

St. Paul's Episcopal Church of Windham
Income and Expense Statement
 GENERAL FUND 01, May 2017

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| | Current Period | Year to Date | Year to Date Budget | YTD Budget Difference |
|---|-----------------|------------------|------------------------|--------------------------|
| INCOME | | | | |
| CONTRIBUTIONS | | | | |
| Plate | \$91.00 | \$1,113.00 | \$1,041.65 | \$71.35 |
| PLEDGE & REGULAR DONATION | | | | |
| Pledge Income | 6,243.00 | 38,025.00 | 38,342.90 | (317.90) |
| Regular Contributors | 635.00 | 1,290.00 | 1,041.65 | 248.35 |
| Prior Yr Pledge Income | 0.00 | 230.00 | 104.15 | 125.85 |
| Subtotal Pledge & Regular Donation | 6,878.00 | 39,545.00 | 39,488.70 | 56.30 |
| SPECIAL OFFERINGS | | | | |
| Easter Offering | 0.00 | 295.00 | 208.35 | 86.65 |
| Christmas Offering | 0.00 | 0.00 | 208.35 | (208.35) |
| Other Special Offerings | 0.00 | 1,100.00 | 0.00 | 1,100.00 |
| Initial Offering | 0.00 | 25.00 | 50.00 | (25.00) |
| Donations & Bequests | 0.00 | 29.29 | 41.65 | (12.36) |
| Subtotal Special Offerings | 0.00 | 1,449.29 | 508.35 | 940.94 |
| Subtotal Contributions | 6,969.00 | 42,107.29 | 41,038.70 | 1,068.59 |
| OTHER INCOME | | | | |
| Hall Rent | 160.00 | 470.00 | 400.00 | 70.00 |
| INVESTMENT INCOME | | | | |
| SAVINGS INTEREST | | | | |
| Savings Institute | 0.94 | 4.35 | 8.35 | (4.00) |
| D&B FUNDS INCOME | | | | |
| D&B Income Received | 94.39 | 780.25 | 625.00 | 155.25 |
| Subtotal Investment Income | 95.33 | 784.60 | 633.35 | 151.25 |
| TOTAL INCOME | 7,224.33 | 43,361.89 | 42,072.05 | 1,289.84 |

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| EXPENSES | | | | |
| CLERGY EXPENSE | | | | |
| CLERGY SALARY | | | | |
| Salary - Regular | \$1,594.86 | \$8,771.73 | \$8,639.15 | \$132.58 |
| Salary - Sec. 107 | 1,846.16 | 10,153.88 | 10,153.83 | 0.05 |
| Clergy Pension Expense | 1,374.31 | 4,915.00 | 3,355.00 | 1,560.00 |
| Clergy Health Ins. | 1,081.68 | 4,006.74 | 5,729.60 | (1,722.86) |
| Subtotal Clergy Salary | 5,897.01 | 27,847.35 | 27,877.58 | (30.23) |
| SUPPLY CLERGY | | | | |
| Compensation | 0.00 | 0.00 | 291.65 | (291.65) |
| Travel | 0.00 | 0.00 | 83.35 | (83.35) |
| Subtotal Supply Clergy | 0.00 | 0.00 | 375.00 | (375.00) |
| CLERGY EXPENSES | | | | |
| Clergy Travel | 0.00 | 0.00 | 625.00 | (625.00) |
| Continuing Education | 0.00 | 0.00 | 312.50 | (312.50) |
| Subtotal Clergy Expenses | 0.00 | 0.00 | 937.50 | (937.50) |
| Subtotal Clergy Expense | 5,897.01 | 27,847.35 | 29,190.08 | (1,342.73) |
| SALARY EXPENSE | | | | |
| Organist | 560.00 | 3,080.00 | 3,150.00 | (70.00) |
| Secretary | 148.96 | 1,042.72 | 937.50 | 105.22 |
| Payroll Taxes | 54.24 | 315.40 | 322.90 | (7.50) |
| Subtotal Salary Expense | 763.20 | 4,438.12 | 4,410.40 | 27.72 |
| FACILITY EXPENSE | | | | |
| CHURCH | | | | |
| UTILITIES | | | | |
| Heating Oil | 170.00 | 866.00 | 1,041.65 | (175.65) |
| Electricity | 99.24 | 497.35 | 541.65 | (44.30) |
| Subtotal Utilities | 269.24 | 1,363.35 | 1,583.30 | (219.95) |
| MAINTENANCE | | | | |
| Building Maint. | 11.64 | 11.64 | 125.00 | (113.36) |
| Heating/Water Sys. Maint. | 0.00 | 160.00 | 166.65 | (6.65) |
| Janitorial Supplies | 0.00 | 0.00 | 41.65 | (41.65) |
| Organ/Piano Maint. | 0.00 | 275.00 | 229.15 | 45.85 |
| Snow Removal | 0.00 | 495.00 | 500.00 | (5.00) |
| SEXTON | | | | |
| Sexton Wages | 300.00 | 1,500.00 | 1,625.00 | (125.00) |
| Janitorial Service | 0.00 | 150.00 | 0.00 | 150.00 |
| Property Ins. - Church | 208.00 | 1,040.00 | 1,333.35 | (293.35) |
| Workman's Comp Ins. | 58.00 | 322.00 | 235.00 | 87.00 |
| Subtotal Maintenance | 577.64 | 3,953.64 | 4,255.80 | (302.16) |
| Subtotal Church | 846.88 | 5,316.99 | 5,839.10 | (522.11) |
| RECTORY EXPENSE | | | | |
| RECTORY UTILITIES | | | | |
| Rectory Heating Oil | 0.00 | 0.00 | 416.65 | (416.65) |
| Rectory Electricity | 21.91 | 148.87 | 62.50 | 86.37 |
| RECTORY MAINTENANCE | | | | |

