

CHURCH OF THE  
**incarnation**



# 2013 Financial Report

*Submitted at the Annual Meeting on January 25, 2014*

## **CHURCH OF THE INCARNATION**

**550 Mendocino Avenue**

**Santa Rosa, CA 95401**

(707) 579-2604

FAX: (707) 579-0228

[www.incarnation-sr.org](http://www.incarnation-sr.org)

*and*

## **ST. ANDREW'S MISSION IN THE REDWOODS**

20329 Highway 116

Monte Rio, CA 95472

(707) 865-0834

[www.standrews-redwoods.org](http://www.standrews-redwoods.org)

*A Jubilee Parish of the Episcopal Diocese of Northern California*



# 2013 Financial Report

## Table of Contents

---

<b>2013 Financial Report</b> .....	<b>1</b>
Operating Statement .....	1
Balance Sheet .....	2
Restricted Funds .....	3
Estate and Endowment Funds.....	4
Outreach.....	4
St. Andrews Mission.....	5
2014 Budget .....	7
<b>Appendix A: Operating Statement for the Year Ending 12/31/2013</b> .....	<b>9</b>
<b>Appendix B: Balance Sheet Dated 12/31/2013</b> .....	<b>10</b>
<b>Appendix C: Restricted Fund Balances for the Year Ending 12/31/2013</b> .....	<b>11</b>
<b>Appendix D: Outreach Report for the Year Ending 12/31/2013</b> .....	<b>13</b>
<b>Appendix E: 2013 Financial Statements – St. Andrew’s Mission</b>	
Operating Statement .....	14
Balance Sheet .....	15
Mission Food Program .....	16
<b>Appendix F: Church of the Incarnation 2014 Projected Operating Budget</b> .....	<b>17</b>



# 2013 Financial Statements

## Operating Statement

I am pleased to report that through a combination of diligent work done by the stewardship committee to collect pledges and a successful effort to keep expenses down, we ended the year without a deficit!

For 2013, we received pledges from 208 members totaling \$417,068. Of these members, 134 either paid their full pledge or paid more than their pledged amount. Unfortunately, the remaining 74 pledgers were unable to meet their full pledge and underpaid their pledged amount by \$25,642. I know that in many cases there were circumstances that made it difficult for these people to meet their pledge but in some cases they may have just overlooked that they didn't pay their full pledge. **IT'S NOT TOO LATE! Any underpaid 2013 pledges that are paid now will help support our programs in 2014.**

The complete Operating Statement for 2013 is included in Appendix A. Below are comments about notable variances in income and expense line items.

Total income for the year was slightly under budget for the year primarily due to underpaid pledges as noted above.

- We used \$8,492 of the funds in the Congregational Development Grant to fund Jazz services and church growth projects.
- We transferred \$141,111 from the Green Endowment Fund which represented 7% of the January 1, 2013 balance in the fund.

Expenses were under budget by \$1,798.

COMMISSION EXPENSES – *These are the expenses directly associated with the programs and services provided by the parish. Without these expenses we wouldn't have supplies for services, Sunday school, etc.*

- Worship, which includes bulletins, worship supplies and altar supplies, was under budget by \$3,066.
- Music was over budget by \$1,303 primarily for guest musicians used during services during the year.
- Church Growth was \$3,823 under budget. This includes expenses for marketing and other programs to promote the growth of the parish.
- Parish Life, which includes all the wonderful parish events held during the year as well as Sunday coffee hour refreshments, other receptions and lay ministry recognition, was over budget by \$2,762, primarily due to unbudgeted costs associated with various parish events.

SALARIES & BENEFITS – *These are the expenses directly associated with paying our lay and clergy.*

- Clergy Salaries & Benefits were over budget by \$2,494, primarily due to supply clergy used during times when Fr. Matt was ill, on vacation, or working on deanery activities. A portion of this amount should be reimbursed to us by the diocese.
- Lay Salaries & Benefits were under budget by \$7,220, primarily due to salary savings associated with the Small Groups Ministry position which has not been reinstated since Mitch resigned.

OPERATING EXPENSES – *These are the expenses that keep our lights on, our office functioning, and our property maintained and insured.*

- Administrative Expenses were over budget by \$9,161. This is due to a combination of higher than projected office supply/copying costs during the year (\$3,228) and higher than projected telephone & internet costs (\$4,012). We have made some recent changes to contracts in the past few months and we anticipate these charges to decline in 2014.
- Buildings & Grounds expenses were under budget by \$1,504.

DIOCESAN APPORTIONMENT – *Diocesan apportionment is our parish's contribution to the operation of the Diocese of Northern California and, through the diocese, the National Church. Apportionment is calculated based on a percentage of income after deducting amounts spent on outreach and capital expenditures.*

- For 2013, calculated apportionment equaled approximately 20% of our net disposable income (defined as total income less outreach expenses and capital expenditures).

OTHER EXPENSES – *Other expenses include everything that doesn't fit in the above categories. For example, costs to attend diocesan conventions and clergy conferences are included in this line item. There were no significant items to mention in the Other Expense section.*

## **Balance Sheet**

The December 31, 2013 balance sheet is included in Appendix B.

