

CHURCH OF THE  
incarnation



# 2015 Financial Report

*Submitted at the Annual Meeting on January 31, 2016*

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*and*

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



# 2015 Financial Report

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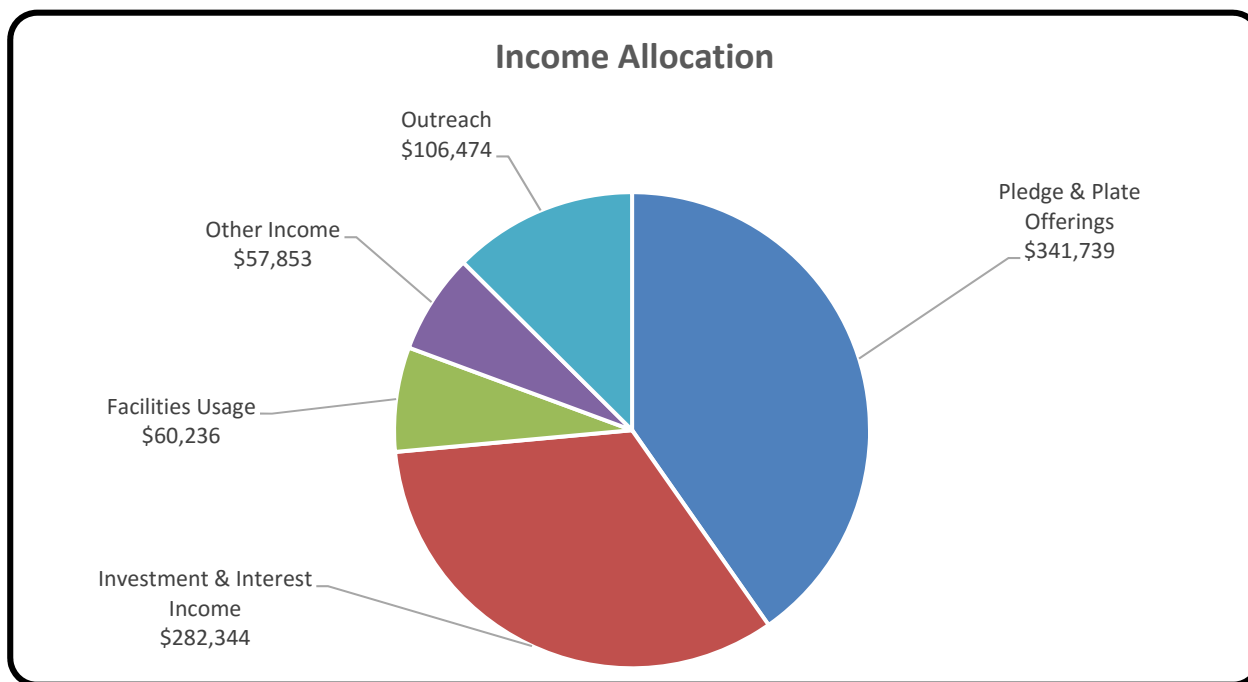
# 2015 Financial Statements

## Operating Statement

2015 was a very challenging year financially. Between the issues surrounding Fr. Matt's leaving Incarnation and the search for Pastor Jim as the new Priest-in-Charge, we incurred significant non-budgeted expenses while at the same time the turmoil in the parish resulted in lower-than-projected pledge income. The end result is that we needed to transfer about \$161,000 from reserves to cover the 2015 deficit. The good news is that as we have come to the end of 2015, many of these issues are behind us and we are ready to open a new chapter in 2016.

For 2015, we received pledges from 165 members totaling \$294,950. Of these members, 115 either paid their full pledge or paid more than their pledged amount. Unfortunately, the remaining 50 pledgers were unable to meet their full pledge and underpaid their pledged amount by \$15,943. 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 2015 pledges that are paid now will help support our programs in 2016.**

