

CHURCH OF THE
incarnation



2014 Financial Report

Submitted at the Annual Meeting on January 25, 2015

CHURCH OF THE INCARNATION

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and

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A Jubilee Parish of the Episcopal Diocese of Northern California

2014 Financial Report

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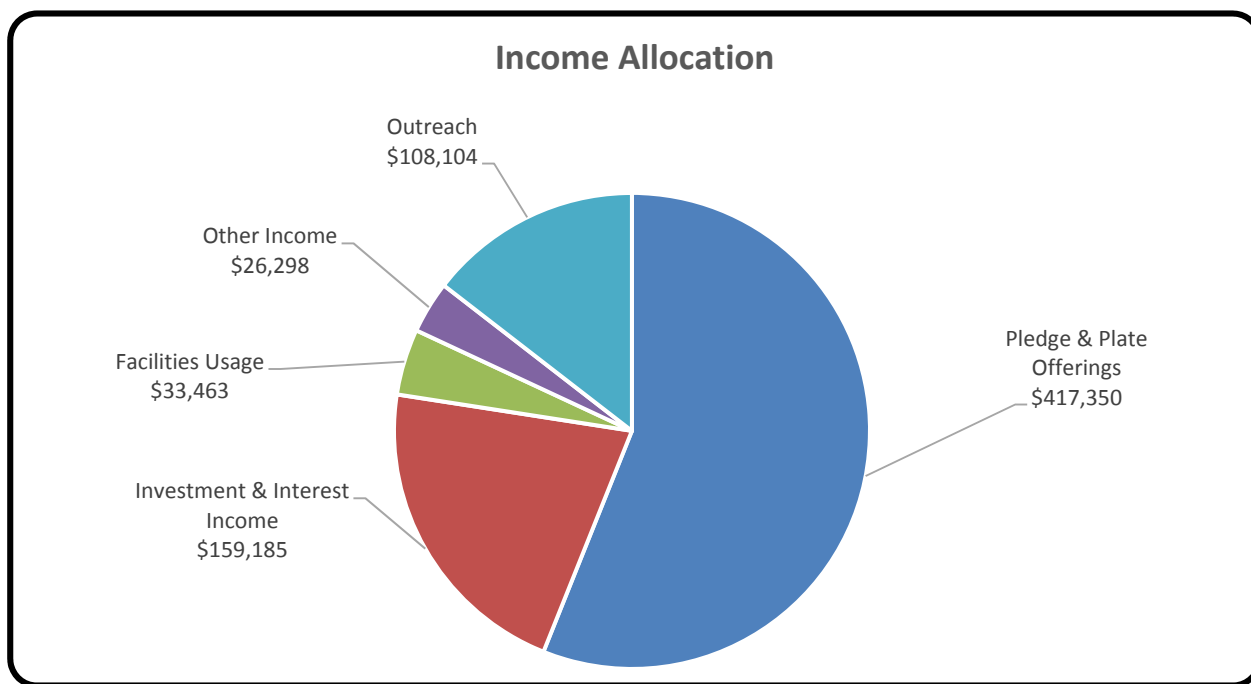
2014 Financial Statements

Operating Statement

Despite the challenges we faced during the second half of 2014, we ended the year with a very small deficit of \$2,878.

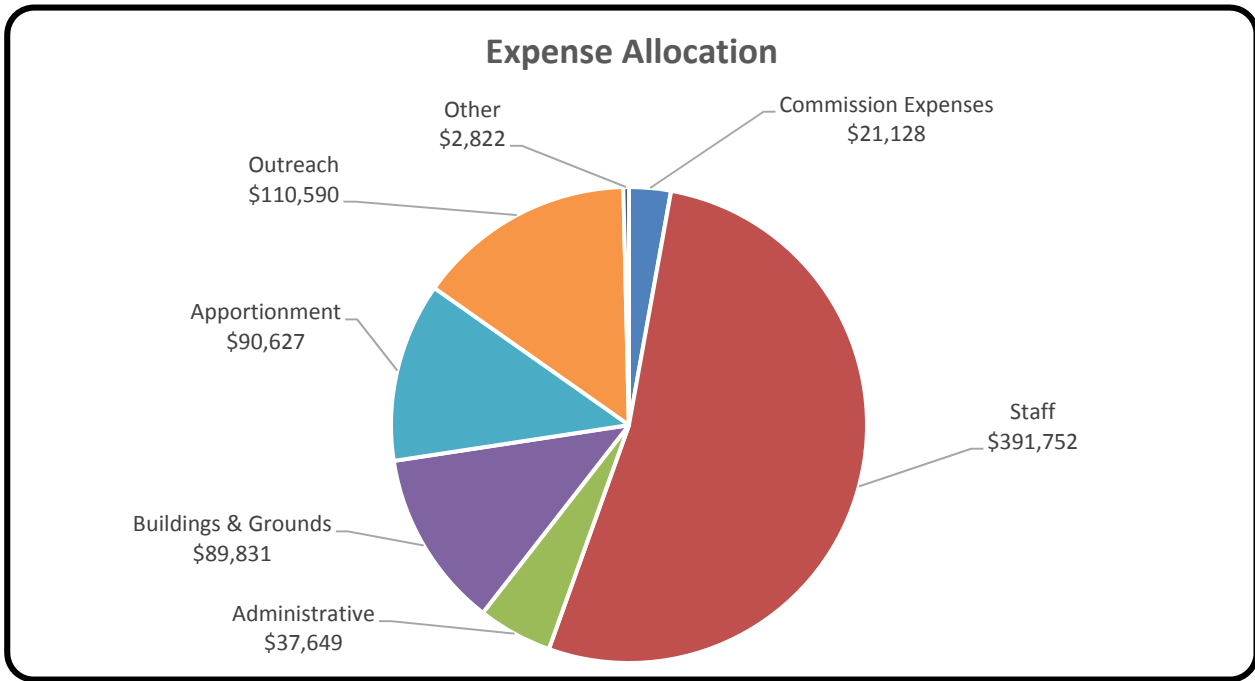
For 2014, we received pledges from 197 members totaling \$376,080. Of these members, 116 either paid their full pledge or paid more than their pledged amount. Unfortunately, the remaining 81 pledgers were unable to meet their full pledge and underpaid their pledged amount by \$28,377. I know that in 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 2014 pledges that are paid now will help support our programs in 2015.**

