



FINANCIAL REPORT

FISCAL YEAR 2014
(JULY 1, 2013 – JUNE 30, 2014)

Summary

This was a challenging fiscal year. Income from offerings and gifts was much less than the year before, particularly during the fall of 2013. The budget was reduced twice to reduce expenses. These reductions, coupled with stronger giving from the congregation in the second half of the fiscal year, enabled us to end the fiscal year in a sound financial position.

The annual stewardship campaign for FY2014 was completed in the late Spring of 2013. We received 96 pledges totaling \$733,994. Based on historical patterns the pledges received would support an operating budget of about \$900,000. However,

giving for the prior year (FY2013) was \$1,014, 849. Therefore, based on expertise and recent giving, the Vestry approved a budget of \$1,003,823.

By the end of September the Vestry concluded that giving was not sufficient to support the approved budget and in October voted to reduce the budget to \$975,192. As giving continued to lag in October and November, a further reduction was made in January to \$945,192. A significant part of this reduction was not replacing the executive assistant to the rector, Anne Bracy, when she retired.

On the positive side, a tremendous end-of-year giving in December substantially eliminated much of the deficit accumulated through November. And with the reduced budget, the giving for the last half of the year covered monthly expenses.

The final result was a minor deficit of \$4396 (less than 0.5% of the budget)

Shown below is a table of monthly income and expenses by major category for FY2014.

Church of the Epiphany Anglican

Monthly Financial Report to Vestry

MR-01 A

Fiscal Year 2014
Balance as of June 30, 2014

INCOME													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
Pledge	51,924	63,470	73,407	65,953	68,579	120,530	57,891	71,715	92,942	66,352	57,299	77,541	867,598
Plate	2,673	608	7,110	7,282	2,252	11,034	577	1,692	6,153	1,777	960	11,998	54,115
Interest	28	29	20	25	22	26	31	18	25	29	34	29	315
TOTAL INCOME	54,624	64,106	80,536	73,259	70,852	131,590	58,498	73,425	99,120	68,157	58,293	89,568	922,029
EXPENSES													
Ministry/Function	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
Worship	424	217	418	620	348	849	518	-444	804	0	828	1,103	5,685
Outreach	4,550	5,332	4,683	4,683	3,060	4,758	4,323	4,323	4,323	4,323	4,323	4,323	53,001
Discipleship	196	1,820	204	68	72	153	163	115	343	447	-2	112	3,691
Congregational Care	230	1,432	186	0	494	0	15	570	50	29	868	223	4,098
Facilities	2,934	4,305	3,524	3,425	2,590	2,770	4,361	5,673	3,233	4,152	3,443	2,198	42,609
Leased Property	20,716	18,986	20,716	20,716	20,716	20,716	20,716	20,716	20,716	10,589	10,589	21,178	227,072
Church Operations	2,793	3,753	1,777	1,892	2,646	2,049	2,159	2,383	2,042	3,281	1,923	2,180	28,877
Vestry	0	800	0	0	0	0	49	0	46	0	0	0	895
Personnel	47,018	46,260	46,876	49,783	48,589	47,341	43,536	44,668	43,934	39,296	42,802	42,630	542,733
Finance and Legal	15	515	2,293	1,211	2,297	1,651	7,419	2,320	13	91	-73	13	17,764
Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	78,875	83,419	80,677	82,398	80,813	80,287	83,259	80,324	75,504	62,208	64,701	73,960	926,425
Month Income - Expenses	-24,252	-19,313	-141	-9,139	-9,961	51,303	-24,761	-6,899	23,616	5,950	-6,407	15,608	
YTD Income - Expenses	-24,252	-43,564	-43,705	-52,844	-62,805	-11,502	-36,263	-43,162	-19,546	-13,597	-20,004	-4,396	

ACTUAL EXPENDITURES VERSUS BUDGET

The following table contains the original budget, the reduced budgets and actual expenditures.

The October Budget included an increase of \$23,600 in Personnel due to a much larger than expected increase in rates for staff Medical Insurance. The original budget assumed an 11% increase; the actual increase was 19%. Substantial reductions were made by: eliminating almost all Vestry projects, eliminating all but \$1,000 in Reserve, and reducing Worship, Outreach, Discipleship, Congregation Care and Church Operations. The result was an October budget reduction of \$28,681.

By December it was determined that additional reduction of \$30,000 was necessary to ensure Epiphany's financial soundness. The second reduction was implemented in January. The January Budget included minor increases in Church Operations and Finance and Legal to reflect known expenditures. The large reduction in Personnel was due to the decision to eliminate the Executive Assistant to Rector position.

