

St John's Episcopal Church

Treasurer's Report for December 2020

Attached are the financial statements for December. They include the

- Statement of Activities (SoA) vs Budget – both non-designated and designated funds,
- Details of the Designated Funds,
- Information on the monies invested in Vanguard,
- Statement of Financial Position (balance sheet).

Overall Picture

Even with two significant obstacles during 2020, the family of St. John's has stepped up to provide significant support for our congregation. We have not been in the church since early spring because of COVID-19 and we lost our rector to a new home in Georgia. In many places, either of these could have resulted in a substantial loss in contributions, but that is not what happened at St. John's.

When we began the year, our budget included a projected deficit for 2020 of over \$30 thousand, but we ended with an overall deficit of only \$5.7 thousand. This was possible even though we lost over \$11 thousand in building use income and over \$2 thousand in fundraising. However, we had over \$16 thousand in contributions more than we had budgeted. On the expense side our costs were \$22 thousand less than projected; of this \$14 thousand was the lower cost of paying a supply plus minister instead of a rector.

The deficit of \$5.7 thousand does not reflect the realizing the \$23.9 thousand of income when the Payroll Protection Program loan is forgiven which will occur in early 2021.

The overall finances 2020, are as follows:

	<u>Annual Budget</u>	<u>Actual</u>	<u>Difference</u>	<u>% of Annual Budget</u>
Income				
Pledges	\$82,575	\$97,121	\$14,546	118%
Plate	5,900	4,099	-1,801	69%
Contributions	2,000	5,600	3,600	280%
Building fees	18,210	6,860	-11,350	38%
Other Income	<u>8,275</u>	<u>5,648</u>	<u>-2,627</u>	68%
Total Income	116,960	119,328	2,368	102%
Expenses				
NON-Designated	143,320	124,455	-18,865	87%
Net of Designated	<u>4,460</u>	<u>563</u>	<u>-3,897</u>	13%
Total Expenses	<u>147,780</u>	<u>125,018</u>	<u>-22,762</u>	85%
Net Ordinary Income	-30,820	-5,690	25,130	18%

Unrealized PPP income		<u>23,912</u>		
Income if PPP was realized in 2020		18,222		

The table above summarizes the key points of the Statement of Activities (SoA) which follows.

Income

The Pledge amount received was 118% of the budget. There were a number of pledgers who gave a substantially larger amount because of the unique situation in 2020. As expected, the amount pledged for 2021 for those individuals is much closer to their 2020 pledge.

The contribution to Plate, the amount from regular attendees who are not pledgers, is 69% of budget, because we haven't been gathering as a community and have had fewer attendees at services. We also received a \$5,600 in contributions from individuals who are not regular attendees, considerably more than budgeted.

Building fees collected were \$11.3 under planned. The other income is 32% below budget largely because of the cancelling of the spring tea.

As noted above, the Payroll Protection Program loan of \$23.9 thousand will become grant income when paperwork is submitted and the loan is forgiven. The bottom of table on the previous page shows what our 2020 income would have been if the loan had become income in 2020. We expect the loan to be forgiven in early 2021 and the funds will be included as income in 2021. We have waited to prepare paperwork since the requirements to file continue to become less burdensome.

Expenses

The NON-Designated funds are those which can be used for any purpose. Overall, we have used \$18.9 thousand less than the budgeted amount i.e. only 87% of the budget.

The single biggest reduction in expenses the rector departing at mid-year and having a supply plus minister for the remainder of the year, for a saving of about \$14 thousand.

Building – There are some overall savings in this area but also some changes in how some items are being recorded.

Electricity - the cost is down 41% because of limited use of air conditioning and use of lighting.

Gas – the total amount for our gas usage is 92% of budget. We had some high bills early in the year because of the unusually low temperatures, but are down during the last 2/3rds of the year. You will note that although the gas amount was budgeted entirely in Non-Designated funds, the vestry agreed that since a portion of gas is used for heating, that portion (\$1,986) can be charged to the Designated funds given for heating and cooling. That will be covered with funds drawn from the investment account for HVAC and not general investments.

