

**TREASURER'S REPORT TO THE 134th ANNUAL CONVENTION
OF THE EPISCOPAL CHURCH IN COLORADO
OCTOBER 1, 2021**

1. Introduction

Already posted as links on the webpage for the 134th Annual Convention are the Proposed Budget for 2022, which also provides for comparison purposes the preliminary (unaudited) financials for 2019 and 2020. Also posted with the proposed budget is a separate Narrative Budget that provides important additional information. Because again this year our time to discuss financial matters is limited both by time and format, I thought it would be a good idea to supplement those two documents with this written report giving a status report on the 2019 and 2020 audits, and a summary overview of our year-to-date 2021 financials.

Before turning to those matters, I wish to again express my personal appreciation to those who have responsibility for various aspects of the financial health of the Episcopal Church in Colorado: Bishop Lucas, Canon Dyer, Controller Pam Greenfield and her staff, and my colleagues on the Finance Committee and the Standing Committee. Most of all, I and those I just listed owe a continuing debt of deep gratitude to the congregations and institutions that make up our Diocese and to the faithful who so generously support you--and, through you, us--in our ministries, especially in these challenging times. Thank you.

2. 2019 and 2020 Audits

Ordinarily the webpage for the Annual Convention would include a summary of the financial reports for the previous year, along with a link to the completed audit report; instead, what you will see this year as part of the proposed 2022 budget are preliminary (unaudited) financials for both 2019 and 2020. Last year, for a variety of reasons, completing the 2019 audit before the 133rd Annual Convention could not be accomplished, and our goal of completing both the 2019 and 2020 audits before this convention also proved to be unattainable. Once these audits are completed they will be posted on the website, together with a report highlighting any material variations from the reported results. That said, I believe that the 2019 and 2020 preliminary figures provide a useful additional basis for comparing what we have seen thus for 2021, and the projections for 2022 as reflected in the proposed budget.

3. 2021 Year-To-Date

As most of you have seen both personally and in your congregational or other professional experiences, 2021 has continued to be exceptional in countless ways. On the expense side, salaries and benefits have not departed significantly from budgeted levels, except when a vacancy occurred and the position was not filled--or, as in one instance, your Standing Committee authorized making additional funds available to fill one critically needed support position. Program expenses that would ordinarily have involved in-person gatherings were reduced as the need for travel and lodging continued to be counter-indicated early in the year, while expenses to conduct them remotely increased. Beginning in late spring and early summer, in response to changing circumstances and

evolving public health guidance (and, of course, the availability of outdoor venues for activities such as visitations), some travel--most notably on the part of Bishop Kym and some other staff--again became feasible, although most gatherings, trainings, and other leadership opportunities were conducted virtually. At the end of the day, however, we have thus far experienced some net savings against budget on the expense side.

The two largest sources of our operating revenues are congregational giving and the annual grant from the Colorado Trust. I am pleased to report that at this point in the year we running somewhat better than budgeted in congregational giving, but because the most significant months in the annual cycle for that category occur at year-end, I am cautious about getting to far over our skis--to borrow a distinctly Colorado metaphor--and instead to again thank you for your generous and faithful support and, of course, to exhort you to continue to keep it up! As for the Colorado Trust, based on the best information that was available to us at the time that the convention adopted the 2021 budget in October of last year, we projected it to come in at \$700,000. I am very pleased to report that it will be \$915,000 this year, with the difference going a long way replacing the one-time Payroll Protection Program grant of \$334,000 that we received last year. (you will note, however, that the Colorado Trust grant is expected to go back down to \$800,000 in 2022).

At the 2020 Diocesan Convention, you approved a budget that projected a year end deficit of \$84,863 for 2021. Thanks to a combination of careful and conservative budgeting, careful attention to expenses, and better than budgeted revenues, I am currently optimistic that we will meet that figure and that, with your continued faithful and generous support, may do better than that.

I hope that this report is helpful to your understanding of where we have been financially, where we are now and where, God willing, we expect to be in the uncertain times that lie ahead. I look forward to your further questions, either during the course of the Annual Convention or afterwards. I will close with repeating where I began, by thanking you for your support of our many ministries. God bless you all, and those whom you love and care for.

