

**Episcopal Parish of St. Paul  
Stewardship & Treasurer's Report for 2017  
Susan Boyer**

**2018 Stewardship and Pledges**

The 2018 stewardship appeal was a success. We had 9 new or returning pledging families. We lost 3 pledging families. We also had 17 families increase their pledge, 8 decreases and 21 stay the same. The vestry feels the number of new/returning pledging families is a good sign for our future. We also note the positive response to our request for parishioners to consider increasing their pledge as they were able. We thank you for your on-going generosity and support. We currently have received 55 pledges totaling \$138,886. We are still hoping for another 1 or 2 pledges to be made and we are targeting \$140,000 as the budget for pledges.

Stewardship	2014	2015	2016	2017	2018
<b>Total Amount Pledged</b>	156,879	153,256	165,231	141,007	138,886
<b>Number of Pledges</b>	53	49	55	51	55
<b>Average</b>	2,960	3,128	3,004	2,972	2,719
<b>Median</b>	1,900	2,000	2,050	2,000	2,000
<b>Mode</b>			3,000	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.

**2018 Budget**

The 2018 budget and the 2017 results are below. An unusual number of people chose to pay their 2018 pledge before 12/31/2017. This was due to the upcoming tax law changes. We are transferring those pledges in the amount of \$23,906 to support 2018. We also received two grants totaling \$7,500 at the end of 2017 that were related to expenses in 2018. These grants will fund the position of pastoral associate currently held by Amanda March. We have transferred the grants to 2018 as well.

We intend to hold a fundraiser during 2018 and also intend to pursue additional grants to support our programming.

The reserve draw of \$15,200 is based on 4% of our designated endowment balance of \$380,000.

On the expense side, we have payroll increasing for our rector in accordance with the requirements of the diocese. We have the salary for our pastoral associate position. This position was not in the 2017 budget. The cost is partly offset by elimination of supply clergy and seminarian expense. We also received 2 grants to cover this cost in 2018. Finally, we have reduced musician expenses as we frequently are under budget in that line item.

Our facility expense budget has a modest reduction related to gas and electric expenses which are coming in less than budgeted in 2017. It may take us a few years to get a good sense on how much to budget for utilities now that we have the new heating system.

The biggest savings we have in the 2017 budget is a decrease in the diocesan assessment! The diocese has changed the formula for the assessment and most churches assessments are decreasing.

The program and outreach budget are consistent with the prior year budget. The operations budget is increasing due to increased insurance costs and an upgrade of QuickBooks.

Similar to last year we are balancing the 2018 budget by using \$7,000 from the carryover surplus from 2016. Unlike last year, we are not budgeting for a transfer in excess of the 4% reserve draw.

		2017 Actual	2017 Budget	Difference	2018 Budget
<b>Operating Receipts</b>					
Receipts	Pledge and Donations	174,066	159,000	15,066	130,094
	Rentals	39,291	40,000	(709)	41,800
	Sunday Plate, Outreach and Flowers	7,520	9,480	(1,960)	9,480
	Fundraisers	-	5,000	(5,000)	5,000
	Grants	7,500	5,000	2,500	8,000
	Bank Interest	44	-	44	50
	Reserve Draw	14,000	14,000	-	15,200
	Other	164	-	164	-
	<b>Total Operating Receipts</b>	<b>242,584</b>	<b>232,480</b>	<b>10,104</b>	<b>209,624</b>
<b>Operating Disbursements</b>					
	Payroll	148,190	156,807	(8,617)	167,513
	Facilities	25,756	34,894	(9,138)	33,216
	Diocesan Assessment	25,160	25,160	-	19,395
	Program	5,747	9,615	(3,868)	9,450
	Outreach	6,592	6,950	(358)	6,950
	Operations	11,150	10,875	275	11,537
	<b>Total Operating Disbursements</b>	<b>222,595</b>	<b>244,301</b>	<b>(21,706)</b>	<b>248,061</b>
	<b>Operating Surplus/(Shortfall) before transfers</b>	<b>19,989</b>	<b>(11,821)</b>	<b>31,810</b>	<b>(38,437)</b>
<b>Non-operating Transfers</b>					
	Grants received in 2017 were designated for 2018 expenses	(7,500)		(7,500)	7,500
	Extraordinary Early Pledges in 2017 due to tax changes	(23,906)		(23,906)	23,906
	Budgeted transfer in excess of 4%	-	6,065	(6,065)	-
	Budgeted Appropriation of Carryover Surplus Reserve	7,000	7,000	-	7,000
	<b>Total Operating Surplus/(Shortfall) after transfers</b>	<b>(4,417)</b>	<b>1,244</b>	<b>(5,661)</b>	<b>(31)</b>

