

St. David's Episcopal Church and School
Church Operating Budget 2021
Approved 1.20.2021

	<u>Annual Budget</u>
Ordinary Income/Expense	
Income	
4000-00 · Operating Income	
4100-00 · Unrestricted Offerings	
4101-00 · Pledged Offerings	618,216
4102-00 · Unpledged Offerings	71,744
4103-00 · Loose Cash Offerings	10,000
4104-00 · Special Offerings	
4104-01 · Spec Offer - Christmas	15,000
4104-02 · Spec Offer - Easter	10,000
Total 4104-00 · Special Offerings	<u>25,000</u>
4105-00 · Fundraising Income	2,000
Total 4100-00 · Unrestricted Offerings	<u>726,960</u>
4200-00 · Restricted Offerings	
4203-00 · Restr Gifts - Liturgical	
4203-01 · Restr Gifts - Flowers	500
4203-02 · Restr Gifts - Music	0
4203-00 · Restr Gifts - Liturgical - Other	0
Total 4203-00 · Restr Gifts - Liturgical	<u>500</u>
4205-00 · Restr Gifts - Ministries	
4205-04 · Restr Gifts - Hospitality	0
4205-00 · Restr Gifts - Ministries - Other	0
Total 4205-00 · Restr Gifts - Ministries	<u>0</u>
4200-00 · Restricted Offerings - Other	0
Total 4200-00 · Restricted Offerings	<u>500</u>
4500-00 · Fees & Other Income	
4500-01 · Facility Rental Income	0
Total 4500-00 · Fees & Other Income	<u>0</u>
Total 4000-00 · Operating Income	<u>727,460</u>
Total Income	<u>727,460</u>
Gross Profit	727,460
Expense	
6000-00 · Operating Expenses	
6100-00 · External Expenses	
6101-00 · Diocesan Related Expense	
6101-01 · Diocesan Pledge	12,000
6101-02 · Diocesan Delegates	500
6101-03 · Region 13 Dues	200
Total 6101-00 · Diocesan Related Expense	<u>12,700</u>
6102-00 · Outreach Efforts	
6102-04 · Outreach - to Domestic Outreach	6,000
Total 6102-00 · Outreach Efforts	<u>6,000</u>
Total 6100-00 · External Expenses	<u>18,700</u>

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6200-00 · Personnel	
6210-00 · Pastoral Compensation	
6210-01 · Clergy Salary	38,790
6210-02 · Clergy SECA	7,372
6210-03 · Clergy Housing Allowance	56,920
6210-04 · Supply Clergy	1,000
Total 6210-00 · Pastoral Compensation	<u>104,082</u>
6230-00 · Lay Compensation	
6230-01 · Salary - Lay	180,420
6230-02 · Salary - Childcare Worker/Lay	0
Total 6230-00 · Lay Compensation	<u>180,420</u>
6260-00 · Personnel Benefits	
6260-01 · FICA	14,620
6260-02 · Pension Exp	33,960
6260-03 · Health Insurance Expense	45,144
6260-04 · Life Insurance Expense	1,482
Total 6260-00 · Personnel Benefits	<u>95,206</u>
6270-00 · Misc Personnel Expense	
6270-01 · Staffing Expense	200
6270-02 · Workers Comp Payroll Tax	2,300
6270-03 · Payroll Processing	800
6270-04 · Continuing Education	0
6270-06 · Travel Expense	0
Total 6270-00 · Misc Personnel Expense	<u>3,300</u>
Total 6200-00 · Personnel	<u>383,008</u>
6300-00 · Liturgical Worship Expenses	
6301-00 · Altar Supplies	
6301-01 · Wine & Host Expense	500
6301-02 · Linen & Candle Expense	1,000
6301-03 · Liturgical - Misc Expenses	500
6301-04 · Messy Church Expenses	0
Total 6301-00 · Altar Supplies	<u>2,000</u>
6302-00 · Flowers	500
6303-00 · Music Supplies & Equip	
6303-01 · Common Music Expense	1,200
6303-02 · 9am Music Supplies & Equipment	0
6303-03 · 11AM Music Supplies & Equip	0
6303-04 · Music Equip-Tuning Expense	400
Total 6303-00 · Music Supplies & Equip	<u>1,600</u>
6304-00 · Audio/Visual Expenses	
6304-02 · AV Expenses - Non-capital Equip	0
6304-03 · AV Expenses - Other	0
6304-00 · Audio/Visual Expenses - Other	1,500
	<u>1,500</u>

