



The Episcopal Diocese of Central Pennsylvania



REPORT TO THE COUNCIL OF TRUSTEES

COMMITTEE NAME: Finance Committee

CHAIR OR CONTACT PERSON: Chad Linder – Canon of Finance & Operations

DATE OF THIS REPORT: 2/22/18

Enclosed with this report is the Financial Summary for fiscal year 2017. In summary, the Diocese finished the year with a loss of \$43,375 versus a budgeted positive net income of \$53,597. Income of \$1,869,812 was 7% below budget of \$2,017,496. The most significant factor was the result of a 10% shortfall in Fair Share income. Approximately 18 parishes pledged below their full assessment. The four largest FS assessments that came in below a full pledge accounted for \$80,000, or 70% of the total shortfall.

A second significant factor was not receiving an estimated \$25,000 from the Widow's Corp., which in the past provided funding for the Diocese's clergy wellness program. The Widow's Corp. did acknowledge that they may be able to contribute \$10,000 (in 2018 for 2017), but there will not be future payments currently planned for the program.

A third significant shortfall was in the area of Formation & Mission (Children, Youth, & Young Adults). This shortfall totaled \$13,700. This was partly due to both a budgeting error and challenges associated with receiving payment from program participants.

Expenses for the Diocese totaled \$1,915,187, or 2% below the budgeted \$1,963,899. The Diocese worked diligently to control expenses. A majority of line items came in below budget. One line item, Operation Understanding grants, was nearly \$24,000 below budget. This was primarily due to a lack of applications that fit the criteria of the grants. The Finance Committee is currently reviewing all grants offered by the Diocese and how they fit within the mission of the Diocese. We expect future changes on what grant funding will be available and how such funds will be awarded.

The Diocese investment portfolio had another year of strong growth and performance. Our portfolio value grew from \$9,498,313 to \$10,444.07, in addition to the \$512,751 in withdrawals (this includes funds taken out for Heistand loans). The 2017 total return 16.86%.

During 2017, all accounting functions have been brought in-house with the exception of payroll. The transition appears to have been very smooth and we continue to monitor the process to ensure accuracy.

Related to property matters, the Diocese is continuing to address management of several properties now under Diocese management. Holy Trinity in Shamokin is currently being assessed by an architectural preservation firm so that we can make an informed decision on what to do with the structures on the property. A portion of Trinity Renovo has been sold to a local Council of Churches, and we are currently



The Episcopal Diocese of Central Pennsylvania



working to lease the remainder of the property to the Salvation Army. The properties that once housed St. Stephen's Mt. Carmel are currently being used by the Church of the Resurrection Mission.

In summary, the Diocese remains fiscally sound and continues to move forward to meet the needs for the future.

Episcopal Diocese of Central Pennsylvania
Profit Loss Budget Performance - SUMMARY
January through December 2017