Ground maintenance – The Designated fund set up for the tree removal and replacement, which was done 2019, had a negative balance of \$1,566 with only \$50 given during 2020. Since we had minimal costs for repairs and maintenance during 2020 (\$2.1 thousand under budget), we are covering the remaining deficit balance for the tree removal from the Non-Designated funds.

Diocesan pledge is at 121% of the amount budgeted year because of the higher donations St. John's contributes 4.1% of our pledge, plate and other non-designated fund to the Diocese.

Administrative/office expenses is over budget by \$1,487 or 163% of budget. Office equipment replacement and repair is the major cause of this because of the purchase of a new copiers, which also results in ongoing savings from the elimination of copier maintenance. Postage is about 227% of budget because of the mailings of weekly bulletins and other material to those without email or a printer, and the return envelopes with all pledge cards.

The Net Designated Funds are the difference in 2020 of the income and expenses for the specific Designated Fund items. At the end of the year, the expense exceeded the income by less than \$600 versus the budget estimate of over \$4 thousand. The negative amounts in the expense section of the SoA indicate that the income for that item exceeded the expense. Note that the adjustments for gas heating charges and tree removal result in a net increase of \$370 to the total of Net Designated funds. The full detail of Designated Funds is in the table following the Statement of Activities.

Investment Market Variations

At the bottom of the Statement of Activities are amounts reflecting the change in market value of the investments we have with Vanguard. Between December 31, 2019 and the end of 2020, the fluctuations in the market increased the value of our investments by \$14.6 thousand. This is a substantial improvement over the end of March values which were \$19 thousand below the end of 2019. Details of the monthly variation are on the Investment Account Variations page.

Note that the change in market value of the assets is not income; It only becomes income (or loss) when a gain or dividend is distributed, or when the account is liquidated. Since the value of the investments are subject to considerable variation with the overall stock and bond markets, this should only be viewed as the current situation.

Financial Position

The Statement of Financial Position shows funds in the various accounts.

The bottom line, change in “Net of Assets and Liabilities”, reflects an increase of \$8.3 thousand resulting from our operational deficit offset by increase in market values. When the \$23.9 thousand of the PPP Loan is forgiven, the loan will be removed from the liabilities and will be added as income in the Statement of Activities. This will also increase the Net of Assets and Liabilities.

Note that the Vanguard McNeely fund for HVAC will be reduced to cover the 2020 Designated fund charge for Gas. The final computation was not made until after the end of the year.

Submitted by Treasurer Peter Olivere January 18, 2021

St. John's Episcopal Church Statement of Activities vs Budget 2020

	Actual through December			Annual Budget for Both Non- and Designated Funds		Annual NON-Desig. Budget	% of NON-Desig. Actual vs Annual Budget	NON Desig Diff from Annual Budget	Annual Desig. Budget
	Non-Designated	* NET of Designated	Total Both	Annual Budget	% Total Annual Budget				
	100% of year								
Ordinary Income/Expense Income									
Contributions Income									
Pledges	97,121		97,121	82,575	118%	82,575	118%	14,546	
Plate	4,099		4,099	5,900	69%	5,900	69%	-1,801	
Other Contributions	5,600		5,600	2,000	280%	2,000	280%	3,600	
Total Contributions Income	106,820	0	106,820	90,475	118%	90,475	118%	16,345	0
Investment Income									
McNeely Fund Vanguard	2,700		2,700	2,200	123%	2,200	123%	500	
Money Market	14		14	70	20%	70	20%	-56	
Investment Fund Vanguard	2,377		2,377	1,500	158%	1,500	158%	877	
Total Investment Income	5,091	0	5,091	3,770	135%	3,770	135%	1,321	0
Other Incomes									
Altar Guild	250		250	1,350	19%	1,350	19%	-1,100	
Building Use Fees	6,860		6,860	18,210	38%	18,210	38%	-11,350	
Fund Raising - all	243		243	3,000	8%	3,000	8%	-2,757	
Office supplies	30		30	20	150%	20	150%	10	
Rebate Programs	29		29	100	29%	100	29%	-71	
Sale of Goods	5		5	35	14%	35	14%	-30	
Total Other Incomes	7,417	0	7,417	22,715	33%	22,715	33%	-15,298	0
Total Income	119,328	0	119,328	116,960	102%	116,960	102%	2,368	0
Total Income does not include Payroll Protection Prog funding yet. **	[23,912]		[23,912]						
Expense									
Building									
Electricity	974		974	1,650	59%	1,650	59%	-676	
Gas	1,429	1,986	3,415	3,700	92%	3,700	39%	-2,271	
Grounds Maintenance	1,566	-1,616	-50	600	-8%	600	261%	966	
HVAC Service		80	80	300	27%	0	NA	0	300
Insurance policies	4,651		4,651	4,560	102%	4,560	102%	91	
Repairs/Maintenance	135		135	2,300	6%	2,300	6%	-2,165	
Supplies	222		222	375	59%	375	59%	-153	
Telephone & Internet	2,565		2,565	2,352	109%	2,352	109%	213	
Water/Sewer/Trash	519		519	800	65%	800	65%	-281	
Total Building	12,061	450	12,511	16,637	75%	16,337	74%	-4,276	300
Christian Education/Parish Life									
Adult Education	47	-124	-77	250	-31%	250	19%	-203	
Family Programs - non-salary	56	42	98	125	78%			56	125
VBS		178	178	250	71%			0	250
Fellowship / Card ministry	60		60	325	18%	325	18%	-265	
Shrinemont	120		120	500	24%	500	24%	-380	
Total Christian Education	283	96	379	1,450	26%	1,075	26%	-792	375

