

All Saints Episcopal Church, Appleton, Wisconsin

Status Update on Parish Finances - August 8, 2018

Background

On Sunday, May 20, 2018, a Parish Forum for members of All Saints Episcopal Church helped members understand the financial status of the parish. There was discussion about where we were and consideration of options for a financially stable future that aligned with the mission and ministry of the parish. Feedback the Vestry heard was mostly positive, but rightfully concerned about finances. The Finance Committee which makes recommendations for action, and the Vestry who acts, have been at work examining steps to become more stable. This update shares the status since the meeting.

The Good News

Dealing with difficult financial matters is difficult for both the members of the congregation and the Vestry. There are some good things to report. First, members are giving more. There has been an increase in giving as compared to expectations. The Vestry sees this as a sign of commitment to All Saints and some level of trust in the process.

Second, with budget changes adopted by the Vestry in July and receipt of the reimbursement from the Education Endowment for past expenses paid from operations, we are confident that our cash balance will end the year where it began. We started the year with about \$30,000 in the bank, and we should end the year with about \$30,000 in the bank.

Finally, while there are more hurdles than anticipated in implementing AmazonSmile and SCRIP (both are still being worked on), revenue from these is not included in the budget. Any revenue from these programs over the rest of the year will put us in a better cash position.

The Bad News

More decisions and more changes need to be made to increase revenue, decrease expense or some combination of the two. Building a 2019 Budget will be a difficult, if not unpleasant, task for the Vestry. There will be decisions made that will not be well received by some. We are spending beyond our means and good stewardship demands we figure out how to stop.

The pending departure of Fr. Jim is bad news. It may see some fiscal relief over the transition time, but the loss of a pastor, regardless of reason, is always difficult. We may spend less for pastoral care over the next year, but the underlying issues still exist and need to be addressed. Less expense may provide additional time to address them, but the sooner we do, the better.

The truly bad news is even with budget changes, a deficit of over \$100,000 remains – we will spend \$100,000 more than we receive. This negative cash flow will be covered by the reimbursement received from the Education Fund, but that was a one time thing. The Vestry intends to use our endowments consistent with best practices of the not-for-profit world, drawing only 4-6% of market value in any given year.

Going Forward

There are three pending actions for the next few months. The first is final settlement of an insurance claim that will add about \$10,000 to the operations fund and about \$40,000 to the Organ Endowment. The second is conducting an annual giving campaign to examine how God wants us to give. Sunday, November 3 will be Commitment Sunday were members communicate what they expect to give to support the mission and ministry of All Saints in 2019.

Finally, with member’s financial commitments in hand, preliminary revenue projections and tentative expense projections, the Finance Committee will build a budget to present to the Vestry for consideration. There will be opportunity for members to participate in this exercise.

Conclusion

Before providing figures, the question has been asked “Can All Saints afford a priest on a full-time basis?” That question, along with many others, will need to be discussed. However, we must remember the blessing God has given. Generous members gave over \$200,000 to support the mission and ministry of All Saints last year. There are nearly \$900,000 in endowments to provide further support. Most importantly, members are committed to Jesus Christ and act to share God’s love with each other and the broader community. It is these blessings we must remember as we deal with the issues before us.

Budget Summary

Income

Pledges, Plate and Other	210,850
Endowment Draws	<u>35,836</u>
Total Income	246,686

Expense

Diocesan Pledge	36,375
Rector	113,775
Staff	108,433
Building	60,750
Office	14,100
Education	2,950
Other	<u>14,300</u>
Total Expense	350,683

DEFICIT (103,997)

Cash Flow Analysis

	In	Out	Balance
Cash Balance 1/1/2018			37,533
Less budgeted deficit		(103,997)	(66,464)
Add Reimbursement from Ed Fund	107,040		40,576
Less Xfr Funds to Rippl to Endowment		(11,953)	28,623
Add Insurance Reimbursement	9,148		37,771
		Cash Balance 12/31	

