



Annual Meeting: 2022 Treasurer's Report and Financial Review

Overall Summary

Holy Communion outperformed our 2022 budget as life returned to normal following Covid's most severe impacts. We had budgeted a large \$62.6k deficit for the year's operational budget. However, we ended up only having a deficit of only \$3k on an overall income of \$709.7k. The biggest enhancements in our performance beyond where we had budgeted the year included:

- a) decreased spending levels than we had budgeted due to pandemic limitations on church life and ministries (+\$35k),
- b) unexpectedly strong contributions from non-pledgers (+\$13k), and
- c) some 2023 pledge contributions received in 2022 (+\$11k).

Results of Operations (Income Statement).

- 1) **Member Giving** – Our member giving grew by \$18.6k (6.5%) year over year to \$305k. The biggest increases in giving (+\$9.6k) came from those who are active members but did not submit a pledge at the end of 2021. This suggests that our community is growing with new members following Covid, and the 2022 pledging campaigns.
- 2) **Space Use** – We continue to support and share space with the Women's Voices organization and with the St. Patrick Center's use of Gannon House. There is tremendous potential to rent more of our unused space in 2023. **Please volunteer to help find good partners by connecting with Rev Mike Angell and Bob Lowes.**
- 3) **Staff Vacancies**– In 2022, Holy Communion had notable savings from our budget by not having a full team as we slowly emerged from Pandemic limitations on our activities. For a good portion of the year, we did not have an organist on staff. At no point in the year did we employ a Children's Ministries Leader or Childcare Contractors in the nursery. By not filling or utilizing these positions as we had originally envisioned, we were able to close our deficit by more than \$15k.
- 4) **Grants** – We received \$25k from both the Diocese' New Ventures Grant and the Bishop's Thompson fund to support our Grace Gatherings Ministry.
- 5) **Programming Savings** – Holy Communion also had fewer expenses than budgeted during our reduced Covid program year. Not spending on some of our outreach efforts saved money from what we had budgeted in areas such as Pride Plus (\$3k), IAF Expansion (\$3k), Grace Gatherings (\$8k), Feeding Ministry (\$2k).
- 6) **Building Improvement and Upkeep** – Whether driven by our efficiency improvements from our 2019 capital campaign (new boiler and lighting) or reduced building usage during a pandemic, we saved \$9k from our budgeted expenses for utilities.



Financial Strength (Balance Sheet):

1. **Cash position** - Total available cash stood at \$346k in our checking accounts and another \$176k currently invested with the Diocesan Investment Trust to earn additional income. Most of our cash on hand is dedicated to the “Next 150 Capital Campaign” debt repayment.
2. **White Fund Loan** – We continue to pay down our loan to the Diocese for our the “Next 150 Capital campaign” on schedule. We paid down \$56.3k in our principal and \$6.7k in interest during 2022. Our liability on the loan at the end of 2022 was stands at \$501k, at a 1.4% interest rate. We are making \$63k in payments each year, as scheduled. Given that we have \$523k in available cash and debts of \$501k, our assets and liabilities are nearly equal, without much wiggle room to spare. We will need to develop a plan to address our debts over the next couple of years to give a bit more of a buffer of cash for future operations. A balloon payment to the Diocese of \$120k is scheduled for 2029.
3. **Audit** - Outside accounting firm, Schmersahl Treloar & Co. completed a financial review of HC’s 2021 financials. They noted “Based on our review, we are not aware of any material modifications that should be made to the accompanying combined financial statements in order for them to be in accordance with the modified cash basis of accounting.” which is accountants’ speak for “our finances are in good shape.”
4. **Capital campaign** - Our “Next 150 Capital Campaign” received an additional \$4.5k in pledge payments, bringing the total to \$971k. We did spend the final \$15k of expenses of the campaign in 2022 on the new stained-glass windows. Our total spend on all things construction and organ replacement over the past several years totaled \$1,070k. With no other construction spending planned, the only payments that remain are to repay our White Fund Loan to the Diocese, as noted above.

2023 Budget – We are currently planning to have a \$38.6k deficit in 2023. This budget assumes that we will be at full staff levels again and full operations for programs, ministries, and building usage. Of course, if the pandemic limits these activities/expenses, then we will outperform the budget we have set up. The biggest changes from 2022’s budget include:

1. \$25k increase in member pledging.
2. \$15k increase in giving from the Robert Endowment Committee
3. \$7.5k less spending on Exploratory Outreach Projects
4. \$9k less in expense due to removing the Children’s Minister Position
5. \$15k more in salary expenses due to inflation and cost of living adjustments
6. \$25k less in revenue from Grants (New Ventures)

