

**Episcopal Parish of St. Paul
Treasurer's Report for 2016
Susan Boyer**

2017 Stewardship and Pledges

We held an abbreviated version of the annual stewardship appeal in the fall of 2016. We asked parishioners to pledge the same as last year with the understanding that we would soon be kicking off a capital campaign. I am happy to report that almost all the parishioners we have heard from pledged the same amount as 2016 or slightly higher. We thank you for your on-going generosity and support. We currently have received 47 pledges totaling \$139,707. We are still hoping for another 4 or 5 pledges to be made and we are targeting \$145,000 as the FY2017 budget for pledges. Overall, the FY 2017 pledge budget is \$20,000 less than the prior year's budget.

Stewardship	2013	2014	2015	2016	2017
Total Amount Pledged	148,069	156,879	153,256	165,231	139,707
Number of pledges	56	53	49	55	47
Average	2,644	2,960	3,128	3,004	2,972
Median	1,550	1,900	2,000	2,050	2,000
Mode (5)				3,000	3,000

Math refresher:

The "mean" is the "average" you're used to, where you add up all the numbers and then divide by the number of numbers. The "median" is the "middle" value in the list of numbers. To find the median, your numbers have to be listed in numerical order. The "mode" is the value that occurs most often. If no number is repeated, then there is no mode for the list.

2016 Green Heat Project Sources and Expenses:

Cost of Green Heat and Source of Funds		
<u>Green Heat Payments to Vendors:</u>		
Ted Riley Enviro Safe	370.00	Asbestos Analysis
Ted Riley Enviro Safe	270.00	Asbestos Analysis
Noriani	9,039.00	Heating system engineering
Noriani	4,646.80	Heating system engineering
CH Johnason	5,645.00	Tankless Water Heater
Payment to Alaanco	100,000.00	New Heat System
CH Johnason	600.00	Water Heater
Noriani	675.00	Heating system engineering
Environmental Solutions	22,140.00	Asbestos Removal
Payment to Alaanco	47,500.00	New Heat System
Payment to Alaanco	90,000.00	New Heat System - not paid until January
Total Green Heat Spending	280,886	
<u>Source of payments:</u>		
Green Grant	5,645	
RANC funds	150,000	\$100K from Fidelity and \$50K from vanguard used to pay upfront costs
Greenheat Loan	100,000	
Capital Campaign Pledges received and used for payments to greenheat vendors	25,241	
Total Sources of Funds for Green Heat	280,886	
<u>Analysis of use of received capital campaign funds</u>		
Capital Campaign Pledges paid in 2016	101,002	
Capital Campaign Pledges used to pay vendors	25,241	
Capital Campaign Pledges in the Reserve Accounts at Brookline Bank at 12/31	75,761	

2016 Operating Results

The Parish of Saint Paul ended fiscal year 2016 (FY 2016) with a significant budget surplus. This was the result of significant savings on several expense lines. The FY 2016 budgeted surplus including the investment draw of \$14,000 was \$8,941. Our FY 2016 actual result including the investment draw was \$25,429 which was \$16,488 better than budgeted. This surplus included the \$14,000 investment account draw in compliance with the 4% cap that was approved and included in the 2016 budget. The vestry decided to draw these funds after discussion and consideration of the FY 2017 budget.

The 2016 actual income (sources of funds) was about \$8,000 less than budgeted and this can be attributed to the decision not to hold a fundraiser for operating funds because we were focused on the capital campaign.

The FY 2016 payroll was \$11,000 less than budgeted and this was due to spending less than budgeted for the primary musician and the church school director positions. The facilities operating expenses were \$11,000 less than budgeted. A significant portion of this was related to savings on utilities. In particular the oil bill was significantly less than budgeted due to the extended fall when the building was unheated. The remaining savings were in repairs and maintenance of the church and rectory.