The complete Operating Statement for 2014 is included in Appendix A. Below are comments about notable variances in income and expense line items.



Not including Outreach income (which was not a part of the 2014 budget) total income for the year was over budget by \$22,387 (3.5%), primarily in the following areas:

- Plate offerings: We received significantly higher than projected unpledged plate offerings during the year. These helped offset the underpaid 2014 pledges noted above.
- We transferred \$13,095 from the Sabbatical Fund to cover substitute clergy expenses during Fr. Matt's sabbatical.
- We transferred \$3,467 from reserve funds to fund the 2014 deficit (\$2,878 plus apportionment on the income transferred into the operating budget.)



Not including Outreach expenses which were not included in the 2014 budget, total expenses for the year were under budget by \$20,629 (3.4%). Below are some comments regarding expenses:

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. Below is a chart showing the breakdown of commission expenses.*

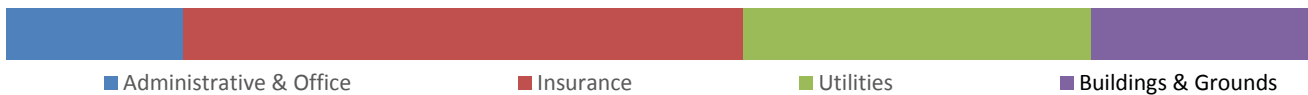


- Worship, which includes bulletins, worship supplies and altar supplies, was under budget by \$526.
- Music was over budget by \$1,696 primarily due to new music scores and supplies purchased by the choirs.
- Church Growth was \$3,797 under budget. This includes expenses for marketing and other programs 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 under budget by \$1,920

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

- Clergy Salaries & Benefits were over budget by \$20,893. \$12,105 of this overage was due to Fr. Matt’s sabbatical expenses which were directly offset by a transfer from the Sabbatical fund so the expense had no net effect on our budget for the year. The other \$10,000 was used to pay Fr. Rod in his role as long-term supply priest during Fr. Matt’s administrative leave.
- Lay Salaries & Benefits were under budget by \$4,198, primarily due to salary savings associated with the vacancy for part of 2014 of the parish administrator position. Those savings were somewhat offset by an increase in the Sexton salary line item, to bring the sexton pay in line with IRS regulations, and the creation of a Bulletin Editor position, separating those duties from those of the parish administrator.

OPERATING EXPENSES – *These are the expenses that keep our lights on, our office functioning, and our property maintained and insured. Below is a chart showing the breakdown of operating expenses.*



- Administrative Expenses were over budget by \$1,589, primarily due to higher than projected office related expenses such as copy machine maintenance and supplies.
- Insurance costs rose approximately 7.5% to approximately \$36,000.
- Utilities were over budget by \$980. We continue to work on projects to reduce our utility costs.
- Building & Grounds expenses for repairs, maintenance and supplies were over budget by \$1,441.

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 2014, calculated apportionment equaled approximately 17% 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.*

OUTREACH

The Church of the Incarnation performs outreach in many different ways. Not only do we collect donations and raise money for specific causes, but also we have two feeding programs, provide facilities and clothing for the Living Room and operate a mission in Monte Rio.

Total outreach expenses for the year were \$110,590 allocated in the following categories:

- St. Andrew's Mission and Food Program - \$47,216
- Open Table program - \$12,590.
- Rector's Discretionary Fund - \$3,500.
- The Living Room - \$38,448.
- BECAS - \$600.
- Camp Noel Porter - \$1,099
- Seminarian Support - \$1,000
- Burbank School - \$2,500
- Church in the Holy Land (Good Friday offering) - \$2,175
- Other programs: \$1,462

It is important to note that only about \$2,500 of these outreach expenditures were paid out of operating income. The balance of the expenses were paid through designated collections, Heavenly Treasures income, or funds raised directly by the programs being supported.