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| Interior Maint. | 0.00 | 501.51 | 0.00 | 501.51 |
| Property Ins. - Rectory | 100.00 | 500.00 | 250.00 | 250.00 |
| Subtotal Rectory Expense | 121.91 | 1,150.38 | 729.15 | 421.23 |
| Subtotal Facility Expense | 968.79 | 6,467.37 | 6,568.25 | (100.88) |
| OPERATING EXPENSE | | | | |
| ALTAR GUILD | | | | |
| Candles | 0.00 | 85.70 | 125.00 | (39.30) |
| Communion Bread | 0.00 | 0.00 | 20.85 | (20.85) |
| Communion Wine | 0.00 | 39.98 | 41.65 | (1.67) |
| Other | 0.00 | 52.20 | 0.00 | 52.20 |
| Subtotal Altar Guild | 0.00 | 177.88 | 187.50 | (9.62) |
| CHRISTIAN EDUCATION | | | | |
| Lesson Notes | 17.28 | 22.27 | 0.00 | 22.27 |
| Adult Course Materials | 0.00 | 52.75 | 0.00 | 52.75 |
| Sunday School | 0.00 | 0.00 | 83.35 | (83.35) |
| Subtotal Christian Education | 17.28 | 75.02 | 83.35 | (8.33) |
| OFFICE EXPENSE | | | | |
| Audit Expense | 0.00 | 0.00 | 500.00 | (500.00) |
| Office Supplies | 0.00 | 149.30 | 166.65 | (17.35) |
| Postage | 0.00 | 15.68 | 83.35 | (67.67) |
| Software | 0.00 | 455.00 | 455.00 | 0.00 |
| Copier Supplies | 0.00 | 0.00 | 291.65 | (291.65) |
| Music Expense | 0.00 | 0.00 | 83.35 | (83.35) |
| Parish Life | 39.37 | 118.38 | 333.35 | (214.97) |
| Telephone | 41.23 | 206.82 | 375.00 | (168.18) |
| Payroll Service | 48.92 | 286.30 | 291.65 | (5.35) |
| Parish Hall Supplies | 0.00 | 110.00 | 0.00 | 110.00 |
| Printing & Development | 0.00 | 0.00 | 125.00 | (125.00) |
| Other | 0.00 | 76.99 | 0.00 | 76.99 |
| Subtotal Office Expense | 129.52 | 1,418.47 | 2,705.00 | (1,286.53) |
| Subtotal Operating Expense | 146.80 | 1,671.37 | 2,975.85 | (1,304.48) |
| OUTREACH | | | | |
| Diocesan Pledge | 874.00 | 4,338.00 | 4,367.80 | (29.80) |
| TOTAL EXPENSES | 8,649.80 | 44,762.21 | 47,512.38 | (2,750.17) |
| EXCESS INCOME\EXPENSES | (\$1,425.47) | (\$1,400.32) | (\$5,440.33) | \$4,040.01 |

Note to the Parish from Lynne Ide, Senior Warden

July 2017

As we pass the mid-year mark, I would like to update the Parish on a few things. The Vestry met in April to review the goals we set for ourselves in 2016. During the discussion, we committed the Vestry to focus on the goal related to financial diversification and sustainability. To that end, we decided to invite the ECCT Canon for Mission Finance and Operations, Louis Fuertes to meet with the Vestry on June 25.