## **2017 Operating Results**

The Parish of Saint Paul ended the fiscal year with a shortfall after transfers of \$4,417. This is because we opted not to take the additional draw on the investments that had been budgeted at \$6,065. Due to the significant number of early 2018 pledges at the end of 2017 our cash position is strong and there was no reason to transfer these funds from the investment accounts.

If we eliminate the effect of the early pledges and grants received in 2017 that relate to 2018, our net income for 2017 would be \$21,302 less than budgeted.

The shortfall comes in 3 areas:

- 1) Our pledges and donations were a total of \$9,000 less than budgeted for 2017. We have reduced the 2018 budget in this area.
- 2) We did not hold a fundraiser in 2017. We do intend to hold one in 2018.
- 3) We did not receive any grants in 2017 that related to 2017 programming.

The 2017 expenses were \$21,706 less than expected. The savings came from 3 areas:

- 1) The 2017 payroll was \$8,617 less than budgeted and this was due to spending less than budgeted for the primary musician and the church school director positions.
- 2) The facilities operating expenses were a \$9,138 less than budgeted. \$2,600 of this was related to savings on utilities. The remainder was related to church and rectory maintenance coming in under budget.
- 3) The program expenses which cover alter guild, music, formation and hospitality had small savings on most expense items for a total savings of \$3,868.

The above budget presents the revenues and expense grouped by category. If you are interested in reviewing the budget in detail, it can be found at the following [www.parishofstpaul.org](http://www.parishofstpaul.org).

2017 Year End Balance Sheet:

Parish of Saint Paul		
Balance Sheet		
	12/31/16	12/31/17
<b>Assets</b>		
Cash and Cash Equivalents	339,031	341,197
Funds held for Investment	294,949	347,256
Land Buildings and Equipment (1)	1	1
New heating system placed in service 2017 (2)	190,886	283,148
<b>Total Assets</b>	<b>824,867</b>	<b>971,601</b>
<b>Liabilities</b>		
Loan from Diocese for Heat System	100,000	93,969
Security Deposit for Tenant	5,903	5,903
<b>Total Liabilities</b>	<b>105,903</b>	<b>99,872</b>
<b>Net Assets</b>		
Unrestricted Net Assets	444,978	427,001
PP&E Net Assets	190,886	283,148
Vestry Designated Reserves		16,000
Temporarily Restricted Net Assets	83,099	145,580
Permanently Restricted Net Assets	-	
<b>Total Net Assets</b>	<b>718,963</b>	<b>871,729</b>
<b>Total Liabilities and Net Assets</b>	<b>824,867</b>	<b>971,601</b>
(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.		
(2) the value of the heating system installed in 2016 has been capitalized at cost of 283,148		

**2017 Year End cash and investments:**

	12/31/15	12/31/16	12/31/17
<b>Cash:</b>			
Brookline Bank - Checking	37,837	145,462	70,048
Brookline Bank - Clergy Discretionary	6,847	4,773	2,139
Brookline Bank - Security Deposit	5,902	5,903	5,904
Brookline Bank - Sanctuary			8,892
Brookline Bank - Reserves	5,348	81,113	151,609
<b>Total Cash</b>	<b>55,934</b>	<b>237,252</b>	<b>238,592</b>
<b>Investments:</b>			
Fidelity	227,263	129,282	138,320
Diocesan Fossil Free Fund		70,000	90,384
Vanguard Money Market	121,694	101,779	102,604
Vanguard Index	104,899		
KLD Funds held at Vanguard	8,672	9,646	11,791
Vanguard Social Index	78,031	86,021	106,761
<b>Total Investments</b>	<b>540,559</b>	<b>396,728</b>	<b>449,860</b>
<b>Investment Activity in 2017</b>			
<b>12/31/2016 Balance</b>	<b>396,728</b>		
Transferred from capital Campaign to Investments	21,023		
Less Draw	(14,000)		
Plus investment return and increase in market value	46,110		
<b>12/31/2017 Balance</b>	<b>449,860</b>		
<b>Designated as Endowment</b>	<b>380,000</b>		
<b>Designated as Ranc</b>	<b>69,860</b>		

