

Promotional and Community Event Grant Application

Step 1

Important Information

- **Form Function Note:** In order to go back from a page in the form to a previous page, all required fields on the page must be populated.
- Please read the McKinney Community Development Corporation [Grant Guidelines](#) before completing this application.
- The Grant Guidelines are available on this website. They can also be obtained by calling 214-544-0296 or [emailing Cindy Schneible](#).
- **Please call to discuss your plans for submitting an application in advance of completing this form.**
- A completed application and all supporting documents are required to be submitted via email or on a thumb drive for consideration by the MCDC board. Please submit the application to:

McKinney Community Development Corporation
5900 South Lake Forest Blvd, Suite 110
McKinney, TX 75070

- If you are interested in a preliminary Board of Directors review of your project proposal or idea, please complete and submit the [Letter of Inquiry](#) form which is available on this website, by calling 214-544-0296 or by [emailing Cindy Schneible](#).
- **Applications must be completed in full, using this form electronically (or physically with the requested thumb drive by mail), and received by MCDC by 5 p.m. on the application deadline indicated on the [Grants page](#) of this website.**

Organization Information

Name St. Peter's Episcopal Church

Federal Tax ID Number 75-1447168

Incorporation Date 12/27/2007

Mailing Address 511 Foote St.

City McKinney

State TX

Zip Code 75069

| | |
|--|--|
| Phone Number | 972-562-1166 |
| Fax Number | N/A |
| Email Address | tsnively@stpetersmckinney.com |
| Website | www.stpetersmckinney.com |
| Organization Type | Nonprofit - 501(c) (Attach a copy of IRS Determination Letter) |
| IRS Determination Letter | St. Peters IRS Determination Letter.pdf |
| Professional Affiliations and Organizations to Which Your Organization Belongs | Episcopal Diocese of Dallas, McKinney Chamber of Commerce |

Representative & Contact Information

Representative Completing Application:

| | |
|-----------------|--|
| Name | Tammy Snively |
| Title | Ministry Coordinator |
| Mailing Address | 511 Foote St. |
| City | McKinney |
| State | Texas |
| Zip Code | 75069 |
| Phone Number | 972-562-1166 |
| Fax Number | N/A |
| Email Address | tsnively@stpetersmckinney.com |

(Section Break)

Contact for Communications Between MCDL and Organization:

| | |
|-----------------|-------------------------------|
| Name | Tammy Snively |
| Title | Empty Bowls McKinney Director |
| Mailing Address | 511 Foote St. |

| | |
|---------------|--|
| City | McKinney |
| State | Texas |
| Zip Code | 75069 |
| Phone Number | 469-223-6123 |
| Fax Number | N/A |
| Email Address | tammy@emptybowlsckinney.com |

Project Information

| | |
|---|---|
| Funding - Total Amount Requested | 9,500.00 |
| Are matching funds available? | No |
| Will funding be requested from any other City of McKinney entity (e.g. McKinney Convention and Visitors Bureau, Arts Commission, City of McKinney Community Support Grant)? | No |
| Promotional / Community Event Start and Completion Dates | 1/7/2022 - 5/12/2022 |
| Board of Directors | Attached. |
| Leadership Staff | Attached. |
| Board of Directors Attachment | Board of Directors - St. Peters 2021.docx.pdf |
| Leadership Staff Attachment | Leadership Staff - St Peters 2021.docx.pdf |

Narrative

Using the outline below, provide a written narrative no longer than seven pages in length:

1: Applying Organization

- Describe the mission, strategic goals and objectives, scope of services, day-to-day operations and number of paid staff and volunteers.
- Disclose and summarize any significant, planned organizational changes and describe their potential impact on the Promotion / Community Event for which funds are requested.

2: Promotion / Community Event

- Outline details of the Promotion / Community Event for which funds are requested. Include information regarding scope, goals, objectives and target audience.
- Describe how this initiative will **showcase McKinney and promote the city for the purpose of business development and/or tourism.**
- Describe how the proposed Promotional / Community Event fulfills the strategic goals and objectives for your organization.
- Provide information regarding planned activities in support of the event, time frame / schedule, estimated attendance and admission / registration fees, if planned. **Please note: if admission / registration fees are charged, they must be limited to \$35 or less; event must be open to the public.**
- Include the venue / location for the proposed event.
- Provide a timeline for the production of the event.
- Detail goals for growth / explanation in future years.
- Attract resident and visitor participation and contribute to business development, tourism and growth of McKinney sales tax revenue.
- Highlight and promote McKinney as a unique destination for residents and visitors alike.
- Demonstrate informed budgeting / financial planning – addressing revenue generation, costs and use of net revenue.

Has a request for funding for this Promotional / Community Event been submitted to MCDC in the past? Yes

Date 11/27/2020

Date 11/26/2019

3: Financial

- *Provide an overview of the organization's financial status including the impact of this grant request on organization mission and goals*
- *Please attach your budget for the current year and audited financial statements for the preceding two years. If audited financials are not available, please indicate why.*

Budget [St Peters Budget and Financial Report 2021.pdf](#)

Financial Statements [2019 StPeters Audit Report-FINAL.pdf](#)

