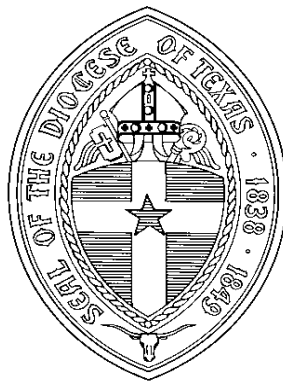


THE EPISCOPAL DIOCESE OF TEXAS



REPORT TO THE 166th COUNCIL OF THE DIOCESE OF TEXAS

**UNAUDITED FINANCIAL STATEMENTS
For the year ended December 31, 2014**

THE EPISCOPAL DIOCESE OF TEXAS

UNAUDITED BALANCE SHEET

For the year ended December 31, 2014

	Unaudited December 31, 2014	Audited December 31, 2013
ASSETS		
Cash & Marketable Securities	254,073	60,086 1)
Prepaid Expenses	127,929	111,161
A/R - Assessments - Current	196,104	326,117
A/R - Allowance for Doubtful	(112,249)	- 2)
A/R - Related Entities	46,786	161,867
Accounts Receivable - Other	127,178	156,930
Notes Receivable	27,159	62,481
Fixed Assets	798,604	667,626 3)
Accumulated Depreciation	(465,048)	(374,352)
TOTAL ASSETS	1,000,536	1,171,916
LIABILITIES		
Accounts Payable - Trade	162,141	200,896
Accounts Payable - Other	9,188	55,011
Account Pay - Related Entities	45,251	100,312
Discretionary Accounts	33,052	37,795
Taxes Payable	-	130
Deferred Revenue - Other	248,016	39,016 1)
Line of Credit	-	350,000
Notes Payable	7,725	19,858
TOTAL LIABILITIES	505,373	803,018
NET ASSETS		
Current year revenue over (under) expenses	126,266	(929,664)
Net Assets	180,988	1,035,241
Net Assets - Special Accounts	187,910	263,321
TOTAL NET ASSETS	495,164	368,898
TOTAL LIABILITIES & NET ASSETS	1,000,536	1,171,916

NOTES:

- 1) Cash increase due to collections on registrations and a Church Corp. grant for Daring Way Seminar to be held in February 2015.
- 2) Allowance to be used after all 2014 assessment payments have been received prior to Council 2015.
- 3) Fixed asset increase is mainly due to the purchase of two new vehicles.

THE EPISCOPAL DIOCESE OF TEXAS

INCOME STATEMENT

Unaudited

For the year ended December 31, 2014

Current YTD Actual	Current YTD Budget	Variance	Annual Budget
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INCOME STATEMENT SUMMARY

REVENUES

Current Year Assessments	\$ 6,769,846	\$ 6,769,846	\$ -	\$ 6,769,846
Foundation Support	1,162,426	1,100,437	61,989	1,100,437
Program Revenues	246,617	144,000	102,617	144,000
Other Income	209,143	132,794	76,349	132,794

TOTAL REVENUES	\$ 8,388,032	\$ 8,147,077	\$ 240,955	\$ 8,147,077
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EXPENDITURES

The Office of the Bishop	\$ 2,835,697	\$ 2,735,692	\$ 100,005	\$ 2,735,692
Ministry of Evangelism & Cong. Devel.	1,442,581	1,483,544	(40,963)	1,483,544
Ministry of Service & Outreach	1,189,721	1,193,951	(4,230)	1,193,951
Ministry of Formation and Spirituality	741,242	626,397	114,845	626,397
Administration Expenses	2,047,975	2,107,493	(59,518)	2,107,493
Special Accounts	4,550	-	4,551	-

TOTAL EXPENSES	\$ 8,261,766	\$ 8,147,077	\$ 114,689	\$ 8,147,077
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NET CHANGE IN ASSETS	\$ 126,266	\$ -	\$ 126,266	\$ -
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THE EPISCOPAL DIOCESE OF TEXAS

