



FINANCIAL REPORT

FISCAL YEAR 2026

(JULY 1, 2025 – JUNE 30, 2026)

SUMMARY

FY2026 ended on June 30, 2026, a year in which Church of the Epiphany Anglican saw increases in our financial standing. God has been gracious to us in the past year and blessed us with generous giving from you, our parishioners. Thank you all for your faithful giving during these challenging times.

We ended the year with unrestricted liquid net assets of \$312,183, up from \$279,295 at the beginning of the year. Our total unrestricted revenue for the year was \$994,052, below budget by \$1,933. Due to disciplined expense management and generous restricted gifts which funded children's ministry and the cost of hiring our Children Ministry Director, our operating expenses funded from unrestricted revenue were \$34,722 less than budgeted. This represents a 3.5% variance.

Our Stewardship Campaign is held in the fall. We are repeating that schedule this year with our Stewardship Campaign kicking off in November. Our budget for the coming fiscal year (2027) is based on the previous year's expenses and giving pattern.

Shown below is a table of income and expenses by major category for FY2026.

Church of the Epiphany Anglican
For the Year Ended June 30, 2026

INCOME			
INCOME CLASSIFICATION	TOTAL		
Unrestricted Giving	980,248.64		
Restricted Giving	43,757.00		
Other Income	6,285.00		
Misc Revenue	318.00		
Interest	7,200.58		
TOTAL INCOME	1,037,809.22		

EXPENSES			
MINISTRY/FUNCTION	EXPENSES FUNDED BY OPERATING BUDGET	EXPENSES FUNDED BY RESTRICTED GIVING	TOTAL
Worship	13,897.37	3,160.79	17,058.16
Outreach	100,404.88	16,382.11	116,786.99
Discipleship	7,128.64	3,684.14	10,812.78
Congregational Care	11,412.06	-	11,412.06
Facilities	41,581.26	-	41,581.26
Leased Property	290,534.62	-	290,534.62
Church Operations	13,772.75	-	13,772.75
Vestry	596.53	-	596.53
Personnel	470,409.54	23,719.07	494,128.61
Finance and Legal	11,426.06	-	11,426.06
Subtotal - Cash outlays	961,163.71	46,946.11	1,008,109.82
Amortization Leasehold Improvements (ALI)	-	119,406.60	119,406.60
Depreciation of Desktop	299.76	-	299.76
Depreciation of Organ	8,769.96	-	8,769.96
Depreciation of Coffee Brewer	275.76	-	275.76
Depreciation of Ice Maker	210.84	-	210.84
Depreciation of Digital Mixer & Stage Box	810.00	-	810.00
Depreciation of Laptop	299.76	-	299.76
TOTAL EXPENSES	971,829.79	166,352.71	1,138,182.50

Statement of Activities for All Church Funds For the Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions		Total
		Relocation	Program	
Revenue				
Giving, Misc Revenue, Other Income & Interest	994,052	-	43,757	1,037,809
Net Assets Released From Restrictions	166,353	(119,407)	(46,946)	-
Total Revenues	1,160,405	(119,407)	(3,189)	1,037,809
Expenses				
Expenses	1,008,110	-	-	1,008,110
Leasehold Improvement Expenses	119,407	-	-	119,407
Organ & Other Equipment Depreciation Expenses	10,666	-	-	10,666
Total Expenses	1,138,183	-	-	1,138,183
Increase (Decrease) in Net Assets	22,222	(119,407)	(3,189)	(100,374)
Beginning Net Assets, 7/1/2025	349,941	506,180	17,082	873,203
Ending Net Assets, 6/30/2026	372,163	386,773	13,893	772,829

These reports are presented on a cash basis modified to reflect amounts invested in Leasehold Improvements and Capitalization of Fixed Assets with a threshold of \$1,000.

BUDGET VERSUS ACTUAL INCOME AND ACTUAL EXPENDITURES FUNDED FROM UNRESTRICTED NET ASSETS

The first table shows the FY2026 budget vs actual revenue. The second table shows the FY2026 budget vs actual expenditures, excluding amortization, depreciation, and expenses funded with restricted donations.

FY2026 BUDGET VS ACTUAL INCOME

	FY2025 Actual Income	Final FY2026 Budget	FY2026 Actual Income	FY2026 Difference	FY2026 % Difference from Budget
Unrestricted Gifts, Misc Revenue, Other Income & Interest	972,148.76	995,985.43	994,052.22	-1,933.21	-0.2%

FY2026 BUDGET VS ACTUAL EXPENSES

	FY2025 Actual Expenses	Final FY2026 Budget	FY2026 Actual Expenses	FY2026 Difference	FY2026 % Difference from Budget
Worship	9,378.12	10,985.00	13,897.37	2,912.37	27%
Outreach	97,997.36	102,340.00	100,404.88	-1,935.12	-2%
Discipleship	7,082.02	8,600.00	7,128.64	-1,471.36	-17%
Congregational Care	8,892.79	7,500.00	11,412.06	3,912.06	52%
Facilities	41,619.80	37,050.00	41,581.26	4,531.26	12%
Leased Property	288,286.77	296,348.81	290,534.62	-5,814.19	-2%
Church Operations	15,070.01	14,699.00	13,772.75	-926.25	-6%
Vestry	357.25	810.00	596.53	-213.47	-26%
Personnel	444,253.43	505,582.62	470,409.54	-35,173.08	-7%
Finance & Legal	11,835.20	11,970.00	11,426.06	-543.94	-5%
Total	924,772.75	995,885.43	961,163.71	-34,721.72	-3.5%

EXPLANATIONS

Below are the reasons for significant expenditure variances by ministries for fiscal year 2026.

