

**The Episcopal Diocese of El Camino Real
Board of Trustees**

Minutes of the Regular Meeting
Thursday, February 24, 2022 – Zoom Meeting

P A Voting Members

- The Rt. Rev. Lucinda Ashby, *President*
 The Rev. Kristine Johnson, *Vice President*

2022

- The Rev. Mary Blessing
 Mr. Joe Heston, *appointed*
 The Rev. Ian Delinger
 Mr. John Cribb

2023

- Mr. Win Fernald
 The Rev. Maly Hughes
 The Rev. Kristine Johnson, *see above*
 Vacant

2024

- The Rev. Laurel Coote
 The Rev. Tina Heidmann
 The Rev. Julie Nelson
 Mr. Steven Sosnowski

P A Non-Voting Members

- Mr. Jeff Diehl, *Secretary*
 Ms. Joanna Shreve, *Treasurer*
 Mr. Steve Kottmeier, Esq., *Chancellor*
 Mr. Joe Head, *Finance Committee Chair*
 Ms. Shonna Close, *Standing Committee Liaison*

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Visitors

- The Rev. Canon Martha Korienek
 The Rev. Karen Cuffie
 Mr. Tim Scott, St. John's Morgan Hill
 Ms. Jenny Scott, St. John's, Morgan Hill

AG-1 Call to Order and Reading of Norms

The February 24, 2022, regular meeting of the Board of Trustees of the Episcopal Church in the Diocese of El Camino Real was called to order at 2:04 p.m. by the Rev. Kristine Johnson, *Vice President*. The Secretary confirmed that a quorum was present.

The Rev. Kristine Johnson opened the meeting with prayer. The Rev. Maly Hughes led the Board in *lectio divina* on Deuteronomy 34:1-12, the death of Moses on Mount Nebo. The Board contemplated how this passage offers words of hope and encouragement to the diocese.

The Board followed the *lectio* with a reading of the Norms.

AG-2 Approval of Agenda and Minutes

- 2.1 Agenda for February 24, 2022, meeting (Attachment A).
 2.2 Acceptance of Minutes of the Regular Meeting on January 26, 2022.

Resolution RM2022022401
Moved: Coote
Seconded: Fernald

Resolved, That the Board of Trustees adopt the Minutes of the January 26, 2022, meeting.

Yes: 7

No: 0

Abstain: 0

AG-3 Bishop's Report

The Bishop acknowledged how distressing the events of the day must be to all of us. The Bishop sent a letter to all clergy and wardens on the matter.

The Bishop deconsecrated St. Mark's, Santa Clara, this past Sunday with about 50 attendees. The service included a final Eucharist and a statement of secularization of the building. The attendees then honored the remains of the faithful buried at St. Mark's and re-interred them at St. Jude's, Cupertino.

The Bishop next turned to the topic of leadership development. The School for Ministry opened today with 15 enrollees. The Spanish-speaking cohort will begin next month. The Diocese of San Diego is interested in joining us in this project.

The Bishop and Canon Martha are in the process of facilitating Mutual Ministry Reviews.

In March, the Bishop will run a training for the Missional Grants Committee to review structures and processes.

The Spring Renewal is going virtual so that people can feel safe and still have access to the event. The Rt. Rev. Sean Rowe, Diocese of Northwest Pennsylvania, is the speaker.

The clergy retreat is in May with facilitator Marilyn McIntire.

The Community Trailblazer should be in place by summer.

The Communications Director position description has been published. The Bishop is reviewing applicants.

AG-4 Canon's Update

Canon Martha reported that the Spring Renewal will include a recognition for Canon Brian on Friday night. She is encouraging parishes to have watch parties. Her intention is to send the parishes a "Party in a Box" to add to the event. Sherwood Hall is reserved for the last Friday and Saturday in April 2023.

All Saints', Palo Alto, has forwarded their finalists to the Vestry.

St. Luke's, Atascadero, has completed a series of forums in preparation for their profile.

St. Timothy's, Mountain View, is moving ahead full-steam. They have hired an interim priest.

Canon Martha will meet with Good Samaritan, San Jose, on Sunday to review the parish profile.