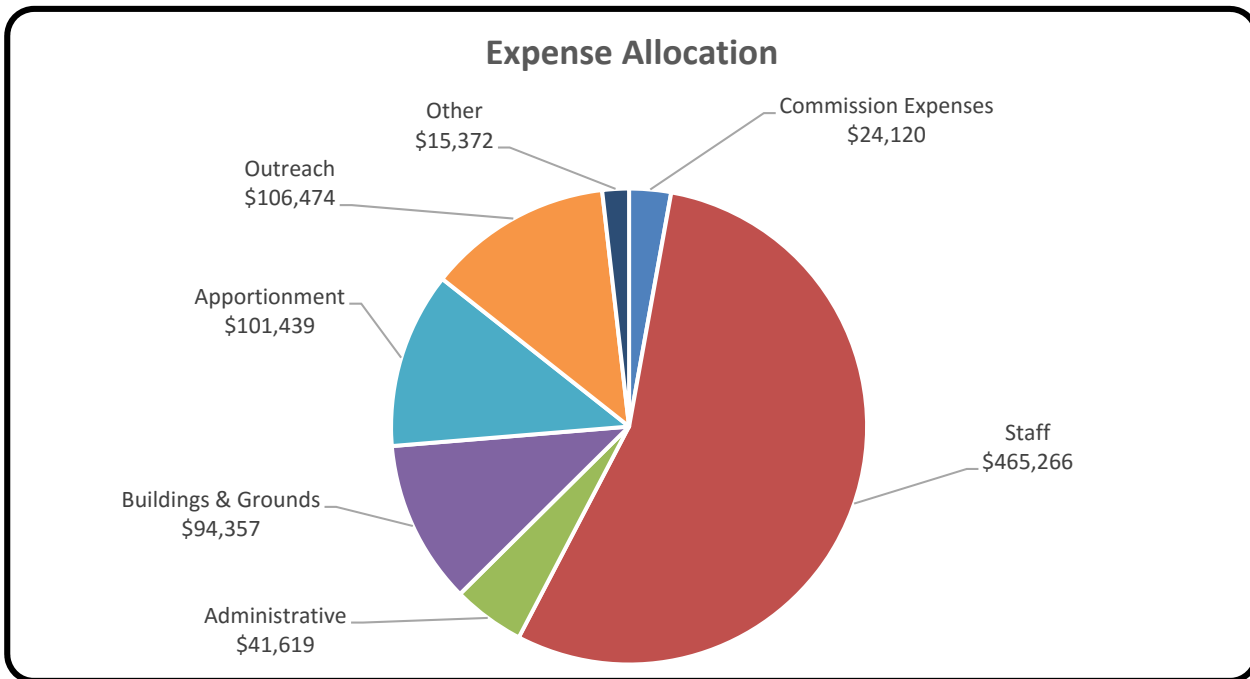
The complete Operating Statement for 2015 is included in Appendix A. Below are comments about notable variances in income and expense line items.



Not including Outreach income and the funds necessary to offset the year-end deficit, total income for the year was under budget by \$31,585 (5.1%).

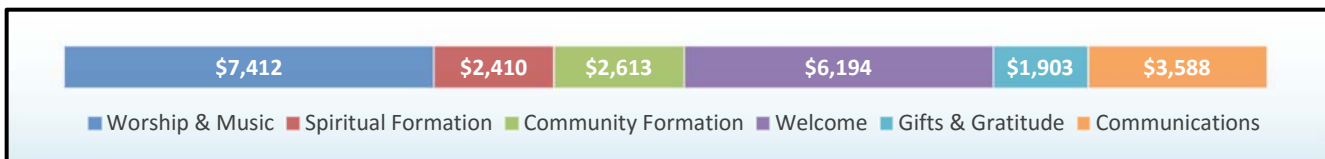
- **Pledge offerings:** The 2015 budgeted pledge offerings totaled \$360,000 which ended up being significantly higher than the actual pledges received of \$294,950. The total pledges collected of \$287,333 were only 2.6% below the actual pledges received but they were 20% below the budgeted pledges for 2015.

- **Plate offerings:** We received significantly higher-than-projected unpledged plate offerings during the year. These helped offset the 2015 pledge shortfall noted above.
- We raised \$27,646 in income from the frame shop rental to support our 2015 operating budget.
- We received a grant from the diocese of \$5,000 to help pay for the cost of the parish consultant and congregational development activities.



Not including Outreach expenses and non-recurring expenses associated with the rector transition, total expenses for the year were under budget by \$44,780 (6.5%). Below are 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.*



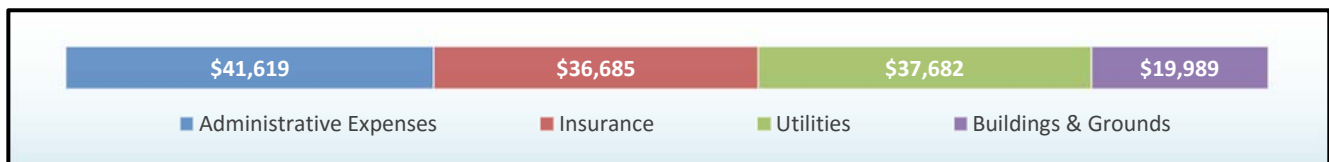
- **Worship**, which includes bulletins, worship supplies, altar supplies, and music expenses was under budget by \$7,908 primarily due to lower-than-projected music supplies and guest artists (i.e., instrumentalists to support music at Easter and Christmas).
- **Spiritual Formation**, which includes adult education, Sunday school, nursery and the Wednesday after-school program, was under budget by \$4,355 primarily due to lower-than-projected adult education expenses during this transition year.

- **Community Formation**, which includes pastoral care and parish events, was under budget by 4,787 primarily due to fewer than projected events and lower-than-projected pastoral care expenses.
- **Welcome**, which includes church growth programs as well as Sunday coffee hour refreshments, other receptions and lay ministry recognition, was over budget by \$2,864 primarily due to Sunday coffee hour expenses where the budget anticipated we would switch coffee suppliers (saving a significant amount of money) early in 2015 and the actual switch didn't happen until late summer.
- **Gifts & Gratitude** was under budget by \$2,597 due to lower-than-projected costs associated with our 2016 stewardship campaign.
- **Communications** was under budget by \$3,597 due to lower-than-projected costs associated with developing and maintaining the new church website.