Sources and Uses of Funds 2016 (and 2017 Budget):

							2016 to 2017
Operating Results	2014	2015	2016	2016	2017		Budget
	Actual	Actual	Actual	Budget	Budget		Changes
Sources of Funds							
Pledge Income	164,727	169,437	166,971	173,200	159,000		(14,200)
Rentals	37,288	38,869	39,431	39,000	40,000		1,000
Donations	8,765	10,292	13,097	9,230	11,980		2,750
Fundraisers	7,873	7,505	56	7,500	5,000		(2,500)
Grants	6,600				5,000		5,000
Dividends & Interest	7,971	3,744	5,580	4,300	6,065		1,765
Actual Reserve Draw	5,655		14,000	14,000	14,000		0
Vestry Approved Carryover of PY Surplus					7,000		7,000
Total Income	238,879	229,847	239,135	247,230	248,045		815
Expenses							
Payroll	155,561	139,679	140,987	151,789	156,807		5,018
Facilities	32,030	29,721	24,303	35,300	34,894		(406)
Diocesan Assessment	23,713	22,311	22,246	23,000	25,160		2,160
Program	17,276	9,604	7,394	9,050	9,615		565
Outreach	2,922	8,096	8,508	8,700	6,950		(1,750)
Operations	8,511	10,727	10,268	10,450	13,375		2,925
Total Expenses	240,013	220,138	213,706	238,289	246,801		8,512
Net Income/(Loss)	(1,134)	9,709	25,429	8,941	1,244		(7,697)

Note: the 2016 budget for grants and facilities was reduced by \$10,000 in each category. Those items were related to the energy efficiency project and are being reported on in the green heat section of the financial report.

2016 Year End Balance Sheet:

Parish of Saint Paul		
Balance Sheet		
	12/31/2015	12/31/2016
Assets		
Cash and Cash Equivalents	177,628	339,031
Funds held for Investment	418,865	294,949
Land Buildings and Equipment (1) (2)	1	1
Construction in Progress (2)		190,886
Total Assets	596,494	824,867
Liabilities		
Loan from Diocese for Heat System		100,000
Security Deposit for Tenant	5,902	5,903
Net Assets	-	
Unrestricted Net Assets	585,245	635,864
Vestry Designated Reserves		
Temporarily Restricted Net Assets	5,347	83,099
Permanently Restricted Net Assets	-	-
Total Net Assets	590,592	718,963
Total Liabilities and Net Assets	596,494	824,867
<p>(1) Values for Land, Building and Equipment from the coverage limit from the Church Insurance Company of Vermont policy for the church, parish hall and rectory are \$3,566,496.</p>		
<p>(2) the value of the heating system installed in 2016 will be capitalized. and depreciated over 40 years</p>		
<p>\$190,886 was spent in 2016. \$90,000 more will be paid in 2017</p>		

2016 Year End cash and investments:

	12/31/2014	12/31/2015	12/31/2016
Cash:			
Brookline Bank - Checking	34,930	37,837	145,462
Brookline Bank - Clergy Discretionary	10,877	6,847	4,773
Brookline Bank - Security Deposit	5,902	5,902	5,903
Brookline Bank - Reserves	-	5,348	81,113
Total Cash	51,709	55,934	237,252
Investments:			
Fidelity	229,355	227,263	129,282
Diocesan Fossil Free Fund			70,000
Vanguard Money Market	121,513	121,697	101,779
Vanguard Index	103,489	104,899	
KLD Funds held at Vanguard	8,559	8,197	9,646
Vanguard Social Index	77,126	78,031	86,021
Total Investments	540,043	540,087	396,728

Investment Activity in 2016

Fidelity Check for \$100,000 was written to Alaanco for Heating System			
Vanguard Index Fund was liquidated in accordance with investment committee recommendation on socially responsible investing			
\$70,000 was put into Diocesan Fossil Fuel Free Fund			
\$50,000 was used for the heating system (Ranc Funds)			
Total Change in Investment Balances			
12/31/15 Balance	540,087		
Less check to Alaanco	(100,000)		
less other green heat payments	(50,000)		
less draw	(14,000)		
plus investment return and increase in market value	20,641		
12/31/2016 Balance	396,728		

In 2016, we used the RANC funds for the green heat project. We invested in the Diocesan Fossil Fuel Free Fund and we sold our position in Vanguard Index Fund which was not fossil fuel free.

In 2017, we will transfer funds raised in the capital campaign back into the investment accounts to replenish the RANC funds. We will also complete the transactions needed to rebalance the Endowment funds in accordance with the investment committee recommendations. This includes adding approximately \$60,000 to the KLD funds and adding \$ \$10,000 to the bonds.