FY2014 BUDGETS

	Original Budget	October Budget	January Budget	Actual Expenses	Difference from January Budget	% Difference from January Budget
WORSHIP	14,150	9,400	9,050	5,685	-3,365	-37%
OUTREACH	73,000	63,204	58,169	53,001	-5,168	-9%
DISCIPLESHIP	8,160	6,660	6,481	3,691	-2,790	-43%
CONGREGATION CARE	11,550	9,410	8,080	4,098	-3,982	-49%
FACILITIES	272,675	272,675	272,275	269,680	-2,595	-1%
CHURCH OPERATIONS	29,425	26,970	27,370	28,877	1,507	6%
VESTRY	20,200	2,200	2,200	895	-1,305	-59%
PERSONNEL	545,263	568,823	545,483	542,733	-2,750	-1%
FINANCE & LEGAL	14,800	14,800	15,034	17,764	2,730	18%
RESERVE	14,600	1,000	1,000	0	-1,000	-100%
TOTAL	1,003,823	975,142	945,142	926,425	-18,717	-2%

As can be seen in the final results, the budget reductions were effective and brought overall spending in line with income for the remainder of the fiscal year.

EXPLANATIONS

These are the major reasons for variance of expenditures from the January Budget for each category.

WORSHIP

The net cost for altar flowers was less than anticipated because more costs were paid for by parishioner payments than anticipated. Music expenses were less because some costs were offset by special contributions. Funds budgeted for praise band were not needed.

OUTREACH

Mission trips were funded by special gifts and budgeted funds were not required. Expenses for Hot Meals were less than budgeted.

DISCIPLESHIP

Youth and Children's expenses were less than anticipated. Nursery expenses were lower than anticipated. These were accomplished by finding low cost ways to run these programs.

CONGREGATION CARE

Benevolence Funds for emergency financial assistance were not needed

CHURCH OPERATIONS

Advertising and Copying expenses were higher than expected.

VESTRY

Money designated for special Vestry initiatives was not used.

FINANCE & LEGAL

Legal fees for negotiations regarding parking were larger than expected. Steps have been taken to reduce ongoing legal costs.

BALANCE SHEET

	6/30/2013	6/30/2014
CURRENT ASSETS		
UNRESTRICTED CASH	\$207,078.99	\$189,944.24
RESTRICTED CASH		
Restricted Gifts	\$20,992.48	\$19,641.64
Building/Relocation Fund	\$0.00	\$13,673.99
TOTAL RESTRICTED ASSETS	\$20,992.48	\$33,315.63
TOTAL CHECKING AND SAVINGS ACCOUNTS	\$228,071.47	\$223,259.87
OTHER		
Pre-paid Expenses	\$2,400.00	\$0.00
Account Receivable	\$2,625.00	\$0.00
TOTAL CURRENT ASSETS	\$233,096.47	\$223,259.87
CURRENT LIABILITIES		
Uncashed Checks	\$0.00	\$155.66
HealthCare Reimbursement Accrual	\$1,464.43	\$0.00
TOTAL CURRENT LIABILITIES	\$1,464.43	\$155.66

As of June 30, 2014 Epiphany has cash on hand of \$223,259.87. While Epiphany reserves the right to use all donations where needed, it is customary to honor donations for specific ministries. A record is maintained of all designated gifts and the uses of such funds. As of June 30, 2014 Epiphany held \$33,315.63 in restricted funds, \$19,641.64 for various ministries and \$13,673.99 in building funds. Current Liabilities were \$155.66.

FY2015 EXPENSE BUDGET

WORSHIP		11,310
	ALTAR GUILD	3,760
	MUSIC	4,550
	AUDIO VISUAL	1,800
	GUEST PREACHER	1,200
OUTREACH		81,650
	DOMA	28,650
	MISSIONS	26,000
	COMMUNITY	16,300
	NEIGHBORHOOD MINISTRY	10,700
DISCIPLESHIP		4,480
	YOUTH	2,280
	CHILDREN	800
	NURSERY	960
	EVENTS & OTHER	440
CONGREGATION CARE		11,260
FACILITIES		281,585
	LEASE	235,735
	BUILDING OPERATIONS	45,850
CHURCH OPERATIONS		27,290
	OFFICE ADMINISTRATION	19,170
	TELECOMMUNICATIONS	6,720
	INFORMATION TECHNOLOGY	1,400
SPECIAL PROJECTS		4,000
PERSONNEL		440,532
FINANCE & LEGAL		17,663
RELOCATION SAVING		24,000
TOTAL		903,769

The 2015 budget includes salaries for Rector and Assistant Rector and salary increase for staff. Beginning September 1st staff will pay 5% of medical healthcare insurance costs. In the past Epiphany has paid 100% of these costs. The budget also includes setting aside \$2000 per month for future relocation when the lease expires.

A budget of \$903,769 is conservative. Total giving in 2014 was \$922,029. During our Spring campaign we received 103 pledges. The total Pledged was \$836,548.

Historically giving at Epiphany has exceeded pledges by about 20% (1.2 times pledges). Our 2015 Budget is 1.08 times pledges.

QUESTIONS

Please direct any questions or comments you may have on this report to Scott Reiter at scott.reiter@cox.net.