Overview of Promotional / Community Event Financial Goal

| | |
|---------------|-----------|
| Gross Revenue | 92,200.00 |
|---------------|-----------|

| | |
|--------------------|-----------|
| Projected Expenses | 39,480.00 |
|--------------------|-----------|

| | |
|-------------|--------|
| Net Revenue | 52,720 |
|-------------|--------|

Budget [Event Budget 2022.xlsx - Cumulative - Budget.pdf](#)

| | |
|---|---|
| What percentage of Project / Promotional / Community Event funding will be provided by the applicant? | 0 |
|---|---|

| | |
|-------------------------------|----|
| Are matching funds available? | No |
|-------------------------------|----|

| | |
|-----------------------|--|
| Other Funding Sources | <p>Blount Fine Foods committed to be our Title Sponsor: \$10,000 expected in 1Q2022.</p> <p>Globe Life committed to be our Presenting Sponsor: \$5,000 expected in 1Q2022.</p> <p>First United Bank committed to be our Wear It Sponsor: \$4,000 expected in 1Q2022.</p> <p>Dean & Liz Cimini committed to be our Read All About It Sponsor: \$3,000 expected in 1Q2022.</p> <p>Dev Sol Holdings II, LLC committed to be our Collectors Club Sponsor: \$3,000 expected in 1Q2022.</p> <p>Valliance Bank committed to be our Winning Ticket Sponsor: \$3,000 expected in 1Q2022.</p> <p>Love Life Foundation committed to be our Tag It Sponsor: \$2,500 expected in 1Q2022.</p> <p>Dill Investments committed to be our Welcome Sponsor: \$2,000 expected in 1Q2022.</p> |
|-----------------------|--|

RBFCU solicited for \$1,000 - \$3,500.

Several other previous sponsors solicited for \$500 - \$1,000.

4: Marketing and Outreach

- *Describe advertising, marketing plans and outreach strategies for this event – and how they are designed to help you achieve current and future goals.*
- *Provide a detailed outline of planned marketing, advertising and outreach activities and the amount budgeted for each.*

5: Metrics to Evaluate Success

- *Outline the metrics that will be used to evaluate success of the proposed Promotional / Community Event. If funding is awarded, a final report will be required summarizing success in achieving objectives outlined for the event.*

Attach Narrative

[Grant Narrative - Empty Bowls McKinney 2021.pdf](#)

Acknowledgements

If funding is approved by the MCDC board of directors, applicant will assure:

- *The Promotional / Community Event for which financial assistance is sought will be administered by or under the supervision of the applying organization;*
 - *All funds awarded will be used exclusively for advertising, marketing and promotion of the Promotional / Community event described in this application.*
 - *MCDC will be recognized in all marketing, advertising, outreach and public relations as a funder of the Promotional / Community Event. A logo will be provided by MCDC for inclusion on all advertising, marketing and promotional materials. Specifics for audio messaging will be agreed upon by applicant and MCDC and included in an executed performance agreement.*
 - *The organization's officials who have signed the application are authorized by the organization to submit the application.*
 - *Applicant will comply with the MCDC Grant Guidelines in executing the Promotional / Community Event for which funds were received.*
 - *A final report detailing the success of the Promotional / Community Event, as measured against identified metrics, will be provided to MCDC no later than 30 days following the completion of the Promotional / Community Event.*
 - *Grant funding is provided on a reimbursement basis subsequent to submission of a reimbursement request, with copies of invoices and paid receipts for qualified expenses. Up to 20% of the grant awarded may be*
-

*withheld until the **final report on the Promotional/Community Event is provided to MCDC.***

(Section Break)

| | |
|--------------------------------|--|
| Applicant Electronic Signature | Selecting this option indicates your agreement with the above statement. |
|--------------------------------|--|

| | |
|-------------------------|------------------------|
| Chief Executive Officer | The Rev. Perry Mullins |
|-------------------------|------------------------|

| | |
|------|------------|
| Date | 11/29/2021 |
|------|------------|

| | |
|---------------------------------------|---------------|
| Representative Completing Application | Tammy Snively |
|---------------------------------------|---------------|

| | |
|------|------------|
| Date | 11/29/2021 |
|------|------------|

Notes

- *Incomplete applications or those received after the deadline will not be considered.*
 - *A final report must be provided to MCDC within 30 days of the event / completion of the Promotional / Community Event.*
 - *Final payment of funding awarded will be made upon receipt of final report.*
 - *Please use the [Final Report](#) to report your results. A [PDF version](#) is also available.*
-

St. Peter's Episcopal Church

Empty Bowls McKinney 2021 Grant Narrative

I. Applying Organization

St. Peter's Episcopal Church is one of three Episcopal churches in McKinney and is a member of the Episcopal Diocese of Dallas. We are a thriving congregation of people who are passionate about reaching out to those in need in our community. We have eleven staff members and numerous volunteers.

We created our Empty Bowls McKinney event in 2012 to raise money to combat hunger in our community. The event supports hunger initiatives at Community Lifeline Center and Community Garden Kitchen.

II. Promotional/Community Event

a. Goals/Objectives

- i. Fight hunger in Collin County
- ii. Increase awareness for Community Lifeline Center and what they do to fight hunger
- iii. Increase awareness for Community Garden Kitchen and their mission to serve nutritious meals to those in need in a safe, welcoming place
- iv. Showcase McKinney's amazing one-of-a-kind restaurants
- v. Showcase our incredibly talented local art community
- vi. Bring people to our Historic Downtown McKinney

b. Event Overview:

In 2012, St. Peter's Episcopal Church joined Empty Bowls events around the world and established Empty Bowls McKinney. Each local group that organizes an Empty Bowls event designs the event to address the needs of the hungry and food insecure residents of their community. The premise is simple: "Potters and other craftspeople, educators and others work with the community to create handcrafted bowls. Guests are invited to a simple meal of soup and bread. In exchange for a cash donation, guests are asked to keep a bowl as a reminder of all the empty bowls in the world. The money raised is donated to an organization working to end hunger and food insecurity."

On Thursday, May 12, 2022, we will hold our 11th annual event from 6:00pm to 8:00pm in historic downtown McKinney. We will fill the McKinney Performing Arts Center and one block of Kentucky Street with handmade bowls and a delicious selection of gourmet soups and sweets. Blount Fine Foods has agreed to continue as our title sponsor. We expect to host up to 1,000 people. McKinney's Community Lifeline Center (CLC) is the primary beneficiary of our event, receiving 80% of the event's net proceeds. Community Garden Kitchen (CGK) is the secondary beneficiary, receiving 20% of the net proceeds.