Balance Sheet

The December 31, 2014 balance sheet is included in Appendix B.

The operating cash reserve at the end of the year was \$23,584.

Restricted and Endowment accounts are invested in money market and brokerage accounts and totaled \$2,983,551.

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)

Restricted Funds

The 2014 Restricted Fund report is included in Appendix C.

Restricted funds are those 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: This fund represents money available to spend on major non-recurring repairs or improvements to the church property and grounds. Monies in the fund are generated by income generated by the Building Endowment Fund.
- Congregational Development Grant: We 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 \$27,592 in the years 2011 through 2013. In 2014 we spent \$7,467, leaving a balance of \$14,941 for 2015.

- Heavenly Treasures: Our thrift store continued to provide low-cost clothing and other items to the public and Living Room clients. Due to a number of factors, primarily the increased utilization of Heavenly Treasures merchandise by Living Room clients, Heavenly Treasures was only able to raise \$2,758 for outreach programs in 2014.
 - Cash Sales: \$18,057 (net of sales taxes collected)
 - Voucher Sales (estimated value): \$38,448.
 - Expenses: \$4,513
 - Salaries: \$11,186
- Incarnation 100 and Homeless Services Fund: The Incarnation 100 fund is being used to track expenditures in conjunction with the planned 2015 bike ride fundraiser. To avoid issues with corporate donors making donations to a religious organization, sponsorships are being held by The Living Room as a separate (non-religious) 501c(3) corporation. Once the ride has been held, net proceeds will be distributed to the designated recipient organizations. In addition to the fundraising for the ride itself, we have had a donor make a \$10,000 donation directly to the final bottom line of providing services to the poor in Sonoma County. These funds have been placed in a restricted fund and will be distributed along with the Incarnation 100 proceeds later in 2015.
- Numina Fund: Numina held many programs during the year and ended the year with a balance in their fund of \$19,029.
- Organ Fund: Monies in the Organ Fund were used in 2014 to make necessary repairs 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: \$7,471 (net of sales taxes collected)
 - Expenses: \$413
 - Purchases: \$5,890

Estate Funds

As of December 31, 2014, the total value of the estates funds was \$431,043. Of this total, \$79,770 is in real estate and therefore unavailable for distribution and the balance of \$351,273 is in cash. During 2014, Fr. Matt sold his home, returning our share of the investment to the estates fund. Unfortunately due to market conditions at the time of the sale, we realized a loss of approximately \$25,400 on the investment.

We received a bequest totaling about \$192,000 from the estate of Barbara Biebusch. As of December 2014, \$112,598 of this bequest had been distributed to the church and we expect to receive the balance of this wonderful gift in early 2015.

Building Endowment Fund

At the beginning of 2014, the principal balance in the fund was \$194,500. During the year, we received \$549 in contributions to the fund bringing the principal balance of the fund to \$194,549. As of December 31, 2014, cumulative market growth, interest and dividends available for building repair projects totaled \$98,468.

Green Fund

The Green Fund balance as of December 31, 2013 was \$2,214,984, during the year the fund increased by \$195,000 (8.8%) and paid out \$155,049 in distributions. The ending balance as of December 31, 2014 is \$2,255,292 which means the amount available from the fund for 2015 will be \$157,870.

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 2014 the fund balance was \$108,417. \$50,000 of this amount is restricted, but the balance can be used by the Mission for operating purposes if necessary. During 2014 we transferred \$10,000 to the Mission to cover their operating costs.

St. Andrew's in the Redwoods Episcopal Mission

The Mission ended the year with a deficit due to a significant reduction in pledge support. As noted above, we transferred \$10,000 from the Mission Building Fund to restore its reserve account after using reserve funds to cover the 2014 deficit.

The St. Andrew's food program received grants totaling \$8,000 and received other donations of \$8,379 which have provided funding for the program for the year. Total expenses were \$17,787. As of the end of the year the program has \$4,607 in funds available for future operations.

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

Investments

In 2005, the Vestry formed a committee to review the church's investments. The funds are on deposit with Vanguard. The investment committee meets periodically to review the investments, which continued to appreciate in 2014.

Fund	Investment	Return
Green Endowment Fund	Vanguard – Wellington Fund	9.9%
Estates Funds	Vanguard – Short Term Investment Grade Bonds	1.86%
Building Endowment Fund	Vanguard – Windsor II Fund	11.26%
Mission Purchase Fund	Vanguard – Windsor Fund	11.91%

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 we 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).*

2015 Budget

At its meeting on January 20th, the Vestry approved the 2015 budget. The approved 2015 Budget is attached as Appendix F to this report.

The attached budget shows a \$71,365 deficit. A portion of this deficit is due to reduced income (\$41,400) and the balance (\$29,965) is due to increased spending. While having a deficit budget is certainly not ideal, the Vestry voted to approve this budget because they felt that the expenses included in the budget were critical to the growth of the parish and saw the costs as an investment in the future success of the parish.

