

Good morning. There are two topics to brief you on this morning: (1) The New Parish House and Community Center project, and (2) Bethesda's financial picture.

Like practically everything in our lives, the COVID-19 pandemic has impacted the progress of our New Parish House project. We all would have liked to have construction underway by now. Here is where we stand.

First, we await a building permit from the City of Saratoga Springs. Our construction managers at Sano Rubin, our architects at John G. Waite Associates, and our site consultants at the LA Group have continued to provide the City with information. Understandably, the City's operations are affected by the pandemic. This delay has a resulted benefit: our building team has worked out many details which will render them better prepared for when construction commences.

Second, we await a major donation in the 12-million-dollar range from an anonymous donor committed to see Bethesda's Mercy House mission fulfilled. As previously reported, that generous donor is in the process of selling a business, which is the source of the gift to Bethesda. The sale has progressed, albeit at a slower pace than expected. The good news is a buyer has been identified and the business transaction

continues to progress. It will lead to a substantial donation to Bethesda, enabling the New Parish House to become a reality once and for all.

Bethesda cannot control the building permit process nor the timing of the anonymous donor's business transaction. It is disappointing that we are not under construction. But we can draw strength from scripture. Galatians 6:9 reads: "Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up." I am grateful for the progress that we have made. We are closer today than ever before. Furthermore, I have faith that Jesus will continue to guide the progress of our New Parish House project.

The other topic for today's update is Bethesda's operational financial situation. Our investments remain under the good stewardship of Bethesda's Endowment Committee. Our operations accounts, which pay for daily running of the church, have been impacted by the pandemic.

Over the first eight months of 2020, we have a \$15,000 deficit. We project another \$12,000 deficit over the next four months. That will leave us with a total deficit at year's end of \$27,000.

Our deficit is the result of two primary factors: (1) decreased giving during the pandemic, particularly when we were closed, and (2) increased personnel expenses. Over the last few years, the Vestry reported that a new rector will cost Bethesda about \$50,000 more per year than Fr. Vang, who was retired. Retired priest's salaries are capped, and churches do not pay into the pension system for a retired priest. Fr. Wallace is not retired, so our rector expenses are at the normal, higher rate.

There is some good news. First, all our bills are currently paid. Second, about \$23,000 of that deficit is from a federal Payroll Protection Plan loan that we obtained early on during the pandemic. That loan can, and likely will, be forgiven as part of the PPP program. When that happens, our remaining deficit will be \$3,400.

Together, we can eliminate this deficit. Through increased donations, Bethesda can end 2020 in the black, even if by just one dollar. We further need to increase our pledges for 2021, because we will not have the benefit of a forgivable PPP loan to cover our increased payroll expenses next year.

We greatly appreciate all who have supported Bethesda during this most difficult and challenging time. We trust in Jesus to guide us each day. May His blessings be with you all.