



Supplemental Treasurer's Report

Saint Elizabeth's Episcopal Church, Sudbury, MA

For the Year Ended December 31, 2010

As presented at :

The Annual Meeting of the Parish

Sunday, February 6, 2011

Saint Elizabeth's Episcopal Church – 2010 Treasurer's Report

Executive Summary:

Coming out of an extremely challenging economy in 2008 and 2009, it was difficult to know what to expect for St. Elizabeth's for 2010.

As pledging rebounded post-financial crisis, pressure eased somewhat relative to the preceding two years. Nevertheless, St. E's financial position remains precarious. We depend heavily on one-time events in the form of some very generous pledges and one-time gifts from a small group of very generous parishioners, parishioner loans, and in the past two years, funding of the Assistant Rector position via a grant from the Diocese.

Our parish and its programming is growing, and there is a wonderful, vibrant energy here at St. E's. However, as in the business world, growth generates increasing demand for resources. Overhead costs, including the cost of energy and maintaining our buildings and grounds are omnipresent, and only seem to increase. The Diocesan Assessment – which goes to the Episcopal Diocese of Massachusetts – is 10.5% of our budget, rising, and completely outside of our control. The mortgage debt is a fixed cost with payments of close to \$25,000 per year. Payroll and related costs for a staff of two clergy (one of whom is part-time), music director and parish secretary now exceed \$250,000 per year. As programming and the work of this church blossoms and grows, we anticipate a need for additional staffing over the next few years.

In comparison to many other churches and non-profit organizations, we truly have many blessings: -- a thriving and involved community, generous members, and we have managed to steward our limited financial resources reasonably well. However, St. E's needs to establish a long-term financial plan for its future fiscal stability. Paths toward that include increasing the average pledge, increasing the participation rate for pledging/stewardship, increasing the volunteer corps to limit outside vendor expenses, and establishing a well-funded endowment.

2009 Detail

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Our “top line” improved somewhat, with total pledge income increasing by 6.1% over 2009, and exceeding budget slightly.

Contributing to our results for 2010 was the continued support of the Diocese in terms of a grant to help fund the Assistant Rector position. We spread this grant over a two-year period, and for 2010, recognized revenue of approximately \$49,000, and offsets the cost of that position. This grant has been fully expended and amortized, which puts pressure on the 2011 budget to fund this very-needed position from operations.

We continue to rent out the home on Concord Road (“the Rectory”), and renewed the lease with the current tenant at a slightly increased rent (\$26,580).

During the year, St. E's continued to make payments on the mortgage/building debt which presently stands at \$165,000.¹ As mentioned above, the costs of operating our beautiful church, chapel and maintaining the grounds is significant, and ran slightly over budget for 2010.

Our Diocesan Assessment obligation for 2010 is paid in full, and the 2010 results reflect payment of one month for the prior year, for a total of \$41,209 (over budget due to the one payment).

The fund activity report reflects much of the core activity of the church. A goal of the financial team for 2011 is to convert to a slightly different form of financial presentation, combining the operational information with the program information, to present a clearer picture of all that is happening at St. E's.

In the fund activity report, one can see that in addition to general pledges/donations, we receive support either through fundraising efforts (Spring Auction, Fall Fair, for example), via direct donations or as allocations from the operating budgets for a variety of programs ranging from ASP to the

¹ Note: The attached expense schedule shows “debt service” as being under-budget. Payments are made pursuant to a note agreement and are current/on schedule. The difference on the reports is due to a change in the method of reporting – 2009 includes both principal and interest, whereas 2010 expenses include only interest. A reconciliation at the bottom resolves this.

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music program and beyond. Notable activity in the funds includes receipts of gifts for landscaping, new refrigerators, Appalachia Service Project, the Memorial Garden, flower and music dedications. Included in restricted gift is a donation received at the very end of 2010, which is earmarked as the very first seed money for the endowment – to be invested in 2011.