The Diocese year end statement for the Fossil Fuel Free Fund returns was not available at the time the books were closed. We did receive the results before this report went to press and the value of the account had increased to \$74,100. The market change will be recorded in January 2017.

2017 Budget:

The detailed budget is at the end of this report. The summary budget by category and the comparison to the 2016 budget is in the 2016 operating results section of the report.

2017 Budget Income:

Pledge income is down by \$14,200 due to a couple of larger pledges that were reduced or eliminated this year. We also had some new and increased pledges. 5 families or 11% of our pledging units contribute 35% of the annual pledge income which poses on-going risk to our sustainability. We did not hold a fundraiser in FY 2016. We anticipate holding one during FY 2017. We will also apply for a congregational grant in May. Lastly, the vestry approved using \$7,000 of the FY 2016 surplus to balance the FY 2017 budget.

2017 Budget Expense:

On the expense side for FY 2017, the payroll is increasing \$5,000. This is because we have properly calculated the clergy compensation for FY 2017 using the Diocese Total Clergy Compensation spreadsheet. The vestry believes it is important that our rector be fairly compensated in line with the Diocese guidance. The vestry notes this budget includes only 25% of potential rector health care expense because our current rector is on her spouse's plan. Over the last couple of years we have held some fantastic outreach programs raising funds for the Global Village Children's Project, the food pantry and other worthy endeavors. In consideration of our Capital Campaign the vestry has decided to take a break during 2017 from requesting any other financial contributions. The operations line item was increased by \$2,500 for interest on our capital loan from the Diocese.

12/31/2016 Analysis of Reserves:

Total Vestry Designated Reserves	
Carry over to support 2017 - 2020 operating budgets	17,000
Parishioner extraordinary hardship fund	6,000
Total FY 2016 surplus designated	23,000

This was my first year as the Treasurer and boy was it a busy one with investment account changes, capital campaigns, mid-night bike ride fundraisers, big checks to contractors and getting acquainted with quick books. I appreciate Jon Swalboski for getting me up to speed, Carolyn Hoogendoorn for doing all the data entry and reconciling, providing me numerous reports for analysis and answering my many questions. Lastly, I want to acknowledge the vestry who have been wonderful to work with and who act as good stewards of the parish finances.

Respectfully Submitted,

Susan Boyer, Treasurer

YTD Spending vs. Annual Budget

Ordinary Income/Expense	Jan - Dec 16	2016 Budget	2017 Budget
Income			
43400 · Donations			
43420 · Altar Guild Reimbursement	2,450	2,280	2,280
43470 · Plate Collection			
43471 · Weekly Plate	1,260	1,500	1,500
43472 · First Sunday Plate	2,024	2,000	2,000
43473 · Outreach Special Collections	6,348	1,200	2,200
43474 · Miscellaneous Cash Donations		250	0
43476 · Discretionary Fund Income	1,015		500
43477 · Mission donations		2,000	1,000
Total 43470 · Plate Collection	10,647	6,950	7,200
43480 · Gifts for Capital Use	0		2,500
Total 43400 · Donations	13,097	9,230	11,980
44801 · Grants	0	0	5,000
45000 · Investments			
45030 · Bank Interest	17		15
45040 · Reserve Account Dividends	2,908	2,300	3,000
45050 · Permanent Funds			
45051 · Permanent Funds Div	469	500	50
45052 · Permanent Funds Interest	2,185	1,500	3,000
45050 · Permanent Funds - DRAW	14,000	14,000	14,000
Total 45050 · Permanent Funds	16,655	16,000	17,050
Total 45000 · Investments	19,580	18,300	20,065
46400 · Other Types of Income			
46450 · Fundraisers		7,500	5,000
46400 · Other Types of Income - Other	56		
Total 46400 · Other Types of Income	56	7,500	5,000
47200 · Pledge Income			
47220 · Pledge Payments	153,463	160,000	145,000
47221 · Donations (non-Pledged)	5,498	8,000	8,000
47222 · Early Pledge Payments	6,750	5,200	6,000
47200 · Pledge Income - Other	1,260		
Total 47200 · Pledge Income	166,971	173,200	159,000
Vestry Approved Carryover of PY surplus			7,000
47500 · Rentals			
47530 · Rent Revenue			
47531 · Rectory Rental	36,000	36,000	36,000
47533 · Parish Hall Rental	3,430	3,000	4,000
47535 · Escrow 2 Interest	1		
Total 47530 · Rent Revenue	39,431	39,000	40,000
Total 47500 · Rentals	39,431	39,000	40,000
Total Income	239,135	247,230	248,045

