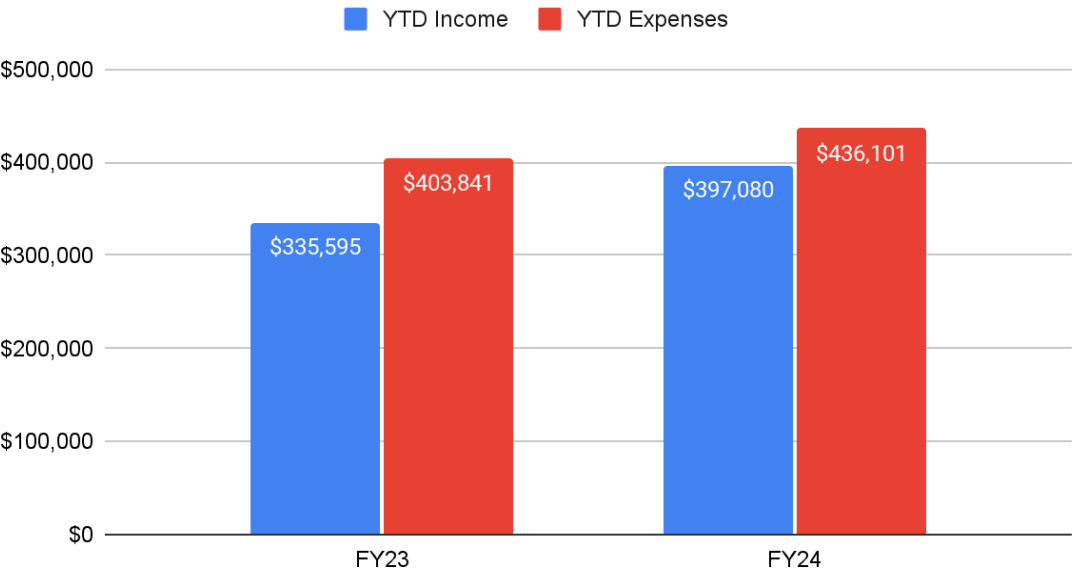


Incarnation Parish Meeting, October 20, 2024
End of Year Finance Update

YTD Actual Giving vs. Actual Expenses Previous Year Comparison

FY24 Total Income: \$397,080 (Budgeted: \$355,000)
FY24 Income from Offerings (excludes grants): \$372,080 (Budgeted: \$330,000)
FY24 Total Expenses: \$436,101 (Budgeted: \$432,744)

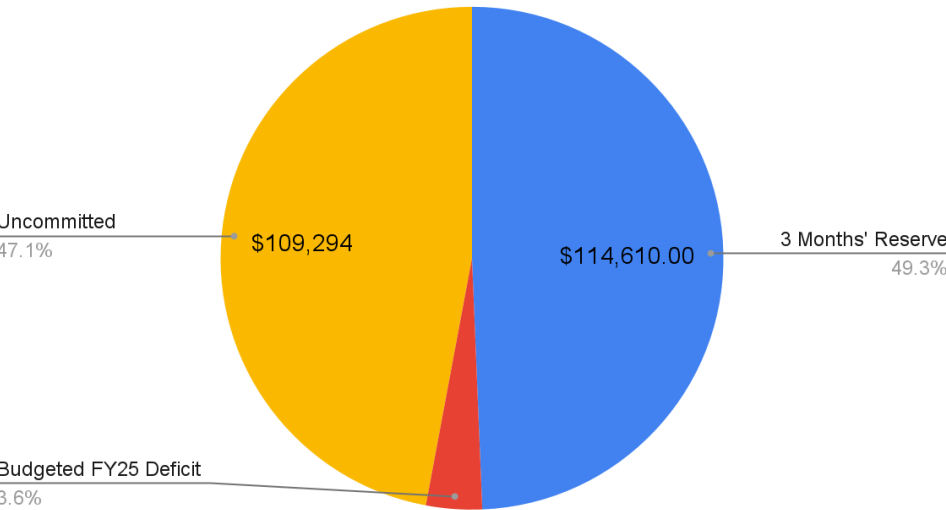
Year-End FY23 vs. Year-End FY24 Income and Expenses