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

- Clergy Salaries & Benefits were over budget by \$68,715. \$27,758 of this overage was due to search process expenses associated with bringing Pastor Jim to our parish. The balance of the overage was due to costs associated with Fr. Matt's severance package, Fr. Rod's time with us as long-term supply priest, and Pastor Jim's salary package.
- Lay Salaries & Benefits were under budget by \$7,010, due to the vacancy in the parish administrator position in January, vacancies in various music staff positions during the year, and the retirement (and non-replacement) of the monthly kitchen cleaning person.

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 \$4,948, primarily due to higher-than-projected copy machine costs, postage expenses (related to transition process), and the costs associated with transitioning to a new telephone system.
- Insurance costs rose slightly to \$36,685.
- Utilities were over budget by \$3,962. We continue to work on projects to reduce our utility costs.
- Building & Grounds expenses for repairs, maintenance, and supplies were over budget by \$765; however, many major projects were funded out of the Building Repair/Improvement fund and are not included as operating expenses.

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 2015, 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 \$106,474 allocated in the following categories:

- St. Andrew’s Mission and Food Program - \$45,786
- Open Table program - \$17,488
- Rector’s Discretionary Fund - \$300
- The Living Room - \$39,685
- Lake County Fire Victims - \$1,500
- Camp Noel Porter - \$1,183
- Other programs: \$532

*It is important to note that outreach expenditures are not paid out of operating income. The expenses were paid through designated collections, Heavenly Treasures income, or funds raised directly by the programs being supported.*

## **Balance Sheet**

The December 31, 2015 balance sheet is included in Appendix B.

The operating cash reserve at the end of the year was \$0.

Restricted and Endowment accounts are invested in money market and brokerage accounts and totaled \$2,652,223.

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 2015 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:

- **Spiritual Formation Training:** This negative account represents deposits paid for a 2016 training and will be included as an expense in the 2016 budget.
- **Funeral Fund:** This fund was set up out of the balance from the ECW funds and will be used to subsidize costs for funeral receptions.
- **Building Repair/Improvement 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 Fund. 2015 projects included:

Amount	Project
\$ 755	Plumb Dishwasher drain to main sewer line.
1,446	Paint/repair offices
1,265	Rewire clergy/PA office electrical
3,000	Hearing Loop System in church
984	Window for PA office door
170	Replace Women's Restroom Fan
3,005	Replace Mini-blinds in offices
746	Network wiring upgrades
593	Choir Room portable AC
26,500	Roof replacement – Quad Buildings
5,000	Kitchen Hood Fan replacement
4,163	Quad Roof gutter replacement
5,140	Farlander Roof Repairs
2,400	Replace Farlander Electrical Panel
<b>\$55,167</b>	<b>TOTAL</b>

- **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 \$35,059 in the years 2011 through 2014. In 2015 we spent \$6,800, leaving a balance of \$8,141 for 2016.
- **Heavenly Treasures:** Our thrift store continued to provide low-cost clothing and other items to the public and The Living Room clients. Heavenly Treasures raised over \$6,000 for outreach programs in 2015.
  - Cash Sales: \$24,226 (net of sales taxes collected)
  - Voucher Sales (estimated value): \$33,785.
  - Expenses: \$18,021
- **Incarnation 100 Fund:** The Incarnation 100 Fund was used to track expenditures in conjunction with the 2015 bike ride fundraiser. Including the \$10,000 gift received in 2014, the fundraiser raised \$32,787 and, after expenses of \$12,968, generated \$17,700 in donations to three outreach charities (Open Table, The Living Room, and St. Andrew's Food Program).

- **Numina Fund:** Numina held many programs during the year and ended the year with a balance in their fund of \$15,168.
- **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: \$16,500 (net of sales taxes collected)
  - Expenses: \$617
  - Purchases: \$17,632

## **Estate Funds**

As of December 31, 2015, the total value of the estates funds was \$854,111. Of this total, \$450,590 is in real estate and therefore unavailable for distribution and the balance of \$403,520 is in cash.

## **Building Fund**

At the beginning of 2015, the principal balance in the fund was \$194,549. During the year, we received \$496 in contributions to the fund bringing the principal balance of the fund to \$195,045 however market losses brought the year-end balance of the fund to \$187,427.

## **Donald & Maureen Green Fund**

The Green Fund balance as of December 31, 2014 was \$2,255,292. As noted above, we transferred \$274,379 to the operating fund during the year leaving a year-end balance of \$1,985,990.

## **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 2015 the fund balance was \$94,861. \$50,000 of this amount is restricted, but the balance can be used by the Mission for operating purposes if necessary.