St. Peter's Episcopal Church

Empty Bowls McKinney 2021 Grant Narrative

Tickets will be open for sale to the public in March 2022. Our target audience is engaged attendees from the greater DFW area who want to support our community and also enjoy art and a great foodie experience. The cost for tickets will be \$35. We also have a limited number of VIP Collector's Club tickets for \$100. VIP Collector's Club ticket holders get early access to the event and choose their event bowl from an exclusive collection.

Our event promotes local artists from McKinney and surrounding communities. Over 50 "3D" artists are participating in making bowls. We have over 50 "2D" artists to paint the Collectors Club bowls in their painting style. Auction bowls, raffle bowls and Collectors Club bowls will be displayed at our "Artist Party" at The Cove art gallery on Friday, March 4, 2022. The pieces are promoted through social media and on our website, www.emptybowlsckinney.com. We are working with the ceramics programs of local schools and colleges to give students the opportunity to participate.

We also promote the business of local restaurants. We have up to thirteen McKinney restaurants participating in Empty Bowls McKinney, each with a booth providing samples of soup or sweets. We also have a food truck providing frozen custard samples. We have prominent signage on each booth displaying the restaurant name and soup. Restaurants have the option to advertise by providing flyers and/or coupons.

St. Peter's Episcopal Church

Empty Bowls McKinney 2021 Grant Narrative

Timeline

| Date | Activity |
|---------|---|
| 1/7/22 | Bowl glazing workshop at Make Expression Art Studio in Frisco |
| 2/18/22 | Bowl glazing workshop at Make Expression Art Studio in Frisco |
| 2/27/22 | Two bowl making workshops (including wheel) at Jump Into Art Studios in McKinney |
| 3/3/22 | Auction, raffle & Collector's Club bowls due to The Cove |
| 3/4/22 | Artist Party showcase at The Cove |
| 3/15/22 | Tickets go on sale |
| 3/16/22 | Volunteer sign ups start |
| 3/27/22 | Two bowl making workshops (including wheel) at Jump Into Art Studios in McKinney |
| 4/19/21 | Silent Auction goes live |
| 4/19/21 | Limited Edition & event bowls due to St. Peter's |
| 4/26/22 | Raffle ticket sales start |
| 5/10/22 | Volunteer training at the MPAC, 6:00pm |
| 5/12/22 | Empty Bowls McKinney at McKinney Performing Arts Center, 6:00pm - 8:00pm, with VIP Collector's Club starting at 5:30pm |

St. Peter's Episcopal Church

Empty Bowls McKinney 2021 Grant Narrative

c. Supporting MCDC Goals:

- Empty Bowls McKinney will promote the City of McKinney for the purpose of business development and/or tourism by providing an annual, entertaining experience to people living in the North Texas area who appreciate art and want to contribute to fight hunger in our local area. It is an event that attracts McKinney residents and visitor participation.
- Empty Bowls McKinney will continue to increase McKinney tourism. In 2022, we expect to maintain our goal of 25% or more of our attendees will live outside of McKinney.
- The money we raise impacts the quality of life in McKinney through the hunger initiatives of Community Lifeline Center and Community Garden Kitchen.
 - In 2019 CLC distributed 50,000+ pounds of food to people in need. In 2020 CLC provided 740,000 pounds of food and are on track to distribute the same amount in 2021!
 - Community Garden Kitchen will help end food insecurity by providing nutritious meals to anyone in need, no questions asked!
- We promote McKinney artists and help the art community to grow. We have grown from two participating artists to over one hundred.
- We promote the participating restaurants and increase their business. They have the opportunity at the event to bring promotional material and/or incentives to the event.
- Our expectation is that our event will draw people to downtown McKinney and they will make purchases in surrounding retail establishments and grow McKinney sales tax revenue.
- Empty Bowls McKinney is a self-sustaining annual event that has demonstrated increased interest and revenue each year. In 10 years, annual gross revenue has grown from \$4,500 at the first event to \$87,000 in its tenth year, despite limiting ticket sales due to the pandemic. Financial success of the event depends not only on attendance, but also on the sponsorships and contributions of businesses, churches and service organizations from McKinney and other Collin County communities. Blount Fine Foods, a McKinney food manufacturer, is our title sponsor. Globe Life is our presenting sponsor. We will strive to continue to increase the financial impact in fighting hunger.

St. Peter’s Episcopal Church

Empty Bowls McKinney 2021 Grant Narrative

IV. Marketing and Outreach

- a. Our advertising for past events has included:
- Posters put up in shops by retailers around McKinney
 - Active Facebook page – over 2,400 followers, and growing
 - Facebook postings by MCDC, MPAC & participating vendors
 - MPAC advertised event on their website, emails & marquee
 - Advertising in our church bulletins and emails
 - Ads in Community Impact Newspaper – McKinney, Frisco & Plano editions
 - Article in Community Impact Newspaper – McKinney edition
 - Yard signs around McKinney
 - Articles in the McKinney Courier-Gazette
 - Advertise on billboard along Central Expwy in McKinney (Hobson Signs)
 - Short videos about the auction, raffle, beneficiaries, the event, and a concluding thank you for participating
- b. With a grant from MCDC, we hope to utilize the following advertising vehicles to help us reach our attendance goals (within and outside of McKinney):
- Extensive ads on Facebook, Instagram, and LinkedIn
 - Post boosts on Facebook, Instagram, and LinkedIn
 - Advertise in Community Impact Newspaper, multiple editions
 - Place yard signs around McKinney
 - Print cards, posters & banners to advertise the event
 - Advertise on billboard along Central Expwy in McKinney (Hobson Signs)
 - Short videos to increase engagement online advertising the event, sponsors, vendors, artists, celebrities and/or beneficiaries

| Media | 2021 Budget for MCDC |
|--------------------------|----------------------|
| On-line Ads & Boosts | \$ 3,000.00 |
| Print Ads | \$ 3,000.00 |
| Yard Signs | \$ 1,000.00 |
| Banners, Posters & Cards | \$ 1,000.00 |
| Billboard | \$ 500.00 |
| Videos | \$ 1,000.00 |
| | \$ 9,500.00 |