2011 Budget

In December, the Vestry passed a budget with “bottomline” (modifying the operating income to account for planned transfers/reserves, outreach, and principal payments on debt) of a modest deficit of \$-1572.

This budget is extremely tight and to meet it, we needed to also meet our stated pledge goal for 2011. Once again, we are grateful for the blessing of great generosity within our church family. A small contingent of parishioners stepped forward to help us reach the goal, and we are grateful.

Budgeted operating expenses are nearly \$413,000. This is an increase of 3.9% over 2010. As evidenced in looking at 2010 vs. budget, the office staff, clergy, vestry and financial team have been quite diligent in trying to hold costs and reduce them where possible, and we shall continue to do so.

We give thanks to God for the many blessings bestowed upon our community, and for the generous support of our parishioners who joyfully give their time, talent and treasure to St. Elizabeth's.

Respectfully submitted,

Darlene Murphy
Treasurer

St. Elizabeth's Episcopal Church
Statement of Financial Position
December 31, 2010 and December 31, 2009

	As of Dec 31, 2010	As of Dec 31, 2009
	(As Revised)	
ASSETS		
Current Assets		
Bank Accounts		
1100.01 Cash and cash equivalents - unrestricted		
1100.02 Fidelity Money Market	\$43,854	\$28,328
1100.03 Middlesex Bank Checking	\$54,073	\$48,555
Total 1100.01 Cash and cash equivalents	\$97,928	\$76,883
Total Bank Accounts	\$97,928	\$76,883
Total Current Assets	\$97,928	\$76,883
TOTAL ASSETS	\$97,928	\$76,883
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
1200.03 Prepaid pledges	\$34,765	\$24,778
1200.04 Total Accounts Payable/Vendors	\$6,500	\$2,377
Unamortized portion of Diocesan grant	\$0	\$23,006
2000.02 Parishioner Loan 2	\$20,000	\$20,000
Total Current Liabilities	\$61,265	\$70,161
2000.01 Parishioner loans		
2000.03 Parishioner loan 3	\$4,000	\$6,000
Total 2000.01 Parishioner loans	\$4,000	\$6,000
2000.04 Roof loan	\$8,167	\$9,394
2000.05 Stokes Fund 2005 Loan	\$11,282	\$11,943
2000.06 Stokes Fund 2009 Loan	\$145,694	\$158,469
2100.01 Security deposit - rectory	\$2,000	\$2,000
Total long term debt	\$171,143	\$187,806
Total Liabilities	\$232,407	\$257,968
Fund Balances		
3000.01 General Fund Balance	\$16,770	(\$993)
3100.01 Capital Campaign Fund	(\$239,544)	(\$239,544)
3100.02 Capital Maintenance Fund	\$17,882	\$8,882
3100.03 Fair Trade Coffee Fund	(\$420)	
3100.04 Fellowship Fund	\$641	\$754
3100.05 Flower Fund	\$1,605	\$2,982
3100.06 J2A Pilgrimage Fund	\$8,004	\$2,821
3100.07 Memorial Churchyard Fund	\$6,599	\$5,079
3100.08 Music/choir fund	\$0	\$150
3100.09 Outreach Fund	\$0	
3100.10 Rector Sabbatical Fund	\$13,000	\$10,000
3100.11 Restricted Gift Fund	\$26,972	\$9,331
3100.12 Softball Fund	\$154	\$334
3100.13 Unrestricted Gift Fund	\$10,759	\$11,139
3100.14 ASP (formerly Youth Mission)	\$0	\$4,910
3100.15 Restricted Gift - Adult Ed	\$2,098	\$3,069
3100.16 City Mission Fund	\$1,000	
Total Equity	(\$134,480)	(\$181,085)
TOTAL LIABILITIES AND EQUITY	\$97,928	\$76,883

Saint Elizabeth's Episcopal Church
 Statements of Revenues, Support and Expenses
 For the Year Ended December 31, 2010
 Approved Budget for 2011