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

The Mission ended the year with a deficit due to major repairs and a significant reduction in pledge support. We fully utilized the reserve fund leaving no operating reserve within the Mission books. We will probably need to transfer funds from the Mission Building Acquisition Fund to support 2016 operations.

The St. Andrew's food program received grants totaling \$2,023, \$5,900 from the Incarnation 100 fundraiser and received other donations of \$12,103 which have provided funding for the program for the year. Total expenses were \$15,302. As of the end of the year the program has \$9,331 in funds available for future operations.

Both 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.

<b>Fund</b>	<b>Investment</b>	<b>Return</b>
Don & Maureen Green Fund	Vanguard – Wellington Fund	0.1%
Estates Funds	Vanguard – Short Term Investment Grade Bonds	1.1%
Building Fund	Vanguard – Windsor II Fund	-3.14%
Mission Purchase Fund	Vanguard – Windsor Fund	-3.24%

## 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).*

# 2016 Budget

At its meeting on January 26<sup>th</sup>, the Vestry approved the 2016 budget. The approved 2016 Budget is attached as Appendix F to this report.

As of this writing, we have received pledges from 147 parishioners totaling \$268,770. 47% of these pledgers increased their pledge over 2015 by an average of 22%. We are, however, still hoping to get 2016 pledges from the 23 pledgers who have not yet pledged for 2016 (representing about \$60,000 in pledges).

Commission Expenses are projected to remain fairly stable with the exception of Outreach which includes the Incarnation 100 fundraiser (reported as a restricted fund in 2015).

## Salaries and Benefits:

- The Vestry voted to follow diocesan guidelines and provide all staff with a 1% cost of living increase. This increase resulted in increased salary costs of \$3,000.
- The 2016 budget increases the hours for our Associate for Children & Youth to full-time (up from 36 hours/week).
- Beginning in June, we plan to hire a second full-time priest, which is something that a parish of our size typically has.

Operating Expenses are relatively unchanged from 2015.

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.

The Vestry has 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 to fund the budget.

Also attached is a budget for St. Andrew's Mission in the Redwood. It is based on 2015 actual income and 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,

John Nykamp, Bookkeeper

Church of the Incarnation  
Operating Statement  
For the Year Ending December 31, 2015

	Actual	Budget	Variance	
			\$	%
<b>Income</b>				
<i>Offerings</i>				
Pledge Offerings	\$287,333.00	360,000	(\$72,667)	-20.2%
All Other Offerings	54,405.53	39,000	15,406	39.5%
<i>Total Offerings</i>	<u>\$341,738.53</u>	<u>399,000</u>	<u>(\$57,261)</u>	<u>-14.4%</u>
Investment & Interest Income	282,344.43	166,980	115,364	69.1%
Facilities Usage	60,236.17	32,360	27,876	86.1%
Congregational Development Grant	6,800.11	14,000	(7,200)	-51.4%
Diocesan Assistance	5,000.00	0	5,000	-
Transfers from Reserve/Restricted Funds	46,052.62	0	46,053	-
<b>Total Income</b>	<u><b>\$742,171.86</b></u>	<u><b>612,340</b></u>	<u><b>\$129,832</b></u>	<u><b>21.2%</b></u>
<b>Commission Expenses</b>				
Worship & Music	7,411.56	15,320	(7,908)	-51.6%
Spiritual Formation	2,409.97	6,765	(4,355)	-64.4%
Community Formation	2,613.03	7,400	(4,787)	-64.7%
Welcome	6,194.48	3,330	2,864	86.0%
Gifts & Gratitude	1,902.97	4,500	(2,597)	-57.7%
Communications	3,588.00	7,185	(3,597)	-50.1%
<b>Total Commission Expenses</b>	<u><b>\$24,120.01</b></u>	<u><b>\$44,500.00</b></u>	<u><b>(\$20,380)</b></u>	<u><b>-45.8%</b></u>
<b>Salaries &amp; Benefits</b>				
Clergy Salaries & Benefits	207,194.95	138,480	68,715	49.6%
Lay Salaries & Benefits	258,070.58	265,080	(7,009)	-2.6%
<b>Total Salaries &amp; Benefits</b>	<u><b>\$465,265.53</b></u>	<u><b>403,560</b></u>	<u><b>\$61,706</b></u>	<u><b>15.3%</b></u>
<b>Operating Expenses</b>				
Administrative Expenses	41,618.52	36,670	4,949	13.5%
Buildings & Grounds	94,356.66	89,545	4,812	5.4%
<b>Total Operating Expenses</b>	<u><b>\$135,975.18</b></u>	<u><b>126,215</b></u>	<u><b>\$9,760</b></u>	<u><b>7.7%</b></u>
<b>Diocesan Apportionment</b>	\$101,439.00	93,480	\$7,959	8.5%
<b>Other Expenses</b>	\$15,372.14	11,900	\$3,472	29.2%
<b>Outreach (See Outreach Report)</b>	\$0.00	7,540	(\$7,540)	-100.0%
<b>Total Expenses</b>	<u><b>\$742,171.86</b></u>	<u><b>687,195</b></u>	<u><b>\$54,977</b></u>	<u><b>8.0%</b></u>
<b>Net Surplus (Deficit)</b>	<u><u><b>\$0.00</b></u></u>	<u><u><b>(74,855)</b></u></u>	<u><u><b>\$74,855</b></u></u>	