St. Peter's Episcopal Church

Empty Bowls McKinney 2021 Grant Narrative

V. Metrics to Evaluate Success

- a. **Attendance:** We expect to bring 1,000 people to the McKinney Square on a Thursday night in May 2022 and positively impact the businesses who participate in our event and/or are located nearby.
- b. **Non-McKinney Attendance:** We expect to maintain our non-McKinney residence participation at 25% or more of the attendance.
- c. **Monetary Impact:** We expect to raise at least \$92,200 in gross proceeds and contribute \$52,720 to Community Lifeline Center (80%) and Community Garden Kitchen (20%).

| Event Income | |
|----------------------------|--------------------|
| Item | 2021 Budget |
| MCDC Community Event Grant | \$9,500.00 |
| Sponsorships | \$37,000.00 |
| Donations | \$4,000.00 |
| Bowl Making | \$2,500.00 |
| Admissions | \$25,000.00 |
| Art Auction Proceeds | \$7,000.00 |
| Raffle Proceeds | \$3,000.00 |
| Merchandise Sales | \$700.00 |
| Extra Bowl Sales | \$2,000.00 |
| Peoples Choice | \$500.00 |
| After Event Sales | \$1,000.00 |
| TOTAL | \$92,200.00 |

| Event Expenses | |
|--------------------------------------|--------------------|
| Item | 2021 Budget |
| Supplies | \$3,500.00 |
| Kentucky Street rentals | \$7,000.00 |
| MPAC rental | \$500.00 |
| Sponsor Appreciation | \$1,000.00 |
| T-Shirts (for volunteers & artists) | \$3,500.00 |
| Benefit Bidding - online art auction | \$1,500.00 |
| Bowl Making | \$2,000.00 |
| Security at event | \$480.00 |
| PayPal + Eventbrite | \$3,000.00 |
| Advertising | \$10,000.00 |
| Signs | \$7,000.00 |
| TOTAL | \$39,480.00 |
| NET INCOME | \$52,720.00 |

Percent given to Beneficiaries

57%

St. Peter's Episcopal Church
2021 Vestry Members & Empty Bowls McKinney Board Members

Vestry Members

Guy Giersch, *Sr. Warden*

Karen Friedland, *Jr. Warden*

Forrest Chase

Meg Cotter-Lynch

Michelle Hutton

Victor Kriechbaum

John Lavalette

Molly Mitchell

Paul Newton

Julia Shahid

Sandra Taylor

Tucker Thompson

Tara Alt, *Clerk*

Jackie White, *Treasurer*

Empty Bowls McKinney Board Members

Tammy Snively, *Director*

Becky Aly, *Vendor & T-shirt Coordinator*

Vicki Cobbs, *Volunteer & Supplies Coordinator*

Craig Fowler, *Facilities, Rentals & Permits*

Karen Friedland, *Artist Coordinator*

**St. Peter's Episcopal Church
2021 Leadership Staff**

The Rev. Perry Mullins, *Rector*

The Rev. Kathy Heitman, *Associate Rector/Youth Ministries*

The Rev. Betty Breyfogle, *Deacon for Pastoral Care*

The Rev. Janice Honea, *Deacon for Outreach*

Tammy Snively, *Ministry Coordinator, Empty Bowls McKinney Director*

Georgia Thompson, *Director of Children's Ministries*

Gavin Craig, *Organist and Choirmaster*

Mariana Pearson, *Parish Administrator*

Rebecca Reed, *Communications Coordinator*

Mike McLoughlin, *Sexton*

Davis Jones, *Assistant Sexton*

St. Peter's Episcopal Church
Statement of Revenue and Expenses - Summary View

| | 2019 | 2020 | | 2021 |
|--|-------------|------------|------------|------------|
| | Actual | Budget | Actual | Budget |
| Revenue | \$ 704,852 | \$ 779,976 | \$ 731,996 | \$ 732,025 |
| Operating Expense | 703,935 | 776,092 | 739,089 | 728,141 |
| Operating Income before Depreciation | 917 | 3,885 | (7,093) | 3,884 |
| Non Operating Income (Loss) | 8,588 | 7,037 | 14,471 | 7,376 |
| Non Income Statement Expenditures | 9,151 | 10,922 | 7,128 | 11,261 |
| Surplus before Special Vestry Action Items | 354 | (0) | 249 | (0) |
| Special Vestry Action Items | 12,127 | - | - | - |
| Net Surplus (Deficit) | \$ (11,773) | \$ (0) | \$ 249 | \$ (0) |

St. Peter's Episcopal Church

**Audit Report
Financial Statements**

December 31, 2019

Wendy Dugall, CPA
Certified Public Accountant

ST. PETER'S EPISCOPAL CHURCH

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Wendy Dugall, CPA
5010 Timber Circle Drive
McKinney, Texas 75072
(972)762-5015

INDEPENDENT AUDITORS REPORT

To the Management and Vestry of
St. Peter's Episcopal Church

Report on the Financial Statements

I have audited the accompanying financial statements of the St. Peter's Episcopal Church, which comprise of the statement of financial position as of December 31, 2019 and the related statements of activities, functional expenses and cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the St. Peter's Episcopal Church as of December 31, 2019, and their changes in net assets and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Wendy Dugall, CPA