The operating cash balance at the end of the year was \$38,893; outstanding receivables and payables as of December 31, 2013 were (\$38,893) leading to a true cash balance of \$0.

Reserve and restricted accounts are invested in money market and investment accounts and totaled \$2,615,902.

Not including the church property itself, Real Estate investments owned by the church include 570 Mendocino Avenue (Mackey Frame), 576 Mendocino (Heavenly Treasures), 580 Mendocino (Corner Parking Lot) and a 40% investment in the Rector's property.

## Restricted Funds

The 2013 Restricted Fund report is included in Appendix C.

Restricted funds are funds held by the church that have been designated for a specific purpose; most of these funds are controlled by groups or committees within the church, and are accounted for by those groups, subject, in some cases, to Vestry approval. Below are some comments regarding specific funds:

- Building Repair Fund: 2013 expenditures included repair to damaged stained glass window (insurance deductible) (\$500), lighting improvements in Farlander Hall (3,984), Rekeying of the church property (\$860), and a rewiring of the church network/wireless network (\$2,047) At year-end we had a total of approximately \$15,840 available in the Building Repair Fund. *(A portion of this amount is still in the Building Endowment Fund investment account.)*
- Corner Lot Remediation Fund: We completed the remediation work on the corner lot and awaiting a final reimbursement from the State of California.
- Congregational Development Grant: We have received a gift of \$50,000 to the church to be used to pay for congregational growth programs for a five-year period from 2011 through 2015. We had previously spent \$5,000 in 2011 and \$15,000 in 2012. In 2013 we spent \$7,592 leaving a balance of \$22,408 for the years 2014-2015.
- Youth Mission Trip Fund: The youth group successfully raised the funds for its 2013 Ecuador mission trip and began building a reserve for the next mission trip. As of the end of the year, the total mission trip fund was \$12,554.
- Miscellaneous Memorials: We received donations to the fund totaling \$1,326 in memory of parishioners or family members who passed away during the year. During the year, \$4,023 was spent including \$3,215 for the balance of the cost of the new chasuble set ordered in 2012 and \$708 to refurbish the ceremonial book used by the celebrant during worship services. At year-end the balance in the fund was \$494.
- Numina Fund: Numina held many programs during the year and ended the year with a balance in their fund of \$14,207.
- Organ Fund: The monthly organ concerts raised a net amount of \$942 after expenses and are slowly building funds to make future upgrades to the organ.
- Incarnation Bookstore: The bookstore continues to provide books and gift items to parishioners at a reasonable cost. The bookstore does not generate a large amount of revenue but, instead, is designed to provide a place for parishioners to purchase items of interest to them.
  - Sales: \$14,865 (net of sales taxes collected)
  - Expenses: \$1,259
  - Inventory: \$15,190
  - Inventory on hand (at cost) as of December 2013 was \$16,039

## **Estate Funds**

As of December 31, 2013, the total value of the estates funds was \$282,232. Of this total, \$216,482 is in real estate and therefore unavailable for distribution, \$13,514 is in the form of a loan to the Rector for improvements to his home, and the balance of \$52,236 is in cash.

## **Building Endowment Fund**

At the beginning of 2013, the principal balance in the fund was \$204,569. During the year, we received \$274 in contributions to the fund and the market value increased by \$54,077. The fund also earned \$7,720 in 2013 dividends that will be available in 2014 for Building Repair costs. The December 31, 2013 principal balance of the Building Endowment Fund was \$264,122.

## **Green Endowment Fund**

The Green Endowment Fund balance as of December 31, 2012 was \$2,004,798, during the year the fund increased by \$351,297 (17.5%) and paid out \$141,111 in distributions. The ending balance as of December 31, 2013 is \$2,214,984 which means the amount available from the fund for 2014 will be \$155,049.

## **Mission Building Acquisition Fund**

We continue to hold funds that were donated in 1998 towards the purchase of an appropriate property for St. Andrew's Mission. At the end of 2013 the fund balance was \$105,817. \$50,000 of this amount is restricted, but the balance can be used by the Mission for operating purposes if necessary. During 2013 we transferred \$10,000 to the Mission for an operating reserve.

## **Outreach**

The 2013 Outreach Report is included in Appendix D

Our outreach is mostly funded by Heavenly Treasures. This year, Heavenly Treasures raised \$9,541 for Outreach purposes. In addition to these funds, we also raised another \$17,269 in donations, special collections and fundraising events.

Outreach expenditures for the year totaled \$22,011 including the following areas:

- Open Table program - \$9,435.
- Rector's Discretionary Fund - \$3,600.
- St. Andrews Mission - \$2,400.
- The Living Room - \$800.
- BECAS - \$600.
- Camp Noel Porter - \$1,299
- United Thank Offering - \$2,176.



As of the end of the year outreach funds totaled \$15,862 allocated as follows:

- Unrestricted - \$1,332.
- Open Table Ministry - \$11,808
- Burbank School Ministry - \$2,722.

## **St. Andrew's in the Redwoods Episcopal Mission**

The Mission also ended the year with a slight surplus despite dealing with a significant reduction in pledge support. As noted above, we transferred \$10,000 from the Mission Building Fund to provide a reserve in the Mission operating fund.