Our meeting with Louis offered us some perspective on our own Parish finances and opened the door to the work that lies ahead for us - to discern the best financial path for the stewardship for our unique faith community. The June meeting was not designed for us to come up with answers. We will work together as a Vestry in the coming months with a goal of reporting to the Parish at our January 2018 Annual Meeting. I hope you will read the notes from our discussion with Louis.

On the Rectory sale front, showings of the property have picked up in the past month. The Vestry is in regular communication with our realtor and hopes that we will sell the property before we enter another heating season.

As you likely know, Margaret Breen had to step down as Junior Warden, in order to take up her exciting new position as a Region Missionary for ECCT. The Vestry is working on finding a Junior Warden to fill the open seat.

Finally, the Vestry will be meeting again in September and November. We will keep you posted as our work unfolds.

Please feel free to reach out if you have any questions.

Peace - Lynne

We were joined at our meeting by Louis Fuertes, ECCT Canon for Mission Finance and Operations. We had invited Louis to join us to help us understand our current financial situation especially in relation to other parishes in ECCT, and with the hope that he could offer us suggestions as to what we might do to improve our situation.

Louis gave us a presentation based on the financial data we had reported on our annual parochial reports. A few notable points were:

- Like other mainstream U.S. Protestant denominations, ECCT parishes have experienced declining participation along multiple dimensions.
- Despite the fact that about a dozen parishes have closed in the last 15 years, ECCT has more small parishes than it did 15 years ago (and fewer large ones).
- From 2010 to 2016, St. Paul's Easter attendance, average Sunday attendance and the number of pledge cards received have declined an average of 8% per year. (This decline is greater than the average decline in ECCT parishes.)
- A look at life events recorded in the parish—baptisms, confirmations, weddings and funerals—indicates what is clear to us all, that ours is an older congregation, and explains in part our loss of members: some have died, some are unable to attend, and several others have moved to be closer to family members.
- St. Paul's pledging results have been declining by about 3% annually (vs. a 1% annual increase across ECCT.) Though not stated in his report, this is a significant statistic because it shows that our pledge income has decreased at a slower pace than the number of pledges, that is, fewer people are giving more per person.
- One fact that Louis noted as particularly significant is that 98% of our revenues are from contributions, vs. 70% for ECCT, and herein lies our challenge, and the reason that we have shown operating losses for the last several years.
- While other parishes draw income from endowments, fundraisers and facility rentals, St. Paul's relies almost totally on contributions for our support.
- With respect to contributions, Louis offered us a chart which tended to show our contributions "in line with our potential" based on his analysis of the demographic data of our community. (In other words, they are lower than contributions received in wealthier communities, but this is to be expected.)
- An additional chart indicated that our operating expenses are reasonable based on the size of our congregation. While on average, operating budgets across ECCT are in the range of \$3,000 per average Sunday attendee, (Operating budget divided by average Sunday attendance) ours are closer to \$2,500. Our operating budget is appropriate to our size, though still somewhat beyond our means.

- Based on Louis' analysis, he estimates that at our current rate of giving and spending, St. Paul's can continue for about another 13 years.
- He concluded his presentation with a slide entitled "What does all this mean???" Here are his conclusions:
- St Paul's financial challenges appear to stem from several structural issues.
 - o Declines in participation create expense challenges as fixed costs must be spread across a smaller base.
 - o Congregation "life event" reports suggest that St. Paul's parishioners have been drawn from an older demographic segment.
 - o While parishioners come from many neighboring towns, Windham and Willimantic are not wealthy communities, and St. Paul's does not have a large endowment.
- Opportunities going forward include:
 - o Exploring different ways to collaborate with neighboring parishes along multiple dimensions (building, staff, ministry, vendors.)
 - o Increasing income from investments (suggests a 5% draw).
 - o Expanding and diversifying income sources (legacy society?, facility use?, community based fund raising?)
 - o Serving the broader Windham/Willimantic population (sharing space with a Spanish language congregation? ESL classes?)

Following the presentation the Vestry had an opportunity for discussion.

- With respect to collaboration it was noted that we already participate in a fuel oil coop resulting in significant savings on fuel oil. Other opportunities will continue to be explored.
- Our next year's budget will include a 5% endowment draw as suggested, with the hope that proceeds from the Rectory sale will allow additional income from this category.
- The vestry will further discuss the other suggestions at upcoming meetings.