St. John's, Monterey, has called a part-time priest-in-charge for the upcoming period.

AG-5 Discussion on Restoration Process

The Bishop invited the Treasurer to introduce her summary of the Restoration Process (Attachment B). The Board will be considering a Restoration Plan for St. George's, Salinas, next month. The Bishop has also asked a working group to review the restoration process and suggest how it may need to adapt to the pandemic.

AG-6 Committee Reports**6.1 Finance**

- 6.1.1 The Treasurer reported that the current Statement of Activities is not in a format consistent with our budget and will be modified for the future (Attachments C and D). The numbers are all correct except for the Mission Commission line item. Fair Share is projected to \$1,152,000 for 2022 compared to the budget of \$1,100,000. This increase during the time of pandemic is gratifying. The Diocese has shifted to QuickBooks Professional for our accounting software which is easier to use and cheaper than Great Plains.

6.2 Property

The Rev. Karen Cuffie, Rector, Mr. Tom Scott, Parishioner, Ms. Jenny Scott, Sr. Warden, representing St. John's, Morgan Hill, discussed an opportunity to lease a portion of the St. John's campus to a for-profit education corporation (Attachment E). The Vestry of St. John's is recommending that the Board approve leasing the preschool building on the St. John's campus to Rockridge Education, LLC. on a three-year term with a three-year option.

The Bishop spoke on behalf of the Property Committee. The church will have to pay property tax on the portion of the campus that is rented to the for-profit education corporation.

Resolution RM2022022402	Moved: Coote	Seconded:Fernald
Resolved , That the Board of Trustees approve, contingent on concurrence by the Bishop and Standing Committee, the intention of St. John's, Morgan Hill, to lease a portion of their property to Rockridge Education, LLC, on a three-year term with a three-year option.		
Yes: 8	No: 0	Abstain: 0

AG-7 Deanery Reports

- 7.1 Santa Clara Valley Deanery. No report.
- 7.2 Monterey Deanery. No report.
- 7.3 San Luis Obispo Deanery. The SLO Deanery is meeting this Sunday, February 27, at 2pm by Zoom. SLO4Home will give a special presentation on their work to provide shelter for Afghan refugee families in SLO County.

AG-8 Meeting Summary and Items for Next Meeting

- 8.1 Three items for RealEpiscopal eNewsletter
- 8.1.1 Canon Martha reported that the Spring Renewal on April 29 and 30 will not be an in-person event but will be virtual so that everyone will feel safe in attending.
- 8.1.2 The Board, along with the Bishop and the Standing Committee, approved the intention of St. John's, Morgan Hill, to enter into a lease with a third-party preschool.
- 8.1.3 The Treasurer reported that Fair Share projections for 2022 are exceeding the expected levels in the budget adopted by Diocesan Convention.

APPROVED

APPROVED

APPROVED

- 8.2 Words in Passing
- 8.3 Items for March 24, 2022, Meeting at 2:00 pm.
 - 8.3.1 Lectio Leader – Win Fernald.
 - 8.3.2 Action Items
 - St. George’s Restoration Plan.
 - Camp St. Andrews status with the diocese.
- 8.4 Closing Prayer
 - The Bishop closed the meeting in prayer. The meeting was adjourned at 3:42pm.

Respectively Submitted,

Jeff Diehl
Secretary

Attachments:

- A – Agenda
- B – Summary of the Restoration Process
- C – Highlights of the Finance Committee Meeting, February 17, 2022
- D – Financial Reports, January 2022
- E – Communication from St. John the Divine, Morgan Hill

Attachment A

Agenda

The Episcopal Diocese of El Camino Real Board of Trustees
Regular Meeting Agenda
February 24, 2022 2:00 pm on Zoom
Agenda items in **bold** are decision items