Wendy Dugall, CPA
August 12, 2020
McKinney, Texas

ST. PETER'S EPISCOPAL CHURCH
STATEMENT OF FINANCIAL POSITION
as of December 31, 2019

ASSETS

Current Assets:

| | | |
|---|-----------|----------------|
| Cash and cash equivalents, no donor restriction | \$ | 78,685 |
| Cash and cash equivalents, donor restriction | | 228,396 |
| Prepaid expenses and receivables | | 3,310 |
| Total Current Assets | \$ | 310,391 |

Noncurrent Assets:

| | | |
|---|-----------|------------------|
| Long-term investments | \$ | 249,843 |
| Donated Assets-Crypt and Cemetary Plots | | 2,000 |
| Fixed Assets, Net | | 1,314,773 |
| Land | | 303,000 |
| Total Noncurrent Assets | \$ | 1,869,616 |

TOTAL ASSETS

\$ 2,180,007

LIABILITIES

Liabilities:

| | | |
|---------------------------------------|----|--------|
| Accounts payable and accrued expenses | \$ | 7,402 |
| Prepaid funding and deposits held | | 1,735 |
| Line of Credit | | 20,000 |
| Notes Payable, long term | | 89,602 |

TOTAL LIABILITIES

\$ 118,739

NET ASSETS

| | | |
|-------------------------|----|------------------|
| No Donor Restrictions | \$ | 1,583,030 |
| Donor Restrictions | | 478,239 |
| TOTAL NET ASSETS | | 2,061,269 |

TOTAL LIABILITIES AND NET ASSETS

\$ 2,180,007

ST. PETER'S EPISCOPAL CHURCH
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

| | No Donor Restrictions | Donor Restrictions | Total |
|--|--------------------------|-----------------------|--------------|
| <u>PUBLIC SUPPORT AND REVENUE</u> | | | |
| Regular Offerings | \$ 694,422 | \$ 195,395 | \$ 889,817 |
| EDOD and Curacy Grant | 26,914 | - | 26,914 |
| Vicarage Benefit | 10,500 | - | 10,500 |
| Rental Income | 10,210 | - | 10,210 |
| Miscellaneous income | 1,860 | - | 1,860 |
| Building Related | 953 | - | 953 |
| Columbarium fees | 887 | - | 887 |
| Interest and Investment income | 729 | 18 | 747 |
| Program Ministries | 24 | - | 24 |
| Net Assets Released from Restrictions | 382,781 | (382,781) | - |
| Total Public Support and Revenue | \$ 1,129,280 | \$ (187,368) | \$ 941,912 |
| <u>EXPENSES</u> | | | |
| OPERATING ACTIVITY | | | |
| Program Services: | | | |
| Congregational Life | \$ 308,980 | \$ - | \$ 308,980 |
| Facility Related | 109,361 | - | 109,361 |
| Mission and Outreach | 20,864 | - | 20,864 |
| Total Program Services | \$ 439,205 | \$ - | \$ 439,205 |
| Supporting Services: | | | |
| Management and general | 261,644 | - | 261,644 |
| Fundraising | 27,602 | - | 27,602 |
| Total Supporting Services | \$ 289,246 | - | \$ 289,246 |
| TOTAL EXPENSES | \$ 728,451 | \$ - | \$ 728,451 |
| NON-OPERATING ACTIVITY | | | |
| Program Services: | | | |
| Capital Improvements, net of Released Assets | 26,278 | - | 26,278 |
| Depreciation | 83,491 | - | 83,491 |
| Lamar Street House expenses | 16,039 | - | 16,039 |
| Supporting Services: Management & general | | | |
| Depreciation | 10,755 | - | 10,755 |
| TOTAL NON-OPERATING ACTIVITY | \$ 136,563 | \$ - | \$ 136,563 |
| Total Increase (Decrease) in Net Assets | \$ 264,266 | \$ (187,368) | \$ 76,898 |
| NET ASSETS, beginning of year | | | |
| NET ASSETS, beginning of year | \$ 1,323,347 | \$ 602,088 | \$ 1,925,435 |
| Other net asset Activity | (4,583) | 63,519 | 58,936 |
| NET ASSETS, end of year | \$ 1,583,030 | \$ 478,239 | \$ 2,061,269 |

ST. PETER'S EPISCOPAL CHURCH
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019

| | Programs | Support Services | | Total |
|--------------------------------|------------|-------------------------|-------------|------------|
| | Programs | Management & General | Fundraising | |
| <u>Operating Expenses:</u> | | | | |
| Salaries and labor | \$ 247,402 | \$ 160,431 | \$ 20,833 | \$ 428,666 |
| Payroll taxes | 6,168 | 4,078 | 1,234 | 11,480 |
| Total Payroll Related Expenses | \$ 253,570 | \$ 164,509 | \$ 22,067 | \$ 440,146 |
| Facility Related | \$ 78,540 | \$ - | \$ - | \$ 78,540 |
| Diocesan Assessment | - | 64,195 | - | 64,195 |
| Utilities | 15,850 | 10,133 | - | 25,983 |
| Ministry and Outreach | 20,864 | - | - | 20,864 |
| Christian Formation | 19,411 | - | - | 19,411 |
| Office related | - | 18,641 | - | 18,641 |
| Insurance | 14,510 | 1,251 | - | 15,761 |
| Music Ministry | 13,455 | - | - | 13,455 |
| Other Congregational Life | 9,114 | - | - | 9,114 |
| Worship Supplies | 7,544 | - | - | 7,544 |
| Stewardship | - | - | 5,535 | 5,535 |
| Ministry Coordinator | 3,002 | - | - | 3,002 |
| Merchant and related fees | - | 2,914 | - | 2,914 |
| Events | 2,883 | - | - | 2,883 |
| Interest expense | 462 | - | - | 462 |
| Total Operating Expenses | 439,205 | 261,644 | 27,602 | 728,451 |
| <u>Non-Operating Expenses:</u> | | | | |
| SOF Campaign Improvements | 29,232 | - | - | 29,232 |
| Vestry Capital Improvements | 6,000 | - | - | 6,000 |
| Net Assets Released | (8,954) | - | - | (8,954) |
| Lamar Street House expenses | 16,039 | - | - | 16,039 |
| Depreciation | 83,491 | 10,755 | - | 94,246 |
| Total Non-Operating Expenses | 125,808 | 10,755 | - | 136,563 |
| TOTAL EXPENSES | \$ 565,013 | \$ 272,399 | \$ 27,602 | \$ 865,014 |