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Total 6304-00 · Audio/Visual Expenses	1,500
6306-00 · Musicians	
6306-01 · Musicians - 9AM Service	
6306-00 · Musicians - Other	70,000
Total 6306-00 · Musicians	70,000
6300-00 · Liturgical Worship Expenses - Other	0
Total 6300-00 · Liturgical Worship Expenses	75,600
6500-00 · Ministry Expenses	
6501-00 · Welcoming & Incorporation	
6501-01 · Welcoming	250
6501-02 · The Connection	250
6501-03 · Stewardship	750
6501-00 · Welcoming & Incorporation - Other	0
Total 6501-00 · Welcoming & Incorporation	1,250
6502-00 · Ministries - Parish Life	
6502-01 · Youth & Children's Music Pgm	500
6502-02 · Pentecost Festival Expenses	0
6502-03 · Advent Festival Expenses	0
6502-00 · Ministries - Parish Life - Other	0
Total 6502-00 · Ministries - Parish Life	500
6503-00 · Ministries - Family	
6503-03 · Family Fellowship Expenses	0
Total 6503-00 · Ministries - Family	0
6504-00 · Hospitality Ministry Expenses	
6504-01 · Sunday Fellowship Expenses	500
6504-02 · Vestry Hospitality Expenses	500
6504-00 · Hospitality Ministry Expenses - Other	0
Total 6504-00 · Hospitality Ministry Expenses	1,000
6505-00 · Pastoral Care Ministry	
6505-01 · Lay Eucharistic Ministry	150
6505-00 · Pastoral Care Ministry - Other	0
Total 6505-00 · Pastoral Care Ministry	150
6506-00 · Spiritual Formation Ministry	
6506-01 · Baptism	300
6506-02 · Communion	250
6506-03 · Confirmation	1,000
Total 6506-00 · Spiritual Formation Ministry	1,550
6507-00 · Christian Education Ministry	
6507-04 · Christ Ed Curriculum & Expenses	1,500
6507-05 · God & Me	0
Total 6507-00 · Christian Education Ministry	1,500
6508-00 · Youth Ministry	2,000
Total 6500-00 · Ministry Expenses	7,950
6600-00 · Property Expenses	

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6601-00 · Mortgage/Building Use	
6601-01 · Mortgage Interest	33,489
6601-03 · Leadership Loan Repayment	12,000
6601-04 · Mortgage Principal Pymt	93,789
6601-05 · Sound Loan Repayment	6,000
Total 6601-00 · Mortgage/Building Use	145,278
6602-00 · Property Protection	
6602-01 · Insurance	23,204
6602-02 · Fire, Secur, permit, monitoring	10,200
Total 6602-00 · Property Protection	33,404
6603-00 · Funding to Repair Reserve	23,667
6604-00 · Maintenance Contracts	
6604-01 · Landscaping Contract	14,630
6604-02 · Janitorial Contract	23,946
6604-03 · HVAC Service Contract	7,120
6604-04 · Pest Control Contract	1,752
6604-05 · Refuse Collection	1,200
6604-06 · Snow Removal	2,500
Total 6604-00 · Maintenance Contracts	51,148
6605-00 · Repairs & Maintenance	
6605-01 · General Repairs & Maint	15,000
6605-02 · Landscaping Services	2,500
6605-03 · HVAC Repairs & Maint	10,000
Total 6605-00 · Repairs & Maintenance	27,500
Total 6600-00 · Property Expenses	280,997
6700-00 · Utilities	
6700-01 · Telephone & Internet	11,758
6700-02 · Natural Gas	9,000
6700-03 · Electricity	24,000
6700-04 · Water & Sewer	1,500
Total 6700-00 · Utilities	46,258
6800-00 · General & Administrative	
6801-00 · Office Supply Expenses	
6801-01 · Office Administrative Supplies	3,600
6801-02 · Kitchen/Cleaning Supplies	1,000
6801-00 · Office Supply Expenses - Other	0
Total 6801-00 · Office Supply Expenses	4,600
6802-00 · Office Equipment Expense	
6802-01 · Office Equipment & Maintenance	7,000
6802-02 · IT Equipment & Software	1,500
6802-03 · Office Contracts	3,900
Total 6802-00 · Office Equipment Expense	12,400
6803-00 · Office Services	