Brian Barnhart, Treasurer 1/25/2023

Episcopal Church for the Holy Communion 2023 Budget Proposal - Option A

Net Earnings -38,645.10

-5.5%

with Debt payment -101,633.10

Years of Cash	5.15	2022 Actuals	2022 Budget	2023 Budget
Income				
10000 · Revenues				
1 · Pledge/Plate/Other Member Gvg				
1-4010 · Prior Year Pledge Payments		2,875	4,000	4,000
1-4015 · Future Years Pledge		11,277	250	1,000
1-4020 · Pledge Pmts - Curr Yr Campaign		262,642	266,000	291,172
1-4025 · Non-Pledge Pmts-Known Giver		23,234	10,000	15,000
1-4030 · Plate Loose Cash		2,572	2,500	2,500
1-4040 · Holiday Offerings		2,795	1,000	1,000
Total 1 · Pledge/Plate/Other Member Gvg		305,394	283,750	314,672
2 · Memorials/Bequests and Gifts				
1-4110 · Gifts		100	250	250
Total 2 · Memorials/Bequests and Gifts		100	250	250
3 · Contributions for Space				
1-4210 · Contrib for Church Space - Rents				
1-42101 · Com Music School		0	0	0
1-42102 · Gannon		10,200	13,200	13,200
1-42103 · Women's Voice		6,500	6,000	6,000
Total - Church Use - Rents		16,700	19,200	19,200
1-4212 · Other Contributions - Church Use		4,280	2,750	2,750
Total 3 · Contributions for Space		20,980	21,950	21,950
4 · Transfers from Endowment				
1-6520 · Income Transfers from Robert		281,040	281,040	296,000
1-6521 · Income Transfers from Ellicock		31,200	31,200	31,200
1-6529 · Other Endowment Income Transfer				
1-65291 · Ross Mitchell		7,882	7,882	8,522
1-65292 · Mission Fund		3,230	3,230	3,451
1-65293 · Thelma Caskry Mem Fd		0	0	0
1-65294 · Mission Fund - Morgan Stanley)		2,087	2,087	2,179
Total - Other Endow Inc Transfers		13,199	13,199	14,152
Total 4 · Transfers from Endowment		325,439	325,439	341,352
5 · Other Transfers				
1-6531 · Transfers from Capital Campaign		0	0	0
1-6540 · Capital Income-Gannon		0	0	0
Total 5 · Other Transfers		0	0	0
6 · Interest Income				
1-6510 · Interest Income		348	400	400
Total 6 · Interest Income		348	400	400
7A · Miscellaneous and Other Income				
1-6911 - Gain (loss) sale of Securities		0	0	0
1-6920 · Flower Contributions		705	750	750
1-6930 · Breakfast Contributions		40	1,100	500
1-6940 · Music Contributions		350	1,000	500
1-6990 · Other Miscellaneous Income		6,375	1,000	3,000
Total 7A - Miscellaneous and Other Income		7,470	3,850	4,750
7B - Grants & Spec Project Funding				
1-7520 - UTO Grant		0	0	0
1-7540 - Thompson Fund Grant		25,000	25,000	25,000
1-7550 -New Ventures Grant		25,000	25,000	0
Constable Grant				0
1-7570 - Incubator (transfer) Acct			0	0
Total 7B - Spec Prog Funds		50,000	50,000	25,000
Total 10000 · Revenues		709,731	685,639	708,374
Expense				
10 · Outside Parish				
10A · Diocesan/Seminary				
1-7915 · Seminarian		2,650	3,000	3,000