INCOME STATEMENT

Unaudited

For the year ended December 31, 2014

	Current YTD Actual	Current YTD Budget	Variance	Annual Budget
INCOME STATEMENT DETAIL				
<u>REVENUES</u>				
<u>Current Year Assessments</u>				
Diocesan	6,840,000	6,840,000	-	6,840,000
Insurance	103,432	103,432	-	103,432
Less: Uncollectible Accounts	(173,586)	(173,586)	-	(173,586)
Net Assessment Revenue	6,769,846	6,769,846	-	6,769,846
<u>Foundation Support</u>				
Church Corporation	193,000	108,000	85,000	108,000 1)
Bishop Quin Foundation	70,000	70,000	-	70,000
The Episcopal Foundation of TX	85,000	85,000	-	85,000
<u>Foundation Overhead Allocation</u>				
Church Corporation	174,605	174,605	-	174,605
Bishop Quin Foundation	86,958	86,958	-	86,958
The Episcopal Foundation of TX	84,524	84,524	-	84,524
EHF Overhead to DOT	329,046	329,046	-	329,046
GCF Overhead to DOT	132,304	132,304	-	132,304
St. Luke's Health System	6,989	30,000	(23,011)	30,000 2)
Total Foundation Support	1,162,426	1,100,437	61,989	1,100,437
<u>Program Revenues</u>				
IONA Program Revenue	55,463	60,000	(4,537)	60,000
Safeguarding Revenue	6,085	5,500	585	5,500
Commission on Ministry Revenue	350	2,500	(2,150)	2,500
Congregational Dev Revenue	8,925	2,000	6,925	2,000
Formation/Youth Event Revenue	124,297	60,000	64,297	60,000 3)
Unified Commissions Revenue	45,325	10,000	35,325	10,000 4)
RJM Donations - Camp Good News	5,500	-	5,500	-
Other Program Revenue	672	4,000	(3,328)	4,000
Total Program Revenue	246,617	144,000	102,617	144,000
<u>Other Income</u>				
Brochure Sales	6,480	8,000	(1,520)	8,000
TX Episcopalian Contribution	2,436	1,000	1,436	1,000
Bequests and Donations	79,519	-	79,519	- 5)
Investments Gains (Losses)	96	-	96	-
2014 Council - EDOT hosted	57,695	55,000	2,695	55,000
"The Conference" Revenues	27,356	35,000	(7,644)	35,000
Compass Rose Society Reimburse	25,000	25,000	-	25,000
Other Conference Revenues	5,773	8,000	(2,227)	8,000
Miscellaneous Income	4,788	794	3,994	794
Total Other Income	209,143	132,794	76,349	132,794
TOTAL REVENUES	8,388,032	8,147,077	240,955	8,147,077

