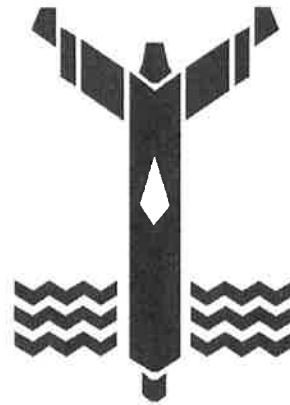


Saint Mary's  
Episcopal Church  
ANNUAL REPORT 2020  
FINANCIAL REPORT



ANNUAL MEETING  
JANUARY 31, 2021

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## **Treasurer's Report for 2020**

### **2020 Operating Results**

As shown in the chart "Overview of Revenues & Expenses", we finished the year with a very modest surplus. This was due entirely to our having received a forgivable loan in the spring of just over \$61k from the federal government's Paycheck Protection Program. Without these loan funds we would have had to lay off staff or suffer a significant deficit. We were one of 69 parishes in the Diocese of Southwest Florida to apply for and receive a PPP loan. We fully expect to have this loan forgiven, as we met the basic criterion of not laying off any staff for the three months after we received the funds (and in fact, did not lay off any staff all year).

Looking at our 2020 revenue compared to budget shows that we were well below budgeted parish support in all categories. This was in part due to an optimistic revenue forecast but also driven by the pandemic. We are on a downward trend for parish support compared to recent years, and this challenge continues based on the results of our 2021 pledge campaign.

Expenses for 2020 were \$60k below budget due largely to the retirement of Father Rowe (which was not known when the budget was approved) and efforts to reduce expenses in worship & spiritual growth programs, music, and communications. Property expenses were above budget and prior years' experience due to unexpectedly high building maintenance costs.

### **Restricted Accounts**

In addition to our annual operating budget of \$738k, St. Mary's also had \$210k in revenue and \$169k in expenditures through various restricted accounts. A summary of the initial and closing balances for these accounts and the total funds that flowed through them are shown in the chart "Restricted Accounts Highlights". These accounts are largely funded by parish contributions, as well as by profits from Penny Wise and proceeds from an endowment to support the Flora Linda gardens. Particularly noteworthy items during 2020 were (a) spending \$51k for outreach, (b) raising \$18k for Father Rowe's departing "purse", and (c) increasing the balance in our facilities account by \$49k, due largely to a generous gift from the estate of Jeannine Harper. The facilities account is important because it is where we save money for major repairs and renovations that we can expect to make in the future.

### **Year-end Balance Sheet**

As shown in the chart "Balance Sheet Highlights", we ended the year with a healthy balance sheet. Our total "financial" assets increased by \$158k to almost \$1.6 million and we had no debt (assuming that our PPP loan will be forgiven this year, which we fully expect). This increase was driven primarily by good investment performance in our endowment accounts.

### **2021 Budget**

The Vestry has not approved a budget for 2021 at the time of this writing but is expected to do so at its January meeting. The 2021 budget process has been challenging due to poor pledge campaign results and uncertainties around hiring a new Rector and the effects of the pandemic. The budget submitted to the Vestry for approval is shown in the last column of the chart "Overview of Revenues & Expenses". Even though total spending is budgeted to be \$59k below last year (which would almost make up for the loss of \$61k in PPP funds), the only way we can balance the budget is to draw our savings down by \$47k because parish support is projected to be down by \$39k (and all other sources of income down by \$6k). We had \$99k in unrestricted cash at the end of 2020 (\$255k in checking and savings less \$166k held for restricted accounts) so we have the funds to do this, but it is not a healthy prospect.