| | Jan - Dec 17 | Annual Budget | Diff. | % O / U | NOTES: |
|---|---------------------|---------------------|---------------------|------------|--------|
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| Total Miscellaneous Revenues | 95.29 | | \$ 95 | | |
| Total 40050 · Contributions | 61,758.47 | 22,084.08 | \$ 39,674 | 180% | |
| Total 40200 · Events | 50,841.77 | 45,500.00 | \$ 5,342 | 12% | |
| Total 40300 · Parish Assessment | 1,346,180.62 | 1,499,583.00 | \$ (153,402) | -10% | |
| Total 40400 · Stevenson School of Ministry | 27,718.09 | 27,690.08 | \$ 28 | 0% | |
| Total 40500 · Formation & Mission | 9,295.38 | 23,000.04 | \$ (13,705) | -60% | |
| 40600 · Investment Income | | | | | |
| Total 40601 · Endowment Income | 39,478.99 | 37,032.00 | \$ 2,447 | 7% | |
| Total 40620 · Quasi-Endowment Income | 262,102.05 | 264,209.17 | \$ (2,107) | -1% | |
| 40660 · Unrestricted Investment Income | 33,465.34 | 33,742.00 | \$ (277) | -1% | |
| 40670 · Interest & Dividend | 853.55 | 960.00 | \$ (106) | -11% | |
| 40600 · Investment Income - Other | 18.80 | | \$ 19 | | |
| Total 40600 · Investment Income | 335,918.73 | 335,943.17 | \$ (24) | 0% | |
| Total 40700 · Special Medical | 36,874.00 | 58,596.00 | \$ (21,722) | -37% | |
| Total 40800 · Misc. Income | 1,130.00 | 0.00 | \$ 1,130 | | |
| Total Income | 1,869,812.35 | 2,017,496.37 | \$ (147,684) | -7% | |
| Expense | | | | | |
| 50100 · Office of the Bishop | | | | | |
| Total 50100 · Office of the Bishop | 45,994.07 | 65,320.08 | \$ (19,326) | -30% | |
| 50200 · Office of Fin & Oper | | | | | |
| Total 50200 · Office of Fin & Oper | 67,768.21 | 66,212.00 | \$ 1,556 | 2% | |
| 50300 · Office of the Dean | | | | | |
| 50302 · Stevenson School - Core | | | | | |
| 50303 · Board Development | 1,060.31 | 1,500.00 | \$ (440) | -29% | |
| 50304 · Course Development | 19,625.00 | 15,996.00 | \$ 3,629 | 23% | |
| 50305 · Instruction | 20,750.00 | 15,996.00 | \$ 4,754 | 30% | |
| Total 50306 · Orientation / Reorientation | 18,366.36 | 16,700.04 | \$ 1,666 | 10% | |
| 50307 · Scholarships | 0.00 | 0.00 | \$ - | | |
| 50308 · Tech Subscriptions & Fees | 8,809.36 | 10,020.00 | \$ (1,211) | -12% | |
| 50309 · Technology Consultant | 0.00 | 0.00 | \$ - | | |
| 50310 · Travel, Lodging, & Entertainmen | 6,776.70 | 5,000.04 | \$ 1,777 | 36% | |
| 50311 · Supplies | 267.86 | | \$ 268 | | |
| 50312 · SSFM Marketing | 3,171.49 | | \$ 3,171 | | |
| 50302 · Stevenson School - Core - Other | 2,000.00 | | \$ 2,000 | | |
| Total 50302 · Stevenson School - Core | 80,827.08 | 65,212.08 | \$ 15,615 | 24% | |
| 50350 · Academy for Missional Formation | | | | | |
| Total 50350 · Academy for Missional Formation | 10,837.31 | 19,608.00 | \$ (8,771) | -45% | |
| 50360 · Vital & Effective Leadership | | | | | |
| Total 50360 · Vital & Effective Leadership | 2,050.93 | 5,808.00 | \$ (3,757) | -65% | |
| 50370 · C, Y, YA Ministries | | | | | |
| Total 50370 · C, Y, YA Ministries | 48,989.06 | 50,000.04 | \$ (1,011) | -2% | |
| 50380 · Professional Development | 35.00 | 3,000.00 | \$ (2,965) | -99% | |
| Total 50300 · Office of the Dean | 142,739.38 | 143,628.12 | \$ (889) | -1% | |
| 50400 · Office of Con. Life & Mission | | | | | |
| Total 50401 · Congregation L & D | 154,590.38 | 158,704.20 | \$ (4,114) | -3% | |
| Total 50420 · Missional Engagement | 6,500.00 | 20,000.04 | \$ (13,500) | -68% | |
| Total 50430 · Transitional Ministry | 53,097.90 | 55,500.00 | \$ (2,402) | -4% | |
| Total 50450 · Professional Development | 2,239.95 | 5,000.04 | \$ (2,760) | -55% | |

Episcopal Diocese of Central Pennsylvania
Profit Loss Budget Performance - SUMMARY
January through December 2017