ST. PETER'S EPISCOPAL CHURCH
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

| | No Donor Restriction | Donor Restriction | Total |
|--|-------------------------|----------------------|------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Excess of income (loss) | \$ 264,266 | \$ (187,368) | \$ 76,898 |
| Prior period adjustments | (4,583) | - | (4,583) |
| Change In Net Assets | \$ 259,683 | (\$ 187,368) | \$ 72,315 |
| Adjustments to reconcile change in net assets to net cash used by operating activities: | | | |
| (Increase) decrease in: | | | |
| Change in prepaid expenses and deposits | 3,791 | - | 3,791 |
| Depreciation | 94,247 | - | 94,247 |
| Increase (decrease) in: | | | |
| Accounts payable and accrued expenses | 5,771 | - | 5,771 |
| Change in deposits held | 351 | - | 351 |
| Change in restricted accounts | | (2,663) | (2,663) |
| Change in net investment restricted for long-term purposes | - | 33,091 | 33,091 |
| | | | |
| Net Cash Provided (Used) By Operating Activities | 104,159 | 30,428 | 134,587 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Acquisition of Fixed Assets | (373,108) | - | (373,108) |
| Net Cash Provided (Used) By Investing Activities | (373,108) | - | (373,108) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Line of Credit | 20,000 | | 20,000 |
| Payments on Long Term Debt | (9,152) | - | (9,152) |
| Net Cash Provided (Used) By Financing Activities | 10,848 | - | 10,848 |
| Net Increase (Decrease) in Cash | 1,582 | (156,940) | (155,358) |
| Cash at Beginning of the Year | 77,103 | 385,336 | 462,439 |
| | | | |
| Cash at End of the Year | \$ 78,685 | \$ 228,396 | \$ 307,081 |

ST. PETER'S EPISCOPAL CHURCH
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 1—NATURE OF ORGANIZATION

St. Peter's Episcopal Church (St. Peter's or the Church) was organized and made a mission church in 1876 and was elevated to Parish status in 1890. Since inception, St. Peter's has overcome numerous challenges. The church was rebuilt and dedicated in 1960 following complete destruction in a fire. Another fire in 1970 destroyed the existing Parish Hall, which was rebuilt and rededicated in 1972. In 1998, the Parish Hall and Church were remodeled to accommodate the rapid and consistent growth of the Church. St. Peter's mission is to provide a safe, loving environment for spiritual growth which enables its parishioners to reach out in service to the community and to share the love of Christ with the world. The Church is affiliated with the Episcopal Diocese of Dallas. Support comes primarily through contributions from parishioners.

St. Peter's Program Services include:

Congregational Life: St. Peter's has many different kinds of ministries and programs to serve the parishioners. The majority of the Church's program funding is spent on Christian Education, Bible Studies, retreats, mission trips and spiritual growth through music ministries. Additional funds are provided for communication of St. Peter's events, programs and ministries as well as the supplies necessary for worship.

Outreach and Mission Fundraising: St. Peter's utilizes a portion of donations without restrictions received from parishioners and funds raised through church sponsored events to support various non-profit organizations and mission; among those are the Holy Family School, the Community Food Pantry, Community Lifeline Center, and parishioners in need.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of St. Peter's Episcopal Church are prepared on the accrual basis of accounting and correspond with the recommendations of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. Under this method of accounting, income and related expenses are recognized when earned and expenses and related liabilities are recognized when incurred. Revenue at St. Peter's is generated from the generosity of its donors. Additional funding is received through St. Peter's Episcopal Church's designated funds and program ministries; expenses consist mainly of staff related, facility rental and the support of the church's program and fund ministries.

Fund Accounting

St. Peter's governing documents provide certain guidelines for its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose. Separate accounts are maintained for each fund.

For reporting purposes, however, St. Peter's financial statements have been prepared to focus on the organization as a whole and to present balances and transactions classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported into two classes, as follows:

Net Assets Without Donor Restrictions – The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions. These net assets are available for the overall operations of St. Peter's Episcopal Church and certain amounts have been designated for use by management (i.e., self-imposed).

ST. PETER'S EPISCOPAL CHURCH
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that require that the assets be maintained by St. Peter's Episcopal Church. Generally, the donors of these assets permit the non-profit to use all or part of the income earned on related investments for general or specific purposes.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions

St. Peter's Episcopal Church accounts for contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as donations with or without restrictions, depending on the existence or nature of any donor restrictions. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and presented in the accompanying statement of activities as net assets released from restrictions.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Allowances for uncollectible promises to give are based on management's estimates based on prior collection history.

Long-Term Investments

St. Peter's Episcopal Church accounts for investments in accordance with SFAS No. 124, *Accounting for Certain Investments Held for Not-for-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values, based on quoted prices in active markets for identical assets, and are pooled funds consisting of the assets held by the St. Peter's Foundation, the Emerson Scholarship Fund, and the Columbarium Funds (see Note 4). Realized and unrealized gains and losses on investments are included in the statement of activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, St. Peter's considers all currency on hand and demand deposits with banks or financial institutions to be cash and cash equivalents. These amounts can be either restricted by the donor or no donor restrictions.