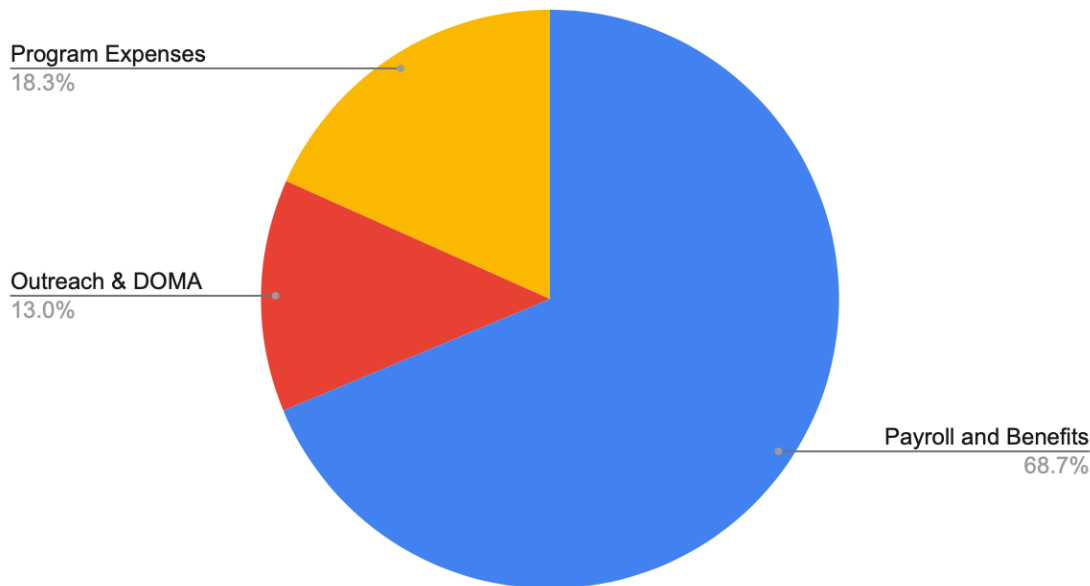
Cash Position as of August 2024

Total Cash Fund: \$237,496

Cash Reserves Breakdown (Total thru Sept 30: \$232,246)



FY24 Expense Breakdown by Category



Budget Performance Summary for October 2023 – Sept 2024

Incarnation's income and expenses both exceeded budget this year. Since June, we have seen a sustained increase in our monthly giving, such that we ended the year at \$397,080, which is 18% over budgeted income. This is truly a remarkable turnaround in our income picture since our last parish meeting in May. Thank you for your faithful and generous giving to this church, and thanks be to God for his provision.

Expenses tracked closely with budget throughout the year, and we ended the year with \$436,101 in expenses, 8% higher than budgeted (this overage was due to unanticipated van repairs and tent rental). We ended the year with a deficit of -\$39,021, which was met through our cash reserves. Though this deficit is significant, it is lower than the budgeted -\$77,774, due to increased giving. This means that while we continue to deplete our cash reserves, we are doing so at a slower rate than projected for this year. The vestry is encouraged by this trend, but maintains its commitment to the long-term financial viability of this church by planning toward a balanced budget in the coming years.

Report on Outreach Disbursements for FY24

Incarnation gave \$49,724 toward outreach this fiscal year. Incarnation committed to give 10% of its undesignated income to outreach in FY24, an amount that was originally budgeted at \$32,804 based on FY24 income projections. The actual figure given to outreach represents 13% of our undesignated income this fiscal year.

Why is this higher than the budgeted 10%? In short, because we had excess funds in the outreach account that carried over into this fiscal year. Incarnation has always committed to give 10-15% of its undesignated income toward outreach each year. A percentage of our undesignated income is then set aside each month into an internally designated outreach fund, which is then disbursed toward outreach partners and programs. This internally designated fund is part of our cash reserves.

At the end of FY22, we received a large donation back from a donor after an outreach project was canceled (as a result, our FY22 outreach giving was well below the 15% budgeted). This money went into the accrued outreach fund and was carried over into FY23 (when we gave 13%) and then into FY24. Therefore, we began this fiscal year with \$18,900 in the outreach fund accrued from previous years. Incarnation gave a total of \$49,724 to outreach in FY24: \$18,900 of that total was already in the fund, and an additional \$30,824 was given from current-year income (representing 8% of undesignated income for this year).

In September, vestry decided to disburse everything accrued in the outreach fund through July (the latest month for which we had numbers at our September meeting). This brought our total outreach spending to \$49,724 for the year, as reported above. Vestry also decided to cap outreach giving for the remainder of the year, rather than set aside an additional 10% of August and September income into the outreach fund. This decision represented a significant break with past practice, and was not made lightly. Incarnation is a generous church, and generous financial support of our outreach partners has always been a vital expression of our mission and values. Frankly, it is heartbreaking to say “no” to outreach partners who count on our support and whose work we value so highly.

However, given the size of our outreach outlays for the year and the reality that our outreach gifts are spending against our deficit, vestry determined that capping the fund for FY24 best balanced our commitment to outreach generosity and to fiscal prudence and the long-term sustainability of this church.

An accounting note: Accrued funds make for confusing accounting and open the possibility for multiple interpretations of the numbers; for this reason, we are also exploring simplified ways of accounting for our outreach spending going forward. We recognize this is a lot of information, but we want to present it to you in the spirit of transparency and welcome any further questions that you may have.

Finally, these figures do not include an additional \$26,316 collected in special offerings over and above the outreach giving described above. These special offerings were collected from the congregation toward L'Arche Bethlehem (Advent), Rock Recovery (Lent), and for Russell's medical recovery expenses. *You are an incredibly generous church.* Thank you.