Respectfully submitted,

Jay A. Swope
Treasurer

EPISCOPAL DIOCESE OF COLORADO
Comparison of 2021 Budget with Actual Year-to-Date
Eight Months Ended August 31, 2021

	Annual Budget	YTD Budget	YTD Actual	Variance
REVENUE				
Pledge income	\$ 1,701,745	\$ 931,195	\$ 1,096,540	\$ 165,345
Grant from Colorado Trust	700,000	350,000	457,605	107,605
Other income	101,420	43,330	24,443	(18,887)
Cathedral Ridge Reimbursement	24,000	16,000	-	(16,000)
Initiatives Funded by Trusts	<u>202,987</u>	<u>148,115</u>	<u>141,825</u>	<u>(6,290)</u>
Total Revenue	\$ 2,730,152	\$ 1,488,640	\$ 1,720,412	\$ 231,772
EXPENSE				
DEPARTMENTAL MINISTRIES				
Ministry of the Bishop	\$ 374,965	\$ 255,787	\$ 238,280	\$ 17,507
Pastoral Care of Clergy and Lay Leadership	536,678	370,281	360,489	9,793
Christian Formation and Leadership Training	614,103	404,254	399,824	4,430
Transition Ministry	175,475	120,035	118,311	1,724
Multi-Cultural Ministry	67,620	43,693	36,440	7,254
Advocacy and Social Justice	206,051	150,998	126,254	24,744
Development and Financial Stewardship	<u>9,000</u>	<u>5,582</u>	<u>5,518</u>	<u>64</u>
Subtotal of Ministry Departments	1,983,892	1,350,630	1,285,115	65,515
SUPPORT DEPARTMENTS				
Communications	203,617	133,679	120,470	13,209
Business Office/Building & Property	<u>287,280</u>	<u>197,707</u>	<u>213,581</u>	<u>(15,874)</u>
Subtotal of Support Departments	490,897	331,386	334,051	(2,665)
SUPPORT OF THE WIDER CHURCH				
	<u>340,226</u>	<u>223,192</u>	<u>215,680</u>	<u>7,512</u>
Total Expense	\$ 2,815,015	\$ 1,905,209	\$ 1,834,846	\$ 70,363
Excess of Revenue Over Expense	(84,863)	(416,569)	(114,434)	302,135

Episcopal Diocese Of Colorado Balance Sheet August 2021

	Unrestricted					Consolidated as of 8/31/2021
	General Fund as of 8/31/2021	Region Fund as of 8/31/2021	Brd Desig Fund as of 8/31/2021	PPE Fund as of 8/31/2021	Temp Rest. Fund as of 8/31/2021	
Assets						
Cash and Cash Equivalents	\$144,304	\$423,479	\$0	\$0	\$26,312	\$594,095
LMIF and Investments	\$154,519	\$0	\$649,634	\$336,256	\$7,076,466	\$9,594,734
Accounts Receivable	\$24,663	\$0	\$0	\$0	\$0	\$24,663
Notes Receivable	\$0	\$0	\$0	\$91,439	\$0	\$91,439
Deferred Charges	\$105,328	\$0	\$0	\$0	\$0	\$105,328
Deposits and Prepaid Expenses	\$49,610	\$0	\$0	\$0	\$0	\$49,610
Real Estate Investment	\$0	\$0	\$398,988	\$0	\$638,037	\$1,037,025
Congregational Assets	\$0	\$0	\$0	\$1,325,556	\$0	\$1,325,556
Interfund	\$51,410	\$0	\$0	\$4,868	(\$56,278)	\$0
Total Assets	\$529,834	\$423,479	\$1,048,622	\$1,758,118	\$7,684,538	\$12,822,449
Liabilities and Net Assets						
Liabilities						
Accounts Payable and Accrued Liabilities	\$282,156	\$0	\$0	\$0	\$0	\$282,156
Deferred Income	\$49,080	\$0	\$0	\$0	\$0	\$49,080
Contributions Payable to ECCM	\$0	\$0	\$0	\$408,749	\$0	\$408,749
Notes Payable	\$0	\$0	\$0	\$0	\$454,917	\$454,917
Unfunded Liability to Retirees	\$103,355	\$0	\$0	\$0	\$0	\$103,355
Total Liabilities	\$434,591	\$0	\$0	\$408,749	\$454,917	\$1,298,258
Net Assets						
Net Assets	\$91,616	\$423,479	\$1,048,622	\$1,349,369	\$7,229,620	\$11,520,565
Total Net Assets	\$91,616	\$423,479	\$1,048,622	\$1,349,369	\$7,229,620	\$11,520,565
Total Liabilities and Net Assets	\$526,207	\$423,479	\$1,048,622	\$1,758,118	\$7,684,538	\$12,818,823
BEGINNING BALANCE WITH CURRENT YEAR ADJUSTMENTS	\$206,050	\$418,868	\$968,534	\$1,399,369	\$6,895,634	\$11,266,314
NET SURPLUS/(DEFICIT)	(\$114,434)	\$4,611	\$80,088	(\$50,000)	\$333,987	\$254,251

**Episcopal Diocese Of Colorado
Balance Sheet**

August 2021

ENDING NET ASSETS	\$91,616	\$423,479	\$1,048,622	\$1,349,369	\$7,229,620	\$1,377,859	\$11,520,565
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