.00	266.7%
4250 Fundraising	\$ 3,000.00	\$ 2,765.50	\$ 234.50	8.5%
4251 Thrift Shop	\$ 13,500.00	\$ 11,156.62	\$ 2,343.38	21.0%
4252 Thrift Shop Donation	\$ 100.00	\$ 158.53	\$ (58.53)	-36.9%
4260 Other Investment Income	\$ 500.00	\$ 462.38	\$ 37.62	8.1%
4270 Endowment Income Distrib for Ops	\$ 30,000.00	\$ -	\$ 30,000.00	
4271 Endowment Income Dist - Prior Year	\$ -	\$ 12,500.00	\$ (12,500.00)	-100.0%
4280 Refunds for Overpayments	\$ -	\$ 2,324.13	\$ (2,324.13)	-100.0%
4281 Returns/Refunds	\$ -	\$ 390.26	\$ (390.26)	-100.0%
4285 NSF -Returned Checks	\$ -	\$ 45.00	\$ (45.00)	-100.0%
4900 Fund Reimbursements				
4920 Flower Fund Reimbursement	-			
4940 Christy Fund Reimbursement	-			
4970 Pastor's Sabbatical Reimbursement	-			
Total 4900 Fund Reimbursements	\$ -	\$ -	\$ -	
Total 4000 Non-Restricted Income	\$ 290,870.00	\$ 260,728.42	\$ 30,141.58	11.6%

	2021 (P)	2020 (A)	Change	% Change
OPERATING EXPENSES (Non-Restricted)				
6000 Unrestricted Expense				
6100 Payroll				
6105 Salary and Wages ²	165,755.23	146,818.85	18,936.38	12.9%
6110 Payroll Taxes	10,774.09	4,768.25	6,005.84	126.0%
6115 Annuity	11,000.00	10,733.34	266.66	2.5%
6120 Flexible Spending Account	-			
6125 Pastor's Home Equity	-			
Total 6100 Payroll	\$ 187,529.32	\$ 162,320.44	\$ 25,208.88	15.5%
6150 Substitute/Guest Expenses				
6155 Guest Musicians	2,500.00	750.00	1,750.00	233.3%
6160 Substitute Organist	500.00		500.00	
6165 Substitute Preacher	1,000.00	175.00	825.00	471.4%
Total 6150 Substitute/Guest Expenses	\$ 4,000.00	\$ 925.00	\$ 3,075.00	332.4%
6200 Insurance				
6205 Health & Dental	13,500.00	15,442.00	-1,942.00	-12.6%
6210 Liability Insurance	12,000.00	11,532.00	468.00	4.1%
6215 Life/Disability	1,200.00	1,150.00	50.00	4.3%
Total 6200 Insurance	\$ 26,700.00	\$ 28,124.00	\$ (1,424.00)	-5.1%
6280 Refund for Overpayments	\$ -	\$ 1,202.73	\$ (1,202.73)	-100.0%
6281 Returns/Refunds	\$ -	\$ 780.44	\$ (780.44)	-100.0%
6300 Office Expenses				
6305 Bank Charges	50.00		50.00	
6307 Deposit Item Returned NSF	-	56.43	-56.43	-100.0%
6315 Computer Software/Support	-	988.78	-988.78	-100.0%
6320 Copier Expenses	2,500.00	1,761.22	738.78	41.9%
6325 Postage	1,000.00	814.50	185.50	22.8%
Total 6300 Office Expenses	\$ 3,550.00	\$ 3,620.93	\$ (70.93)	-2.0%
6350 Supplies & Expenses				
6351 Parsonage Rental Expenses	\$ 3,480.00	\$ 1,447.25	\$ 2,032.75	140.5%
6400 Professional Development				
6405 Professional Expenses	1,500.00	298.56	1,201.44	402.4%
6410 Study Allowance	500.00		0.00	
6415 Travel	1,200.00	125.86	1,074.14	853.4%
Total 6400 Professional Development	\$ 3,200.00	\$ 424.42	\$ 2,775.58	654.0%
6500 Professional Fees				
6510 Payroll Service	1,250.00	861.31	388.69	45.1%
6515 Accounting Software	950.00	892.56	57.44	6.4%
6520 Online Giving	1,400.00	1,353.40	46.60	3.4%
Total 6500 Professional Fees	\$ 3,600.00	\$ 3,107.27	\$ 492.73	15.9%
6600 UCC Dues³	\$ 3,393.00	\$ 3,536.00	\$ (143.00)	-4.0%
6700 Fundraising				
6710 Fall Dinner	750.00		750.00	
6715 Stewardship Materials	150.00		150.00	
Total 6700 Fundraising	\$ 900.00	\$ -	\$ 900.00	#DIV/0!

