



# St. David's Episcopal Church & School 2018 Annual Financial Report

## Overview

The following highlights of 2018 Year End Financials for our three key institutions: our church, our school, and our cemetery/columbarium. The church and school financials reflect the annual operating results for these two entities. The cemetery/columbarium financials primarily reflect the results of our diocesan investments. Financials for each area are attached.

## Church

Revenue: Our 2018 operating results were very positive with total operating revenues of \$899,522. Pledged, Unpledged, and Cash offerings all exceeded expectations, as did fees from facility rentals. While special offerings does appear low (-\$13,219), that budgeted amount is inflated. The amount included a gift from the Outreach Fund of \$11,645 to cover a gap in revenue and expenses in 2018. As we did not need the money, we did not take the gift. Taking away the annual budgeted amount from the gift, we actually exceeded total operating budget revenue by \$28,192 or 103% of budget.

Total non-operating revenues were \$477,110, which include:

- All self-funded and outreach ministries (Reach, Honduras, Bromley, Domestic Outreach, VBS, et al) at \$76,816.
- Capital Fund gifts of 293,812; \$245,000 of this was a conversion of a conditional gift and \$36,000 was the leadership loan repayment.
- Restricted gifts and bequests of \$8,000.
- Discretionary Fund Gifts of \$10,411

Expenses. Total Operating Expenses were \$924,566 or 99% for the year.

Non-operating expenses of \$429,796 include:

- \$154,200 in Capital Improvements and Parish Hall Expenses.
- \$56,795 in Major Repairs
- \$7,878 Discretionary Fund Expenses
- \$18,991 in Self-funded ministry expenses
- \$54,967 in Outreach Expenses
- \$137,675 in other Non-Operating Expenses

For Net Income, we had a budgeted net loss of \$46,778, which we were able to cover with a cash drawdown. Our actual net loss for the year is (\$25,034), \$21,744 ahead of budget.



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## Other highlights:

- We continue to pay back our leadership loan at a rate of \$36,000 annually.
- We were able to add the Saturdays@6 service in January with music, supplies etc. without exceeding our operating budget.
- We funded the new sound system with a loan from 1600-05 · TOTF 005 Church Outreach Fund,
- We funded a new Security system using funds from 1600-02 · TOTF 002 Church Capital Fund.
- We funded the following repairs from the Repair Reserve Fund:
  - Repainting the School \$8,736
  - Parking lot repair/paving \$13,689
  - Tree Removal \$21,000
  - Roof Repairs \$8,831
  - Duct Cleaning \$4,530
  - School HVAC \$6,825

Assets. Our cash position remains stable going into 2019 with \$153,721 in 1211-00 · Church Operating Account. This gives us the \$30,000 working capital cushion that we have for 2019. The church has a total of \$215,019 in all checking/savings and short term investments. In addition, the church has \$388,199 in long term investments.

## School

School operating revenues for 2018 totaled \$437,574 vs. expenses of \$447,026, resulting in an operating loss of \$9,452. The school has a strong balance sheet, with more than \$89,000 cash on hand at fiscal year-end.

The Parents of Preschoolers organization (POPs) had revenue of \$14,027 (primarily from the Annual Fundraiser). POPs made various contributions to school projects and also funded several School scholarships. POPs ended the year with \$ 17,286 cash on hand.

## Cemetery

Income from Fees and Other Income from cemetery and columbarium totaled \$6,920. The Chapel and Cemetery had a total net gain of \$4,089 after expenses of \$181 and investment losses of \$2,650.

The Perpetual Care account had a year-end balance of \$60,653, up \$7,253 from 2017. The year-end balance of the Cemetery Capital Fund is \$19,527. The Cemetery operating accounts total \$35,569. It is estimated that the Cemetery has a future obligation of approximately \$95,750 for burials in cemetery plots, unchanged since 2014. NOTE: An updated future obligation should be attained in 2019, as there has been cemetery activity since 2014.

## Summary

Overall, 2018 results were positive from a financial perspective. Operating results for the church in particular were strong. The school and cemetery finished 2018 with stronger balance sheets; the church total assets



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appear to have decreased (-\$112,486), but the report does not appear to have been updated for new fixed assets.

An item of concern is the low Repair Reserve Fund balance of \$2,957, down \$71,457 from year-end 2017. The 2018 budget will add \$20,000 with \$10,000 of that deposited January 2019. Based on the draft reserve forecast for 2019, a larger contribution will be required.

Respectfully submitted by Theresa Luby, 04 February 2019