The food program received grants totaling \$10,000 and received other donations of \$2,457 which have provided funding for the program for the year. Total expenses were \$21,409. As of the end of the year the program has \$6,015 in funds. A substantial portion of these funds is restricted and we are in the process of reconciling 2013 transactions to determine the restricted/unrestricted allocation of the funds.

The Detailed Income Statement and Balance Sheet for St. Andrews Mission are located in Appendix E of this report.

## **Investments**

In 2005, the Vestry formed an investment committee to review the church's investments. The funds are invested with Vanguard Investments. The investment committee will be meeting periodically in the future to review the investments. The investments did very well in 2013.

<b>Fund</b>	<b>Investment</b>	<b>Return</b>
Green Endowment Fund	Vanguard – Wellington Fund	19.76%
Estates Funds	Vanguard – Short Term Investment Grade Bonds	1.07%
Building Endowment Fund	Vanguard – Windsor II Fund	30.80%
Mission Purchase Fund	Vanguard – Windsor Fund	36.23%

## **Stock Donation**

A few people have been making their pledge by donating appreciated stock to the church rather than selling the stock and having to recognize the gain. The reason I bring this up is that many people are unaware of the benefits of donating stock to a non-profit organization such as the church. Below is an excerpt from a brochure put out by the Episcopal Foundation of Northern California. This brochure and other information about donations are available in the church office, or by calling (800) 442-6918.

*Many people who own appreciated stock make a gift as a way to share God's bounty. Giving stock also works for those who simply don't want to share the*

*“bounty” with Uncle Sam; donors get a deduction for the value of the stock and avoid capital gains taxes on the sale of the stock.*

*...If you donate \$1,000 of stock and your deduction is \$1,000, you save \$280 in taxes... If you sell the stock and then donate the after tax proceeds, **your gift to the church is smaller** (\$840) and so is your tax savings (\$235).*

## **Special Thanks**

This job would not be possible without the support of many people including Claire Frydenlund, Susan Hill who are invaluable in keeping the accounting systems running at the church, David Jasper who enters all the counter’s reports into the accounting system, the Finance Committee, the counters who count and deposit the weekly offering, and Barbara Avery who coordinates the counting process to make sure that we have people to count each week. It has been a rewarding experience for the past seventeen years and I’m sure that Aaron Lucey will also be able to rely on these wonderful people to make the job easy and rewarding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John M. Lucey". The signature is written in a cursive style with a large initial "J" and "L".

# 2014 Budget

The 2014 Budget is attached as Appendix F to this report.

At its meeting on January 21<sup>nd</sup>, the Vestry approved the 2014 budget.

The attached budget currently shows a \$75 surplus. It's important to note that pledge income has decreased by 10% with a loss of 23 pledging families. However, even with this loss of income, we were able to create a balanced budget due to a substantial decrease in the Diocesan Apportionment. Given this decrease, we were able to include cost of living salary increases for all staff and a small merit increase to Father Matt. Moreover, we were able to incorporate some modest funding for potential opportunities that came out of our recent Holy Conversations, as well as some much needed building and grounds projects slated for 2014.

We are still working on finalizing the 2014 pledge campaign. To date we have received pledges from 185 families totaling \$367,000. We also have a handful of additional pledges we believe will come in, which brings our 2014 projected pledge total to \$371,460, which we have incorporated in our budget. If you have not yet made your pledge, it's not too late. It really helps the operation of the church if we know we can count on ongoing donations from our parishioners.

Here are a few items in the 2014 budget that deserve comment:

- Pledge income decreased approximately 10% in 2014 over prior year.
- Diocesan Apportionment decreased substantially in 2014 over 2013 due to a negotiated change in the formula.
- We have included cost of living salary increases for the staff and a small merit increase for Father Matt in 2014.
- Building & Grounds expenses increased modestly to incorporate necessary repairs slated for 2014.
- The 2014 budget incorporates modest expenditures specific to our recent Holy Conversations.

In order for us to meet these goals, it is very important that people meet their pledges and income is maintained during the year to avoid a year-end deficit.



Church of the Incarnation  
Operating Statement  
For the Year Ending December 31, 2013