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6803-01 · Postage & Shipping	2,000
6803-03 · IT Services	10,000
6803-04 · Bank Charges	2,000
6803-05 · Dues & Subscriptions	300
Total 6803-00 · Office Services	14,300
6804-00 · Advertising & Marketing	2,500
6805-00 · Food & Catering	
6805-01 · Catering	0
6805-02 · Food & Beverage	1,200
Total 6805-00 · Food & Catering	1,200
6806-00 · Misc G&A	
6806-01 · Miscellaneous G&A	500
6806-00 · Misc G&A - Other	0
Total 6806-00 · Misc G&A	500
Total 6800-00 · General & Administrative	35,500
6000-00 · Operating Expenses - Other	0
Total 6000-00 · Operating Expenses	848,013
66900 · Reconciliation Discrepancies	0
Total Expense	848,013
Net Ordinary Income	(120,553)
Net Income	(120,553) See Notes 1 & 2

Note 1: Plan to apply 2020 surplus of \$35,667 to Diocese pledge & RR Fund January 2021. Reduce deficit to **(\$84,886)**.

Note 2: Offset funds from loan to grant ~\$74K planned to be applied, reduce deficit to **(\$10,886)**.



St. David's Episcopal Church & School

2021 Budget R0 Notes

January 21, 2021

The St. David's Vestry voted to approve the 2021 Operating Budget at the Vestry Meeting via Zoom on Wednesday, January 20, 2021. The Vestry received feedback from parishioners prior to this Vestry meeting. The FINAL Approved 2021 Budget for St. David's Episcopal Church & School is attached.

In prayerful consideration of all the glorious bounty God continues to provide St. David's, the Finance Budget Sub-Committee, Staff and Vestry created the 2021 Budget based on committed pledge income, other anticipated income, cash on hand and anticipated expenses. We are truly grateful for the opportunity to be good stewards of God's provision. An overview:

Overly Assumptions and Revenue:

- The 2021 Budget is based on 95% of the pledge total: \$618,216. Total pledges received as of 1.16.2021: \$650,754, which is \$142,500 below the pledge amount for 2020. Additional pledges received over this amount will help the bottom line.
- St. David's does not expect to be able to re-open its doors to in-person worship until perhaps the May timeframe (TBD), given current trends in the spread of COVID-19. We expect governmental and Diocesan COVID-related guidelines and restrictions to still be in place, limiting the number of worshippers who can attend any given service and our ability to offer other service elements, such as choirs, Sunday School, coffee hour, etc. Regardless of the guidelines, we do not expect to return to pre-pandemic "norms" in 2021.
- These assumptions impact the recommended budget in the following manner:
 - No loose change collections during the first quarter and reduced amounts for largely the remainder of the year resulting in a reduction for this item.
 - Easter (April 4th) will, like last year, be held virtually. As such, special Easter collections (requests and envelopes mailed to parishioners) are projected at the same amount as in the 2020 Budget. It should be noted, however, that, although Easter 2020 was held virtually, special collections exceeded the budget by over \$6,400. Any amount received over the reduced amount will be celebrated and will result in an improved bottom line.
 - Christmas 2021 special offerings are also unchanged from 2020, although, through the generosity of our parishioners and friends, Christmas offerings exceeded our budget by \$5,200.
 - No revenue is projected from facility rental income, including the Preschool which remains closed with limited staff. The Preschool is conducting parent tours, fall student registration and planning spring programs first and second quarter. The Preschool is planning to reopen for the fall 2021 school year.
 - Bottom Line: Reduction in unrestricted offerings and a reduction in total income from 2020 by about (\$71,500).
- **Expenditures:**
 - The Diocesan Pledge of \$12,000 will be paid in full in January from the cash reserve with applied 2020 surplus funds approved by the Vestry on 1.20.2021 of \$12,000. Although the amount falls short of the 10% recommended by the Diocese from each church's annual budget, the amount we pledge to the Diocese is 20% higher than 2020, demonstrating our support for the Diocese and intent to honor our pledge to the best of our ability.
 - Given the pandemic and resulting widespread hunger in Loudoun County, additional funds are allocated to Domestic Outreach.
 - Staffing:
 - Rev. Mary Kay does not expect to hire an Assistant to the Rector in 2021, resulting in a savings in personnel costs.
 - Clergy and staff will receive a 2% cost of living increase in 2021.