YTD Spending vs. Annual Budget

Expense	<u>Jan - Dec 16</u>	<u>2016 Budget</u>	<u>2017 Budget</u>
60900 · Program Expenses			
60910 · Clergy			
60911 · Discretionary Expenses	100.00		100
60912 · Vestry Retreat	675.00	500.00	675
60913 · Discretionary Transfer	1,015.00	500.00	500
Total 60910 · Clergy	<u>1,790.00</u>	<u>1,000.00</u>	<u>1,275</u>
60921 · Media-Lics	446.15		445
60930 · Christian Formation			
60931 · Church School	211.20	500.00	500
60932 · Youth Group	975.00	1,000.00	1,000
60933 · Adult Education	40.00		-
Total 60930 · Christian Formation	<u>1,226.20</u>	<u>1,500.00</u>	<u>1,500</u>
60940 · Altar Guild			
60941 · Flowers	2,104.52	2,500.00	2,000
60942 · Supplies	774.37	800.00	800
60940 · Altar Guild - Other	196.50		200
Total 60940 · Altar Guild	<u>3,075.39</u>	<u>3,300.00</u>	<u>3,000</u>
60950 · Inreach			
60951 · Hospitality			
60952 · Coffee Hour	291.55	800.00	500
60954 · Calendar Events		400.00	400
60951 · Hospitality - Other	44.56		
Total 60951 · Hospitality	<u>336.11</u>	<u>1,200.00</u>	<u>900</u>
60953 · Stewardship Campaign		300.00	300
Total 60950 · Inreach	<u>336.11</u>	<u>1,500.00</u>	<u>1,200</u>
60960 · Music			
60961 · Choir Music		500.00	500
60962 · Instrument Maintenance	270.00	1,000.00	1,000
60964 · Media Licenses		250.00	445
60960 · Music - Other	250.00		250
Total 60960 · Music	<u>520.00</u>	<u>1,750.00</u>	<u>2,195</u>
Total 60900 · Program Expenses	<u>7,393.85</u>	<u>9,050.00</u>	<u>9,615</u>

YTD Spending vs. Annual Budget

	<u>Jan - Dec 16</u>	<u>2016 Budget</u>	<u>2017 Budget</u>
61000 · Outreach			
61001 · Ministry Expenditures		2,000.00	
61002 · First Sunday Plate Payments		2,000.00	
61003 · Special Collections Payments		1,200.00	
61004 · Non-Committe Expenditures	78.00		
61005 · Mission Trips	50.00	2,000.00	1,000
61006 · Food Cards	905.00	1,500.00	1,500
61007 · Knitting Ministry			
61010 · Outreach/Reimbursements	2,139.61		2,000
61012 · Outreach Distributions	5,145.00		2,200
61014 · Outreach Other Memberships	190.00		250
61000 · Outreach - Other	0.00		
Total 61000 · Outreach	<u>8,507.61</u>	<u>8,700.00</u>	<u>6,950</u>
61100 · Diocesan Assessment	22,246.00	23,000.00	25,160
62800 · Facilities and Equipment			
62830 · Church Repair	3,365.76	4,000.00	4,000
62831 · Church Improvements	116.72	2,000.00	3,000
62835 · Rectory Repair	3,356.32	3,000.00	3,000
62836 · Meditation Garden		300.00	300
62837 · Building Supplies		500.00	500
62838 · Grounds Supplies		100.00	100
62839 · Energy Efficiency	0	0.00	1,000
62840 · Equip Rental and Maintenance			
62841 · Copier Lease and Maintenance	2,553.00	2,500.00	2,616
Total 62840 · Equip Rental and Maintenance	<u>2,553.00</u>	<u>2,500.00</u>	<u>2,616</u>
62850 · Property Maintenance			
62851 · Inside		500.00	500
62852 · Outside	1,800.00	1,000.00	2,400
Total 62850 · Property Maintenance	<u>1,800.00</u>	<u>1,500.00</u>	<u>2,900</u>