	Actual	Budget	Variance	
			\$	%
<b>Income</b>				
<i>Offerings</i>				
Plate/Special Offerings	\$44,440.21	44,200	\$240	0.5%
Pledge Offerings	402,874.88	411,000	(8,125)	-2.0%
<i>Total Offerings</i>	<u>\$447,315.09</u>	<u>455,200</u>	<u>(\$7,885)</u>	<u>-1.7%</u>
<i>Other Operating Income</i>				
Interest Income	2,071.93	1,800	272	15.1%
Facilities Usage	27,328.29	25,400	1,928	7.6%
<i>Total Other Operating Income</i>	<u>\$29,400.22</u>	<u>27,200</u>	<u>\$2,200</u>	<u>8.1%</u>
<i>Endowment &amp; Subsidiary Transfers</i>				
Green Endowment Fund	141,111.10	140,340	771	0.5%
Congregational Development Grant	8,491.79	10,000	(1,508)	-15.1%
Jubilee Credit	2,190.12	2,190	0	0.0%
Transfer from Estates Fund	0.00	0	0	-
<i>Total Endowment &amp; Subsidiary Tsf</i>	<u>151,793.01</u>	<u>152,530</u>	<u>(737)</u>	<u>-0.5%</u>
<b>Total Income</b>	<u><b>\$628,508.32</b></u>	<u><b>634,930</b></u>	<u><b>(\$6,422)</b></u>	<u><b>-1.0%</b></u>
<b>Commission Expenses</b>				
Worship	7,733.84	10,800	(3,066)	-28.4%
Music	3,998.20	2,695	1,303	48.4%
Church Growth	2,597.29	6,420	(3,823)	-59.5%
Christian Formation	1,601.95	1,640	(38)	-2.3%
Parish Life	13,212.06	10,450	2,762	26.4%
<b>Total Commission Expenses</b>	<u><b>\$29,143.34</b></u>	<u><b>32,005</b></u>	<u><b>(\$2,862)</b></u>	<u><b>-8.9%</b></u>
<b>Salaries &amp; Benefits</b>				
Clergy Salaries & Benefits	135,934.32	133,440	2,494	1.9%
Lay Salaries & Benefits	230,380.35	237,600	(7,220)	-3.0%
<b>Total Salaries &amp; Benefits</b>	<u><b>\$366,314.67</b></u>	<u><b>371,040</b></u>	<u><b>(\$4,725)</b></u>	<u><b>-1.3%</b></u>
<b>Operating Expenses</b>				
Administrative Expenses	35,080.83	25,920	9,161	35.3%
Buildings & Grounds	80,145.85	81,650	(1,504)	-1.8%
<b>Total Operating Expenses</b>	<u><b>\$115,226.68</b></u>	<u><b>107,570</b></u>	<u><b>\$7,657</b></u>	<u><b>7.1%</b></u>
<b>Diocesan Apportionment</b>	<u><b>\$113,427.00</b></u>	<u><b>117,180</b></u>	<u><b>(\$3,753)</b></u>	<u><b>-3.2%</b></u>
<b>Other Expenses</b>	<u><b>\$4,085.22</b></u>	<u><b>2,200</b></u>	<u><b>\$1,885</b></u>	<u><b>85.7%</b></u>
<b>Total Expenses</b>	<u><b>\$628,196.91</b></u>	<u><b>629,995</b></u>	<u><b>(\$1,798)</b></u>	<u><b>-0.3%</b></u>
<b>Net Surplus (Deficit)</b>	<u><u><b>\$311.41</b></u></u>	<u><u><b>4,935</b></u></u>	<u><u><b>(\$4,624)</b></u></u>	

**APPENDIX B**

Church of the Incarnation  
Balance Sheet  
December 31, 2013

	<u>December 2013</u>	<u>December 2012</u>	<u>Difference</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
<i>Cash &amp; Investments</i>			
Operating Account	\$38,892.53	\$43,753.34	(\$4,860.81)
Custodial & Memorial Funds	120,338.86	114,660.60	5,678.26
Stock Account	0.00	0.00	0.00
Building Endowment Fund	278,756.74	221,484.27	57,272.47
Green Endowment Fund	2,049,983.96	1,839,797.74	210,186.22
Estate Funds (Cash)	46,491.02	43,795.80	2,695.22
Estate Funds (Loan to Rector)	13,514.37	17,820.41	(4,306.04)
Mission Building Acquisition Fund	105,817.32	85,374.52	20,442.80
Petty Cash	1,200.00	1,200.00	0.00
<i>Subtotal</i>	<u>2,654,994.80</u>	<u>2,367,886.68</u>	<u>287,108.12</u>
<i>Funds Controlled by Subsidiary Groups</i>			
St. Andrews Mission	17,185.58	15,983.95	1,201.63
ECW-Guild of the Incarnation	3,098.75	5,377.09	(2,278.34)
Discretionary Funds	1,349.03	3,223.67	(1,874.64)
<i>Subtotal</i>	<u>21,633.36</u>	<u>24,584.71</u>	<u>(2,951.35)</u>
<i>Other Current Assets</i>			
Accounts Receivable	3,560.82	5,525.09	(1,964.27)
Prepaid Expenses	4,458.85	4,106.85	352.00
Bookstore Inventory	16,039.37	11,353.45	4,685.92
<i>Subtotal</i>	<u>24,059.04</u>	<u>20,985.39</u>	<u>3,073.65</u>
<b>Total Current Assets</b>	<u>2,700,687.20</u>	<u>2,413,456.78</u>	<u>287,230.42</u>
<b>Fixed Assets</b>			
Real Estate	1,921,083.00	1,921,083.00	0.00
Estate Funds - Real Estate	216,482.00	216,482.00	0.00
Green Endowment Fund - Real Estate	165,000.00	165,000.00	0.00
Church Organ	338,644.63	338,644.63	0.00
<b>Total Fixed Assets</b>	<u>2,641,209.63</u>	<u>2,641,209.63</u>	<u>0.00</u>
<b>TOTAL ASSETS</b>	<u><b>\$5,341,896.83</b></u>	<u><b>\$5,054,666.41</b></u>	<u><b>\$287,230.42</b></u>
<b>LIABILITIES &amp; FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts Payable	45,810.51	48,222.85	(2,412.34)
Pension Payable	0.00	0.00	0.00
Prepaid Pledge Income	0.00	5,630.00	(5,630.00)
Due to Other Funds	321.69	3,014.28	(2,692.59)
Key Deposits	780.00	780.00	0.00
<b>Total Current Liabilities</b>	<u>46,912.20</u>	<u>57,647.13</u>	<u>(10,734.93)</u>
<b>Reserve Fund</b>	0.00	0.00	0.00
<b>Restricted Funds</b>			
Temporarily Restricted	435,387.57	430,635.12	4,752.45
Permanently Restricted	4,859,285.65	4,566,384.16	292,901.49
<b>Total Real Property &amp; Fixed Assets</b>	<u>5,294,673.22</u>	<u>4,997,019.28</u>	<u>297,653.94</u>
<b>Equity</b>			
Operating Fund	0.00	0.00	0.00
Surplus (Deficit) For Current Year	311.41	0.00	311.41
<b>Total Equity</b>	<u>311.41</u>	<u>0.00</u>	<u>311.41</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u><b>\$5,341,896.83</b></u>	<u><b>\$5,054,666.41</b></u>	<u><b>\$287,230.42</b></u>