Donated Services and Goods

Occasionally items will be donated to the Church and if material, are recorded at estimated value at time of donation. No amounts have been reflected in the financial statements for donated services. St. Peter's pays for most services requiring expertise. However, St. Peter's relies on many individuals who volunteer their time and perform a variety of tasks that help St. Peter's promote and coordinate the activities of the St. Peter's Episcopal Church in McKinney, TX.

ST. PETER'S EPISCOPAL CHURCH
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

Grants and Awards

St. Peter's Episcopal Church receives grants for its specified purpose. The grants and awards are recognized when funds are received.

Fixed Assets, Net

In 2000, the Church capitalized the land, buildings and existing improvements at then current fair market value based on a contemporaneous appraisal. Fixed assets are carried at original cost or estimated fair value at date of donation, if donated. The Church capitalizes acquisitions in excess of \$1,000, subsequently changed to \$2,500. Depreciation is computed on a straight-line basis over estimated useful lives of 5 years for computer related equipment, 5 to 7 years for furniture, fixture and equipment, landscaping improvements over 15 years, buildings and improvements over 39 years. All real property assets of the Church are held in trust by the Episcopal Diocese of Dallas for the benefit of the Church.

Income Tax Status

As a religious organization, St. Peter's Episcopal Church is a not-for-profit Texas Corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not required to file Form 990, Return of Organization Exempt from Tax. However, the Church is required to file Form 990T, Exempt Organization Business Income Tax Return related to rental income being earned on property owned by the Church. Mid-year 2019, St. Peter's converted the rental property into a Vicarage and will therefore not be required to file a Form 990T on income produced from this property.

St. Peter's Foundation is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and has been classified as other than a private foundation by the Internal Revenue Service. The Foundation's gross receipts have not been in excess of \$25,000 in any years and therefore, the Foundation has not been required to file Form 990.

NOTE 3—FIXED ASSETS

In 2011, St. Peter's purchased a house and lot near the Church located at 606 Lamar for the future expansion needs of the Church. Significant improvements were made to the house and effective June 1, 2012, the house was placed in service as a rental property. The property was managed by a local property management and leasing company until it was converted into a Vicarage in July 2019.

A summary of net fixed assets as of December 31, 2019 is as follows:

| | |
|------------------------------------|--------------------|
| Land | \$303,000 |
| Buildings and related improvements | 1,896,383 |
| Furniture and Fixtures | 113,789 |
| Columbarium | 29,922 |
| Computer and Other Equipment | 57,532 |
| Handbells | 18,633 |
| Shaping our Future Improvements | <u>361,135</u> |
| Total Land and Fixed Assets | 2,780,394 |
| Less Accumulated Depreciation | <u>(1,162,621)</u> |
| Fixed Assets, Net | \$1,617,773 |

Depreciation expense for the year ended December 31, 2019 was \$94,246.

ST. PETER'S EPISCOPAL CHURCH
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 4—LONG-TERM INVESTMENTS

In 1999, St. Peter's organized the St. Peter's Foundation (the Foundation), established for the exclusive benefit of St. Peter's Episcopal Church. The Foundation is governed by a Board of Directors consisting of the Rector, Senior Warden, and Treasurer of the Church, plus six to ten other directors selected by the Vestry of St. Peter's Episcopal Church.

The Board of Directors also manage the Tom & Bette Emerson Scholarship Endowment (the Emerson Fund), established in 2001 to provide scholarship endowment fund. Income earned from the Emerson Fund, not to exceed 5% of corpus, will be awarded annually in college scholarships for parishioners of St. Peter's Episcopal Church or of Holy Family Church. Income in excess of 5% will be directed to the corpus of the Emerson Fund. Contributions to the Emerson Fund are directed 100% to corpus.

The Board of Directors considers that it is operating in a manner consistent with the requirements of the Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA) and has adopted the accounting standards of FASB ASC 958-205-45-15 through 31, Net Assets of Endowment Funds. Donor restricted net assets consist of the original value of gifts donated to the funds, original value of subsequent gifts made to the funds, and the portion of investment return added to the funds since their inception. Accumulated earnings in excess of the amount determined by the Board to necessary to maintain the principal of the fund are available for appropriation for the benefit of the Church or for scholarships, and therefore, under the provisions of the UPMIFA, are classified as donor restricted assets.

The funds of the Foundation, the Emerson Fund, and the Columbarium Funds are invested in a mixture of money market funds, equities, and fixed income assets. The Board's objective in investing in these investment vehicles is to provide a stable rate of return and moderate capital growth over a period of time. These investment vehicles are being held for purposes other than trading.

Investments by net asset class are summarized as follows:

| | |
|----------------------|------------------|
| No Donor Restriction | \$0 |
| Donor Restriction | <u>\$249,843</u> |
| Total | <u>\$249,843</u> |

NOTE 5—NOTES PAYABLE

Loan Agreements

Long-term notes payable consists of the following at December 31, 2019:

Mortgage loan with Independent Bank to acquire and improve Lamar Street House, dated November 29, 2011 for \$145,000. Terms modified January 13, 2015. Interest rate in effect is at 4.65% annually, monthly payments of principal and interest of \$1,132.06. Secured by Lamar Street House, matures November 29, 2027.

Loan Balance: \$89,602

Real Estate lien loan with Independent Bank, dated July 18, 2018 in the amount of \$350,000 or so much as has been advanced in order to provide funding for expenses of the Shaping Our Future campaign. Interest rate in effect is at 4.75% annually through July 17, 2023. Thereafter, the Note shall bear interest at the rate established on July 18, 2023, July 18, 2028, and July 18, 2033. In 2019, two draws on the line of credit were taken on 6/12/19 for \$10,000 and 7/10/2019 for \$10,000.

