



FINANCIAL REPORTS

6.11.17

This special packet includes: the Treasurer's Report, Operating Budget Performance (2016), Financial Position, Operating Budget, responses to questions and comments raised during the Financial Town Hall, and Sharing our Blessings (our capital campaign)

FINANCE COMMITTEE/TREASURER'S REPORT

The Finance Committee is charged with monitoring the financial activities of the church, providing financial advice to the Vestry, and preparing the annual budget for Vestry approval. Each month financial statements are presented to the Vestry by the Treasurer.

The parish of Saints Andrew and Matthew ended 2016 with a balanced budget. This is somewhat misleading in that the parish received a bequest of \$ 200,000 from a former parishioner. Part of that gift, \$76,000 was used to balance the 2016 budget, \$ 8,000 was used for a HVAC study for Crypt Hall/Chapel, and \$92,000 was transferred to the endowment fund. All of the remaining funds were earmarked for the Memorial Fund to cover any emergency liquidity issues.

May, 2017, year to date total income is under budget by \$ 2,000. Total expenses were budgeted at \$ 323,000 with actual expenditures of \$319,000. Our expected deficit for the year is \$ 64,000.

The Finance Committee has conducted an extensive study of financial trends in the church. One finding is that 88% of our pledge income is derived from parishioners over the age of sixty. The highest percentage of pledge income comes from people in the 70 to 79 year age range. The Finance Committee continues to explore options to ensure the financial stability of Saints Andrew and Matthew parish.

Submitted by Bill Kauffman, Treasurer

The Episcopal Church of Sts. Andrew and Matthew
Operating Budget Performance
2016

	2016 Actual	Annual Budget
Operating Income/Expenses		
Income		
Investment Income	164,485	174,289
Income from Bequest	76,007	76,007
Offerings	33,349	37,565
Pledges	460,278	450,500
All Other Income	29,378	33,300
Total Income	763,497	771,661
Expenses		
Ministries and Operations	80,120	88,485
Advocacy Service & Grants	25,132	24,950
Diocesan Acceptance	76,894	76,894
Music	52,378	51,925
Personnel	433,576	423,657
Property Maintenance	108,187	105,750
Total Expenses	776,287	771,661
Budget Surplus/Deficit	(12,790)	0

THE EPISCOPAL CHURCH OF SAINTS ANDREW AND MATTHEW
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents		
Unrestricted	\$ 72,633	\$ 68,930
Restricted	238,117	353,585
Prepaid expenses	3,027	2,932
TOTAL CURRENT ASSETS	313,777	425,447
 PROPERTY AND EQUIPMENT, NET	 3,805,226	 3,324,860
 OTHER ASSETS:		
Marketable securities	4,101,605	4,054,312
Capital Campaign		
Cash	86,526	86,071
Promises to give	29,366	120,111
Notes receivable	400,000	400,000
Property held for lease	553,681	553,681
TOTAL OTHER ASSETS	5,171,178	5,214,175
 TOTAL ASSETS	 \$ 9,290,181	 \$ 8,964,482
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 269,034	\$ 44,704
Deferred revenue	7,860	8,600
Current portion of deferred rent	5,650	5,650
Current portion of notes payable	30,000	32,500
TOTAL CURRENT LIABILITIES	312,544	91,454
 LONG-TERM LIABILITIES:		
Deferred rent	40,678	46,328
Unearned rent	400,000	400,000
Notes payable, net of current portion	25,000	55,000
TOTAL LONG-TERM LIABILITIES	465,678	501,328
 TOTAL LIABILITIES	 778,222	 592,782
 NET ASSETS:		
Unrestricted	7,237,383	6,878,304
Temporarily restricted	490,288	709,108
Permanently restricted	784,288	784,288
TOTAL NET ASSETS	8,511,959	8,371,700
 TOTAL LIABILITIES AND NET ASSETS	 \$ 9,290,181	 \$ 8,964,482

The accompanying notes are an integral part of these financial statements.