Due to the turmoil in the parish last October, the 2015 pledge campaign was not started until early January so we don't yet have final numbers regarding 2015 pledges. In this budget, we are projecting \$360,000 in total pledges which is a slight decline from 2014. We have been encouraged by the many parishioners increasing their pledge and hope that the final number exceeds the budgeted figure.

Total Income for 2015 is projected to be about 6% lower than 2014. Total expenses are budgeted to increase by about 4%. Below are some comments on specific expense line items

- Commission Expenses: In 2014 we began a Pastor to Program transition project, establishing commissions, appointing lay leaders, and inviting them to submit budgets for their commissions. These requests resulted in a total increase of \$28,880, of which, \$9,480 is actual increased budget requests and the balance of \$19,400 represents monies previously shown elsewhere in the budget:
 - Worship – Music: \$7,100 for choir music/supplies and guest musicians. This was money that, in 2014, was used to pay for the jazz services.
 - Spiritual Formation: \$2,760 for increased offerings in adult and children's classes/ministries.

- Community Formation: \$3,720 for additional funding for pastoral care and parish celebrations.
- Gifts & Gratitude: \$3,000 for stewardship and planned giving training and programs designed to improve our stewardship practices and increase giving.
- Communications: \$6,000 for website design and implementation of a new parish website. In 2014, this line item was part of the administrative operating expense budget.
- Outreach: Historically, outreach was entirely funded by donations and income from Heavenly Treasures. Due to reduced income from the thrift store, we are projecting approximately \$6,300 in outreach expenses to be funded from the operating budget in 2015.
- Salaries and Benefits:
 - Despite the challenging budget, the Vestry voted to follow diocesan guidelines and the recommendation of the personnel committee and provide all staff with a 1.5% cost of living increase. This increase resulted in increased salary costs of \$6,000.
 - In January we hired a new parish administrator. While this line item shows a 90% increase from 2014, the 2014 number includes quite a few months with reduced time/volunteer staffing for the position. If you compare the 2015 administrative salary budgeted figure with the 2012/2013 numbers, the increase is significantly smaller. The job duties for this new position are also expanded to include administrative support for the Vestry and commissions, including more responsibilities in the areas of communications, recordkeeping, databases, and facilities management.
- Operating Expenses are relatively unchanged from 2014.
- Diocesan Apportionment is calculated as approximately 17% of net disposable income (defined as income less capital expenditures and outreach).
- Other expenses include \$7,400 budgeted for congregational development consulting, training and events. Note that this cost will be covered by the Congregational Development Grant.

While a deficit can be a scary thing, we have faith that our congregation will come together to support the church and work towards the continued growth and success of the parish by increasing their pledges, pledging for the first time, and working with the Vestry and parish leadership to find other creative ways fund the shortfall. On the expense side, one of the major goals for 2015 will be to make lay leaders and staff responsible for monitoring their budgets to keep spending within approved limits.

The attached budget for St. Andrew's Mission in the Redwoods is a draft based on 2014 actual expenditures. The Vestry and Mission leadership continue to work on developing a long-term plan for the Mission and its food program. Until such a plan is finalized and implemented, we are projecting that the Mission will continue to operate as it has in the past.

Respectfully Submitted,

Aaron Lucey, Treasurer
John Nykamp, Bookkeeper

Church of the Incarnation
Operating Statement
For the Year Ending December 31, 2014

	Actual	Budget	Variance	
			\$	%
Income				
<i>Offerings</i>				
Pledge Offerings	\$368,252.01	371,417	(\$3,165)	-0.9%
All Other Offerings	49,098.40	41,842	7,257	17.3%
<i>Total Offerings</i>	<u>\$417,350.41</u>	<u>413,259</u>	<u>\$4,092</u>	<u>1.0%</u>
Investment & Interest Income	159,185.19	156,301	2,884	1.8%
Facilities Usage	33,463.27	32,160	1,303	4.1%
Congregational Development Grant	7,467.43	10,000	(2,533)	-25.3%
Sabbatical Fund Transfer	13,093.23	0	13,093	-
Diocesan Jubilee Credit	2,269.90	2,190	80	3.6%
Reserve Funds	3,467.00	0	3,467	-
Total Income	<u>\$636,296.43</u>	<u>613,910</u>	<u>\$22,387</u>	<u>3.6%</u>
Commission Expenses				
Worship	1,633.65	2,160	(526)	-24.4%
Music	5,176.40	3,480	1,696	48.7%
Church Growth	3,203.26	7,000	(3,797)	-54.2%
Christian Formation	2,054.07	3,999	(1,945)	-48.6%
Parish Life	9,060.35	10,980	(1,920)	-17.5%
Total Commission Expenses	<u>\$21,127.73</u>	<u>27,619</u>	<u>(\$6,491)</u>	<u>-23.5%</u>
Salaries & Benefits				
Clergy Salaries & Benefits	156,779.78	135,887	20,893	15.4%
Lay Salaries & Benefits	234,972.34	239,170	(4,198)	-1.8%
Total Salaries & Benefits	<u>\$391,752.12</u>	<u>375,057</u>	<u>\$16,695</u>	<u>4.5%</u>
Operating Expenses				
Administrative Expenses	37,649.26	36,060	1,589	4.4%
Buildings & Grounds	89,831.45	86,481	3,350	3.9%
Total Operating Expenses	<u>\$127,480.71</u>	<u>122,541</u>	<u>\$4,940</u>	<u>4.0%</u>
Diocesan Apportionment	\$90,627.00	85,764	\$4,863	5.7%
Other Expenses	\$2,822.49	0	\$2,822	-
Outreach funded by Operating Income	\$2,486.38	2,200	\$286	13.0%
Total Expenses	<u>\$636,296.43</u>	<u>613,181</u>	<u>\$23,115</u>	<u>3.8%</u>
Net Surplus (Deficit)	<u>\$0.00</u>	<u>729</u>	<u>(\$729)</u>	