THE EPISCOPAL DIOCESE OF TEXAS

INCOME STATEMENT

Unaudited

For the year ended December 31, 2014

	Current YTD Actual	Current YTD Budget	Variance	Annual Budget	
<u>EXPENDITURES</u>					
<u>THE OFFICE OF THE BISHOP</u>					
<u>Clergy Compensation</u>					
<u>Clergy Salaries</u>					
Bishop of Texas	185,150	209,335	(24,185)	209,335	7)
Bishop Suffragan - Tyler	98,636	98,136	500	98,136	
Bishop Suffragan - Austin	112,007	111,500	507	111,500	
Assisting Bishops	3,200	20,000	(16,800)	20,000	8)
Canon to the Ordinary	56,196	53,101	3,095	53,101	
Safe Church Minister	68,413	67,529	884	67,529	
Secretary of the Diocese	5,835	5,313	522	5,313	
Total Clergy Salaries	529,437	564,914	(35,477)	564,914	
<u>Housing Allowance/Maintenance</u>					
Bishop of Texas	60,000	35,000	25,000	35,000	7)
Bishop Suffragan - Tyler	36,000	36,000	-	36,000	
Bishop Suffragan - Austin	35,000	35,000	-	35,000	
Canon to the Ordinary	75,000	76,500	(1,500)	76,500	
Safe Church Minister	56,250	59,850	(3,600)	59,850	
Secretary of the Diocese	8,000	25,000	(17,000)	25,000	9)
Total Housing Allow/Maint	270,250	267,350	2,900	267,350	
<u>Pension/SS Reimbursement</u>					
Bishop of Texas	70,693	69,328	1,365	69,328	
Bishop Suffragan - Tyler	47,696	45,865	1,831	45,865	
Bishop Suffragan - Austin	52,510	48,500	4,010	48,500	
Assisting Bishops	-	-	-	-	
Canon to Ordinary	51,138	48,485	2,653	48,485	
Safe Church Minister	46,719	47,656	(937)	47,656	
Secretary of the Diocese	2,276	8,280	(6,004)	8,280	9)
Subsidy Pension - Clergy	4,792	-	4,792	-	
Total Pension/SS Reimbursement	275,824	268,114	7,710	268,114	
Total Clergy Compensation	1,075,511	1,100,378	(24,867)	1,100,378	
<u>Lay Staff Compensation</u>					
Salaries	734,584	681,081	53,503	681,081	10)
Pensions	61,754	61,297	457	61,297	
Employer FICA	54,067	52,103	1,964	52,103	
Total Lay Staff Compensation	850,405	794,481	55,924	794,481	

THE EPISCOPAL DIOCESE OF TEXAS

INCOME STATEMENT

Unaudited

For the year ended December 31, 2014

	Current YTD Actual	Current YTD Budget	Variance	Annual Budget	
<u>Business and Travel Expense</u>					
Bishop of Texas	113,432	68,000	45,432	68,000	1, 11)
Bishop Suffragan - Tyler	61,789	45,000	16,789	45,000	1)
Bishop Suffragan - Austin	70,239	40,000	30,239	40,000	1)
Assisting Bishops	2,628	12,000	(9,372)	12,000	8)
Canon to the Ordinary	27,521	45,500	(17,979)	45,500	12)
Safe Church Minister	9,820	14,333	(4,513)	14,333	
Secretary of the Diocese	1,245	7,000	(5,755)	7,000	
Diocesan Bishops, Retired	21,333	15,000	6,333	15,000	
Business/Travel - Other Clergy	390	-	390	-	
Communications Dept Travel	27,663	30,000	(2,337)	30,000	
Business Travel-Support Staff	11,215	12,500	(1,285)	12,500	
Interest - Vehicles	1,131	3,000	(1,869)	3,000	
Depreciation-Vehicles, Clergy	46,226	45,000	1,226	45,000	
Total Business and Travel Exp	394,632	337,333	57,299	337,333	
<u>Other Expenses</u>					
2014 Council	214,648	209,000	5,648	209,000	
2015 Council - Planning Expenses	12,140	16,000	(3,860)	16,000	
General Convention Delegates	726	-	726	-	
Texas Episcopalian (Dialog)	89,522	107,500	(17,978)	107,500	
Episcopal Assistance	-	5,000	(5,000)	5,000	
Historian & Archives	3,463	20,000	(16,537)	20,000	
Communications Department	15,969	25,000	(9,031)	25,000	
Chaplains to the Retired	5,100	7,000	(1,900)	7,000	
Office of the Secretary	260	20,000	(19,740)	20,000	9)
Interfaith & Ecumenical Work	685	7,000	(6,315)	7,000	
Commission on Ministry	43,725	42,000	1,725	42,000	
Safe Church	128,911	45,000	83,911	45,000	13)
Total Other Expenses	515,149	503,500	11,649	503,500	
TOTAL OFFICE OF THE BISHOP	2,835,697	2,735,692	100,005	2,735,692	
<u>MINISTRY OF EVANGELISM & CONGREGATIONAL DEVELOPMENT</u>					
<u>Lay Staff Compensation</u>					
Salaries	180,078	177,149	2,929	177,149	
Pension	19,148	15,943	3,205	15,943	
Employer FICA	13,744	13,552	192	13,552	
Total Staff Compensation	212,970	206,644	6,326	206,644	
Conferences & Clergy Gathering	255,128	198,000	57,128	198,000	1, 14)
Sharing Faith Dinner	2,540	5,000	(2,460)	5,000	
Business/Travel Evangelism	18,507	16,000	2,507	16,000	
Iona Center	164,945	177,900	(12,955)	177,900	
Contingency (support for) Congregations	85,953	75,000	10,953	75,000	6)
<u>College Missions</u>					
Waco, Baylor University	55,000	55,000	-	55,000	
Houston, Rice University	90,583	90,000	583	90,000	
College Station, A&M University	204,145	180,000	24,145	180,000	
Austin, Univ of Texas	184,304	180,000	4,304	180,000	
Campus Missions	168,506	300,000	(131,494)	300,000	18)
Total College Missions	702,538	805,000	(102,462)	805,000	
TOTAL EVANGELISM & CONG. DEVEL.	1,442,581	1,483,544	(40,963)	1,483,544	

