



Susan MacEachron  
CHIEF FINANCIAL OFFICER

Letter from the CFO accompanying the 2015 Financial Statements

The 2015 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. The following is a brief summary of Trinity's sources of revenue and spending on its mission.

Trinity spent \$66.8 million on its ministry activities in 2015, which included \$23.3 million for its parish programs and outreach ministries and an additional \$6.5 million in communications ministry and support which includes webcasting of services, concerts and religious education programming. In addition, Trinity gave \$9.1 million in grants, gifts and its assessment to the Diocese of New York to further the good works of others. Trinity incurred \$7.8 million for operating, maintenance and depreciation expenses for Trinity Church, St. Paul's Chapel and its other mission properties. Ministry expenses also included \$4.7 million for institutional and programmatic support. Also included in the 2015 operating budget was \$10.7 million to complete the demolition of 68/74 Trinity Place, which began in 2014. The building of a new Parish Center will require a substantial capital investment over the next several years. The expenses for Trinity's numerous programs were partially offset by contributions and donations, preschool tuition and the sale of other property. The final component of ministry expense is St. Margaret's House, a Trinity-sponsored housing facility for low income seniors and mobility impaired people. St. Margaret's House expenses of \$4.6 million in 2015, were offset by revenues of a similar amount. Trinity's net expenditure for all of its ministry was \$49.2 million.

Over the past several years, Trinity has made significant investments in the preservation and enhancement of its historic and iconic buildings that support its ministries. In addition to its operating budget, Trinity spent \$4.9 million of capital in 2015, primarily on Trinity Church and St. Paul's Chapel.

Trinity's main source of funding for its ministries has been its commercial real estate portfolio located in Manhattan's Hudson Square. The real estate is the remaining legacy from the original land grant from Queen Anne of England in 1705. In December 2015, as part of its ongoing stewardship and prudent management of its endowment assets, Trinity entered into a seventy-five year joint venture agreement with Norges Bank Investment Management for eleven of its commercial real estate properties. The goal was diversification of Trinity's endowment, and the proceeds from the Norges purchase were invested in Trinity's investment portfolio. The appraised value of the real estate portfolio prior to the transaction with Norges was approximately \$5 billion, and at year-end, after the sale to Norges, Trinity's interest in real estate was approximately \$3.4 billion. However, under GAAP Trinity's real estate continues to be reported at historic book value of \$341 million in the financial statements.

In 2015, gross revenue from the real estate portfolio totaled \$219 million. Trinity's net income from real estate operations was \$83 million after \$135 million for the costs of operating the properties, including \$33 million in property taxes paid to the City of New York, and after the income attributable to Norges for its ownership interest. The total return from the combined endowment was \$81 million, including a small loss on the investment portfolio of \$2 million.

Trinity is guided by the commitment to carefully steward the legacy bestowed over 300 years ago to sustain and support its mission, in perpetuity, for a world of good.

A handwritten signature in black ink that reads "Susan MacEachron".

Susan MacEachron, *Chief Financial Officer*

*for a world of good*