APPENDIX B

Church of the Incarnation

Balance Sheet

December 31, 2014

	<u>December 2014</u>	<u>December 2013</u>	<u>Difference</u>
ASSETS			
Current Assets			
<i>Cash & Investments</i>			
Operating Account	\$45,504.41	\$38,892.53	\$6,611.88
Custodial & Memorial Funds	104,362.60	120,338.86	(15,976.26)
Building Endowment Fund	293,016.77	278,756.74	14,260.03
Green Endowment Fund	2,090,291.68	2,049,983.96	40,307.72
Estate Funds (Cash)	351,272.98	46,491.02	304,781.96
Estate Funds (Loan to Rector)	155.90	13,514.37	(13,358.47)
Mission Building Acquisition Fund	108,416.64	105,817.32	2,599.32
Petty Cash	200.00	1,200.00	(1,000.00)
<i>Subtotal</i>	<u>2,993,220.98</u>	<u>2,654,994.80</u>	<u>338,226.18</u>
<i>Funds Controlled by Subsidiary Groups</i>			
St. Andrews Mission	14,559.24	17,185.58	(2,626.34)
ECW-Guild of the Incarnation	2,766.97	3,098.75	(331.78)
Discretionary Funds	2,020.53	1,349.03	671.50
<i>Subtotal</i>	<u>19,346.74</u>	<u>21,633.36</u>	<u>(2,286.62)</u>
<i>Other Current Assets</i>			
Accounts Receivable	6,098.70	3,560.82	2,537.88
Prepaid Expenses	4,780.35	4,458.85	321.50
Bookstore Inventory	16,688.19	16,039.37	648.82
<i>Subtotal</i>	<u>27,567.24</u>	<u>24,059.04</u>	<u>3,508.20</u>
Total Current Assets	<u>3,040,134.96</u>	<u>2,700,687.20</u>	<u>339,447.76</u>
Fixed Assets			
Real Estate	1,921,083.00	1,921,083.00	0.00
Estate Funds - Real Estate	79,614.00	216,482.00	(136,868.00)
Green Endowment Fund - Real Estate	165,000.00	165,000.00	0.00
Church Organ	338,644.63	338,644.63	0.00
Total Fixed Assets	<u>2,504,341.63</u>	<u>2,641,209.63</u>	<u>(136,868.00)</u>
TOTAL ASSETS	<u>\$5,544,476.59</u>	<u>\$5,341,896.83</u>	<u>\$202,579.76</u>
LIABILITIES & FUND BALANCES			
Current Liabilities			
Accounts Payable	32,219.23	45,810.51	(13,591.28)
Due to Other Funds	0.00	321.69	(321.69)
Key Deposits	780.00	780.00	0.00
Total Current Liabilities	<u>32,999.23</u>	<u>46,912.20</u>	<u>(13,912.97)</u>
Reserve Fund	0.00	0.00	0.00
Restricted Funds			
Temporarily Restricted	571,440.41	435,387.57	136,052.84
Permanently Restricted	4,916,452.72	4,859,285.65	57,167.07
Total Real Property & Fixed Assets	<u>5,487,893.13</u>	<u>5,294,673.22</u>	<u>193,219.91</u>
Equity			
Parish Reserve Fund	23,584.23	0.00	23,584.23
Surplus (Deficit) For Current Year	0.00	311.41	(311.41)
Total Equity	<u>23,584.23</u>	<u>311.41</u>	<u>23,272.82</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$5,544,476.59</u>	<u>\$5,341,896.83</u>	<u>\$202,579.76</u>

