

Treasurer's Report

I first want to express my deep gratitude for the help and guidance that our former treasurer has provided during the transition period. Julie Young has been a source of inspiration and support for me as I've been learning the many things that she has so capably handled in the past. She has always been responsive to my endless questions. I'm grateful for her guidance and patience.

The mission shift funds that were discussed in last year's treasurer's report to convention were concluded in 2017. The 2018 budget was approved for \$2,500,985 at the last convention, and this total included the activities and personnel that were funded through the mission shift. The projections as of August 31, 2018 indicate that the year will end with a positive budget variance for operations of \$33,361. The 2018 projected actuals are included in the budget tables shown on the pages that follow.

The sources of funds projected for yearend 2018 are \$2,469,151, or \$31,834 below budgeted levels. This is due primarily to lower donations made to the bishop's appeal. The finance and development committees have met regarding this shortfall and several strategies have been suggested to help remedy this for 2019. The common life share, which represents the largest source of funds, is in line with projections. Congregations are timely in making their CLS payments, and we have rarely seen shortfalls in this area during 2018. Through the CLS+ donations, we have been able to supplement the funds allocated to certain mission areas in the 2018 budget, thereby enabling us to have an even greater impact in our communities. The actual amount under program ministry fees and donations exceeds the budget by \$16,397 due largely to the start-up of the North County showers of blessing. This is a new program for which we received funds that have mostly been spent through the purchase of a shower trailer and truck.

Uses of funds are projected to be lower than the budget by \$65,195. We anticipate a savings of \$41,757 due to an open position in the office of the bishop that was not filled. We expect some of the transition costs for the new bishop to be less than originally budgeted as well. There were cost savings in the area of multicultural ministries because we hired a Latino missionary in March 2018 instead of January. The area of clergy support is less than the budget level by \$31,189. This seemingly high variance, though, does not take into account the annual clergy conference held in September. The expenses for this event were not included in the actual figures, but neither were the revenues, and they almost covered the entire cost. Thus, the conference was at a break-even. One of the principal areas in which we are over-budget is Episcopal Church Center operations. It appears that we did not allocate enough money in this area in the 2018 budget; all expenses have been reviewed and are normal. We anticipate that we will not need to spend as much in the contingency account as originally budgeted.

The last year to be audited was 2017. The 2017 audited financial statements show \$18.0 million of assets, \$456 thousand of liabilities and \$17.5 million of net assets. The link to our audited 2017 statements can be found at www.edsd.org/governance.

Respectfully submitted,

Kirby M. Smith
Treasurer