Overview of FY25 Budget

Vestry approved the FY25 budget at its September meeting (attached). This budget includes increases in both income and expense.

Total budgeted income: \$450,100 (27% higher than FY24 budget: \$355,000)

Total budgeted expense: \$458,442 (6% higher than FY24 budget: \$432,744)

Total budgeted deficit: -\$8,342

Notes on Income

Ordinary income was calculated using monthly actuals plus 3%, an amount consistent with the year-to-year growth in income observed over the past several years. This budget also includes \$75,000 in grants to support Russell's curacy and the Maryland project; we are reasonably confident that we will receive these grants in 2025 (and in fact, one \$25,000 grant was just approved). However, without these grants, our budgeted income is still significantly lower than budgeted expenses, which is not sustainable in the long-term.

Notes on Expenses

This budget includes a 3% COLA for all staff (2 full-time and 3 part-time). We've held other expenses steady (e.g., rental fees), but have seen increases in many of our operating costs (particularly in healthcare, administrative fees, and insurance). This budget also includes rental costs for the Maryland project in 2025, and has designated a portion of Katie's salary toward that project.

Notes on Outreach

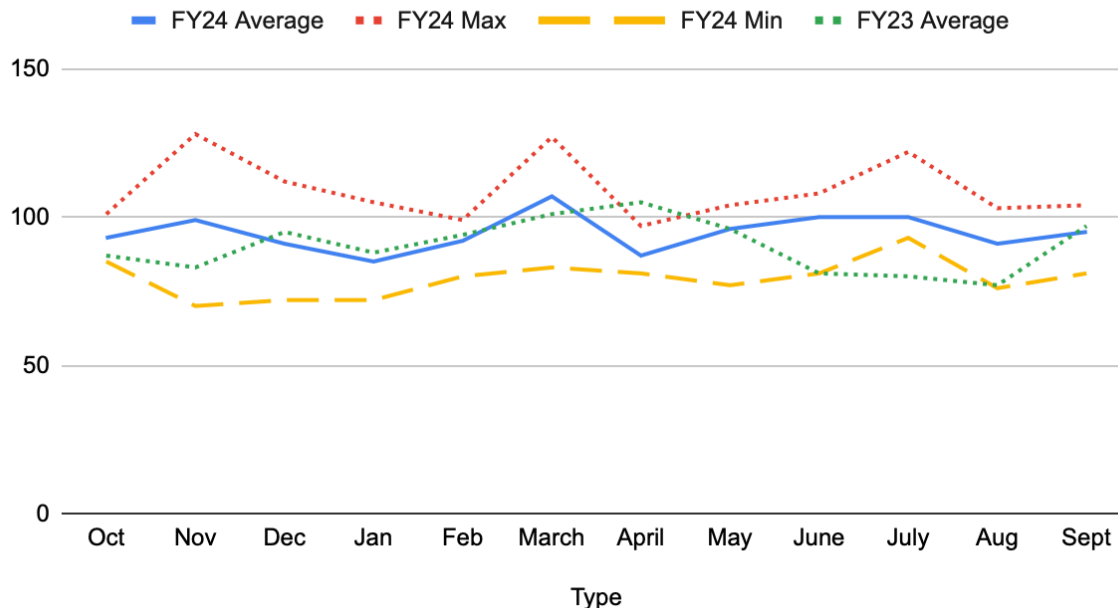
This budget includes \$46,197 in outreach expenses (representing 12.3% of our budgeted undesignated income). Of that total, \$15,800 is for gifts to our outreach partners with whom we have multi-year funding agreements (representing 4.2% of our undesignated income). Another \$3,050 is for outreach programs, including trips to visit overseas partners and outreach visits/lunches (representing .8% of our undesignated income). The remaining \$27,347 (7.3% of undesignated income) is for the Maryland project. Maryland falls within our Evangelism and Church Planting outreach priority, which states, "We value evangelism and church planting in the context of authentic friendships and welcoming community. We seek to empower female and minority church leaders."

However, we are seeking grants to fund the Maryland project in its entirety FY25. We will pause additional outreach spending beyond the 5% already committed to partners and programs until we know the status of these grant requests (likely Spring/Summer 2025). If we receive these grants, we will make a mid-year determination regarding additional outreach giving as part of a mid-year budget review assessing the overall state of our finances. Vestry's strong desire and intention is to give generously toward outreach in FY25.

Attendance:

Average Sunday attendance since the last parish meeting (May-October) is 96. For the same time period in 2023, the average attendance was 86; in 2022, it was 76. (Note: the 2022 and 2023 numbers included online attendees, whereas the 2024 numbers do not.)

FY24 YTD Attendance



Questions:

Please feel free to reach out with questions, concerns, or comments at any time!

General finance or budget questions: Gabi Farris, Treasurer, gabriellefarris1@gmail.com; Jared Noetzel, Vestry Finance Liaison, jared.noetzel@gmail.com

Giving or PCO questions: Emily Williams, Operations Manager, emily@incarnationanglican.org