Church of the Incarnation
Restricted Fund Balances
December 31, 2014

	<u>December 2014</u>	<u>December 2013</u>	<u>Difference</u>
TEMPORARILY RESTRICTED FUNDS			
Custodial Funds			
Adult Education Fund	375.93	0.00	375.93
Alleluia Choir Fund	4,314.20	3,814.20	500.00
Altar Guild Fund	3,539.90	3,899.69	(359.79)
Animal Ministry Fund	0.00	8.44	(8.44)
Building Repair Fund	3,342.72	3,662.86	(320.14)
Burbank School Fund	222.00	2,722.00	(2,500.00)
Children's Ministry Fund	640.17	154.40	485.77
Congregational Development Grant	14,940.78	22,408.21	(7,467.43)
Columbarium	1,213.79	10,357.96	(9,144.17)
Continuing Education Funds	3,114.00	1,504.00	1,610.00
EFM Fund	(690.00)	0.00	(690.00)
Youth Group Fund	3,316.49	1,200.21	2,116.28
Youth Group Mission Fund	12,442.34	12,554.45	(112.11)
Heavenly Treasures Fund	1,600.26	2,000.00	(399.74)
Homeless Services Fund	10,000.00	0.00	10,000.00
Incarnation100 Fund	(142.40)	(542.40)	400.00
Memorial Garden	2,805.00	2,605.00	200.00
Misc. Memorials	1,709.19	494.19	1,215.00
Numina Fund	19,029.01	14,207.01	4,822.00
Organ Fund	0.00	2,620.57	(2,620.57)
Outreach Fund	0.00	1,332.01	(1,332.01)
Open Table Ministry Fund	12,082.33	11,808.17	274.16
Pastoral Care Fund	932.50	697.17	235.33
Sabbatical Fund	1,000.00	12,000.00	(11,000.00)
Special Events Fund	239.26	239.26	0.00
St. Cecilia Choir Fund	5,473.51	4,341.13	1,132.38
Lay Training Fund	267.42	267.42	0.00
Wedding Ministry Fund	300.00	0.00	300.00
Total Custodial Funds	<u>102,068.40</u>	<u>114,355.95</u>	<u>(12,287.55)</u>
Incarnation Bookstore			
Cash	2,294.20	1,126.90	1,167.30
Inventory	16,688.19	16,039.37	648.82
Total Incarnation Bookstore	<u>18,982.39</u>	<u>17,166.27</u>	<u>1,816.12</u>
Estate Funds			
Cash	354,702.41	65,971.50	288,730.91
Loan to Rector	155.90	13,514.37	(13,358.47)
Real Estate - 570 Mendocino	79,614.00	216,482.00	(136,868.00)
Current Year Expenditures	(3,429.43)	(13,735.88)	10,306.45
Total Estate Funds	<u>431,042.88</u>	<u>282,231.99</u>	<u>148,810.89</u>
Funds Controlled by Subsidiary Groups			
St. Andrews Mission Fund	14,559.24	17,185.58	(2,626.34)
ECW-Guild Fund	2,766.97	3,098.75	(331.78)
Discretionary Funds	2,020.53	1,349.03	671.50
Total Funds Controlled by Subsid. Grps	<u>19,346.74</u>	<u>21,633.36</u>	<u>(2,286.62)</u>
TOTAL FUND BALANCES	<u><u>\$571,440.41</u></u>	<u><u>\$435,387.57</u></u>	<u><u>\$136,052.84</u></u>

Church of the Incarnation
 Restricted Fund Balances
 December 31, 2014

	<u>December 2014</u>	<u>December 2013</u>	<u>Difference</u>
PERMANENTLY RESTRICTED FUNDS			
Building Endowment Fund (Principal)			
Bldg Endow-Beg. Princ. Bal.	194,000.00	193,726.00	274.00
Bldg Endow-Curr. Yr. Contrib.	548.62	274.00	274.62
Total Building Endowment Fund (Principal)	<u>194,548.62</u>	<u>194,000.00</u>	<u>548.62</u>
Building Endowment Fund (Spendable)			
Current Year Dividends & Growth (Spendable)	72,293.74	7,719.77	64,573.97
Spendable Portion of Invested Funds	34,181.90	69,573.97	(35,392.07)
Transfers to Building Repair Fund	(8,007.49)	(5,000.00)	(3,007.49)
Total Building Endowment Fund (Spendable)	<u>98,468.15</u>	<u>72,293.74</u>	<u>26,174.41</u>
Green Endowment Fund			
Green Endowment Fund	2,214,983.96	2,004,797.74	210,186.22
Green Endow.-Change in Mkt.	195,356.60	351,297.32	(155,940.72)
Transfer to Operating Fund	(155,048.88)	(141,111.10)	(13,937.78)
Total Green Endowment Fund	<u>2,255,291.68</u>	<u>2,214,983.96</u>	<u>40,307.72</u>
Mission Building Acquisition Fund			
Mission Building Fund	108,416.64	105,817.32	2,599.32
Total Mission Building Acquisition Fund	<u>108,416.64</u>	<u>105,817.32</u>	<u>2,599.32</u>
Fixed Assets			
Fixed Assets Fund	2,259,727.63	2,259,727.63	0.00
Total Fixed Assets	<u>2,259,727.63</u>	<u>2,259,727.63</u>	<u>0.00</u>
TOTAL FUND BALANCES	<u><u>\$4,916,452.72</u></u>	<u><u>\$4,846,822.65</u></u>	<u><u>\$14,835.95</u></u>