APPENDIX B

Church of the Incarnation

Balance Sheet

December 31, 2015

	<u>December 2015</u>	<u>December 2014</u>	<u>Difference</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
<i>Cash &amp; Investments</i>			
Cash - Checking Account	\$34,767.98	\$45,504.41	(\$10,736.43)
Cash - Money Market Account	72,022.80	104,362.60	(32,339.80)
Schwab Investment Account	4,358.00	2,363.48	1,994.52
Vanguard Investment Account	2,575,842.48	2,840,634.59	(264,792.11)
Estate Funds (Loan to Rector)	0.00	155.90	(155.90)
Petty Cash	0.00	200.00	(200.00)
<i>Subtotal</i>	<u>2,686,991.26</u>	<u>2,993,220.98</u>	<u>(306,229.72)</u>
<i>Funds Controlled by Subsidiary Groups</i>			
St. Andrews Mission	9,331.27	14,559.24	(5,227.97)
ECW-Guild of the Incarnation	0.00	2,766.97	(2,766.97)
Discretionary Funds	0.00	2,020.53	(2,020.53)
<i>Subtotal</i>	<u>9,331.27</u>	<u>19,346.74</u>	<u>(10,015.47)</u>
<i>Other Current Assets</i>			
Accounts Receivable	1,211.15	6,098.70	(4,887.55)
Prepaid Expenses	31,122.00	4,780.35	26,341.65
Bookstore Inventory	16,688.19	16,688.19	0.00
<i>Subtotal</i>	<u>49,021.34</u>	<u>27,567.24</u>	<u>21,454.10</u>
<b>Total Current Assets</b>	<u>2,745,343.87</u>	<u>3,040,134.96</u>	<u>(294,791.09)</u>
<b>Fixed Assets</b>			
Real Estate	1,921,083.00	1,921,083.00	0.00
Estate Funds - Real Estate	450,590.00	79,614.00	370,976.00
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>2,875,317.63</u>	<u>2,504,341.63</u>	<u>370,976.00</u>
<b>TOTAL ASSETS</b>	<u><b>\$5,620,661.50</b></u>	<u><b>\$5,544,476.59</b></u>	<u><b>\$76,184.91</b></u>
<b>LIABILITIES &amp; FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts Payable	66,186.51	32,219.23	33,967.28
Due to Other Funds	2,117.00	0.00	2,117.00
Key Deposits	790.00	780.00	10.00
<b>Total Current Liabilities</b>	<u>69,093.51</u>	<u>32,999.23</u>	<u>36,094.28</u>
<b>Reserve Fund</b>	0.00	0.00	0.00
<b>Restricted Funds</b>			
Temporarily Restricted	572,972.20	571,440.41	1,531.79
Long-Term Restricted	2,103,278.16	2,412,111.09	(308,832.93)
Fixed Assets	2,875,317.63	2,504,341.63	370,976.00
<b>Total Restricted Funds &amp; Fixed Assets</b>	<u>5,551,567.99</u>	<u>5,487,893.13</u>	<u>63,674.86</u>
<b>Equity</b>			
Parish Reserve Fund	0.00	23,584.23	(23,584.23)
Surplus (Deficit) For Current Year	0.00	0.00	0.00
<b>Total Equity</b>	<u>0.00</u>	<u>23,584.23</u>	<u>(23,584.23)</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u><b>\$5,620,661.50</b></u>	<u><b>\$5,544,476.59</b></u>	<u><b>\$76,184.91</b></u>