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	Non-Designated	* NET of Designated	Total Both	Annual Budget	% Total Annual Budget				
Funds Held for Others									
ERD incl. Good Friday		0	0	0					0
Others not specified	0	-100	-100	0		0		0	0
Total Funds Held for Others(Exp)	0	-100	-100	0	NA	0		0	0
Greater Church Participation									
Diocesan Council Meetings			0	590	0%	590	0%	-590	
Diocesan Pledge	4,380		4,380	3,627	121%	3,627	121%	753	
Region III Dues			0	150	0%	150	0%	-150	
Total Greater Church Participation	4,380	0	4,380	4,367	100%	4,367	100%	13	0
Outreach / Evangelism									
Fund Raiser Set Aside (10%)			0	300	0%	300	0%	-300	
Marketing & Signage	648		648	800	81%	800	81%	-152	0
Newcomer Program Materials			0	50	0%	50	0%	-50	
Shelter Meals		391	391	170	230%				170
Event costs	82		82	0	NA			82	
Rector's Disc. Fund (Budgeted)			0	600	0%	600	0%	-600	
Rector's DF - O&G King Dividend		-715	-715	150	-477%				150
Rector's Disc Fund (Donations)		-150	-150	0	NA				0
Total Outreach/Evangelism	730	-474	256	2,070	12%	1,750	42%	-1,020	320
Administrative/Office Expenses									
Copier Supplies/Maint	120		120	500	24%	500	24%	-380	
Office Equipment/Repairs/Other	1,306		1,306	150	871%	150	871%	1,156	
Financial Management	764		764	600	127%	600	127%	164	
Postage	739		739	325	227%	325	227%	414	
Secretary Travel	98		98	75	131%	75	131%	23	
Supplies	776		776	725	107%	725	107%	51	
Minister Search Process	59		59	0	NA	0	NA	59	
Total Administrative/Office Expenses	3,862	0	3,862	2,375	163%	2,375	163%	1,487	0
Payroll Expenses									
Office	13,530		13,530	13,207	102%	13,207	102%	323	
Organist	14,134		14,134	14,134	100%	14,134	100%	0	
Sexton	10,177		10,177	10,177	100%	10,177	100%	0	
Family Programs Director	3,499		3,499	3,316	106%	3,316	106%	183	
Child care	1,055		1,055	1,120	94%	1,120	94%	-65	
Other Payroll									
Supply Clergy - Short Term			0	1,425	0%				1,425
Supply Organist		150	150	450	33%				450
Other payroll	0	150	150	1,875	8%	0		0	1,875
Total Payroll Expenses	42,395	150	42,545	43,829	97%	41,954	101%	441	1,875
Personnel Worker Comp	711		711	900	79%	900	79%	-189	
Worship-Music	84	260	344	750	46%	250	34%	-166	500
Worship-Other	197	106	303	790	38%	500	39%	-303	290
Long Term Supply Clergy	16,698		16,698		NA	0	NA	16,698	

