

2026 Church of the Epiphany Budget Narrative

The following narrative summarizes our 2025 financial results and our proposed 2026 budget. We began 2025 expecting a \$398K deficit but ended the year with a \$132K deficit. While we still operated at a loss, this result was significantly better than planned. This improvement was driven by your generous giving, grant funding that supported our ministries, and lower personnel costs due to unfilled staff positions. The proposed 2026 budget reflects a planned deficit of \$353K.

2025 Financial Performance Review

In 2025, we ended the year with a \$132K deficit, which was significantly better than our original budget. The table below compares our 2025 budget to actual results.

“Variance” shows the difference, where positive amounts indicate better-than-expected performance.

	2025 Budget	2025 Actual	Variance
Core Income	\$363,750	\$500,205	\$136,455
Core Expense	(\$874,209)	(\$856,685)	\$17,524
Programs Income / (Expense)			
Community Programs	(\$3,500)	\$2,981	\$6,481
Facility Use	\$145,500	\$132,381	(\$13,119)
Welcome Table	(\$33,400)	\$38,489	\$71,889
Mission Center	\$45,000	\$20,926	(\$24,074)
Street Church	\$0	\$100	\$100
Tuesday Concert Series	(\$14,225)	(\$2,890)	\$11,335
Outreach	(\$33,100)	(\$16,666)	\$16,434
Net Operating	(\$404,184)	(\$181,160)	\$223,025
Restricted Funds	\$6,228	\$49,121	\$42,893
Net Income	(\$397,957)	(\$132,039)	\$265,918

Core Income includes pledges, plate offerings, and other donations. In 2025, Core Income exceeded the budget by \$136K due to strong giving, including contributions beyond pledged amounts and several one-time gifts.

Core Expense includes essential operating costs such as personnel, building expenses, utilities, and administrative support. Expenses were lower than budget primarily because some staff positions remained unfilled for part of the year.

Programs include major ministries such as Facility Use, Welcome Table, Mission Center, and the Tuesday Concert Series. This category reflects both the income generated by these programs (such as grants and fees) and the costs required to operate them.

- **Facility Use** reflects income from partners who use our space throughout the week. Our facilities remain in high demand, including office space partners such as Street Sense and arts groups that perform in our sanctuary.

- **Welcome Table** received grant funding in 2025 for the first time in several years, which fully offset the cost of supplies and security. This ministry continues to serve approximately 100 guests each week in an indoor café setting. The café is open Sunday mornings from 7:30 to 9:30 am in the Community Hall, and volunteers are always welcome.
- **Mission Center** includes our grant to operate our Mission Center space as an overnight overflow hypothermia center from November through March in partnership with [The Community Partnership](#) and the [Downtown BID](#). Our participation in the 2024–2025 season ended early due to limited grant funding, and we were not selected to participate in the 2025–2026 program.
- **Tuesday Concert Series** experienced increased giving in 2025, which nearly covered the full cost of the program.

Outreach primarily includes our Diocesan contribution, which was fully paid as committed, as well as contributions to the Rector’s Discretionary Fund.

Restricted Funds Income (net) reflects funds that are designated for specific purposes. These include grants and gifts received in 2025, investment income earned on those funds, and expenses paid from them. Examples include the Columbarium Fund, the Green Estate Fund, the 1844 Preservation Fund, and other restricted gifts.

2026 Budget Overview

The proposed 2026 budget includes a planned deficit of \$353K. This budget reflects expected changes in both income and expenses based on 2025 results and known updates for the coming year.

The table below compares the 2025 budget to the proposed 2026 budget. “Change” reflects the increase or decrease between the two years.

	2025 Budget	2026 Budget	Change
Core Income	\$363,750	\$429,450	\$65,700
Core Expense	(\$874,209)	(\$907,069)	(\$32,860)
Programs Income / (Expense)			
Community Programs	(\$3,500)	\$0	\$3,500
Facility Use	\$145,500	\$134,500	(\$11,000)
Welcome Table	(\$33,400)	(\$100)	\$33,300
Mission Center	\$45,000	\$0	(\$45,000)
Street Church	\$0	\$0	\$0
Tuesday Concert Series	(\$14,225)	(\$12,022)	\$2,203
Outreach	(\$33,100)	(\$39,620)	(\$6,520)
Net Operating	(\$404,184)	(\$394,861)	\$9,323
Restricted Funds	\$6,228	\$42,211	\$35,983
Net Income	(\$397,957)	(\$352,651)	\$45,306

Core Income is expected to increase by \$66K compared to the 2025 budget. This reflects a projection closer to our 2025 actual giving, including contributions beyond pledged amounts.

If you are able to give in 2026 but have not yet submitted a pledge estimate, please contact the Epiphany office.

Core Expense is expected to increase by \$34K compared to the 2025 budget. This reflects:

- 3% cost-of-living adjustment for staff, consistent with EDOW guidance
- Anticipated increases in building maintenance, utilities, and general operating costs

Programs net income is projected to decrease by \$17K compared to the 2025 budget due to three primary factors:

- Facility Use income has been reduced to align more closely with 2025 actual results
- Welcome Table grant funding has been increased based on 2025 experience
- Mission Center income has been removed, as we were not selected to participate in the 2025–2026 hypothermia program due to limited grant funding

Outreach expense is expected to increase by \$7K compared to the 2025 budget, primarily due to a higher Diocesan contribution aligned with increased Core Income.

Restricted Funds Income (net): Reflects expected contributions to the Green Estate Fund and anticipated investment income on all restricted fund balances. In addition, a gift received in 2023 helps fund the part-time Associate Rector position. These funds covered costs in 2025 and will partially offset costs again in 2026. Any additional use of restricted funds will be reviewed and approved by the Rector and Vestry as needs arise.