Church of the Incarnation  
Restricted Fund Balances  
December 31, 2015

	<u>December 2015</u>	<u>December 2014</u>	<u>Difference</u>
<b>TEMPORARILY RESTRICTED FUNDS</b>			
<b>Custodial Funds</b>			
<i>Worship</i>			
Altar Guild Fund	3,893.18	3,539.90	353.28
Alleluia Choir Fund	3,345.90	4,314.20	(968.30)
St. Cecilia Choir Fund	6,269.78	5,473.51	796.27
<i>Spiritual Formation</i>			
Adult Education Fund	375.93	375.93	0.00
Children's Ministry Fund	965.17	640.17	325.00
EFM Fund	0.00	(690.00)	690.00
Spiritual Formation Training	(3,292.80)	0.00	(3,292.80)
<i>Community Formation</i>			
Funeral Fund	3,217.11	0.00	3,217.11
Special Events Fund	339.26	239.26	100.00
Wedding Ministry Fund	0.00	300.00	(300.00)
<i>Staff &amp; Administration</i>			
Sabbatical/Call Process Fund	1,000.00	1,000.00	0.00
Continuing Education Funds	2,000.00	3,114.00	(1,114.00)
Lay Training Fund	1,067.42	267.42	800.00
<i>Buildings &amp; Grounds</i>			
Building Repair/Improvement Fund	51,199.00	101,810.87	(50,611.87)
Organ Fund	500.00	0.00	500.00
Library Fund	15.00	0.00	15.00
<i>Youth Group Funds</i>			
Youth Group Fund	2,701.60	3,316.49	(614.89)
Youth Group Mission Fund	5,398.95	12,442.34	(7,043.39)
<i>Outreach</i>			
Outreach Fund	2,931.27	0.00	2,931.27
Open Table Ministry Fund	17,864.38	12,082.33	5,782.05
Discretionary Funds	3,325.41	2,020.53	1,304.88
Burbank School Fund	222.00	222.00	0.00
Incarnation100 Fund	2,118.91	9,857.60	(7,738.69)
<i>Grants</i>			
Congregational Development Grant	8,140.67	14,940.78	(6,800.11)
Adult Services Grant	932.50	932.50	0.00
Louisville Grant (Cafferata Research Project)	5,504.41	0.00	5,504.41
<i>Incarnation Bookstore</i>			
Cash	544.50	2,294.20	(1,749.70)
Inventory	16,688.19	16,688.19	0.00
<i>Heavenly Treasures</i>			
Heavenly Treasures Fund	2,038.42	1,600.26	438.16
<i>Memorial Funds</i>			
Misc. Memorials	897.19	1,709.19	(812.00)
Columbarium	1,943.79	1,213.79	730.00
Memorial Garden	2,805.00	2,805.00	0.00
<i>Bequests</i>			
Estates Fund	403,520.63	351,428.88	52,091.75

# Church of the Incarnation

## Restricted Fund Balances

December 31, 2015

	<u>December 2015</u>	<u>December 2014</u>	<u>Difference</u>
<b>TEMPORARILY RESTRICTED FUNDS (Continued)</b>			
<i>Subsidiary Funds</i>			
St. Andrews Mission Fund	9,331.27	14,559.24	(5,227.97)
ECW-Guild Fund	0.00	2,766.97	(2,766.97)
Numina Fund	15,168.16	19,029.01	(3,860.85)
<b>TOTAL TEMPORARY RESTRICTED FUNDS</b>	<b>\$572,972.20</b>	<b>\$590,294.56</b>	<b>(\$17,322.36)</b>

### LONG-TERM RESTRICTED FUNDS

<b>Building Fund</b>			
Building Fund - Beginning Balance	194,548.62	194,000.00	548.62
Current Year Contributions	496.52	548.62	(52.10)
Change in Market Value	(7,617.95)	0.00	(7,617.95)
<b>Total Building Endowment Fund (Principal)</b>	<b>187,427.19</b>	<b>194,548.62</b>	<b>(7,121.43)</b>
<b>Donald &amp; Maureen Green Fund</b>			
Green Fund - Beginning Balance	2,255,291.68	2,214,983.96	40,307.72
Change in Market Value	5,077.23	195,356.60	(190,279.37)
Transfer to Operating Fund	(274,378.79)	(155,048.88)	(119,329.91)
<b>Total Green Endowment Fund</b>	<b>1,985,990.12</b>	<b>2,255,291.68</b>	<b>(269,301.56)</b>
<b>Bequests</b>			
Real Estate Bequests	450,590.00	79,614.00	370,976.00
<b>Total Bequests</b>	<b>450,590.00</b>	<b>79,614.00</b>	<b>370,976.00</b>
<b>Mission Building Acquisition Fund</b>			
Mission Building Fund	94,860.95	108,416.64	(13,555.69)
<b>Total Mission Building Acquisition Fund</b>	<b>94,860.95</b>	<b>108,416.64</b>	<b>(13,555.69)</b>
<b>Fixed Assets</b>			
Fixed Assets Fund	2,259,727.63	2,259,727.63	0.00
<b>Total Fixed Assets</b>	<b>2,259,727.63</b>	<b>2,259,727.63</b>	<b>0.00</b>
<b>TOTAL LONG-TERM RESTRICTED FUNDS</b>	<b>\$4,978,595.89</b>	<b>\$4,897,598.57</b>	<b>\$80,997.32</b>