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	Non-Designated	* NET of Designated	Total Both	Annual Budget	% Total Annual Budget				
	Worship-Rector								
Health Insurance	3,813	0	3,813	8,160	47%	8,160	47%	-4,347	0
Housing Allowance	13,000		13,000	24,000	54%	24,000	54%	-11,000	
Pension	4,209		4,209	8,634	49%	8,634	49%	-4,425	
Salary	19,639		19,639	28,130	70%	28,130	70%	-8,491	
SECA (ER)	2,326		2,326	3,988	58%	3,988	58%	-1,662	
Conferences & Continuing. Ed		75	75	800	9%			0	800
Travel	67		67	900	7%	900	7%	-833	
Total Worship-Rector	43,054	75	43,129	74,612	58%	73,812	58%	-30,758	800
Total Expense	124,455	563	125,018	147,780	85%	143,320	87%	-18,865	4,460
Net Ordinary Income*	-5,127	-563	-5,690	-30,820	18%	-26,360	19%	21,233	-4,460
Changes in Investments									
Investment market variation	13,024	1,601	14,625						
Total Changes in Investments	13,024	1,601	14,625						
Net Overall	7,897	1,038	8,935						

* The Net Designated Funds column reflects the difference in 2020 of the income and expenses for the specific designated fund items. The negative amounts in the expense section of the SoA indicate that the income for that item exceeded the expense.

** The net ordinary income does not include the Payroll Protection Prog funding of \$23,912 which will be realized when the loan is forgiven. This will be sometime in early 2021.

*** Adjustment moving cost of gas for heating moved from Non-designate to Designated fund. See narrative

**** Balance of deficit for tree removal and replacement moved from Designated to Non-Designated. See narrative.

St. John's 2020 Designated Funds Statement

Category	2020 Actual			Adjusted Carryover from 2019	Transfers		2020 NET DF Budget	Diff from Budget
	2020 Income	2020 Expense	2020 Net		from Invests.	EOY Balance		
Building/Grounds								
Jr. Warden Projects	-	-	-	31		31	-	-
Trees remove replace	50	1,566	1,616	(1,616)		-	-	(1,616)
Jones Mem.(Painting)	-	-	-	307		307		-
From McNeely fund investment HVAC	-	(2,066)	(2,066)	(100)	200	(1,966)	(300)	1,766
Christ Education								
Adult Education	124	-	124	(30)		94	-	(124)
VBS	-	(178)	(178)	2,314		2,136	(250)	(72)
Family Programs	-	(42)	(42)	125		83	(125)	(83)
Inreach								
Card Ministry	-	-	-	-		-		-
Shrinemont	-	-	-	74		74		-
Outreach								
AFAC Donation	1,250	(1,250)	-	-		-		-
ERD	-	-	-	-		-		-
RDF(O&G)	209	-	209	41		250		(209)
RDF(Donations)	2,850	(2,700)	150	-		150		(150)
King Fund(RDF)	706	(200)	506	379		885	(150)	(656)
Shelter Bag Lunch	-	(391)	(391)	2,015		1,624	(170)	221
Good Friday	557	(557)	-	-		-		-
School supplies	90	(90)	-	25		25		-
EFM	50	-	50	-		50		(50)
Worship Music								
Piano/Organ Repair	-	-	-	-		-		-
Piano	-	(260)	(260)	1,377		1,117	(500)	(240)
Music	-	-	-	4		4		-
Vestry								
Vestry Direction	-	(100)	(100)	6,991		6,891		100
Geris Fund (any use)	-	-	-	1,054		1,054		-
Evelyn Sullivan Mem.(any use)	-	-	-	1,267		1,267		-
Outreach	-	100	100	(100)		-		(100)
Worship Other								
Altar Guild & Other	-	(106)	(106)	277		171	(290)	(184)
Sacristy	-	-	-	5,028		5,028		-
Rector Cont Ed & Conf	-	(75)	(75)	75		-	(800)	(725)
Supply Organist	-	(150)	(150)	150		-	(450)	(300)
Supply Clergy - not LT	-	-	-	-		-	(1,425)	(1,425)
Seminarian	-	-	-	-		-		-
Other								
Cristo Rey shared fundraising	-	-	-	-		-		-
T-Shirt Sales	-	-	-	(25)		(25)	35	35
Farewell Gift Rector/other	2,315	(2,265)	50	-		50		(50)
Rector Share Disability & Health Ins	2,107	(2,107)	(0)	-		-		0
Totals	10,308	(10,872)	(564)	19,663	200	19,300	(4,425)	(3,861)