Church of the Incarnation
Outreach
For the Year Ending December 31, 2014

	Actual
Income	
Designated/Restricted Offerings	7,679.23
St. Andrews Mission/Food Program Income	39,305.41
Heavenly Treasures Voucher Sales	38,447.75
Open Table Income	12,429.37
Transfer from Outreach Reserve Funds	10,242.11
Total Income	\$108,103.87
St. Andrews Mission in Monte Rio	
Supply Clergy Support	2,400.00
St. Andrews Mission Expenses	17,786.88
St. Andrews Food Program Expenses	27,029.33
Total St. Andrews Mission Expenses	\$47,216.21
Open Table Ministry	
Food & Kitchen Supplies	9,471.03
Other Expenses	3,119.18
Total Open Table Ministry	\$12,590.21
The Living Room	
Cash Support	0.00
Heavenly Treasures Voucher Sales	38,447.75
Total Living Room Support	\$38,447.75
Other Outreach Donations	
Burbank School	2,500.00
BECAS	600.00
Camp Noel Porter	1,099.10
Bishop's Discretionary Fund	655.98
United Thank Offering	806.00
Seminarian Support	1,000.00
The Holy Land	2,175.00
Rector's Discretionary Fund	3,500.00
Total Other Outreach Donations	\$12,336.08
Total Outreach Expenses	\$110,590.25

APPENDIX E

St. Andrews in the Redwoods Episcopal Mission
Balance Sheet
December 31, 2014

	December 2014	December 2013	Difference
ASSETS			
Cash			
Cash - Operating Account	\$10,870.02	\$12,849.75	(\$1,979.73)
Cash - Mission Food Program	4,607.12	6,015.06	(1,407.94)
Total Cash	15,477.14	18,864.81	(3,387.67)
Accounts Receivable	140.00	0.00	140.00
TOTAL ASSETS	\$15,617.14	\$18,864.81	(\$3,247.67)
LIABILITIES & FUND BALANCES			
Current Liabilities			
Accounts Payable	1,057.90	1,679.23	0.00
Total Current Liabilities	1,057.90	1,679.23	0.00
Fund Balances			
Food Ministries Fund	4,607.12	6,015.06	(1,407.94)
Total Fund Balances	4,607.12	6,015.06	(1,407.94)
Reserve Account	9,952.12	11,016.57	(1,064.45)
Equity			
Operating Fund	0.00	0.00	0.00
Surplus (Deficit) For Current Year	0.00	153.95	(153.95)
Total Equity	0.00	153.95	(153.95)
TOTAL LIABILITIES & FUND BALANCES	\$15,617.14	\$18,864.81	(\$2,626.34)

St. Andrews in the Redwoods Episcopal Mission
 Operating Statement
 For the Year Ending December 31, 2014

	Actual	Budget	Variance	
			\$	%
Income				
Pledge & Plate	9,622.68	8,200.00	1,423	17.3%
Incarnation Clergy Support	2,400.00	2,400.00	0	0.0%
Facilities Usage	7,705.00	6,600.00	1,105	16.7%
Interest Income	0.27	0.00	0	-
Transfer from Reserve Fund	7,233.46	6,000.00	1,233	20.6%
Total Income	\$26,961.41	\$23,200.00	\$3,761	16.2%
Expenses				
Worship	0.00	0.00	0	-
Church Growth	0.00	0.00	0	-
Parish Life	0.00	0.00	0	-
Supply Clergy	8,260.06	8,060.00	200	2.5%
Lay Salaries	200.00	0.00	200	-
Administrative Expenses	1,036.34	1,139.00	(103)	-9.0%
Rent & Property Taxes	11,687.54	11,055.00	633	5.7%
Insurance	1,955.00	0.00	1,955	-
Utilities	3,457.06	2,907.00	550	18.9%
Repairs & Maintenance	26.49	0.00	26	-
Other Expenses	338.92	0.00	339	-
Total Expenses	\$26,961.41	\$23,161.00	\$3,800	16.4%
Surplus (Deficit)	\$0.00	\$39.00	(\$39)	-100.0%

St. Andrews in the Redwoods Episcopal Mission
Mission Food Program
For the Month Ending December 31, 2014

Income

Unrestricted Donations	4,150.00
Incarnation Outreach	4,228.94
Adventures in Giving Grant	0.00
ECS Grants	5,000.00
Community Foundation Grants	0.00
Russian River Sisters Grant	3,000.00

Total Income \$16,378.94

Expenses

Salaries & Benefits	6,898.05
Fundraising Expenses	0.00
Capital Improvements & Equipment	0.00
Office Expenses	122.00
Printing & Publicity	0.00
Volunteer Recognition	288.47
Utilities & Trash	1,200.00
Facilities Usage Fees	3,000.00
Sexton (Janitorial)	0.00
Kitchen Equipment	656.09
Food & Supplies for Food Pantry	4,532.70
Food & Supplies for Dinners	746.41
Program Supplies	343.16
Membership Dues	0.00
Training	0.00
Safety Equipment	0.00
Building Repairs	0.00