Shaping our Future Line of Credit balance: \$20,000

Total long-term debt \$109,602

ST. PETER'S EPISCOPAL CHURCH
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 6—DONOR RESTRICTED ASSETS

Reconciliation of the changes in the net asset components of the Foundation Fund, The Emerson Fund and the Columbarium Fund are as follows:

| Donor Restricted Assets | St. Peter's Foundation | Emerson Fund | Columbarium Fund | Total |
|--------------------------------|---------------------------|-----------------|---------------------|------------------|
| Balance at December 31, 2018 | \$92,162 | \$79,365 | \$37,476 | \$209,003 |
| Contributions | 150 | 300 | 4,985 | 5,435 |
| Investment Income | 17,323 | 14,532 | 7,450 | 39,305 |
| Distributions for Scholarships | - | (3,900) | - | (3,900) |
| Balance at December 31, 2019 | <u>\$109,635</u> | <u>\$90,297</u> | <u>\$49,911</u> | <u>\$249,843</u> |

The Flower Fund was closed in March 2019 and the fund balance of \$8,298 was distributed to the Shaping our Future Altar Beautification initiative.

NOTE 7—FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2: Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

ST. PETER'S EPISCOPAL CHURCH
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2019 and 2018.

Mutual Funds: Valued at the net asset value of shares held by the Organization at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following table sets forth, by level, within the fair value hierarchy, the Church's and the Foundation's assets at fair value as of December 31, 2019:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-------------------------------|------------------|----------------|----------------|------------------|
| Money Market Funds | \$37,635 | \$0 | \$0 | \$37,635 |
| Available-for-sale securities | | | | |
| Bond mutual funds | 47,803 | - | - | 47,803 |
| Equity mutual funds | 164,405 | - | - | 164,405 |
| Total assets at fair values | <u>\$249,843</u> | <u>\$0</u> | <u>\$0</u> | <u>\$249,843</u> |

NOTE 8—EMPLOYEE BENEFIT PLANS

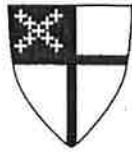
Employees of the Church who meet certain eligibility requirements have the option to defer a maximum of 4% of their annual salary to a defined contribution retirement plan managed by the Church Pension Fund. St. Peter's make a base contribution for each participating employee of 5% of annual salary, and also makes contributions matching employee contributions up to a maximum of 4% of the employee's annual salary. The Church also makes contributions on behalf of the clergy employees to the Clergy Pension Plan, a defined benefit pension plan managed by the Church Pension Fund. Pension contributions made annually amount to 18% of the clergy total stipend and housing remunerations. During the year ended December 31, 2019, the Church incurred and paid \$12,397.19 of defined contribution plan expense and \$33,022.32 of clergy pension plan funding expense.

NOTE 9—LEASE COMMITMENTS

St. Peter's Episcopal Church leases the Konica Minolta copier from Novacopy in a five-year agreement that began on November 15, 2017 for a minimum monthly lease payment of \$386.00.

NOTE 10—SUBSEQUENT EVENTS

Management has evaluated subsequent events through the issuance of the financial statements.



THE EPISCOPAL CHURCH

THE DOMESTIC AND FOREIGN MISSIONARY SOCIETY
OF THE PROTESTANT EPISCOPAL CHURCH IN THE UNITED STATES OF AMERICA

FOUNDED 1821 ■ INCORPORATED 1846

January 18, 2008

To whom it may concern:

The Protestant Episcopal Church in the United States of America, also known as the Episcopal Church, whose federal tax identification number is 31-1629166, is an unincorporated association that has since the 1940s continuously enjoyed an explicit federal “group” tax-exemption under the Internal Revenue Code. The Church’s status is currently reflected in its listing in the IRS Cumulative List of Tax Exempt Organizations, p. 2538 (2003 ed.) (note the Code “1” in the listing denoting group exemption).

The Church’s Group Exemption Number is GEN. No. 3741.

This exemption covers the Episcopal Church and those of its “Dioceses in the U.S. and Institutions Thereof” that elect to come under the group exemption, even though the latter are not separately listed in the Cumulative List.

According to our records, the following organization is covered by this exemption since May 2001: The Episcopal Diocese of Dallas – 1630 North Garrett Avenue, Dallas, TX 75206 – EIN #75-0800638.

Sincerely yours,

N. Kurt Barnes
Treasurer

THE EPISCOPAL CHURCH CENTER

815 SECOND AVENUE NEW YORK, NY 10017-4503 USA ■ 212-716-6000 ■ 800 334-7626 ■ www.episcopalchurch.org

Internal Revenue Service

**Department of the Treasury
P.O. Box 2508
Cincinnati, OH 45201**

Date: August 5, 2003

Person to Contact:

Ms. Smith #31-07262
Contact Representative

Protestant Episcopal Church in the
United States of America
Episcopal Church
815 2nd Ave.
New York, NY 10017-4503

Toll Free Telephone Number:

8:00 A.M. to 6:30 P.M. EST
877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

31-1629166

Group Exemption Number:

3741

Dear Sir or Madam:

This is in response to your request of August 5, 2003 regarding a copy of your organization's group exemption letter.

In January 1940 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on the information submitted, we recognized the subordinates named on the list your organization supplied as exempt from federal income tax under section 501(c)(3) of the Code. Also, we classified those subordinates as organizations that are not private foundations because they are organizations of the type described in sections 509(a)(1) and 170(b)(1)(A)(i) of the Code.

Donors may deduct contributions to your organization's subordinates as provided in section 170 of the Code. Bequests, legacies, devises, transfers or gifts to the subordinates or for their use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Your organization and its subordinates are not required to file federal income tax returns unless subject to the tax on unrelated business income under section 511 of the Code. If subject to this tax, the organization must file an income tax return on Form 990-T, *Exempt Organization Business Income Tax Return*. In this letter, we are not determining whether any of your organization or its subordinates' present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Unless specifically excepted, your organization and its subordinates are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid each employee during a calendar year. This does not apply, however, if your organization makes or has made a timely election under section 3121(w) of the Code to be exempt from such tax. Your organization and its subordinates are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).