December

Adjustment of \$1986 moves HVAC portion of Gas bill to McNeely acct - 2020 EOY deficit to be covered by transfer in 2021 from McNeely fund
 Check to AFAC \$1100 from donations in December
 Moved \$1,566 expense, the balance of cost of tree removal, from designate to non-designated Ground Maintenance.
 King Dividend and distrib gains \$557 - check to be received in January

St. John's Episcopal Church Investment Account Variations for 2020

Date	Memo	Dividends / Interest/ Cap Gains	Market Value Increases/ Decreases	Deposit/ Withdrawal	Balance
Vanguard Investment 7648 General use investment for St Johns					
Balance - Dec 31, 2017					118,654.26
Changes during 2018					-52,767.33
Balance - Dec 31, 2018					<u>65,886.93</u>
Changes during 2019					-3,567.37
Balance - Dec 31, 2019					<u>62,319.56</u>
01/31/2020	Change in valuation January		21.60		
02/29/2020	Change in valuation February		-2,504.88		
03/31/2020	Change in valuation March		-5,549.59		
04/30/2020	Change in valuation April		3,973.25		
05/31/2020	Change in valuation May		1,900.25		
06/26/2020	Income dividend June	496.01			
06/30/2020	Change in valuation June		805.56		
07/31/2020	Change in valuation July		2,198.95		
08/31/2020	Change in valuation August		2,046.55		
09/30/2020	Change in valuation September		-1,066.82		
10/31/2020	Change in valuation October		-914.41		
11/30/2020	Change in valuation November		4,942.20		
12/31/2020	Income dividend December	674.49			
12/31/2020	Short term gain	289.56			
12/31/2020	Long term gain	916.81			
12/31/2020	Change in valuation December		242.47		
					<u>8,472.00</u>
Balance - December 31, 2020					<u>70,791.56</u>
Vanguard King 7664 - see below for handling of dividends -- for RDF					
Balance - Dec 31, 2017					17,244.27
Changes during 2018					-1,004.80
Balance - Dec 31, 2018					<u>16,239.47</u>
Changes during 2019					2,647.94
Balance - Dec 31, 2019					<u>18,887.41</u>
01/31/2020	Change in valuation January		6.45		
02/29/2020	Change in valuation February		-1,017.64		
03/31/2020	Change in valuation March		-1,388.65		
04/15/2020	Disburse Check for Dec Deposited April			-269.30	
04/30/2020	Change in valuation April		1,187.01		
05/31/2020	Change in valuation May		567.71		
06/26/2020	Income Dividend June (dist rec.in July)	148.18			
06/30/2020	Change in valuation June		238.69		
07/01/2020	Disburse Check for June Deposited July			-148.18	
07/31/2020	Change in valuation July		651.57		
08/31/2020	Change in valuation August		606.41		
09/30/2020	Change in valuation September		-316.11		
10/31/2020	Change in valuation October		-270.95		
11/30/2020	Change in valuation November		1,464.42		
12/31/2020	Income dividend December	199.86			
12/31/2020	Short term gain	85.80			
12/31/2020	Long term gain	271.66			
12/31/2020	Change in valuation December		-128.33		
					<u>1,888.60</u>
Balance - December 31, 2020					<u>20,776.01</u>

