

## St. Barnabas' Episcopal Church Financials (year end 2019)

St. Barnabas' Episcopal Church is in very solid financial position. We are generally in balance between income and expenses. We have a solid Endowment fund of \$650k that is growing and only periodically used to fund any expense gaps in the annual operation. We have held a successful Capital Campaign in 2018-2020 that raised about \$230k for Sanctuary upgrades to the floor, sound system and a new organ. Our balance sheet is solid, with about \$200k of cash assets on the books, although portions of the assets are for designated uses such as memorial fund, outreach, and maintenance reserves. We have a very active lay led Finance Committee that manages the church finances in concert with the Vestry.

Figure 1

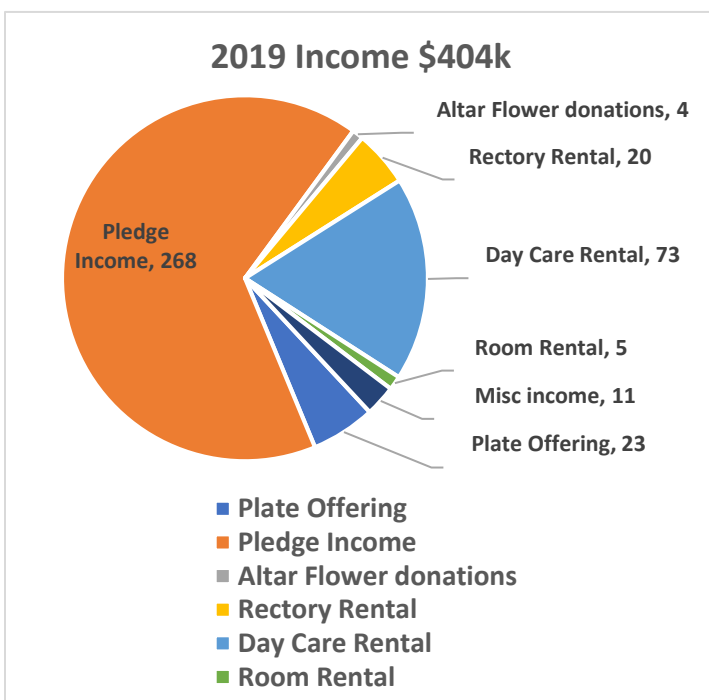
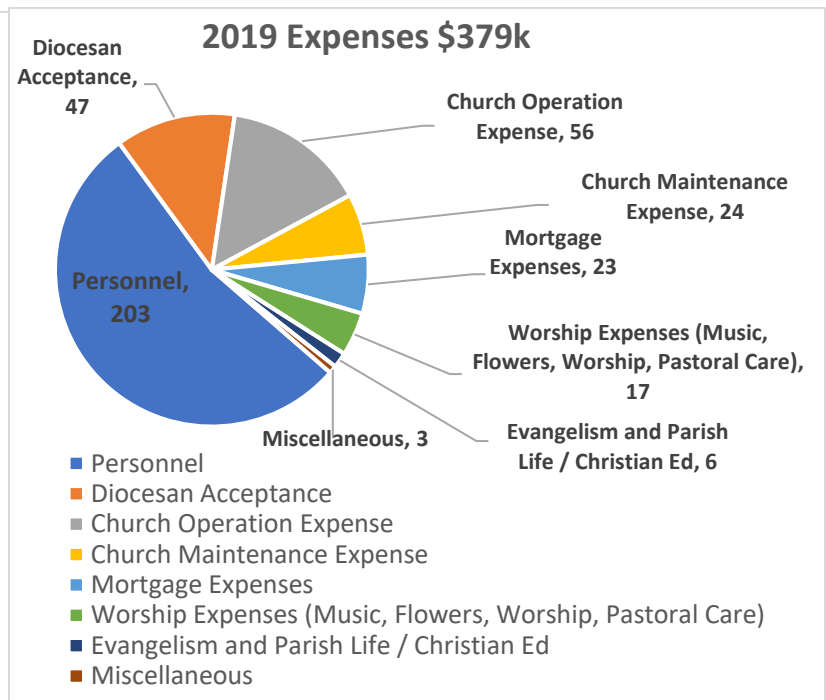


Figure 2



### 2019 Income and Expenses summary:

Figure 1 shows a pie chart of the 2019 actual income sources. Our primary income is from parishioner annual pledge and weekly plate Offering. We also have an externally operated day care (Stepping Stones Child Care) that is run in our church and provides a steady rent stream. In addition, we rent the church great hall or lounge facilities out to other organizations such as NA, cheerleaders, and Boy Scouts. Currently, the rectory is rented out since the past rectors did not have a need for the rectory use. We also have separate altar flower donations that typically offset our flower expenses.

Figure 2 shows a pie chart of the 2019 actual expenses. As expected, the primary expense is for personnel. The church staff consists of the Rector (currently an interim Rector), church administrator, pastoral care leader, and sexton. We have church volunteers to provide reception services and to do the treasurer and Vestry secretary rolls.

The next highest expense is for our contribution to the Diocese of Delaware as our Diocesan Acceptance. The church operation expenses include our utilities, office and housekeeping expenses and insurance premiums.

Church maintenance is for the building and grounds budget to cover routine church/rectory repairs as well as snow removal and lawn service. We also fund, annually, our major maintenance reserves to build up reserves on the balance sheet to cover larger ticket items like HVAC, roof repairs, lighting upgrades etc. Currently our major maintenance and HVAC maintenance reserves are over \$25k in our balance sheet.