THE EPISCOPAL DIOCESE OF TEXAS

INCOME STATEMENT

Unaudited

For the year ended December 31, 2014

	Current YTD Actual	Current YTD Budget	Variance	Annual Budget
<u>MINISTRY OF SERVICE & OUTREACH</u>				
Support of Episcopal Church	755,338	755,338	-	755,338
Support of Anglican Communion	253,711	250,000	3,711	250,000
Support of Univ. of the South	8,000	8,000	-	8,000
Millennium Development Goals	78,000	57,030	20,970	57,030
World Mission	19,370	33,000	(13,630)	33,000
Companion Dioceses	32,660	40,000	(7,340)	40,000
Disaster Outreach Expense	142	583	(441)	583
Prison & Restorative Justice Mission	42,500	50,000	(7,500)	50,000
TOTAL SERVICE & OUTREACH	1,189,721	1,193,951	(4,230)	1,193,951
<u>MINISTRY OF FORMATION & SPIRITUALITY</u>				
<u>Compensation</u>				
<u>Canon for Formation (Newton)</u>				
Stipend	51,095	43,898	7,197	43,898 7)
Housing	48,000	54,000	(6,000)	54,000 7)
Pension & SS Reimbursement	37,062	36,630	432	36,630
<u>Lay Staff Compensation</u>				
Salaries	178,885	164,054	14,831	164,054 3)
Pension	14,620	14,765	(145)	14,765
Employer FICA	13,983	12,550	1,433	12,550
Total Staff Compensation	343,645	325,897	17,748	325,897
<u>Formation Other</u>				
Business/travel-Canon for Formation	25,578	28,000	(2,422)	28,000
Christian Formation	72,763	62,500	10,263	62,500 3)
Business/Travel-Other	187	-	187	-
Total Formation Other	98,528	90,500	8,028	90,500
<u>Formation Ministries</u>				
Unified Commissions Expense	85,065	60,000	25,065	60,000 4)
Intercultural Ministry	40,916	30,000	10,916	30,000 3)
Youth Ministry	173,088	120,000	53,088	120,000 3)
Total Formation Ministries	299,069	210,000	89,069	210,000
TOTAL FORMATION & SPIRITUALITY	741,242	626,397	114,845	626,397