St. John's Episcopal Church Investment Account Variations for 2020

Date	Memo	Dividends / Interest/ Cap Gains	Market Value Increases/ Decreases	Deposit/ Withdrawal	Balance
Vanguard McNeely 7651 - For AC related					
Balance - Dec 31, 2017					66,094.01
Changes during 2018					-6,670.51
Balance - Dec 31, 2018					<u>59,423.50</u>
Changes during 2019					11,509.01
Balance - Dec 31, 2019					<u>70,932.51</u>
01/31/2020	Change in valuation January		24.58		
02/29/2020	Change in valuation February		-2,851.06		
03/31/2020	Change in valuation March		-6,316.59		
04/30/2020	Change in valuation April		4,522.38		
05/31/2020	Change in valuation May		2,162.88		
06/26/2020	Income Dividend June	564.56			
06/30/2020	Change in valuation June		916.88		
07/31/2020	Change in valuation July		2,502.86		
08/31/2020	Change in valuation August		2,329.39		
09/30/2020	Change in valuation September		-1,214.25		
10/16/2020	Transfer to Bank cover HVAC desig fund			-200.00	
10/31/2020	Change in valuation October		-1,033.92		
11/30/2020	Change in valuation November		5,610.26		
12/31/2020	Income dividend December	765.66			
12/31/2020	Short term gain	328.71			
12/31/2020	Long term gain	1,040.74			
12/31/2020	Change in valuation December		275.25		
					<u>9,428.33</u>
Balance - December 31, 2020					<u>80,360.84</u>
Vanguard Money Market 7664					
Balance - Dec 31, 2017					3,032.48
Changes during 2018					54.00
Balance - Dec 31, 2018					<u>3,086.48</u>
Changes during 2019					66.09
Balance - Dec 31, 2019					<u>3,152.57</u>
01/31/2020	January Dividend	4.14			
02/29/2020	February Dividend	3.77			
03/31/2020	March Dividend	2.86			
04/30/2020	April Dividend	1.38			
05/31/2020	May Dividend	0.78			
06/30/2020	June Dividend	0.36			
07/31/2020	July Dividend	0.28			
08/31/2020	August Dividend	0.25			
09/30/2020	September Dividend	0.16			
10/31/2020	October Dividend	0.11			
11/30/2020	November dividend	0.08			
12/31/2020	December dividend	0.05			
					<u>14.22</u>
Balance - December 31, 2020					<u>3,166.79</u>
Totals	Change since end of 2019	5,796.26	14,624.37	-617.48	19,803.15
	% change since end of 2019	3.7%	9.4%	-0.4%	
Balance of All Accounts					\$ 175,095.20

Dividends in the accounts above are reinvested.

Investment Income - These funds are distributed during the year.

Income King Fund - For RDF

		Dividends Distributed
01/01/2020	Investment Income Cecil King (7664) for RDF --	(Dec 2019 dividend) 281.10
06/26/2020	Investment Income Cecil King (7664) for RDF --	(Distributed July 2020) 148.18

Total Income King Fund 429.28

January 18, 2021

St. John's Episcopal Church
Statement of Financial Position
As of December 31, 2020

	<u>Dec 31, 2020</u>	<u>Dec 30, 2019</u>
ASSETS		
Current Assets		
Checking/Savings		
BB&T checking	15,119	8,879
PayPal	970	0
RDF Bank Account	29	203
Vanguard Investment 7648	70,792	62,320
Vanguard King 7664	20,776	18,887
Vanguard McNeely 7651	80,361 *	70,933
Vanguard Money Market 7664	3,167	3,153
Total Checking/Savings	<u>191,214</u>	<u>164,374</u>
Accounts Receivable	0	-150
Other Current Assets		
Undeposited Funds	900	-1,150
Total Other Current Assets	<u>900</u>	<u>-1,150</u>
Total Current Assets	<u>192,114</u>	<u>163,074</u>
TOTAL ASSETS	<u><u>192,114</u></u>	<u><u>163,074</u></u>
LIABILITIES		
Current Liabilities		
Credit Cards	229	2,147
Other Current Liabilities	0	1,290
Total Current Liabilities	<u>229</u>	<u>3,437</u>
Long Term Liabilities - PPP Loan NCB	23,912 **	0
TOTAL LIABILITIES	<u>24,141</u>	<u>3,437</u>
NET ASSETS AND LIABILITIES	<u><u>167,973</u></u>	<u><u>159,637</u></u>
Change in Net Assets and Liabilities	<u>8,336</u>	

* Vanguard McNeely fund will be reduced in Jan 2021 to cover the negative \$1966 in the McNeely designated fund account at the end of 2020. Funds will be transferred to the BBT checking account.

** The Payroll Protection Loan will be converted to a grant during 2021 at which time it will be reflected as income and the long term loan will be removed.