The Episcopal Church of Saints Andrew and Matthew
Operating Budget Performance
 January through May 2017

	Jan - May 2017	YTD Budget	Annual Budget
Operating Income/Expenses			
Income			
Investment Income	56,605	55,674	180,697
Pledges and Offerings	211,476	212,614	507,420
All Other Income	8,485	9,800	28,067
Total Income	276,566	278,088	716,184
Expenses			
Ministries and Operations	23,872	25,352	81,685
Advocacy and Grants	121	120	22,130
Diocesan Acceptance	34,527	34,527	82,865
Music	26,885	30,580	51,450
Personnel	191,958	189,320	449,057
Property Maintenance	41,824	43,892	93,250
Total Expenses	319,187	323,791	780,437
Budget Deficit/Surplus	-42,620	-45,703	-64,253

Responses to Questions and Comments Raised during Financial Town Hall (2017)

At the Financial Town Hall Meeting, Vestry members promised to answer questions coming out of the Town Hall meeting in writing in an insert in the *Weekly Vision*. The Vestry believes that it is helpful to all if SsAM's financial situation is more transparent. If you weren't able to ask your finance/budget question during the Financial Town Hall Meeting or have follow-up questions, please contact Sharon Leyhow either by email at rjmsal@gmail.com, Steven Jones at swjones836@gmail.com or by calling the church office at 302.656.6628, or leaving your question at the church office marked "Financial Question".

Question 1. How many members of the church pledge?

Answer: Members are individuals who have joined or attend the church on a regular basis, financially support the parish, and include adults and children. We count pledges using "pledge units". A "pledge unit" may represent an individual or may represent a family. We have 158 pledge units for 2017.

Question 2. What percent of the congregation pledges?

Answer: For 2017, 68% of the congregation made pledges.

Question 3. Provide a breakout of pledges by age category.

Answer: The following provides the distribution by Age/ Pledges (2016 data).

Age	<60	60-69	70-79	80-89	90+
Percentage	13%	24%	36%	22%	5%

Question 4. Provide the number of pledges lost over the last 5 years and number of new pledges.

Answer: The following chart identified pledge units new and lost. Lost may occur due to death, moved out of the area, transferred or attending another parish or in some cases simply stopped pledging and/or stopped attending.

Number of New and Lost Pledge Units

Year	New Pledge Units	Lost Pledge Units
2013	15	13
2014	15	14
2015	9	12
2016	14	11
2017	4	16

Number of Pledge Units by Year

Year	Number of Pledge Units
2012	157 (2012- New members from Cathedral joined SsAM)
2013	169
2014	161
2015	162
2016	170
2017	158

Question 5. How many people are members?

Answer: Using 2016 data, SsAM has 353 members. This number includes 305 adults and 34 (youth under age 16) and 51 others.

Question 6. Provide the number of new families joining SsAM in the last 5 years.

Answer: The following numbers represent the year in which new people became members. Members join in one year and they may fall away, move, transfer to another parish or pass away in subsequent years.

New Members Joining SsAM by year

Year	New Members
2012	28 new families (Cathedral closing)
2013	8
2014	5
2015	14
2016	11

Question 7. How much principal has been drawn from the endowment over the last 5 years?

Answer: The chart below provides by year the amount of principal withdrawn from the endowment.

5-Year Endowment Principal Withdrawal History

Year	2012	2013	2014	2015	2016*
Endowment Withdrawal	\$80,000	\$0	\$35,300	\$13,870	\$0

*Gift from Esterly Estate used to balance budget

Question 8. Why should more than 10% of the budget go to the Diocese (in view of the deficit)?

Answer: The Diocesan Acceptance is the amount of money each church pledges to Diocese to support Diocese programs and other Diocesan projects and is not discretionary. The amount is based on a formula that was established by Diocesan Council some years ago and is based on the reported income of each church.

Question 9. Are some helpers paid if so who are they? Who are the P/T workers on SsAM's payroll?

Answer: SsAM has 5 employees : Rector, Music Director, Parish Ministry Coordinator, Parish Administrator, Sexton and 3 part-time employees: Administrator for Volunteers and Church members and 2 assistant sextons. All others are volunteers.

Sharing Our Blessings

The *Sharing Our Blessings Campaign* of The Episcopal Church of Saints Andrew and Matthew (SsAM) began in March, 2012 and officially ended on May 15, 2017. The original goal of the campaign was to raise \$1,350,000 to renovate the kitchen and restore the organ. At the date of this report, \$1,462,650 has been raised with more money still being contributed. This increase, of less than 10%, is gratifying, because the original budget was formulated over 6 years ago, and every effort was made to adhere to it as much as possible through the years.