The investment returns were strong during 2017. In order to maintain a conservative draw on our endowment funds we have designated the \$449,860 in investments as \$380,000 endowment and \$69,860 RANC. During 2017, we used some capital campaign receipts to begin to replenish the RANC funds. The vestry intends to transfer additional amounts from the capital campaign into the investments during 2018 to further replenish the RANC funds.

<b>12/31/2017 Reserve Activity</b>		
<b>Sanctuary Activity - Separate Bank Account:</b>		
	<b>Starting Balance in Sanctuary Reserve</b>	<b>0</b>
	<b>Sanctuary Receipts</b>	<b>11,019</b>
	<b>Sanctuary Expenses</b>	<b>2,125</b>
	<b>Total Sanctuary Reserve Fund Balance</b>	<b>8,894</b>
	<b>Capital Campaign/Green Heat Activity Reserve Fund 12/31/2016</b>	<b>75,761</b>
	<b>Capital Campaign Receipts</b>	<b>91,213</b>
	<b>Green Heat Rebate</b>	<b>3,100</b>
	<b>Green Heat refund from National Grid</b>	<b>2,112</b>
	<b>Total Green Heat receipts:</b>	<b>96,425</b>
	<b>Greenheat additional work payment</b>	<b>2,262</b>
	<b>Green Heat Loan Interest</b>	<b>2,637</b>
	<b>Green Heat Principle Payment</b>	<b>6,031</b>
	<b>Transfer to replenish RANC Investments</b>	<b>21,023</b>
	<b>Total Capital Campaign/ Green Heat Disbursements:</b>	<b>31,953</b>
	<b>Balance in Capital Campaign Fund:</b>	<b>140,233</b>

Note: The capital campaign has raised \$231,179 as of December 31,2017. \$197,427 has been collected and \$33,752 in pledges remain outstanding.

<b>12/31/2017 Analysis of Reserves</b>		<b>2016</b>	<b>2017</b>
		<b>Balance</b>	<b>Balance</b>
	<b>Vestry Designated Parishioner Hardship Fund</b>	<b>6,000</b>	<b>6,000</b>
	<b>Altar Guild Fund</b>	<b>422</b>	<b>422</b>
	<b>Clergy Sabbatical</b>	<b>3,464</b>	<b>3,464</b>
	<b>Meditation Garden</b>	<b>100</b>	<b>100</b>
	<b>Garden Fund</b>	<b>641</b>	<b>641</b>
	<b>Knitting Ministry</b>	<b>370</b>	<b>370</b>
	<b>Music Fund</b>	<b>200</b>	<b>200</b>
	<b>Swain Memorial</b>	<b>150</b>	<b>150</b>
	<b>Total Reserve Fund balances with no activity</b>	<b>11,347</b>	<b>11,347</b>
	<b>Capital Campaign Reserve</b>	<b>75,761</b>	<b>140,233</b>
	<b>Outreach items from 2016 disbursed in 2017</b>	<b>1,991</b>	<b>-</b>
	<b>Interest</b>	<b>4</b>	<b>29</b>
	<b>Total Balance in Reserve Account at Brookline Bank</b>	<b>89,103</b>	<b>151,609</b>
	<b>Vestry Designated Carryover to support 2017-2020*</b>	<b>17,000</b>	<b>10,000</b>

\*\* The vestry designated carryover to support 2017 -2020 is being held in the operating account.

Respectfully Submitted,

Susan Boyer, Treasurer