Church of the Incarnation  
Outreach  
For the Year Ending December 31, 2015

	<b>Actual</b>
<b>Income</b>	
Designated/Restricted Offerings	3,495.27
St. Andrews Mission/Food Program Income	42,599.41
Heavenly Treasures Voucher Sales	33,784.63
Open Table Income	17,369.84
Incarnation100 Fundraising (Net)	17,700.00
Transfer from (to) Outreach Reserve Funds	(8,475.45)
<b>Total Income</b>	<b>\$106,473.70</b>
<b>St. Andrews Mission in Monte Rio</b>	
Supply Clergy Support	2,400.00
St. Andrews Mission Expenses	28,393.14
St. Andrews Food Program Expenses	14,992.36
<b>Total St. Andrews Mission Expenses</b>	<b>\$45,785.50</b>
<b>Open Table Ministry</b>	
Food & Kitchen Supplies	12,395.39
Other Expenses	5,092.40
<b>Total Open Table Ministry</b>	<b>\$17,487.79</b>
<b>The Living Room</b>	
Cash Support	5,900.00
Heavenly Treasures Voucher Sales	33,784.63
<b>Total Living Room Support</b>	<b>\$39,684.63</b>
<b>Other Outreach Donations</b>	
Lake County Fire Victims	1,500.00
Camp Noel Porter	1,182.61
Bishop's Discretionary Fund	367.00
United Thank Offering	0.00
Other Local Charities	151.17
The Holy Land	15.00
Rector's Discretionary Fund	300.00
<b>Total Other Outreach Donations</b>	<b>\$3,515.78</b>
<b>Total Outreach Expenses</b>	<b>\$106,473.70</b>

**APPENDIX E**

St. Andrews in the Redwoods Episcopal Mission  
Balance Sheet  
December 31, 2015

	<b>December 2015</b>	<b>December 2014</b>	<b>Difference</b>
<b>ASSETS</b>			
<b>Cash</b>			
Cash - Checking Account	\$12,243.59	\$15,477.14	(\$3,233.55)
<b>Total Cash</b>	12,243.59	15,477.14	(3,233.55)
Accounts Receivable	0.00	140.00	(140.00)
<b>TOTAL ASSETS</b>	<b>\$12,243.59</b>	<b>\$15,617.14</b>	<b>(\$3,373.55)</b>
<b>LIABILITIES &amp; FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts Payable	2,912.32	1,057.90	0.00
<b>Total Current Liabilities</b>	2,912.32	1,057.90	0.00
<b>Fund Balances</b>			
Food Ministries Fund	9,331.27	4,607.12	4,724.15
<b>Total Fund Balances</b>	9,331.27	4,607.12	4,724.15
<b>Reserve Account</b>	0.00	9,952.12	(9,952.12)
<b>Equity</b>			
Operating Fund	0.00	0.00	0.00
Surplus (Deficit) For Current Year	0.00	0.00	0.00
<b>Total Equity</b>	0.00	0.00	0.00
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$12,243.59</b>	<b>\$15,617.14</b>	<b>(\$5,227.97)</b>

St. Andrews in the Redwoods Episcopal Mission  
 Operating Statement  
 For the Year Ending December 31, 2015

	Actual	Budget	Variance	
			\$	%
<b>Income</b>				
Pledge & Plate	9,690.05	9,600.00	90	0.9%
Incarnation Clergy Support	2,400.00	2,400.00	0	0.0%
Facilities Usage	7,960.00	7,200.00	760	10.6%
Interest Income	4.88	0.00	5	-
Transfer from Reserve Fund	9,952.12	0.00	9,952	-
<b>Total Income</b>	<b>\$30,007.05</b>	<b>\$19,200.00</b>	<b>\$10,807</b>	<b>56.3%</b>
<b>Expenses</b>				
Communications	332.39	0.00	332	-
Church Growth	0.00	0.00	0	-
Parish Life	0.00	0.00	0	-
Supply Clergy	7,373.99	9,060.00	(1,686)	-18.6%
Lay Salaries	0.00	0.00	0	-
Administrative Expenses	774.23	1,140.00	(366)	-32.1%
Rent & Property Taxes	11,477.16	11,500.00	(23)	-0.2%
Insurance	2,044.76	1,960.00	85	4.3%
Utilities	2,837.60	3,300.00	(462)	-14.0%
Repairs & Maintenance	4,386.39	0.00	4,386	-
Other Expenses	780.53	1,200.00	(419)	-35.0%
<b>Total Expenses</b>	<b>\$30,007.05</b>	<b>\$28,160.00</b>	<b>\$1,847</b>	<b>6.6%</b>
<b>Surplus (Deficit)</b>	<b>\$0.00</b>	<b>(\$8,960.00)</b>	<b>\$8,960</b>	<b>-100.0%</b>

St. Andrews in the Redwoods Episcopal Mission  
 Mission Food Program  
 For the Year Ending December 31, 2015

**Income**

Unrestricted Donations	1,760.50
Incarnation Outreach	16,242.66
Grants	2,023.01

<b>Total Income</b>	<b>\$20,026.17</b>
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**Expenses**

Salaries & Benefits	5,425.47
Fundraising Expenses	0.00
Capital Improvements & Equipment	722.68
Office Expenses	0.00
Printing & Publicity	123.98
Volunteer Recognition	0.00
Utilities & Trash	1,200.00
Facilities Usage Fees	3,000.00
Sexton (Janitorial)	0.00
Kitchen Equipment	157.33
Food & Supplies for Food Pantry	3,847.32
Food & Supplies for Dinners	125.67
Program Supplies	674.57
Membership Dues	25.00
Training	0.00
Safety Equipment	0.00
Building Repairs	0.00