	A	B	G	H	I	K
1	ALL SAINTS EPISCOPAL CHURCH 2018 BUDGET AMENDMENT					
2	Adopted by the Vestry 07/15/2018					
3						
4	Receipts		2018 Budget	2018 Proposed	Change	Notes/Change Reason
5	Pledged		190,500	200,000	9,500	111,705 through 6/30
6	Plate		2,500	3,000	500	2,394 through 6/30
7	Altar Flowers		2,750	2,750		1,985 through 6/30
8	Building Use		1,100	2,000	900	1,353 through 6/30
9	Alternative Gifts (Net)		100	100		
10	Miscellaneous		2,000	3,000	1,000	2,828 through 6/30
11	Total Income		198,950	210,850	11,900	Does not include SCRIP
12						
13	General Endowment Fund		200,281	-	(200,281)	
14	Specific Endowment Fund		-	11,524	11,524	4% from 12/2017 Balance
15	Education Endowment Fund		3,000	14,837	11,837	4% from 6/2018 Balance
16	Ross-Johnson Fund		10,000	3,714	(6,286)	4% from 12/2017 Balance
17	Real Estate Fund		-	2,875	2,875	4% from 12/2017 Balance
18	Organ Endowment Fund		2,000	2,886	886	4% from 12/2017 Balance
19	Total Red'd from Endowments		215,281	35,836	(179,445)	Conservative draw for operating income
20						
21	Total Funds Received		414,231	246,686	(170,134)	
22						
23	Disbursements		2018 Budget	2018 Proposed	Change	Notes/Change Reason
24	Diocesan Pledge		36,375	36,375	-	
25						
26	Rector Compensation / Expense					
27	Salary		56,439	56,439	-	
28	Housing Allowance		20,000	20,000	-	
29	Pension		13,759	13,759	-	
30	Life Insurance		100	85	(15)	Actual Pending
31	Health Insurance		18,037	19,392	1,355	Actual Pending
32	Travel Allowance		3,600	3,600	-	
33	Sabbatical Allowance		500	500	-	
34	Total Rector Comp / Expense		112,435	113,775	1,340	
35						
36	Staff Compensation / Expense					
37	Sexton - Jim		8,653	8,653	-	
38	Sexton - Nancy		4,502	4,502	-	
39	Secretary - Gina		19,556	4,492	(15,064)	Actual pd 2018
40	Secretary - Emily		6,703	12,000	5,297	Actual Pending
41	Organist (Supply)		38,200	12,000	(26,200)	1,037 Frank, Supply Organist, Organist
42	Youth Director		24,836	24,836	-	
43	FICA Expense		-	4,500	4,500	Lay Employees, omitted in original
44	Lay Retirement		13,192	3,800	(9,392)	9% compensation, 1/2 time or more lay
45	Lay Health		14,500	14,500	-	
46	Supply Priest		600	600	-	
47	Supply Choirmaster		2,000	2,000	-	
48	Parish Nursery		3,480	3,480	-	
49	Paid Choristers (Ross-Johnston)		10,000	10,000	-	
50	Organist Search		-	3,071	3,071	Actual
51	Total Staff Compensation		146,221	108,433	(37,788)	

	A	B	G	H	I	K
52		Disbursements	2018 Budget	2018 Proposed	Change	Notes/Change Reason
53		Building Related Expense				
54		Property Insurance / Workers C	17,500	17,500	-	
55		Utilities	19,000	19,000	-	
56		Refuse / Recycling	250	250	-	
57		Interior / Building Maint	34,000	12,000	(22,000)	7,358 through 6/30, Boiler Repair
58		Elevator Maintenance	2,000	2,000	-	
59		Organ Maintenance	3,000	3,000	-	
60		Landscaping	1,000	-	(1,000)	Volunteers
61		Lawn Service	2,000	-	(2,000)	Volunteers
62		Snow Removal	3,000	4,500	1,500	3,651 through 6/30
63		Maintenance Supplies	2,500	2,500	-	
64		Other	-	-	-	
65		Total Building Related Expense	84,250	60,750	(23,500)	
66						
67		Office				
68		Office Supplies	4,500	4,500	-	
69		Postage	600	600	-	
70		Telephone/Internet	4,500	4,500	-	
71		Payroll Services	2,500	2,500	-	
72		Diocese Audit	500	500	-	
73		Other Office Expenses	1,500	1,500	-	
74		Total Office Expenses	14,100	14,100	-	
75						
76		Education				
77		Education - Other	2,000	500	(1,500)	Experience
78		Stephen Ministries	500	200	(300)	Experience
79		Summer Camp	1,500	1,500	-	
80		Youth Group	750	750	-	
81		Total Education	4,750	2,950	(1,800)	
82						
83		Other				
84		Convention	600	600	-	
85		Altar Supplies	2,100	2,100	-	
86		Altar Flowers	3,000	3,000	-	
87		Music Scores	600	600	-	
88		Advertising	2,500	700	(1,800)	YP ad cancelled starting in Sept
89		Leaven	600	600	-	
90		Miscellaneous	2,700	2,700	-	
91		Church Events	4,000	4,000	-	2,464 to 6/30
92		Total Other	16,100	14,300	(1,800)	
93						
94		Total Expenses	414,231	350,683	(63,548)	