Church of the Incarnation  
Restricted Fund Balances  
December 31, 2013

	<u>December 2013</u>	<u>December 2012</u>	<u>Difference</u>
<b>TEMPORARILY RESTRICTED FUNDS</b>			
<b>Custodial Funds</b>			
Adult Education Fund	0.00	268.04	(268.04)
Alleluia Choir Fund	3,814.20	5,037.13	(1,222.93)
Altar Guild Fund	3,899.69	3,731.98	167.71
Animal Ministry Fund	8.44	8.44	0.00
Building Repair Fund	1,205.01	3,372.22	(2,167.21)
Burbank School Fund	2,722.00	185.00	2,537.00
Corner Lot Remediation Fund	2,457.85	3,737.36	(1,279.51)
Children's Library Fund	0.00	505.03	(505.03)
Children's Ministry Fund	154.40	154.40	0.00
Congregational Development Grant	22,408.21	30,000.00	(7,591.79)
Columbarium	10,357.96	9,295.46	1,062.50
Continuing Education Funds	1,504.00	1,376.97	127.03
EFM Fund	0.00	415.00	(415.00)
Youth Group Fund	1,200.21	(82.82)	1,283.03
Youth Group Mission Fund	12,554.45	8,738.39	3,816.06
Heavenly Treasures Fund	2,000.00	2,000.00	0.00
Incarnation100 Fund	(542.40)	0.00	(542.40)
Library Fund	0.00	52.81	(52.81)
Memorial Garden	2,605.00	2,622.00	(17.00)
Memorial Patio Fund	0.00	(200.00)	200.00
Misc. Memorials	494.19	3,190.93	(2,696.74)
Numina Fund	14,207.01	12,801.10	1,405.91
Organ Fund	2,620.57	1,678.57	942.00
Outreach Fund	1,332.01	5,330.84	(3,998.83)
Open Table Ministry Fund	11,808.17	5,532.65	6,275.52
Pastoral Care Fund	697.17	693.00	4.17
Rector's Business Expense Fund	0.00	0.00	0.00
Sabbatical Fund	12,000.00	9,000.00	3,000.00
Special Events Fund	239.26	673.67	(434.41)
St. Cecilia Choir Fund	4,341.13	4,223.53	117.60
Lay Training Fund	267.42	267.42	0.00
<b>Total Custodial Funds</b>	<u>114,355.95</u>	<u>114,609.12</u>	<u>(253.17)</u>
<b>Incarnation Bookstore</b>			
Cash	1,126.90	1,989.63	(862.73)
Inventory	16,039.37	11,353.45	4,685.92
<b>Total Incarnation Bookstore</b>	<u>17,166.27</u>	<u>13,343.08</u>	<u>3,823.19</u>
<b>Estate Funds</b>			
Cash	46,491.02	43,795.80	2,695.22
Loan to Rector	13,514.37	17,820.41	(4,306.04)
Real Estate - Rector's House	216,482.00	216,482.00	0.00
570 Mendocino Net Income	19,480.48	0.00	19,480.48
Current Year Expenditures	(13,735.88)	0.00	(13,735.88)
<b>Total Estate Funds</b>	<u>282,231.99</u>	<u>278,098.21</u>	<u>4,133.78</u>

Church of the Incarnation  
 Restricted Fund Balances  
 December 31, 2013

	<u>December 2013</u>	<u>December 2012</u>	<u>Difference</u>
<b>Funds Controlled by Subsidiary Groups</b>			
St. Andrews Mission Fund	17,185.58	15,983.95	1,201.63
ECW-Guild Fund	3,098.75	5,377.09	(2,278.34)
Discretionary Funds	1,349.03	3,223.67	(1,874.64)
<b>Total Funds Controlled by Subsid. Grps</b>	<u>21,633.36</u>	<u>24,584.71</u>	<u>(2,951.35)</u>
<b>TOTAL FUND BALANCES</b>	<u><b>\$435,387.57</b></u>	<u><b>\$430,635.12</b></u>	<u><b>\$4,752.45</b></u>