YTD Spending vs. Annual Budget

	<u>Jan - Dec 16</u>	<u>2016 Budget</u>	<u>2017 Budget</u>
62860 · Rectory - Utilities			
62865 · Rectory - Trash	350.00	350.00	350
Total 62860 · Rectory - Utilities	350.00	350.00	350
62890 · Utilities			
62891 · Church - Phone Line	1,782.46	1,500.00	1,750
62893 · Church - Electric	3,056.51	3,500.00	3,500
62894 · Church - Oil	2,285.89	12,000.00	-
62895 · Church - Gas	1,062.00	300.00	7,500
62896 · Church - Internet Access	1,264.89	1,400.00	1,400
62898 · Church - Water	693.40	500.00	500
62899 · Church - Trash	350.00	350.00	350
Total 62890 · Utilities	10,495.15	19,550.00	15,000
62897 · Alarm Maintenance	2,266.39	1,500.00	2,128
Total 62800 · Facilities and Equipment	24,303.34	35,300.00	34,894
65000 · Operations			
65020 · Postage, Mailing Service	247.45	300.00	300
65030 · Printing and Copying	828.57	1,200.00	1,200
65040 · Supplies	1,076.41	1,000.00	1,000
Total 65000 · Operations	2,152.43	2,500.00	2,500
65100 · Other Types of Expenses			
65110 · Publicity Expenses	216.25	300.00	300
65120 · Insurance	7,401.11	7,000.00	7,500
Loan Interest			2,500
65130 · Bank Expenses	247.36	400.00	300
65140 · Website Expenses	251.27	250.00	275
65100 · Other Types of Expenses - Other			
Total 65100 · Other Types of Expenses	8,115.99	7,950.00	10,875

YTD Spending vs. Annual Budget

	<u>Jan - Dec 16</u>	<u>2016 Budget</u>	<u>2017 Budget</u>
66000 · Payroll Expenses			
66220 · Wage Expense			
66221 · Clergy Salary	35,847.75	35,895.50	39,934
66222 · Primary Musician Salary	11,933.75	18,500.00	18,500
66223 · Church School Director	6,220.00	10,000.00	10,000
66224 · Parish Administrator	15,060.00	16,480.00	17,389
66226 · Supply Clergy	2,300.00	1,500.00	2,300
66227 · Supplemental Music/Soloist	1,500.00	3,000.00	3,000
66228 · Child Care	1,669.50	2,400.00	2,444
66229 · Sexton Salary	16,404.00	12,000.00	14,650
66271 · Special Service Music	250.00		
66273 · Seminarian	1,500.00	2,000.00	1,000
Total 66220 · Wage Expense	<u>92,685.00</u>	<u>101,775.50</u>	<u>109,217</u>
66230 · Pension Plan Contributions	9,822.48	13,905.00	11,632
66240 · Employee Benefits - non-pension			
66262 · Clergy Continuing Education	5,000.00	750.00	750
66263 · Clergy Account			
Total 66240 · Employee Benefits - non-pension	<u>5,000.00</u>	<u>750.00</u>	<u>750</u>
66241 · Health Insurance Expense	5,000.00	5,000.00	5,000
66245 · Housing Allowance	24,996.00	25,000.00	25,000
66251 · FICA Expense	2,417.01	3,912.20	3,815
66252 · Medicare Expense	565.28	946.50	892
66254 · Payroll Handling Fee	501.30	500.00	500
Total 66000 · Payroll Expenses	<u>140,987.07</u>	<u>151,789.20</u>	<u>156,807</u>
Total Expense	<u>213,706.29</u>	<u>238,289.20</u>	<u>246,801</u>
Net Ordinary Income	<u>25,428.71</u>	<u>8,940.80</u>	<u>1,244</u>
Net Income	<u>25,428.71</u>	<u>8,940.80</u>	<u>1,244</u>