- A part time hourly contracted communications position will be added. This is especially important given the need to focus on digital and virtual communications and marketing as we continue to offer live streaming of our church services, even after our doors are re-opened.
- A part time music director position (Services Director/Organist/Choir Master) is budgeted for 2021, with the intent to move to full time as conditions and budget allow. Overall, the music budget has been reduced.
- Repayments of loans: 1) the Sound Loan remains the same and 2) the Leadership Loan is temporarily reduced. However, funding of these two items indicates our good faith effort commitment to our fiduciary responsibilities regarding the intent of the loans. The Leadership Loan amount will be revisited at the mid-year budget review.
- The Repair Reserve will be funded in January in full from the cash reserve with applied 2020 surplus funds approved by the Vestry on 1.20.2021 of \$23,667.
- Janitorial expenses are significantly increased, and will continue to increase, due to the pandemic restrictions and requirements such as deep cleaning due to COVID-19.
- Reductions in other operating expenditures were made based on staff input and spending in 2020.
 - Most significant change was in the cost of snow removal, since there will be no need to clear our parking lots to accommodate in-person worshippers.
- **Other Notes of Consideration:**
 - Cash balance is approximately \$250,000.
 - The 2021 Budget Net Income is projected at approximately **(\$120,553)**.
 - The 2020 Budget (income less expenses) resulted in a *surplus* of \$35,667. The Vestry will voted on two motions to apply most of the 2020 surplus funds to the 2021 Diocese pledge & Repair Reserve Fund in January 2021, bringing the projected deficit to **(\$84,386)**. St. David's did not use the "draw down" of \$38K in the 2020 budget.
 - The Payroll Protection Program (PPP) loan has not yet been converted to a grant as of 1.20.2021. This money is not included in the 2021 budget. St. David's has submitted the paperwork for forgiveness to convert the loan to a grant which is expected to be approved. When it is converted to a grant, the resulting offset funds of ~\$74,000, reclassified as income, are planned to be applied, bringing the approximate deficit to **(\$10,886)**. If for some unseen, unlikely reason the grant conversion is not approved, there is enough cash to repay part of the loan and then St. David's would have three years to repay the remainder.
 - St. David's is currently applying for the second round of federal PPP loans in the amount of \$65,000.
 - The 2021 Budget will be reviewed quarterly in April, July, October and December to take into account where income and expenses are (increases or decreases) for discussion of potential adjustments. Some items for further consideration at budget reviews:
 - Potential staff salary increases or performance bonuses at Q1 review.
 - Sound Loan Payment amount at Q2 review – bring it back up to original amount?
 - Communications position and Marketing line-item amounts once plan is created and approved. TBD.
 - Second clergy position funding? Main impact: youth programs are not being addressed.

Final Changes @ Vestry Meeting 1.20.2021:

- Move \$500 from 6503-03 Family Fellowship to 6301-03 Liturgical – Misc Expenses.
- Add \$500 to the Flowers Expenses 6302-00.
- 2021 R0 (Revision Zero) approved 1.20.2021.