	2021 (P)	2020 (A)	Change	% Change
6800 Program Expenses				
6805 Children's Day & Christmas	1,000.00		1,000.00	
6810 Confirmation & Youth Diaconate	1,250.00		1,250.00	
6815 Curriculum	600.00		600.00	
6820 Diaconate	400.00		400.00	
6830 Transportation	500.00	231.04	268.96	116.4%
6835 Upper Room	200.00	166.25	33.75	20.3%
6840 Vacation Bible School	2,500.00		2,500.00	
6850 Youth Ministry - Fellowship	2,000.00	405.84	1,594.16	392.8%
6870 Music Supplies & Expenses	1,500.00	1,128.29	371.71	32.9%
Total 6800 Program Expenses	\$ 9,950.00	\$ 1,931.42	\$ 8,018.58	415.2%
6900 Utilities				
6905 Alarm System ⁴	3,000.00	660.00	2,340.00	354.5%
6910 Electricity	5,000.00	4,122.05	877.95	21.3%
6915 Fuel	10,000.00	8,107.61	1,892.39	23.3%
6920 Telephone/Internet	4,500.00	4,498.11	1.89	0.0%
6925 Trash Removal	1,000.00	921.96	78.04	8.5%
6930 Water	1,500.00	1,526.77	-26.77	-1.8%
Total 6900 Utilities	\$ 25,000.00	\$ 19,836.50	\$ 5,163.50	26.0%
Total 6000 Unrestricted Expense	\$ 277,302.32	\$ 233,069.62	\$ 44,232.70	19.0%
Net Operating Profit / Loss⁵	\$ 13,567.68	\$ 27,658.80	\$ (14,091.12)	-50.9%

Footnotes:

¹ Prior Year Pledge for 2021 reflects the 2020 Operating Budget carry-over

² Calculation based on 2020 salaries plus the 2% salary increase, plus \$16,000 for additional Sexton costs

³ Dues now based on Proportional Giving formula from SNEUCC; see PG Report handout for reference.

⁴ Alarm System includes expenses for required upgrades

⁵ Operating Profit; however, cushion needed for Offering and PPP uncertainties. As year progresses, and budget picture solidifies, this money can be used for new initiatives.

Commentary: Proposed 2021 Budget

We remain in uncharted territory as we enter 2021. While in some areas the evolution of the SARS-CoV-2 pandemic appears positive, in other areas things seem as uncertain as ever.

However, no matter how 2021 unfolds, it seems safe to assume that we will not be having a “normal” church calendar with live services and programs until the Spring, at the earliest, and perhaps until the early Fall. These uncertainties cut across Operating Income and Operating Expenses as we think about 2021 planning. For example, will “Offerings” rebound to pre-pandemic levels? Will the church qualify for the new round of Payroll Protection offered by the Federal Government? If so, for how much? Will the Thrift Shop be able to re-open? What will be the final compensation package for a Settled Pastor? What will be impacts on “Programming Expenses”? “Utilities” ... and so, forth.

As we looked ahead, here are a few assumptions that the Finance Committee operated under as the proposed 2021 Operating Budget was developed.

- A full return to “normal” church activities was assumed mid-year (June at the earliest).
- A conservative approach was maintained in terms of “Offerings” – this includes “Pledge Income” and other “Non-Pledge Income”. Of note, pledge trends are concerning with 2019 at \$156,580, 2020 at \$146,872 and 2021 (proposed) at \$138,500.
- The 2020 surplus of \$27,000 was rolled into the 2021 proposed budget under the assumption that 2020 Income was meant to be utilized by the church, and not set aside and placed into a church bank account. The \$27,000 surplus was inserted into the 2021 proposed budget in the “Prior Year Pledge” category.