We have 3 outstanding loans, totaling about \$110k in debt, that were from an earlier (2006-2009) Capital Campaign to significantly expand the church offices and lounge spaces. These loans result in about \$23k of mortgage principle and interest expenses annually and will be satisfied by the end of 2025.

The remaining expense items are for worship expenses which includes flowers, music costs and pastoral care. We also have costs for evangelism and parish life and Christian Education.

Figure 3 provides the 2020 budget for income and expenses, as well as the past 2 years of actual expenses. Income has been relatively flat over the past couple of years, not including any Endowment draws. We have periodically drawn between \$10k and \$15k from the Endowment fund to pay for annual operating expenses or to build up maintenance reserves in anticipation of larger maintenance projects. If income and costs are relatively balanced at the end of the year, the finance committee may defer or cancel any endowment draw.

The annual costs have also been relatively consistent year over year, except for personnel expenses in 2019 which dipped due to the transition from a permanent rector to an interim rector. The projected 2020 mortgage expenses decreased due to a reduction of the loan principle from recent Capital Campaign donations towards debt reduction. The miscellaneous expense increase in 2020 is due to budgeted rector search costs for 2020 and 2021. In general, actual costs are slightly less than budgeted each year, resulting in a small surplus. The last line of Figure 3 shows the annual surplus.

Figure 3 Income and Expenses

|   | 2020           | 2019           | 2018           |
|---|----------------|----------------|----------------|
| <b>REVENUES</b>   | <b>Budget</b>  | <b>Actual</b>  | <b>Actual</b>  |
| Plate Offering  | 22,000         | 23,386         | 26,679         |
| Pledge Income   | 285,000        | 268,373        | 273,082        |
| Altar Flower Donations  | 3,900          | 3,585          | 3,830          |
| Day Care Rental   | 73,500         | 72,730         | 72,730         |
| Room Rental   | 4,000          | 4,875          | 4,190          |
| Rectory Rental  | 20,400         | 20,400         | 20,400         |
| Miscellaneous income  | 1,000          | 10,738         | 1,616          |
| Endowment Fund<br>Transfer                                      | 10,000         | 0              | 15,000         |
| <b>TOTAL</b>  | <b>419,800</b> | <b>404,087</b> | <b>417,528</b> |
|   | 2,020          | 2019           | 2,018          |
| <b>EXPENSES</b>   | <b>Budget</b>  | <b>Actual</b>  | <b>Actual</b>  |
| Personnel Expense   | 224,804        | 203,321        | 221,646        |
| Diocesan Acceptance   | 47,000         | 47,000         | 47,000         |
| Church Operation<br>Expense                                     | 61,087         | 56,087         | 61,124         |
| Church Maintenance<br>Expense                                   | 29,035         | 23,647         | 24,362         |
| Mortgage Expenses   | 20,379         | 23,189         | 23,281         |
| Worship Expenses<br>(Music, Flowers,<br>Worship, Pastoral Care) | 16,820         | 16,955         | 14,326         |
| Evangelism and Parish<br>Life/Christian Ed                      | 12,707         | 6,425          | 10,739         |
| Miscellaneous   | 10,083         | 2,654          | 7,369          |
| <b>TOTAL</b>  | <b>421,915</b> | <b>379,276</b> | <b>409,847</b> |
| <b>Annual Surplus/Deficit</b>                                   | <b>(2,115)</b> | <b>24,811</b>  | <b>7,680</b>   |

Below Figure 4 shows a summary of the balance sheet for year end 2019 and 2018. The assets are held primarily in checking and money market accounts. The liability table shows how the assets are designated. The operating fund is the checking account balance and carry forward surplus from prior years. The maintenance reserves are savings for projected large maintenance projects such as the roof, HVAC systems, lights etc. The outreach fund consists of balances from outreach fundraising activities. Note that our outreach fundraising is kept separate from the annual church income and expenses accounting. There is a large increase in the outreach fund due to a large contribution from a single donor to provide housing assistance to the community. Prepaid pledges balance also increased significantly in 2019 due to specific parishioner giving patterns.

**Figure 4: Balance Sheet Summary**

| <b>Balance Sheet</b>        | <b>Dec-19</b>  | <b>Dec-18</b>  |
|-----------------------------|----------------|----------------|
| <b><u>Assets</u></b>        |                |                |
| <b>Cash and Money Mkt</b>   | <b>213,497</b> | <b>131,938</b> |
| <b><u>Liabilities:</u></b>  |                |                |
| <b>Operating Account</b>    | <b>33,981</b>  | <b>17,523</b>  |
| <b>Maintenance Reserve</b>  | <b>26,533</b>  | <b>29,860</b>  |
| <b>Memorial Fund</b>        | <b>38,794</b>  | <b>33,982</b>  |
| <b>Stained Glass Fund</b>   | <b>18,013</b>  | <b>12,463</b>  |
| <b>Outreach</b>             | <b>44,401</b>  | <b>12,757</b>  |
| <b>Arts at St. B fund</b>   | <b>4,322</b>   | <b>4,560</b>   |
| <b>Youth Group/workcamp</b> | <b>9,636</b>   | <b>9,294</b>   |
| <b>Misc. accounts</b>       | <b>6,674</b>   | <b>3,383</b>   |
| <b>Pre-paid pledges</b>     | <b>31,190</b>  | <b>8,021</b>   |
| <b>Total Liabilities</b>    | <b>213,545</b> | <b>131,843</b> |