PERMANENTLY RESTRICTED FUNDS

<b>Building Endowment Fund (Principal)</b>			
Bldg Endow-Beg. Princ. Bal.	209,770.83	180,078.51	29,692.32
Bldg Endow-Curr. Yr. Contrib.	274.00	1,985.00	(1,711.00)
Bldg Endow-Change in Mkt Value	54,077.14	22,505.76	31,571.38
<b>Total Building Endowment Fund (Principal)</b>	<u>264,121.97</u>	<u>204,569.27</u>	<u>59,552.70</u>
<b>Building Endowment Fund (Spendable)</b>			
Current Year Dividends & Growth (Spendable)	7,719.77	5,201.56	2,518.21
Spendable Portion of Invested Funds	11,915.00	6,713.44	5,201.56
Transfers to Building Repair Fund	(5,000.00)	0.00	(5,000.00)
<b>Total Building Endowment Fund (Spendable)</b>	<u>14,634.77</u>	<u>11,915.00</u>	<u>2,719.77</u>
<b>Green Endowment Fund</b>			
Green Endowment Fund	2,004,797.74	1,932,295.43	72,502.31
Green Endow.-Change in Mkt.	351,297.32	207,894.75	143,402.57
Transfer to Operating Fund	(141,111.10)	(135,392.44)	(5,718.66)
<b>Total Green Endowment Fund</b>	<u>2,214,983.96</u>	<u>2,004,797.74</u>	<u>210,186.22</u>
<b>Mission Building Acquisition Fund</b>			
Mission Building Fund	105,817.32	85,374.52	20,442.80
<b>Total Mission Building Acquisition Fund</b>	<u>105,817.32</u>	<u>85,374.52</u>	<u>20,442.80</u>
<b>Fixed Assets</b>			
Fixed Assets Fund	2,259,727.63	2,259,727.63	0.00
<b>Total Fixed Assets</b>	<u>2,259,727.63</u>	<u>2,259,727.63</u>	<u>0.00</u>
<b>TOTAL FUND BALANCES</b>	<u><b>\$4,859,285.65</b></u>	<u><b>\$4,566,384.16</b></u>	<u><b>\$17,443.91</b></u>



Church of the Incarnation  
Outreach Report  
For the Year Ending December 31, 2013

	<u>Outreach</u>	<u>Open Table</u>	<u>Burbank School</u>	<u>Total Outreach</u>
<b>Direct Donations / Fundraising</b>				
Birthday Offerings	\$1,299.33	\$0.00	\$0.00	\$1,299.33
United Thank Offering	2,186.44	0.00	0.00	2,186.44
Youth Group Fundraising	600.00	0.00	0.00	600.00
Designated Offerings	450.00	12,195.73	537.00	13,182.73
<b>Total Direct Donations / Fundraising</b>	<b><u>\$4,535.77</u></b>	<b><u>\$12,195.73</u></b>	<b><u>\$537.00</u></b>	<b><u>\$17,268.50</u></b>
<b>Outreach Beneficiaries</b>				
St. Andrew's Mission	2,400.00			2,400.00
The Living Room	800.00			800.00
Episcopal Seminaries	800.00			800.00
Camp Noel Porter	1,299.33			1,299.33
Davis Campus Ministry	400.00			400.00
United Thank Offering	2,176.44			2,176.44
BECAS	600.00			600.00
Rector's Discretionary Fund	3,600.00			3,600.00
Other Outreach Donations	500.00			500.00
<b>Total Outreach Beneficiaries</b>	<b><u>\$12,575.77</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$12,575.77</u></b>
<b>Open Table Ministry</b>				
Food		5,287.11		5,287.11
Kitchen Supplies		1,738.21		1,738.21
Hygiene Supplies		1,175.54		1,175.54
Backpacks		40.98		40.98
Other Expenses		1,193.37		1,193.37
<b>Total Open Table Ministry</b>	<b><u>\$0.00</u></b>	<b><u>\$9,435.21</u></b>	<b><u>\$0.00</u></b>	<b><u>\$9,435.21</u></b>
<b>Beginning Balance - Outreach Funds</b>	<b>\$5,330.84</b>	<b>\$5,547.65</b>	<b>\$185.00</b>	<b>\$11,063.49</b>
Heavenly Treasures - Net Income	9,541.17	0.00	0.00	9,541.17
Direct Donations / Fundraising	4,535.77	12,195.73	537.00	17,268.50
Transfer Outreach to Open Table	(3,500.00)	3,500.00	0.00	0.00
Transfer Outreach to Burbank School Fund	(2,000.00)	0.00	2,000.00	0.00
Expenses	(12,575.77)	(9,435.21)	0.00	(22,010.98)
<b>Ending Balance - Outreach Funds</b>	<b><u>\$1,332.01</u></b>	<b><u>\$11,808.17</u></b>	<b><u>\$2,722.00</u></b>	<b><u>\$15,862.18</u></b>