Worship

- Altar Guild expenses were higher due to expenses which were not budgeted. These expenses were \$303 for clothing/attire and \$1,792 for custom made altar rails installed in the Chapel.
- Audio Visual ministry purchased a new mixing board, wireless microphone system and mini PC for video system which exceeded the budget by \$615. This extra expense was covered by sale of old equipment which generated \$650 within Other Income.

Discipleship

- All expenses for children's ministry totaling \$3,684 were covered by restricted gifts.

Congregational Care

- Total expenses for Men's Wilderness Trip were \$5,815. These expenses were funded by a donation from congregant and registration fees from the trip participants, and not funded from the church's operating budget. The registration fees are reflected within Other Income.

Facilities

- There were issues with the HVAC systems not cooling and heating and repairs exceeded budget by \$1,143.
- Unexpected expense for emergency/exit light inspection required by Fire Marshal was incurred. Cost for the inspection was \$693.
- Utility expenses exceeded budget by a total of \$2,962 due to increased electricity rates. Dominion Energy budget billing increased from an average of \$950 per month to \$1,210 per month effective September 2025.

Leased Property

- The landlord's actual 2025 operating expenses and taxes were lower than the estimated amounts paid. A credit of \$1,368 from the landlord offset part of May 2026 rent.
- Landlord's estimated operating expenses effective November 2025 was lower than Epiphany's budgeted amount.

Personnel

- Children Ministry Director's wages and taxes with a total of \$23,719 was funded by restricted gifts for children's ministry instead of operating budget.

Balance Sheet
Modified Cash Basis *

	6/30/2025	6/30/2026
Assets		
Cash	296,625	327,974
Security Deposit	68,355	68,355
Organ & Other Equipment	97,181	97,181
Leasehold Improvements	1,313,473	1,313,473
Accumulated Amortization	-875,648	-995,055
Accumulated Organ & Equipment Depreciation	-26,535	-37,201
Total Assets	<u>873,451</u>	<u>774,727</u>
Liabilities		
Current Liabilities	<u>248</u>	<u>1,898</u>
Net Assets		
Without Donor Restrictions		
Liquid Net Assets	279,295	312,183
Organ & Other Equipment	70,646	59,980
With Donor Restrictions		
Ministries	17,082	13,893
Building/Relocation Fund		
Investment in Leasehold Improvements	437,825	318,418
Held in Security Deposits	68,355	68,355
Total Net Assets	<u>873,203</u>	<u>772,829</u>
Total Liabilities and Net Assets	<u>873,451</u>	<u>774,727</u>

Epiphany capitalizes assets \$1,000 and above. As of June 30, 2026, Epiphany assets include:

- Cash on hand of \$327,974
- \$68,355 of the remaining security deposit made in April 2017 for the building
- \$1,313,473 net of accumulated amortization of \$995,055 for the build-out on the building
- \$97,181 net of accumulated depreciation of \$37,201 for the organ, desktop, coffee maker, laptop, ice maker, digital mixer and stage box

The Current Liabilities include credit card charges which were FY2026 expenses that were not paid until the beginning of FY2027.

A donor may designate a gift to a fund identified by Epiphany. A record is maintained of all restricted gifts and the usage of such funds. As of June 30, 2026, Epiphany held \$400,666 in restricted funds, comprising:

- \$13,893 for various ministries
- \$318,418 represents leasehold improvements, net of accumulated amortization, including those funded by the landlord
- \$68,355 held in security deposit on the current building

These reports are presented on a cash basis modified to reflect amounts invested in Leasehold Improvements and Capitalization of Fixed Assets with a threshold of \$1,000.

EXPENSE BUDGET FY2027

Ministry	Subcategory	Ministry Total	Subcategory Amount
WORSHIP		10,558	
	Altar Guild		7,100
	Music		2,458
	Audio Visual		1,000
OUTREACH		104,840	
	Missions		33,340
	Community		13,500
	DOMA		51,000
	Epiphany Gift		5,000
	Neighborhood Ministry		2,000
DISCIPLESHIP		13,400	
	Youth		250
	Children (Sunday School & Discipleship Hour)		2,503
	Nursery		5,224
	Children Events (Special Events & VBS)		3,323
	Other (Guest Preacher, Professional)		2,100
CONGREGATIONAL CARE		5,700	
FACILITIES		341,707	
	Facility Expenses		42,950
	Lease		298,757
CHURCH OPERATIONS		19,622	
	Supplies		3,000
	Telephone & Internet		5,352
	Postage & Shipping		450
	Software & Hardware		0
	Printing & Copying		3,000
	Subscriptions		2,820
	Advertising Expenses		5,000
VESTRY		800	
PERSONNEL		518,609	
FINANCE & LEGAL		12,530	
Budget Total		1,027,766	

The budget for FY2027 is \$1,027,766. A decision was made at the May 14, 2019, Vestry meeting that the budget would no longer be based on the Stewardship Campaign. Budget will be based on the prior year's giving and expenses, as well as looking at the changes in the congregation.

QUESTIONS: Please direct any questions or comments you may have regarding this report to Tom Miller at wtmtgc@gmail.com.