- We plan to apply for the new round of Payroll Protection Program (PPP) funding at a level of \$25,000. The result of this PPP application is uncertain, and the amount could be slightly more or slightly less.
- “Rental Income” (non-Parsonage related) is conservatively budgeted while the “Parsonage Rental Income” is budgeted for full year 2021. If a Settled Pastor is going to live in the Parsonage, we would lose this Rental Income; however, we would avoid an off-setting Housing Allowance Expense. In a sense, this is budget neutral, but provides operating flexibility in managing the Settled Pastor compensation package.
- “Thrift Shop” and “Fundraising” income expectations are muted due to uncertainty on when we can resume regular operations or hold fundraisers. We also must consider net Thrift Shop revenue as a new storage shed costs must be considered. However, we could see upside in this area if “normal” is achieved in the May/June vs. the Fall period.
- We propose to utilize \$30,000 from the General Endowment Fund. This transfer was not needed in 2020; however, it is required as an “up to” amount for the 2021 Income projection to support the proposed budget scenario. This approach leaves the General Endowment Fund principal intact and continues our approach of using some investment gains for support of the Operating Budget yet leaving some to grow principal.
- We propose a 2% salary increase for church staff. However, Reverend Terry has agreed to forego an increase as he is an Interim Pastor role. We thank Reverend Terry for this gracious gesture.
- In general, Operating Expenses are more aligned with 2019 actuals than 2020 actuals as we budget for a more “normal” church year beginning mid-2021. Several expense areas increased as the Fall time-period might provide an opportunity for re-engagement with our congregation if live events are reinstated. Examples of this approach is seen in the “Stewardship” and “Programming” line items.

A few new items in the proposed budget:

- \$16,000 for additional part-time Sexton salary in case the Trustees move forward with this staffing approach. They are evaluating the current situation, including 3rd party costs (such as mowing, landscaping clean-ups, lawn fertilization) and general maintenance cost estimates related to the building exteriors, into the plan to manage our church campus facilities.
- \$1,500 for much needed alarm system upgrades.
- Establishment of a “Rental Expense” line item to pay for Parsonage maintenance and rental costs (this amount is budgeted at 10% of “Parsonage Rental Income” and would be a positive budget variance if unused). *[For reference, the Parsonage monthly rent is \$2,900 including water. Gas, electric and other utilities are paid by the tenant.]*
- Adoption of a new methodology to pay SNEUCC dues – “Proportional Giving”.

Lastly, a reminder that the Annual Meeting will also require a vote to approve the topline income targets for **Outreach & Service of \$20,000** and **Building Fund of \$17,500**. These figures are included in the 2020 Finance Report section of the Annual Report and are not part of the Operating Budget. They remain Restricted Funds utilized in alignment with these committee processes and guideline *[note: the PG program for 2021 will utilize \$5,091 from the O&S budget (vs. \$5,000 in 2020 for OCWM)]*. The income targets for both Restricted Funds are aligned with 2021 Pledges.

The Finance Committee recommends approval of (1) the proposed 2021 Operating Budget including the move to Proportional Giving, (2) the 2021 Outreach & Service Budget and (3) the 2021 Building Fund. Thank you!

Finance Committee Members (6):

Bob Berry, Jim Hoyes (Chair), Peter Kelly, Cynthia Price-Taylor, Anthony Romano, Doug Troupe

Finance Committee Ex-Officio Members (2):

Carol Gillis – Church Treasurer

Elaine Backer – Church Financial Secretary

Note: Bob Berry, Jim Hoyes and Cynthia Price-Taylor are moving off the 2020 Finance Committee. The newly elected Finance Committee members, along with remaining members Peter Kelly, Anthony Romano, and Doug Troupe, will form the 2021 Finance Committee as of the February 2021 meeting and elect a new chair.

Treasurer's Report (pending)

Nominating Committee Report is available separately.

MINUTES OF ANNUAL MEETING – FEBRUARY 9, 2020
RECORDED BY CHURCH CLERK

The 291st Annual Meeting of the First Congregational Church, UCC of Hanover was Called to order by Moderator Ken Cheo at 10:25 AM.

VOTED: Motion was made, seconded, and carried to waive the reading of the minutes of the February 10, 2019 Annual Meeting.

VOTED: Motion was made, seconded, and carried to approve the minutes of the February 10, 2019 Annual Meeting.