	2010			(Revised) 2009	2011
	Actual	Budget	Budget Variance	Actual	BUDGET
Pledge Income					
4100.01 Pledges - Current Year	318,022	307,500	10,522	248,638	377,000
4100.02 Pledges - Prior Year	675		675		500
4200.01 Unpledged Contributions	18,558	27,000	(8,442)	72,972	24,000
4200.03 Plate	10,501	8,000	2,501	6,094	7,000
Total Pledge Income	347,756	342,500	5,256	327,704	408,500
Fundraising Income					
Spring Auction, net proceeds	7,993				
To:					
ASP, J2A, City Mission	(7,993)				
Fall Fundraiser	53			3,901	
Other:					
Recognition of Diocesan Grant	47,005	49,082	(2,077)	37,918	0
Rectory rental income	26,963	26,650	313	23,484	26,580
4200.05 Other Misc Income	5,163	750	4,413	1,767	5,000
Investment income	560	400	160	369	250
4200.12 Church School Registrations	4,413	5,000	(587)	0	5,000
TOTAL REVENUES	431,913	424,382	7,531	395,143	445,330
Expenses			0		
5100.00 Utilities	14,890	18,336	(3,446)	16,978	19,500
5200.00 Diocesan Assessment	41,209	38,218	2,991	32,900	43,115
5300.00 Debt Service	10,431	25,405	(14,974)	33,366	9,400
5400.00 Repair & Maintenance	46,549	44,319	2,230	46,374	46,000
5500.00 Office Expenses	18,312	17,970	342	17,475	20,000
5600.00 Payroll, Benefits and related	252,327	256,333	(4,006)	245,116	263,937
5700.00 Christian Education	3,943	1,650	2,293	1,150	1,800
5800.00 Music Program	1,114	1,805	(691)	1,805	2,500
Committee and other expenses	8,376	3,350	5,026	7,066	6,650
Total Expenses	397,151	407,386	(10,235)	402,230	412,902
Sub-total	34,763	16,996	17,767	(7,087)	32,428
Add back principal payments:	n/a	14,974	14,974	28,191	n/a
			0		
REVENUE LESS EXPENSES	\$34,763	\$31,970	2,793	21,104	32,428
Transfers and Reserves (capital maint, Rector Sabbatical, Outreach)	(17,000)	(17,000)		(17,000)	(17,000)
Principal Payments on Notes	(16,663)	(16,663)		(28,191)	(16,000)
Fellowship Gift to St. John's Yr 1 of 5					(1,000)
Bottomline	17,763	14,970		(24,087)	(1,572)

FUND ACTIVITY REPORT 2010

SAINT ELIZABETH'S EPISCOPAL CHURCH

<u>Fund</u>	Beginning Balance		Increase (Receipts)		Disbursements		Transfers to		Ending Balance December 31, 2010
	January 1, 2010						Other Funds		
General Fund	(993)	34,762					(17,000)	16,769	
Capital Campaign Fund**	(239,544)	0						(239,544)	
Capital Maintenance Fund	8,882						9,000	17,882	
Restricted Gift Fund	12,401	17,678	(3,107)					26,972	
Restricted Gift - Adult Ed	3,069	1,652	(2,623)					2,098	
Unrestricted Gift Fund	11,139						(380)	10,759	
Memorial Churchyard Fund	5,078	1,571						6,649	
ASP Fund	4,909	13,784	(20,693)				2,000	0	
City Mission Fund	0	1,000						1,000	
J2A Pilgrimage Fund	2,821	5,680	(497)					8,004	
Outreach Fund	417	138	(3,935)				3,380	(0)	
Fellowship Fund	754	1,520	(1,633)					641	
Flower Fund	2,982	1,076	(2,453)					1,605	
Music/Choir Fund	150	401	(551)					0	
Softball Fund	334	1,820	(2,000)					154	
Rector Sabbatical Fund	10,000						3,000	13,000	
Fair Trade Coffee Fund	0	982	(1,402)					(420)	

net intrafund transfers

0