

#### LETTER FROM THE CFO ACCOMPANYING THE 2017 FINANCIAL STATEMENTS

The 2017 audited financial report for The Rector, Church-Wardens, and Vestrymen of Trinity Church, in the city of New-York, prepared in accordance with generally accepted accounting principles (GAAP) is complete and available on Trinity's website.

Trinity's strong financial foundation continues to provide the resources to support its ministry, parish programs and outreach. Trinity spent \$76.6 million on its ministry activities in 2017, which included \$29.5 million for its parish programs and outreach ministries; \$14.6 million in grants, gifts and its assessment to the Diocese of New York to further the good works of others; \$9.5 million for operating, maintenance and depreciation expenses for Trinity Church, St. Paul's Chapel and its other mission properties; and \$5.8 million in digital outreach and ministry communications which includes webcasting of services, concerts and religious education programming. Ministry expenses also included \$11 million for institutional and programmatic support. The expenses for Trinity's numerous programs were partially offset by contributions and donations, preschool tuition and the sale of other property. St. Margaret's House, a Trinity-sponsored housing facility for low income seniors and mobility impaired people, is funded by rental payments from tenants and assistance from the U.S. Department of Housing and Urban Development. Trinity's net expenditure for all its ministry operating activities was \$56.2 million.

Trinity has been making significant investments in the preservation and enhancement of its historic and iconic buildings that support its ministries and neighborhood. In addition to the funding of ministry activities, Trinity spent \$7.9 million on capital projects in 2017. Half of that amount was spent for design work and other pre-construction costs for the planned rejuvenation of Trinity Church. To expedite the project, Trinity closed the nave, or main body, of the Church on May 7, 2018 and will continue its worship services in the Chapel of All Saints and St. Paul's Chapel until the work is substantially complete, expected no later than the spring of 2020. The other significant Mission Properties capital spent in 2017 was primarily for work at St. Paul's Chapel and the Retreat Center in West Cornwall, CT. In addition, Trinity is undertaking the building of 76 Trinity Place which will house Trinity Commons, a dynamic home for Trinity's worshipping community and our neighbors, with engaging programming to serve lower Manhattan and beyond. The building is expected to open in early 2020.

Trinity made strides in diversifying its endowment over the past two years while maintaining its long-term ownership of the remaining legacy of the original land grant from Queen Anne of England in 1705. As the controlling partner of the joint venture with Norges Bank Investment Management ("Norges") and Hines, Trinity consolidates all of the joint venture's financial results in Trinity's financial statements. In August 2017 Trinity acquired the building at 375 Hudson Street from Tishman Speyer ("Tishman") including the existing ground lease between Trinity and Tishman. Subsequently, Trinity amended and restated the lease to extend the term to 93 years and sold a 49% interest in the 93-year estate for years to Norges and Hines (48% and 1% respectively). In 2017, Trinity's share of the return from commercial real estate operations was \$168 million, which includes \$72 million of operating income and \$96 million of unrealized appreciation in fair value of its real estate assets. Trinity's diversified portfolio of financial investments performed well, yielding a \$301 million net return.

Trinity is guided by its core values of faith, integrity, inclusiveness, compassion, social justice and stewardship of the legacy bestowed over 300 years ago to sustain and support its mission, in perpetuity.



Susan MacEachron, *Chief Financial Officer*