Episcopal Church of the Holy Communion
 Inc. Exp. Activity vs. Budget
 Jan- Oct

Years of Cash	2022		2023 Budget
	2022 Actuals	2022 Budget	
5.15			
1-8010 · Diocesan Operating Pledge	81,936	81,936	75,489
1-8020 · Seminary	1,000	1,000	1,000
Total 10A · Diocesan/Seminary	85,586	85,936	79,489
10B · Community Service			
1-8090 · Rector's Discretionary Fund	2,500	2,500	2,500
1-8710 · Community Service	1,271	1,700	1,700
1-8740 · Grace Gatherings	0	7,750	1,000
1-8750 · Feeding Ministry	3,713	5,800	5,800
1-8760 · Episcopal City Mission	2,500	2,500	2,500
1-8770 · New Outreach Program			
1-87701 - El Salvador Exp	4,000	5,000	2,000
1-87702 - Laundry Love Exp	3,820	3,000	3,500
1-87703 - New Outreach - Pride Plus	100	3,000	1,000
1-87704 - IAF Exploration	0	3,000	0
Total: 1-8770	7,920	14,000	6,500
Total 10B · Community Service	17,904	34,250	20,000
Total 10 · Outside Parish	103,490	120,186	99,489
11 · Parish Programs			
11A · Worship			
1-8110 · Acolyte/Chalice Supplies	0	100	100
1-8112 · Altar Supplies	1,003	900	900
1-1813 - Liturgical Arts	265	0	300
1-8150 · Altar Flowers	2,147	1,200	1,500
Total 11A · Worship	3,415	2,200	2,800
11B · Christian Formation			
1-8210 · Adult Education	0	500	500
1-8220 · Youth Education	746	900	900
1-8230 · Children's Education	4,267	900	2,000
1-8235 · Garden	348	300	350
1-8260 · General Publications (Library)	183	500	500
1-9510 · Awards & Recognition	0	300	300
Total 11B · Christian Formation	5,544	3,400	4,550
11C · Pastoral Care			
1-8430 · Casserole Ministry	0	200	200
Total 11C · Pastoral Care	0	200	200
11D · Fellowship			
1-8510 · Fellowship - Consumable Supplie	487	2,000	2,000
1-8550 · Breakfast Expenses	451	875	875
1-8560 · Adult Fellowship Group			
1-8561 · Theology on Tap	0	500	500
1-8562 · Community Life/Party and Prayer	6,462	2,000	3,500
1-8563 - 150th Anniversary	0	0	0
Total 1-8560 · Adult Fellowship Group	6,462	2,500	4,000
1-8570 · Church Family Weekend	0	500	500
Total 11D · Fellowship	7,400	5,875	7,375
11E · Music			
1-7083 - Lead Singers	12,545	15,550	15,550
1-7920 - Supply Musicians	5,380	3,450	3,450
1-8610 · Music Materials	2,341	500	500
1-8630 · Other Music Expenses	1,698	500	500
1-8640 · Instrument Maint./Tuning	0	1,000	1,000
Total 11E · Music	21,964	21,000	21,000
11F · Training & Conference Expenses			
1-8810 · Convention	225	700	700
1-9410 · Continuing Ed - Clergy	3,011	3,000	3,000
1-9415 - Continuing Ed - Assoc Rector	1,500	1,000	1,000
1-9420 · Continuing Ed - Lay Staff	0	1,000	1,000
1-9490 · Vestry Retreat	535	250	250
Total 11F · Training & Conference Expenses	5,270	5,950	5,950
11G · Evangelism			
1-8310 · New Member Ministry	0	1,000	1,000
Total 11G · Evangelism	0	1,000	1,000

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Years of Cash	2022		2023 Budget
	2022 Actuals	2022 Budget	
5.15			
Years of Cash			
Total 11 · Parish Programs	43,593	39,625	42,875
12 · Salaries & Related Expenses			
12A · Salaries - Clergy	186,431	186,432	190,532
12B · Salaries - Admin./Other	66,396	83,458	92,020
12C - Salaries Music	21,839	30,387	31,043
Total - 12 A,B,C Salaries	292,135	300,276	313,594
12D · Benefits and Taxes			
1-7110 · Med/Dental/Life (Clergy & Lay)	88,714	78,000	85,800
1-7120 · Pension (Clergy & Lay)	49,127	37,302	38,787
1-7210 · FICA	8,078	12,000	12,000
1-7220 · Disability/Worker's Comp	0	1,600	1,600
1-9310 · Transportation Reimbursement	4,209	4,500	4,500
Total 12D · Benefits and Taxes	150,128	133,402	142,687
12E · Professional Fees			
1-7910 · Supply Clergy	8,506	500	500
1-7918 · Honoraria	1,013	1,000	1,000
1-7930 · Other Contracts	1,528	10,000	10,000
1-7950 · GG Consultant	4,762	0	0
1-7940 · Payroll Services	8,760	900	2,000
Total 12E · Professional Fees	24,569	12,400	13,500
Total 12 · Salaries & Related Expenses	466,832	446,078	469,781
13 · Administrative Expenses			
13A · Office Expenses			
1-9010 · Office Supplies	8,506	6,000	8,000
1-9020 · Postage	1,013	1,000	1,500
1-9030 · Printing	1,528	2,500	2,500
1-9610 · Office Equipment Leases	4,762	7,000	7,000
1-9710 · Equipment/Software Purchases	8,760	9,000	9,000
Total 13A · Office Expenses	24,569	25,500	28,000
13B · Other Administrative Expenses			
1-9905 - Bank fees	5,077	6,000	6,000
1-9910 · Other Administrative Costs	0	1,700	1,700
1-9922 · Rector's Hospitality Allowance	1,274	1,250	1,250
1-9923- Other Staff Hospitality	264	500	500
1-9928 · Contingency/Emergency Fund	3,000	3,000	3,000
Total 13B · Other Administrative Expenses	9,614	12,450	12,450
Total 13 · Administrative Expenses	34,184	37,950	40,450
14 · Building and Grounds			
14A · Utilities			
1-9110 · Electric	7,392	12,000	12,000
1-9111 · Gas	5,292	9,000	9,000
1-9112 · Water	1,025	1,200	1,200
1-9113 · Sewer	923	1,000	1,000
1-9114 · Trash	403	700	700
1-9210 · Telephone/Internet	5,796	6,000	6,000
Total 14A · Utilities	20,831	29,900	29,900
14B · Upkeep			
1-9120 · Service Contracts	8,001	7,000	7,000
1-9121 · Church Building Maintenance	9,909	12,000	12,000
1-9122 · Church Grounds	1,675	5,500	5,500
1-9123 · Church Furnishings & Equipment	1,526	2,000	2,000
1-9125 · Church Cleaning	975	10,000	0
1-9131 · Property & Liability Insurance	25,380	27,024	27,024
1-9140 · Consumable Building Supplies	2,090	3,000	3,000
Total 14B · Upkeep	49,556	66,524	56,524
Total 14 · Building and Grounds	70,387	96,424	86,424
15 · Other Buildings			
1-9152 · Debt Service - Interest Dioc. Loan	0	0	0
1-9253 - Debt Service - Principal	0	0	0
1-9170 · Taxes/Other Operating Expenses	42	0	0
1-9171 · Electric - Gannon	0	0	0
1-9172 · Gas - Gannon	0	0	0