| | | Jan - Dec 17 | Annual Budget | Diff. | % O / U | NOTES: |
|--|--|---------------------|---------------------|--------------------|--------------|--------|
| | 50451 · Travel, Lodging, & Entertainmen | 19,330.61 | 12,000.00 | \$ 7,331 | 61% | |
| | 50452 · Misc. | 2,269.19 | 2,000.04 | \$ 269 | 13% | |
| | Total 50400 · Office of Con. Life & Mission | 238,028.03 | 253,204.32 | \$ (15,176) | -6% | |
| | 50500 · Communication & Events | | | | | |
| | Total 50500 · Communication & Events | 101,125.40 | 100,500.12 | \$ 625 | 1% | |
| | 51100 · Diocese Expenses | | | | | |
| | 51101 · Archival Expenses | 278.49 | 1,500.00 | \$ (1,222) | -81% | |
| | 51102 · Bishop Search Reserve | 18,000.00 | 9,000.00 | \$ 9,000 | 100% | |
| | 51103 · Council of Churches | 2,000.00 | 2,004.00 | \$ (4) | 0% | |
| | 51104 · DFMS Assessment | 248,109.96 | 248,412.00 | \$ (302) | 0% | |
| | 51105 · Ecumenical Affairs | 2,457.30 | 0.00 | \$ 2,457 | | |
| | 51106 · Episcopal Home | 19,920.71 | 17,499.96 | \$ 2,421 | 14% | |
| | 51107 · General Convention Reserve | 7,000.00 | 15,000.00 | \$ (8,000) | -53% | |
| | 51109 · Province III | 326.51 | 1,752.00 | \$ (1,425) | -81% | |
| | 51110 · York Springs Property | 0.00 | 2,400.00 | \$ (2,400) | -100% | |
| | 51111 · Liturgy & Music | 208.00 | | \$ 208 | | |
| | 51112 · Clergy Expense Related | 2,250.00 | | \$ 2,250 | | |
| | 51100 · Diocese Expenses - Other | -689.37 | | \$ (689) | | |
| | Total 51100 · Diocese Expenses | 299,861.60 | 297,567.96 | \$ 2,294 | 1% | |
| | Total 51120 · Parish Closure Expenses | 7,017.66 | | \$ 7,018 | | |
| | 51200 · Diocesan Programs | | | | | |
| | 51201 · Addiction & Recovery | 0.00 | 2,004.00 | \$ (2,004) | -100% | |
| | 51202 · Eliminating Racism | 861.98 | 2,004.00 | \$ (1,142) | -57% | |
| | 51203 · Social Justice & Equity | 257.36 | 2,004.00 | \$ (1,747) | -87% | |
| | 51204 · Operation Understanding Grants | 965.16 | 24,999.96 | \$ (24,035) | -96% | |
| | 51205 · Episcopal Church Women | 255.00 | 1,500.00 | \$ (1,245) | -83% | |
| | 51206 · Feed My Sheep | 5,600.00 | 6,000.00 | \$ (400) | -7% | |
| | 51207 · United Thank Offering | 729.86 | 1,000.00 | \$ (270) | -27% | |
| | 51208 · External Scholarships | 5,500.00 | | \$ 5,500 | | |
| | 51209 · External Organizational Support | 7,006.17 | | \$ 7,006 | | |
| | Total 51200 · Diocesan Programs | 21,175.53 | 39,511.96 | \$ (18,336) | -46% | |
| | 52100 · General Office Expense | | | | | |
| | 52101 · Office Supplies | 5,090.63 | 8,004.00 | \$ (2,913) | -36% | |
| | 52102 · Postage | 2,824.24 | 3,504.00 | \$ (680) | -19% | |
| | 52150 · Technology | | | | | |
| | Total 52150 · Technology | 54,673.63 | 53,846.52 | \$ 827 | 2% | |
| | Total 52100 · General Office Expense | 62,588.50 | 65,354.52 | \$ (2,766) | -4% | |
| | 53100 · Building & Grounds | | | | | |
| | Total 53100 · Building & Grounds | 69,615.13 | 82,460.04 | \$ (12,845) | -16% | |
| | 54100 · Wellness & Legacy Medical | | | | | |
| | Total 54100 · Wellness & Legacy Medical | 101,469.17 | 101,988.00 | \$ (519) | -1% | |
| | 59900 · Salary & Benefits | | | | | |
| | Total 59900 · Salary & Benefits | 690,745.61 | 695,664.00 | \$ (4,918) | -1% | |
| | 66000 · Payroll Expenses | 55,510.41 | 52,488.00 | \$ 3,022 | 6% | |
| | Total 80000 · Transmittals | 11,549.11 | | \$ 11,549 | | |
| | Total Expense | 1,915,187.81 | 1,963,899.12 | \$ (48,711) | -2% | |
| | Net Ordinary Income | -45,375.46 | 53,597.25 | \$ (98,973) | -185% | |