**APPENDIX E**

St. Andrews in the Redwoods Episcopal Mission  
 Operating Statement  
 For the Year Ending December 31, 2013

	Actual	Budget	Variance	
			\$	%
<b>Income</b>				
Pledge & Plate	13,890.36	18,000.00	(4,110)	-22.8%
Incarnation Clergy Support	2,400.00	2,400.00	0	0.0%
Facilities Usage	7,847.34	6,600.00	1,247	18.9%
Interest Income	1.14	0.00	1	-
Transfer from Reserve Fund	0.00	0.00	0	-
<b>Total Income</b>	<b>\$24,138.84</b>	<b>\$27,000.00</b>	<b>(\$2,861)</b>	<b>-10.6%</b>
<b>Expenses</b>				
Worship	0.00	300.00	(300)	-100.0%
Church Growth	0.00	300.00	(300)	-100.0%
Parish Life	0.00	0.00	0	-
Supply Clergy	7,052.20	8,400.00	(1,348)	-16.0%
Lay Salaries	920.00	1,800.00	(880)	-48.9%
Administrative Expenses	1,179.93	3,300.00	(2,120)	-64.2%
Rent & Property Taxes	11,039.16	10,628.76	410	3.9%
Insurance	0.00	0.00	0	-
Utilities	3,558.60	3,000.00	559	18.6%
Repairs & Maintenance	235.00	1,500.00	(1,265)	-84.3%
Other Expenses	0.00	300.00	(300)	-100.0%
<b>Total Expenses</b>	<b>\$23,984.89</b>	<b>\$29,528.76</b>	<b>(\$5,544)</b>	<b>-18.8%</b>
<b>Surplus (Deficit)</b>	<b>\$153.95</b>	<b>(\$2,528.76)</b>	<b>\$2,683</b>	<b>-106.1%</b>

St. Andrews in the Redwoods Episcopal Mission  
Balance Sheet  
December 31, 2013

	<u>December 2013</u>	<u>December 2012</u>	<u>Difference</u>
<b>ASSETS</b>			
<b>Cash</b>			
Cash - Operating Account	\$12,849.75	\$3,131.54	\$9,718.21
Cash - Mission Food Program	6,015.06	14,967.38	(8,952.32)
<b>Total Cash</b>	<u>18,864.81</u>	<u>18,098.92</u>	<u>765.89</u>
<b>TOTAL ASSETS</b>	<u><u>\$18,864.81</u></u>	<u><u>\$18,098.92</u></u>	<u><u>\$765.89</u></u>
<b>LIABILITIES &amp; FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts Payable	1,679.23	2,114.97	0.00
<b>Total Current Liabilities</b>	<u>1,679.23</u>	<u>2,114.97</u>	<u>0.00</u>
<b>Fund Balances</b>			
Food Ministries Fund	6,015.06	14,967.38	(8,952.32)
<b>Total Fund Balances</b>	<u>6,015.06</u>	<u>14,967.38</u>	<u>(8,952.32)</u>
<b>Reserve Account</b>	11,016.57	1,016.57	10,000.00
<b>Equity</b>			
Operating Fund	0.00	0.00	0.00
Surplus (Deficit) For Current Year	153.95	0.00	153.95
<b>Total Equity</b>	<u>153.95</u>	<u>0.00</u>	<u>153.95</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u><u>\$18,864.81</u></u>	<u><u>\$18,098.92</u></u>	<u><u>\$1,201.63</u></u>

St. Andrews in the Redwoods Episcopal Mission  
Mission Food Program  
For the Month Ending December 31, 2013

**Income**

Unrestricted Donations	2,457.00
Incarnation Outreach	0.00
Adventures in Giving Grant	10,000.00
ECS Grants	0.00
Community Foundation Grants	0.00
Russian River Sisters Grant	0.00

<b>Total Income</b>	<b><u>\$12,457.00</u></b>
---------------------	---------------------------

**Expenses**

Salaries & Benefits	4,758.10
Fundraising Expenses	0.00
Capital Improvements & Equipment	0.00
Office Expenses	20.62
Printing & Publicity	0.00
Volunteer Recognition	279.19
Utilities & Trash	4,200.00
Facilities Usage Fees	0.00
Sexton (Janitorial)	0.00
Kitchen Equipment	291.90
Food & Supplies for Food Pantry	10,155.38
Food & Supplies for Dinners	1,167.54
Program Supplies	486.59
Membership Dues	50.00
Training	0.00
Safety Equipment	0.00
Building Repairs	0.00

<b>Total Expenses</b>	<b><u>\$21,409.32</u></b>
-----------------------	---------------------------

<b>Surplus (Deficit)</b>	<b><u><u>(\$8,952.32)</u></u></b>
--------------------------	-----------------------------------

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<b>Beginning Fund Balance</b>	5,162.30	9,805.08	14,967.38
Cash Flow			(8,952.32)
<b>Ending Fund Balance</b>	<b>To be determined</b>		<b><u><u>\$6,015.06</u></u></b>