VOTED: Motion was made, seconded, and carried to approve the reports of the officers, boards, and committees, except for the Nominating Committee Report and the Finance Board Report.

Nominating Committee Report: Vice Moderator Les Hoiberg, thanked everyone for their participation on the board and committees this year.

Ken Cheo's and Rev John Terry's names should be removed for the Pastoral Search Committee. Reverend Terry will be an Ex Officio member of the committee.

Jack Shea should be added to the Pastoral Search Committee

Lisa Bouchard should be added to Outreach and Service.

Lee Fiske is a member of the Memorial Committee, but not the Chairperson.

Chairpersons are elected by the members of each committee after the annual meeting. They will not be listed in the annual report in the future.

Wally Reed asked if term limits on the boards and committees could be suspended for the time being. It is getting difficult to fill some of the positions. Term Limits are addressed in the Church Bylaws. The Bylaw Committee will be asked to address this matter.

Chairpersons as listed in the Annual Report will be deleted.

VOTED: Motion was made, seconded, and carried to accept the report of the Nominating Committee with the above changes.

FINANCE Board Report: Jim Hoyes went over the 2019 budget and income figures which were shown in a separate Financial hand out. Income had a shortfall of \$23,986 for the year, and expenses were \$16,885 less than budget. Net impact was a \$7,102 shortfall.

Offerings of all types were down for 2019. Pledges for Outreach and service increased and may have affected the Operating Budget.

The Thrift Shop income for the year was \$23,000, which is used for the operating expenses.

The Endowment Fund gained \$60,847 for the year, 50% of which goes to support the 2020 budget.

Outreach and Service had a positive variance of \$8,378 for the year. Budget was \$22,879 versus income of \$31,257. Expenses of 2019 totaled \$18,399. Funds that were not used in 2019 will roll forward to 2020.

Building Fund had a shortfall in income of \$2,489. Expenses for the year totaled \$17,447.

A new boiler was purchased as a Capital Expense. This will be funded from the Building Fund bank account. Two special projects, the window replacement, and the new organ, were completed. Small overages in the cost of these projects came from the Building Fund.

Operating income for 2019 was \$240,264. Operating expenses for 2019 were well managed and came in at \$247,366. This left a shortfall of \$7,102.

VOTED: Motion made, seconded, and carried to accept the report of the Finance Board.

NEW BUSINESS

Proposed income budget for 2020 is \$264,500. Expense budget is \$274,369. This includes the 2019 shortfall. Building fund budget is set at \$18,939 and Outreach and Service is set at \$19,640.

Building Fund budget set at \$18,939 for 2020.

Outreach and Service budget set at \$19,640 for 2020.

The suggestion was made that we need to let the congregation know that some of the projects over the last few years have been paid for by monies made through fundraisers and the Fair Fund. We should also keep people informed of our financial position through the year.

VOTED: Motion made, seconded, and carried to accept the proposed 2020 Operating Budget.

VOTED: Motion made, seconded, and carried to accept the proposed 2020 Building Fund Budget.

VOTED: Motion made, seconded, and carried to accept the proposed 2020 Outreach and Service Budget.

AUDIT: The financial audit is still ongoing. The auditor still needs some more information before completing her written report.

Bob Sigsby commented that all the reports should be available one week before the Annual Meeting. This has not happened in recent years. Is there anything that can be done to get the completed Annual report out in a timelier manner.

Getting reports, receipts, and expense information into the office as quickly as possible, would help, but the biggest issue is the lack of people to help. The same people are being recycled through the committees every year. January is an especially busy time personally for a lot of church members. Moving the meeting to the Sanctuary and doing the Financial presentation on slides would make it easier for people to understand.

TRUSTEES: Some improvements to the Church property are being planned. A well is going to be dropped on the side of the Church. This will lead to some changes with the lawn and the driveway. The driveway will be widened, and handicapped parking spots will be marked. A handicapped sticker will be required to park here. This will allow for emergency vehicles to have access to the church if necessary. The property requires an inspection every five years by the town building inspector and the fire department.

The parsonage is currently storing furniture from the thrift shop. There are no plans to rent or sell the parsonage at this time.

With no other business to come before the meeting a motion was made, seconded, and carried to close the meeting.

Meeting closed at 11:30 a.m.

Respectfully Submitted,

Irene MacAskill
Church Clerk