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 Jan- Oct

Years of Cash	2022		2023 Budget
	2022 Actuals	2022 Budget	
5.15			
1-9173 · Water - Gannon	0	500	500
1-9174 · Sewer - Gannon	718	500	500
1-9180 · Maint, Repair & Renovations - Gannon	6,225	7,000	7,000
Total 15 · Other Buildings	6,986	8,000	8,000
Total Expense	712,882	748,263	747,019
Net Ordinary Income	(3,151)	(62,624)	(38,645)
			-0.05455463

Capital Campaign: Next 150 Years

Income	Oct	Total	Jul-05
Gifts Received	\$ 4,489	\$ 970,898	\$ -
2013 Cap Campaign	\$ -	\$ 20,484	\$ -
New Boiler Income - Robert Fund	\$ -	\$ 50,000	\$ -
New Organ - Diocesan Loan	\$ -	\$ 221,780	\$ -
Construction Loan Reimbursements	\$ -	\$ 335,695	\$ -
Total	\$ 4,489	\$ 1,598,856	\$ -
Expenses			
Church			
White Loan - Principal	\$ 55,411	\$ 168,268	\$ 56,273
White Loan - Int Exp	\$ 7,577	\$ 25,946	\$ 6,715
Church: Other	\$ -	\$ 7,941	\$ -
Total: Church	\$ 62,988	\$ 202,155	\$ 62,988
Vandersall	\$ -	\$ 51,885	\$ -
Organ	\$ -	\$ 249,767	\$ -
New Boiler	\$ -	\$ 74,405	\$ -
Chairs	\$ -	\$ 32,000	\$ -
Architect	\$ -	\$ 54,807	\$ -
AV System	\$ -	\$ 86,287	\$ -
Construction	\$ 14,799	\$ 521,196	\$ -
Total	\$ 77,787	\$ 1,272,502	\$ 62,988
Net Income:	\$ (73,298)	\$ 326,354	\$ (62,988)



THE EPISCOPAL CHURCH OF THE
HOLY COMMUNION

2023 Budget Summary
January 2023

Major Budget Changes for 2023

	2022 Budget	2022 Actual	2023 Budget
Revenue	\$686k	\$709.7k	\$708k
Expenses	\$748k	\$712.8k	\$747k
Net Income	-\$62k	-\$3.2k	\$-39k (-5.5%)
Cash Flow, Yrs of cash ¹			-\$102k, 5.1yrs

Impacts to 2023 Budget

Positive Impacts

1. Increase in Pledges (\$25k)
2. Increased funding from the Robert Endowment (\$15k)
3. Decreased Diocesan pledge (\$6k)
4. Less Exploratory Outreach Projects (\$7.5k)
5. Removed Children’s Minister Position (\$9k)

Negative impacts

1. No New Ventures Grant Funding (\$25k)
2. Salary Increases (COLA) (\$15k)
3. Increased Health Insurance (\$8k)

Thoughts for 2024 and beyond

1. Endowment values have decreased with the stock market, decreasing our future year income
2. Diocesan pledge will jump next year



¹Debt payments to the diocese for 2019 Capital Campaign are \$63k/yr and are not included in annual operating budget. Years of cash based is calculated based on unrestricted funds as of 11.30.22, and assumes consistent operating losses for future years. Balloon payment of \$120k due mid 2029

Capital Campaign Snap Shot 2023

1. As of 11.30.22 our unrestricted assets totaled \$524k, and our white fund debt was \$510k. Said differently, if we were to pay off the loan at that time, we would have had \$13k left in spendable cash
2. We pay \$63k/yr in principal and interest payments,
3. The \$120k balloon payment is the residual debt from the 2012 Capital Campaign.