Total Expenses \$17,786.88

Surplus (Deficit) (\$1,407.94)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Beginning Fund Balance	(3,984.94)	10,000.00	6,015.06
Cash Flow	4,624.61	(6,032.55)	(1,407.94)
Ending Fund Balance	<u>639.67</u>	<u>3,967.45</u>	<u>\$4,607.12</u>

Church of the Incarnation
2015 Operating Budget
(Approved by Vestry 01/20/2015)

	2015 Budget	2014 Actual	Change	
			\$	%
Income				
<i>Offerings</i>				
Pledge Offerings	360,000	368,252	(8,252)	-2.2%
All Other Offerings	39,000	49,098	(10,098)	-20.6%
<i>Total Offerings</i>	399,000	417,350	(18,350)	-4.4%
Investment and Interest Income	166,980	159,185	7,795	4.9%
Facilities Usage	32,360	33,463	(1,103)	-3.3%
Congregational Development Grant	14,000	7,467	6,533	87.5%
Sabbatical Fund Transfer	0	13,093	(13,093)	-100.0%
Diocesan Jubilee Credit	2,000	2,270	(270)	-11.9%
Transfers from Reserve Funds	0	3,467	(3,467)	-100.0%
<i>Outreach</i>				
Restricted/Designated Donations	5,600	7,679	(2,079)	-27.1%
Heavenly Treasures Income (for Outreach)	36,060	38,448	(2,388)	-6.2%
St. Andrews Mission/Food Program	35,000	39,305	(4,305)	-11.0%
Open Table	8,400	12,429	(4,029)	-32.4%
Transfer from Outreach Reserve Funds	3,600	10,242	(6,642)	-64.9%
<i>Total Outreach</i>	88,660	108,104	(19,444)	-18.0%
Total Income	\$703,000	\$744,400	(\$41,400)	-5.6%

Church of the Incarnation
2015 Operating Budget
(Approved by Vestry 01/20/2015)

	2015 Budget	2014 Actual	Change	
			\$	%
Commission Expenses				
Worship *	15,320	6,810	8,510	125.0%
Spiritual Formation	6,765	2,054	4,711	229.3%
Community Formation	7,400	3,014	4,386	145.5%
Spiritual Arts *	0	0	0	-
Welcome *	3,330	8,181	(4,851)	-59.3%
Gifts & Gratitude	4,500	722	3,778	523.1%
Communications *	6,345	346	5,999	1732.5%
Outreach	95,000	110,590	(15,590)	-14.1%
Total Commission Expenses	138,660	131,719	6,941	5.3%
Salaries & Benefits				
Clergy Salaries & Benefits	139,140	156,780	(17,640)	-11.3%
Lay Ministries Staff	127,500	126,379	1,121	0.9%
Administrative Staff	89,760	47,016	42,744	90.9%
Maintenance Staff	46,150	42,991	3,159	7.3%
Other Payroll Costs	1,020	18,586	(17,566)	-94.5%
Total Salaries & Benefits	403,570	391,752	11,818	3.0%
Operating Expenses				
Administrative Expenses	36,910	37,649	(739)	-2.0%
Buildings & Grounds	89,545	89,831	(286)	-0.3%
Total Operating Expenses	126,455	127,480	(1,025)	-0.8%
Diocesan Apportionment	93,780	90,627	3,153	3.5%
Other Expenses	11,900	2,822	9,078	321.7%
Total Expenses	774,365	744,400	29,965	4.0%
Net Surplus (Deficit)	(71,365)	0	(71,365)	

* These commissions have not yet been formed under the 2014 Pastor to Program organizational transition. Amounts budgeted are based on historical/projected costs for those ministries.

St. Andrews in the Redwoods Episcopal Mission
2015 Draft Operating Budget

	2015 Budget	2014 Actual	Change	
			\$	%
Income				
Pledge & Plate	9,600	9,623	(23)	-0.2%
Incarnation Clergy Support	2,400	2,400	0	0.0%
Facilities Usage	7,200	7,705	(505)	-6.6%
Transfer from Reserve Fund	9,000	7,233	1,767	24.4%
Total Income	\$28,200	\$26,961	\$1,239	4.6%
Expenses				
Worship	0	0	0	-
Evangelism & Renewal	0	0	0	-
Parish Life	0	0	0	-
Clergy	9,100	8,260	840	10.2%
Lay Salaries	0	200	(200)	-100.0%
Administrative Expenses	1,140	1,036	104	10.0%
Rent & Property Taxes	11,500	11,688	(188)	-1.6%
Insurance	1,960	1,955	5	0.3%
Utilities	3,300	3,457	(157)	-4.5%
Repairs & Maintenance	0	26	(26)	-100.0%
Other Expenses	1,200	339	861	254.1%
Total Expenses	\$28,200	\$26,961	\$1,239	4.6%
Surplus (Deficit)	\$0	\$0	\$0	-