## Overview of Revenues and Expenses

	2018	2019	2020	2020	2021
REVENUES	Actual	Actual	Budget	Actual	Budget
Pledge Offerings <i>(see note A)</i>	\$479,546	\$463,270	\$493,000	\$432,181	\$402,000
All Other Offerings <i>(see note B)</i>	\$217,465	\$215,165	\$220,700	\$171,530	\$163,200
PPP Forgivable Loan	\$0	\$0	\$0	\$61,249	\$0
Draw from Savings	\$0	\$0	\$0	\$0	\$46,897
Endowment Released Income	\$20,000	\$20,000	\$20,000	\$20,000	\$24,000
Penny Wise Released Income	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Other Released from Restricted Income	\$0	\$0	\$0	\$4,029	\$0
Other Church Activities	\$16,289	\$11,166	\$15,500	\$13,429	\$8,400
Other Income <i>(see note C)</i>	\$24,600	\$23,537	\$23,200	\$10,421	\$9,500
<b>Total Revenue</b>	<b>\$782,900</b>	<b>\$758,138</b>	<b>\$797,400</b>	<b>\$737,839</b>	<b>\$678,997</b>
<b>EXPENSES</b>					
Clergy Compensation	\$264,642	\$259,471	\$268,130	\$213,556	\$154,926
Lay Staff Compensation	\$145,842	\$177,077	\$193,915	\$201,886	\$218,897
Property <i>(see note D)</i>	\$97,578	\$94,018	\$104,500	\$113,521	\$111,400
Diocesan Assessment	\$84,685	\$76,523	\$77,245	\$77,245	\$74,044
Administrative <i>(see note E)</i>	\$74,463	\$76,467	\$72,710	\$70,574	\$80,470
Worship & Spiritual Growth	\$30,268	\$31,457	\$38,600	\$30,742	\$24,160
Music	\$23,965	\$29,568	\$31,500	\$24,871	\$8,500
Communications	\$8,534	\$2,946	\$10,800	\$5,312	\$6,600
<b>Total Expenses</b>	<b>\$729,977</b>	<b>\$747,527</b>	<b>\$797,400</b>	<b>\$737,707</b>	<b>\$678,997</b>
<b>Net Surplus/Deficit</b>	<b>\$52,923</b>	<b>\$10,611</b>	<b>\$0</b>	<b>\$132</b>	<b>\$0</b>

### Notes:

- A. Pledge Offerings for 2018 exclude a special one-time gift of \$125,000 in order to make historic comparisons more meaningful.
- B. All Other Offerings include open plate, non-pledge envelope, Easter, Christmas and special Offerings.
- C. Other Income includes net proceeds from fundraising events.
- D. Property Expenses include Building & Grounds Support and Building & Liability Insurance.
- E. Administrative Expenses in the 2021 budget include \$19,000 for Rector search and moving.

## Balance Sheet Highlights

	12/31/2019	12/31/2020
Church Checking Account	\$93,421	\$78,869
Church Savings Account	\$203,988	\$186,110
Penny Wise Accounts	\$90,794	\$102,245
ECW Bank Account	\$12,419	\$13,886
Other Current Assets	\$15,583	\$41,013
<b>Total Current Assets</b>	<b>\$416,205</b>	<b>\$422,123</b>
Total General Endowment	\$699,855	\$828,899
NT Felsberg Endowment	\$320,061	\$343,203
Less short term liabilities	\$0	\$0
Less long term liabilities	\$0	\$0
<b>Total "Financial" Assets</b>	<b>\$1,436,121</b>	<b>\$1,594,225</b>
Total Fixed Assets (land, buildings, furnishings)	\$4,141,242	\$4,141,242

Note that the church uses cash accounting and does not depreciate fixed assets.  
Petty cash is included in the church checking account balance.

## Restricted Accounts Highlights

	12/31/2019	Revenues	Expenses	12/31/2020
Total Outreach Accounts	\$35,250	\$47,106	\$51,281	\$31,075
Total Clergy Discretionary Funds	\$8,146	\$9,481	\$15,478	\$2,149
Total Church Activity Accounts	\$43,902	\$60,154	\$58,799	\$45,257
Facilities Renovation/Repairs Account	\$38,615	\$93,183	\$44,049	\$87,749
<b>Total Restricted Accounts</b>	<b>\$125,913</b>	<b>\$209,924</b>	<b>\$169,607</b>	<b>\$166,230</b>

Note: This summary excludes Penny Wise, ECW and Endowment accounts.