THE EPISCOPAL DIOCESE OF TEXAS

INCOME STATEMENT

Unaudited

For the year ended December 31, 2014

	Current YTD Actual	Current YTD Budget	Variance	Annual Budget	
<u>ADMINISTRATIVE EXPENSE</u>					
<u>Lay Staff Compensation</u>					
Salaries	368,485	363,557	4,928	363,557	
Reserve for Salary Adjustment	-	35,000	(35,000)	35,000	
Pensions	34,982	35,870	(888)	35,870	
Employer FICA	25,589	27,430	(1,841)	27,430	
Total Staff Compensation	429,056	461,857	(32,801)	461,857	15)
<u>Diocesan Center Operating Exp</u>					
Information Technology	269,464	290,000	(20,536)	290,000	
O/H Reimbursement - EDOT FSC	270,227	270,227	-	270,227	
Secretarial Assist-Contract	-	10,000	(10,000)	10,000	
Administrative Contingencies	1,699	10,000	(8,301)	10,000	
Utilities	89,363	90,000	(637)	90,000	
Janitorial, Maintenance, Repair	103,242	105,000	(1,758)	105,000	
Rent - Austin & Tyler Offices	74,393	77,000	(2,607)	77,000	
Storage	14,654	20,000	(5,346)	20,000	
Interest and Bank Fees	17,670	20,000	(2,330)	20,000	
Miscellaneous Operating Exp	(386)	4,000	(4,386)	4,000	
Total Diocesan Ctr Operations	840,326	896,227	(55,901)	896,227	
<u>General Office Expense</u>					
Office Equip Lease/Maint	56,497	65,000	(8,503)	65,000	
Office Supplies/Printing	42,802	40,000	2,802	40,000	
Communications-Telephone	55,825	60,000	(4,175)	60,000	
Postage/Delivery Expense	22,648	35,000	(12,352)	35,000	
Miscellaneous Office Expense	10,602	9,000	1,602	9,000	
Payroll Processing Expense	7,131	12,000	(4,869)	12,000	
Depr - Furniture & Equipment	17,589	32,000	(14,411)	32,000	
Total General Office Expense	213,094	253,000	(39,906)	253,000	
<u>Insurance</u>					
Diocesan Property & Casualty	55,880	55,000	880	55,000	
Diocesan Workers Comp	21,932	25,000	(3,068)	25,000	
Auto Ins - Diocesan Vehicles	22,199	20,000	2,199	20,000	
Other Insurance Costs(reserve)	48,701	75,000	(26,299)	75,000	
Group Health Insurance	144,205	25,910	118,295	25,910	
Total Insurance	292,917	200,910	92,007	200,910	19)
<u>Other Admin Expenses</u>					
Provincial Synod Assessment	13,275	13,500	(225)	13,500	
Provincial Synod Delegates Exp	-	15,000	(15,000)	15,000	16)
Legal Expense	61,545	100,000	(38,455)	100,000	
Journal Expense	5,130	4,000	1,130	4,000	
Diocesan Audit	26,523	30,000	(3,477)	30,000	
Executive Board	8,582	10,000	(1,418)	10,000	
Standing Committee	2,169	3,000	(831)	3,000	
Business/Travel-Finance Staff	47,692	44,999	2,693	44,999	
Diocesan Staff Meetings	8,158	10,000	(1,842)	10,000	
Canonical Printing Expense	-	5,000	(5,000)	5,000	
Calling & Moving	99,508	60,000	39,508	60,000	17)
Total Other Admin	272,582	295,499	(22,917)	295,499	
TOTAL ADMINSTRATIVE EXP	2,047,975	2,107,493	(59,518)	2,107,493	

THE EPISCOPAL DIOCESE OF TEXAS

INCOME STATEMENT

Unaudited

For the year ended December 31, 2014

	Current YTD Actual	Current YTD Budget	Variance	Annual Budget
INCOME STATEMENT TOTALS RECAP				
TOTAL REVENUES	8,388,032	8,147,077	240,955	8,147,077
TOTAL EXPENSES	8,257,216	8,147,077	110,138	8,147,077
Special Accounts - NET	4,551	-	4,551	-
NET INCOME (LOSS)	126,266	-	126,266	-

