

# Saint Mary's Episcopal Church

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Rector

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## FROM YOUR VESTRY:

At the parish meeting in January, we presented an overview sheet projecting our anticipated finances for this year. As you know, we adopted a budget which projected a General Fund operating loss of about \$93,000. This budget included all expenses associated with our new full-time rector. We also anticipated reducing that loss by utilizing cash flow from the Thrift Shop and we were hopeful that our investments would yield about 5% growth reducing the impact of this loss on our net worth. Having said that, we fully expected to have to tap into our investment portfolio in order to meet our expenses this year and anticipated a reduction to our net worth of about 7% during this year.

So, about a month after our parish meeting all our worlds went haywire as we confronted COVID and all its ramifications. By mid-March we were required to close the Thrift Shop and end in person church services. The Vestry was immediately confronted with difficult decisions about the continuing employment of our Thrift Shop personnel and how we would reduce costs. Instead of serving as a source of cash flow, overnight the shop turned into a substantial unexpected expense. We decided to continue to pay the employees as they were ineligible for unemployment. Fortunately, we learned we were eligible for and then quickly assembled a Paycheck Protection Program application package and submitted it to Sturdy Savings Bank on the opening day of eligibility. We continued to pay the thrift employees both because keeping them employed was a condition of the PPP Loan and because we thought it was the right thing to do. We carefully watched our cash flow and deferred certain expenses as we awaited word on our loan application. Thank God the loan was approved, and we received our requested amount in early May. These funds helped restore the church to a stronger financial position after we struggled to pay the bills during late March and April without any sales income. We fully expect that the PPP loan will convert to a grant as we carefully ensured all requirements for conversion were followed.

Also, during this period, with their approval, we suspended paying our Diocesan pledge and our rectory loan so as to conserve more resources to keep the Thrift Shop afloat.

The Thrift Shop was able to open in mid-June and has actually been doing well and, if this trend continues, should produce profits that will approach those anticipated for the year when we include the PPP loan assistance in its income stream. Also, we are catching up with our Diocesan pledge and loan payments which will be current by the end of August.

We can also report, and give thanks to all our parishioners, that our pledging and envelope giving has remained pretty close to budget thus far this year. Having said that our open plate and other gifts line items are substantially behind budget. Obviously, you can't have open plate when you aren't having services! Overall our church (not including Thrift Shop) income is currently lagging by about 7% of expected or about \$13,000. However, to date our expenses are about 9% less than anticipated meaning that our budget deficit is about 8% less than anticipated as of the end of July.

So, all-in-all, given the challenges we have faced, although down from where we hoped to be, we are in a reasonable financial condition with respect to the 2020 budget plan and overall net worth as we described at the January meeting. Hopefully the Thrift Shop will finish out the year well and we will not be required to tap into our investments at the originally anticipated level.

We had high hopes that with a dynamic, full time rector and the stability that would bring we might experience some church growth during 2020. Mo. Allison has done a great job at not only taking care of us as a parish, but getting out into the community and making St. Mary's presence felt. We hope and pray that when we finally get back to some sort of normalcy, the growth we are hoping for will begin to become a reality.

In conclusion, we certainly aren't worry-free each month, but we are hanging in there financially. Please continue to meet your pledge commitment in a timely manner. Anything additional you might provide would certainly help in making up for the loss we have felt in open plate by not having services, especially during the summer.

As we look forward to Reentering, Reopening and Reimagining what the post-COVID future brings to St. Mary's, we will continue to work with Mo. Allison and Julie to reduce the impact of all the challenges 2020 has thrown our way. We are on the downside of 2020 and 2021 is rapidly approaching. Bill Haines and his Stewardship Committee have already begun working on the Stewardship Campaign which is certainly a sign that Fall is just around the corner. With God's help we are hoping, praying and anticipating that this Fall season sees us back together in our sanctuary exploring what the new normal will be for our beloved parish.

Looking toward the future, we certainly still face challenges, but the dedication and commitment everyone has demonstrated during these most challenging times bodes well for St. Mary's Stone Harbor to continue its service to Our Lord.

God Bless Us All,

On behalf of the Vestry,  
Jack Olthuis  
Senior Warden