The cost of the James Thomas Kitchen and the Katherine Esterly Organ have been paid in full, a fact that the over 400 donors should be justly proud. The communities of SsAM, Wilmington and beyond, stretching across the country,, have been so generous to this campaign that this endeavor was ended debt free. A dream has become a reality. Not one dollar for these important renovations was obtained from funds in any other budget at SsAM. The final cost of the kitchen was \$343,543 and the final cost of the organ was \$1,057,684. Consultants' fees were \$39,055 and marketing was \$5,400. As part of the campaign, over \$96,000 to date has been raised through the Sponsor a Pipe Campaign. This campaign gave people a chance to give to the Katherine Esterly Organ, and honor, thank or remember a loved one. A permanent display of all donors and their honorees will be hung in the near future. The anticipated cost of this plaque is \$5,000,

Since the last Annual Meeting, the staff and the congregation have lived through the construction of a new organ chamber, when, no matter what was done, dust was everywhere! A white wall was constructed in the Altar area of the church, which gave an illusion of cleanliness for the services, though behind it was a mass of dust and grit that on most days, filtered out everywhere. People seemed to take it in stride, because they knew that the results were going to be fabulous.

The team of constructors from InSite Constructors, Inc. began demolition on May 17, 2016, and were finished with building the new chamber at the end of August 2016. Then, the crew from the Quimby Pipe Organs, Inc. arrived on October 3, 2016 to begin the installation of the Katherine Esterly Organ. The day that so many of us had been waiting for had finally arrived! Some of us joined members of the Quimby team as they began unloading the first truck and hauling the new organ, bit by bit, piece by piece, upstairs and down. It was as if one were watching a giant jigsaw puzzle being laid out. Then, day after day, week after week, while the Quimby workers, not only performed their magic building our glorious organ, they became good friends to those who saw them work, day after day.

Since the Katherine Esterly Organ has 2897 pipes in three divisions housed in the two chambers on either side of the altar and one division in the balcony area, it did not come together all at once. Rather, one division at a time was playable. On December 11, 2016, the Katherine Esterly Organ was played in SsAM by David Christopher, SsAM's organist, for a service for the first time, using the pipes from one division. On Christmas, David was able to use 2 divisions, the great and the swell, both housed in the existing chamber. Finally, on January 31, 2017, when the last of the Quimby workers left us, each of the divisions were ready to be played.

The Katherine Esterly Organ was dedicated on Sunday afternoon, February 19, 2017, with five area organists participating in the memorable ceremony. On the following Saturday evening, February 25, 2017, Quimby sponsored the Inaugural Concert, featuring Ken Cowan, with a reception, sponsored by a major donor of the campaign, following the concert.

This spring, at SsAM, there has been a concert featuring organist, David Christopher with soprano Marian Stieber, and another with renowned eighty-four year old organist Joyce Jones, sponsored by the American Guild of Organists. SsAM has hosted the Delaware Choral Arts, singing the *Brahms Requiem*, among other works. There was a Hymn Sing on June 3 and there is a Jazz Vespers to honor the memory of Rod Welles tonight, June 11. There are other events scheduled for later in the summer. The Katherine Esterly Organ was designed to be an instrument that will serve the community. These concerts and events have been an auspicious beginning to the life of this glorious instrument.

The Steering Committee of *Sharing Our Blessings* has worked long and hard for over five years to raise \$1,462,650. There are many people to thank for the success of this campaign. First, humble and hearty thanks must be given to the over 400 donors of this campaign without whom nothing would have been accomplished. Next, profound thanks must be given to the congregation for their patience with the inconvenience and to the staff for the extra work that this campaign has caused for them over the years.

The consultants, who gave early guidance to the committee were from Bloom Metz. The architects of Design Collaborative, Inc designed the kitchen and the new chamber. InSite Constructors, Inc. workers, built the kitchen and the chamber for the organ. People from HyPoint worked closely with the architects and the construction team to properly equip the kitchen. A crew from the Quimby Pipe Organs, Inc. built and installed the organ. All of the people from these companies worked well with each other, with members of the committee and with the Project Managers from SsAM who oversaw every aspect of the work to bring about a successful and satisfying end to this campaign.

On behalf of the entire committee, whose active members are listed below, we are grateful to God for all of the people who have helped bring the *Sharing Our Blessings Campaign* to its successful conclusion. God certainly put the right people into the right places at the right time. For that we give thanks!

Sincerely,

Patricia Saunders, Campaign Chair

Dot Dorsey

Joseph Johnson

Karen Johnson

Debbie Layton

Cynthia Primo Martin

Joshua Martin

Alice Sawyer

Geoff Sawyer

Wanda Smith

Ex officio members:

David Andrews, Rector

David Christopher, Organist

Dana Robertson, Parish Administrator