Church of the Incarnation  
2014 Operating Budget  
(Approved by Vestry 01/21/2014)

	2014 Budget	2013 Budget	Change		Comments
			\$	%	
<b>Income</b>					
<i>Offerings</i>					
Plate/Special Offerings	41,900	44,200	(\$2,300)	-5.2%	
Pledge Offerings	371,460	411,000	(39,540)	-9.6%	
Restricted Offerings	0	0	0	-	
<i>Total Offerings</i>	<u>413,360</u>	<u>455,200</u>	<u>(\$41,840)</u>	<u>-9.2%</u>	
<i>Investment and Interest Income</i>					
Interest Income	1,260	1,800	(540)	-30.0%	
Green Endowment Fund Income	155,100	140,340	14,760	10.5%	
<i>Total Investment and Interest Income</i>	<u>156,360</u>	<u>142,140</u>	<u>\$14,220</u>	<u>10.0%</u>	
Facilities Usage	32,160	25,400	\$6,760	26.6%	
<i>Subsidiary Transfers</i>					
Congregational Development Grant	10,000	10,000	0	0.0%	
Jubilee Credit	2,270	2,190	80	3.7%	
Other Subsidiary Transfers	0	0	0	-	
<i>Total Endowment &amp; Subsidiary Tsf</i>	<u>12,270</u>	<u>12,190</u>	<u>80</u>	<u>0.7%</u>	
<b>Total Income</b>	<b>614,150</b>	<b>634,930</b>	<b>(\$20,780)</b>	<b>-3.3%</b>	
<b>Commission Expenses</b>					
Worship	2,160	10,800	(8,640)	-80.0%	
Music	3,480	2,695	785	29.1%	
Church Growth	7,020	6,420	600	9.3%	
Christian Formation	4,020	1,500	2,520	168.0%	
Parish Life	10,980	15,450	(4,470)	-28.9%	
<b>Total Commission Expenses</b>	<b>27,660</b>	<b>36,865</b>	<b>(\$9,205)</b>	<b>-25.0%</b>	
<b>Salaries &amp; Benefits</b>					
Clergy Salaries & Benefits	136,560	133,440	3,120	2.3%	
Lay Ministries Staff	126,780	134,260	(7,480)	-5.6%	
Administrative Staff	56,400	55,700	700	1.3%	
Maintenance Staff	39,660	35,400	4,260	12.0%	
Taxes & Insurance	16,380	18,480	(2,100)	-11.4%	
<b>Total Salaries &amp; Benefits</b>	<b>375,780</b>	<b>377,280</b>	<b>(\$1,500)</b>	<b>-0.4%</b>	
<b>Operating Expenses</b>					
Administrative Expenses	36,060	19,680	16,380	83.2%	
Buildings & Grounds	86,580	81,650	4,930	6.0%	
<b>Total Operating Expenses</b>	<b>122,640</b>	<b>101,330</b>	<b>\$21,310</b>	<b>21.0%</b>	
<b>Diocesan Apportionment</b>	<b>85,800</b>	<b>117,180</b>	<b>(\$31,380)</b>	<b>-26.8%</b>	
<b>Other Expenses</b>	<b>2,270</b>	<b>2,200</b>	<b>\$70</b>	<b>3.2%</b>	
<b>Total Expenses</b>	<b>614,150</b>	<b>634,855</b>	<b>(\$20,705)</b>	<b>-3.3%</b>	
<b>Net Surplus (Deficit)</b>	<b>0</b>	<b>75</b>	<b>(\$75)</b>		

St. Andrews in the Redwoods Episcopal Mission  
2014 Operating Budget

	<b>2014 Budget</b>	<b>2013 Budget</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
<b>Income</b>				
Pledge & Plate	8,200	18,000	(9,800)	-54.4%
Incarnation Clergy Support	2,400	2,400	0	0.0%
Facilities Usage	6,600	6,600	0	0.0%
Transfer from Reserve Fund	6,040	0	6,040	-
<b>Total Income</b>	<b>\$23,240</b>	<b>\$27,000</b>	<b>(\$3,760)</b>	<b>-13.9%</b>
<b>Expenses</b>				
Worship	0	300	(300)	-100.0%
Evangelism & Renewal	0	300	(300)	-100.0%
Parish Life	0	0	0	-
Supply Clergy	8,060	8,400	(340)	-4.0%
Lay Salaries	0	1,800	(1,800)	-100.0%
Administrative Expenses	1,140	3,300	(2,160)	-65.5%
Rent & Property Taxes	11,100	10,629	471	4.4%
Insurance	0	0	0	-
Utilities	2,940	3,000	(60)	-2.0%
Repairs & Maintenance	0	1,500	(1,500)	-100.0%
Other Expenses	0	300	(300)	-100.0%
<b>Total Expenses</b>	<b>\$23,240</b>	<b>\$29,529</b>	<b>(\$6,289)</b>	<b>-21.3%</b>
<b>Surplus (Deficit)</b>	<b>\$0</b>	<b>(\$2,529)</b>	<b>\$2,529</b>	<b>-100.0%</b>