<b>Total Expenses</b>	<b>\$15,302.02</b>
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<b>Surplus (Deficit)</b>	<b>\$4,724.15</b>
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	Unrestricted	Restricted	Total
<b>Beginning Fund Balance</b>	639.67	3,967.45	4,607.12
Cash Flow	7,891.60	(3,167.45)	4,724.15
<b>Ending Fund Balance</b>	<b>8,531.27</b>	<b>800.00</b>	<b>\$9,331.27</b>

Church of the Incarnation  
2016 Projected Operating Budget  
Approved by Vestry - 1/26/2016

## 2015 Comparative Information

<i>Line Item</i>	2016 Budget	2015 Comparative Information		$\Delta$ 2016 Budget vs. 2015 Actual	
		<i>Budget</i>	<i>Estimated Actual</i>	\$	%
<b>Income</b>					
Pledge & Plate Offerings	369,600	399,000	341,739	27,861	+ 8.2%
Investment & Interest Income	147,480	166,980	282,344	(134,864)	- 47.8%
Rental & Fundraising Income	87,115	32,360	66,136	20,979	+ 31.7%
Grants & Diocesan Assistance	8,140	14,000	11,800	(3,660)	- 31.0%
Restricted/Designated Offerings	60,360	53,660	57,974	2,386	+ 4.1%
Transfers from Reserve Funds	235,580	0	46,053	189,527	+ 411.5%
<b>Total Income</b>	<b>908,275</b>	<b>666,000</b>	<b>806,046</b>	<b>102,229</b>	<b>+ 12.7%</b>
<b>Expenses</b>					
<b>Commission Expenses</b>					
Worship	10,240	15,320	7,412	2,828	+ 38.2%
Spiritual Formation	10,985	7,065	2,410	8,575	+ 355.7%
Community Formation	4,890	7,750	2,613	2,277	+ 87.1%
Welcome	3,210	3,330	6,194	(2,984)	- 48.2%
Gifts & Gratitude	1,500	4,500	1,903	(403)	- 21.2%
Communications	3,685	7,185	3,588	97	+ 2.7%
Outreach	95,860	61,200	63,874	31,986	+ 50.1%
<b>Total Commission Expenses</b>	<b>130,370</b>	<b>106,350</b>	<b>87,995</b>	<b>42,375</b>	<b>+ 48.2%</b>
<b>Salaries &amp; Benefits</b>					
Clergy Salaries & Benefits	218,680	139,140	207,195	11,485	+ 5.5%
Lay Salaries & Benefits	290,665	264,420	258,071	32,594	+ 12.6%
<b>Total Salaries &amp; Benefits</b>	<b>509,345</b>	<b>403,560</b>	<b>465,266</b>	<b>44,079</b>	<b>+ 9.5%</b>
<b>Operating Expenses</b>					
Administrative Expenses	43,060	37,150	41,619	1,442	+ 3.5%
Buildings & Grounds Expenses	95,640	89,545	94,357	1,283	+ 1.4%
Diocesan Apportionment	117,960	93,480	101,439	16,521	+ 16.3%
Other Expenses	11,900	11,900	15,372	(3,472)	- 22.6%
<b>Total Operating Expenses</b>	<b>268,560</b>	<b>232,075</b>	<b>252,786</b>	<b>15,774</b>	<b>+ 6.2%</b>
<b>Total Expenses</b>	<b>908,275</b>	<b>741,985</b>	<b>806,047</b>	<b>102,228</b>	<b>+ 12.7%</b>
<b>Net Surplus (Deficit)</b>	<b>0</b>	<b>(75,985)</b>	<b>(0)</b>	<b>0</b>	

St. Andrews in the Redwoods Episcopal Mission  
2016 Draft Operating Budget

	<b>2016 Budget</b>	<b>2015 Actual</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
<b>Income</b>				
Pledge & Plate	7,000	9,690	(2,690)	-27.8%
Incarnation Clergy Support	2,400	2,400	0	0.0%
Facilities Usage	7,200	7,960	(760)	-9.5%
Transfer from Reserve Funds	10,000	9,957	43	0.4%
<b>Total Income</b>	<b>\$26,600</b>	<b>\$30,007</b>	<b>(\$3,407)</b>	<b>-11.4%</b>
<b>Expenses</b>				
Communications	120	332	(212)	-63.9%
Clergy	8,400	7,374	1,026	13.9%
Administrative Expenses	900	774	126	16.2%
Rent & Property Taxes	11,500	11,477	23	0.2%
Insurance	2,045	2,045	0	0.0%
Utilities	3,000	2,838	162	5.7%
Repairs & Maintenance	500	4,386	(3,886)	-88.6%
Other Expenses	135	781	(646)	-82.7%
<b>Total Expenses</b>	<b>\$26,600</b>	<b>\$30,007</b>	<b>(\$3,407)</b>	<b>-11.4%</b>
<b>Surplus (Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>



