

September 2009

To our Epiphany Parish,

As the committee responsible for financial matters of Epiphany, we would like to take this opportunity to share our current financial status with the entire parish. The purpose of this letter is to provide a snapshot of the financial health of Epiphany as of August 2009.

At our Annual Meeting in January of this year, Craig DeBrine and Liz Olson, our wardens, presented the 2009 budget. The 2009 budget was extremely lean due to an \$80,000+ drop in pledges. In addition, built into the budget was a \$49,000 deficit, i.e. we would have to withdraw from our savings to that amount for Epiphany to run lean for the entirety of 2009. It is significant to note that the \$49,000 deficit was largely palatable since we had a surplus of \$46,000 in 2008.

Why did we choose to withdraw from our savings instead of further cutting the budget? This question has a simple answer. We heard overwhelmingly that our parish wanted to maintain the programs that we had so lovingly built over the past years. The world's economic downturn has hit many of us, but we wanted to try to keep Epiphany as stable as possible since for most of us it is our foundation for spiritual, personal and professional stability.

As of August 2009, we are projecting an additional deficit of approximately \$9,000 - \$12,000 on top of the budgeted deficit of \$49,000. The reasons for the additional deficit are outlined below:

1. Interim Rector Transition. We had budgeted for our Interim Rector Julie Wakelee-Lynch to be with us through the end of February expecting our new rector to start in April 2009. As our search for a new rector went into March, the vestry made the decision to have Julie stay through Easter so that we would have stability and a familiar and friendly face during our most holy time.
2. New Rector Transition. It was clear that when we met Melanie that we knew she would be perfect for Epiphany. However, we had not budgeted the new rector salary for someone with her level of experience. In discussion with many of you, it's unanimous, we are blessed and ecstatic to have Melanie – we would make the same decision 10 out of 10 times.
3. Rectory Maintenance. The maintenance performed on the rectory was an investment to allow it to be rented. A fresh coat of paint throughout the interior, making repairs, etc. became a required expense.
4. Office Expenses. The lean budget made us focus on greater efficiency within the office. Having a more robust copier system was a key. However, as the year has

progressed, the costs of maintaining it have cost more than budgeted. We are looking to ensure that the overrun is kept in check.

What does this all mean? An analogy to our situation is the (water) drought that we face in California. The state is not out of water. We are able to get by on a daily basis due to the water we have stored in our reservoirs. The reservoirs are there to help us during these times. With that said, we must be especially prudent how we use that water for we do not want to drain those reservoirs. Bringing this back to Epiphany...yes, we have the savings to help us through these times.

Over the years, parishioners have generously donated money in support of specific ministries. This money has been held in reserve in dedicated accounts. This year, to fund these ministries we are drawing down these reserves. In short, we are relying on the generosity from prior donors at this time. The Vestry, our Treasurer and Finance Committee are managing the budget ensuring that we continue to be good stewards of our money and be very prudent in our expenditures.

With clouds come silver linings. We wish to express a heartfelt "thank you" to all who have made additional contributions including those specific to Melanie's transition and the generous donations of parishioners and Vestry members to offset expenses incurred for our many welcome and goodbye parties this past year. With these generous donations, we were able to celebrate joyfully and abundantly in "lean times." Thank you also to generous donors for specific gifts such as Melanie's computer, mobile phone, new chairs for the parish hall, expanded bulletin and more. Thank you again for all you do for Epiphany. We are truly blessed by your thoughtfulness and support.

How can you help? If you have already made a pledge, please continue to meet or increase your pledge for this year. If you have not pledged yet, this is an opportunity for you to make a difference at Epiphany. We encourage you to think carefully about your pledge and begin to pray about how you will respond to our Pledge Drive this Fall.

We also understand that there are those of us who are in a financial jam. We ask you to commit what you can and not let your inability to give more keep you from participating in church. If you anticipate that you will not be able to meet your pledge, please contact Cliff West at (650) 591-0328x 103 or cliff@churchoftheepiphany.org so we can adjust our numbers accordingly.

With warmest regards and blessings,

Art Okamoto, *Chair, Finance Committee*  
George Farber, *Treasurer*  
Rev. Melanie Donahoe  
Liz Olson, *Sr. Warden*  
Colleen Smith, *Jr. Warden*  
Craig DeBrine, *Sr. Warden (2008)*  
Nina Brooks, *Secretary*