\$

Explanatory Notes

- 1) The Church Corp. granted \$45,000 to the Diocese to assist with costs associated with the Bishops' travel to Taiwan for the House of Bishops in the fall of 2014. Also, Church Corp. granted the Diocese \$40,000 to bring in specialists to do conduct mini-conferences concerning evangelism for 2014 and 2015.
- 2) The budget was created with the intention that the Diocese would manage the payroll for the chaplains at St. Luke's Hospital for a quarterly fee. CHI decided to take the payroll processing of the chaplains back in-house beginning on April 1, 2014
- 3) Revenues are in excess of budget but are offset by increased expenses reported elsewhere
- 4) Overage in budgeted revenue mainly due to FIND/Spiritual Formation registration fees
- 5) Restricted donations totaling \$10,000 were collected on behalf of St. Vincent's House during the 165th Council Offering, those funds were remitted to St. Vincent's in February 2014 and are recognized as part of Council expense in these financial statements. Also, a sabbatical grant of \$7,500 was received from Bishop Quin to assist with the costs of Bishop Doyle's summer/fall sabbatical. In addition, the Emmett Estate bequeathed \$50,000 to the Diocese for use on "impoverished persons" and \$9,600 from the G. Montgomery Mitchell estate.
- 6) Expenses were higher due to greater needs for coaching in our congregations due to transitions
- 7) The variance in these accounts are due to a change of housing allowance elections after the budget was created. The variance nets to near zero.
- 8) Assisting Bishops were not used as much as had been anticipated during Bishop Doyle's sabbatical
- 9) Expenses for the Secretary were less than had been projected due to changes in the planned staffing for that office
- 10) The lay staff of the Office of the Bishop is in excess of budget due to hiring in the Safeguarding department, and one additional staff person added to Bishop's Office upon retirement. A Compass Rose employee's expenses are also shown here and are offset by the Compass Rose funds received in revenue.
- 11) Bishop Doyle's business and travel expenses include some costs associated with his summer/fall sabbatical, some of which will be offset by donations. See also note 1 above.
- 12) Travel by Canon Ryan has been less than anticipated due to Bishop Doyle's sabbatical

THE EPISCOPAL DIOCESE OF TEXAS

INCOME STATEMENT

Unaudited

For the year ended December 31, 2014

Current YTD Actual	Current YTD Budget	Variance	Annual Budget
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Explanatory Notes continued

- 13) Safe church expenses include costs associated with assisting smaller churches with the SRS Records Archive Project. Such costs include staff time and travel expenses in addition to IT expenses for the new SRS database monthly maintenance.
- 14) The Hispanic Lay Ministry Conference expense of approximately \$13,000, held at Camp Allen, was recognized on the books of the Diocese, instead of Camp Allen starting in 2014.
- 15) The Business Manager's position was not filled although it was provided in the budget.
- 16) The Provincial Synod meets in 2015 not 2014.
- 17) Calling & Moving includes unexpected costs associated with assisting clergy to move out of the Diocese as well as costs incurred in relation to a bishop's residence.
- 18) Campus Missions did not find a suitable candidate to lead new missions that had been anticipated in 2014.
- 19) Clergy and staff headcount was higher than had been budgeted for 2014 resulting in higher than budgeted health insurance premiums.

- S Special revenue and expense accounts are shown as net on the Diocesan financial statements because they are not part of the normal Diocesan operations and are thus not budgeted for. They represent the Bastrop fire relief program, which was a temporary program managed by the Diocesan Disaster Relief department that ended in 2014. Excess revenue from 2013 in the amount of \$18,000 were applied to the expense overage in the current year and included in the "Net Assets - Special Accounts" amount on the Balance Sheet.

In addition, Special accounts include revenues and expenses related to the new Bayou City Service Corp project. Revenues include grant funds from the Bishop Quin Foundation and from the 6 "host sites" that are receiving the benefit of the 6 interns' volunteer employment. Expenses for the program consist of room and board for the six interns, as well as a monthly grocery budget and a minimal monthly stipend.

Special accounts also include revenue and expenses related to the Daring Way event to be held in February 2015 at Camp Allen. Certain contractually obligated expenses and grant revenue are recognized in 2014, with the remaining revenue and expense to be recognized in 2015.

			<u>Total</u>
Special Acct - BCSC Rev	85,777		85,777
Special Acct - Daring Way Rev		250,100	250,100
Special Acct - Bastrop Exp	(659)		(659)
Special Acct - BCSC Exp	(84,646)		(84,646)
Special Acct - Daring Way Exp		(255,123)	(255,123)
Special Accounts - NET	472	(5,023)	(4,551)