- AG-1 Call to Order
Roll Call and Quorum *Jeff Diehl*
Opening Prayer
Lectio Divina *Maly Hughes*
Reading of norms *Bp. Lucinda*
- AG-2 Call for agenda additions *Kristine Johnson*
Approval of Minutes
Regular Meeting 1/26/22 *Jeff Diehl*
- AG-3 Bishop's report *Bp. Lucinda*
AG-4 Canon's update *Canon Martha Korienek*
AG-5 Discussion on Restoration process *Bp. Lucinda*
AG-6 Committee reports
6.1 Finance *Joanna Shreve/Joe Head*
6.2 Property *Joe Head*
**Request by St. John's Morgan Hill to
lease their Daycare Center to an
outside operator.**
- AG-7 Deanery reports
AG-8 Meeting summary and items for next meeting *Kristine Johnson*
Three items for newsletter *Jeff Diehl*
Items for next meeting – March 24, 2022 2:00 pm on Zoom
Words in Passing
Closing Prayer

Attachment B

Summary of the Restoration Process

AIDED PARISH STATUS

Aided Parish Status Results from the Implementation of Canon 20:

- 1) A parish's inability to pay its rector;
- 2) The parish's inability to provide enough money to support necessary spiritual maintenance and programs
- 3) The parish's failure for a twelve month period to pay its Fair Share

Purpose: To give a parish a fresh start, an opportunity to be restored to full and regular parish status. There are two parts to a Restoration Process: Financial recovery and restoring viability and growth of ministry.

Aided Parish is a *temporary status*, enabling a parish to continue its parochial relationship with the Diocese under the agreed upon terms of a Restoration Plan.

- An Aided Parish relinquishes its rights and privileges as a Parish, including the right to elect a rector and the right to hold and control its property both real and personal and to allow direction for use of its property on the terms and conditions as may be determined by the bishop, with the approval of the Standing Committee and the Board of Trustees. (Rector becomes Priest-in-charge.)

Steps of a Four-year Restoration Process:

- 1) Parish gathers detailed information (usually the past five years) related to financial status, pledging & ASA data, significant programs and ministry, etc. with the purpose of being able to use this information to reflect upon how and why they reached the stage of needing to apply for Aided Parish status.
- 2) Presentation made by members of the parish to the Board of Trustees.
- 3) If the Board decides to designate the parish as an Aided Parish, and if the Bishop and Standing Committee subsequently concur, the parish is declared an Aided Parish
- 4) Within 60 days of being designated an Aided Parish, the parish works with the Diocese (RRC) to hold a parish town hall meeting to give voice to all as the community reviews the issues and comes to better understand them. (How and why did they get to this place?)
- 5) Parish Restoration Committee is created and begins work on preparing a Restoration Plan for the next four years. The Plan should include:
 - a. Reflection on past five year history documenting how the parish arrived at the need to become an aided parish
 - b. Projection of proposed metrics for ASA, Pledge #s and income over the next four years to ensure the ability to regain regular parish status.
 - c. Develop concrete plans for assessing current ministries, and embracing the "new church" with revitalized and/or new leadership to develop workable strategies to facilitate its healing and ongoing vitality
- 6) **Draft Restoration Plan** – needs the approval of the Parish Restoration Committee, the vestry and the RRC. The plan is received as a formal restoration agreement to be signed by the leadership of the Diocese (RRC) and the Aided Parish.
- 7) **The Aided Parish should provide regular reports to the RRC**
 - a. Begin with quarterly statements, including financial reports
 - b. Reporting may become less frequent (every 6 months) if progress seems to be taking place.
 - c. RRC reports are made on regular basis to the Board of Trustees (usually annually)
- 8) **A Restoration Plan may be reassessed at any time at the request of the Aided Parish and with the consent of the RRC (which reports this to the Board of Trustees.)**

- 9) **On or before the fourth anniversary of the declaration of Aided Parish status, and the Aided Parish has achieved its Plan's goals (for both financial and ministry restoration), the parish may petition to return to regular status, seeking the approval of the Board of Trustees, Bishop and Standing Committee.**

Additional time (one to two years) has been given to some congregations who are deemed moving in the right direction but are not quite able to achieve full restoration of regular parish status of their finances and ministries within the four-year period. A requirement for returning to full parish status is to have paid its full Fair Share to the diocese for one full year.

Attachment C

Highlights of the Finance Committee
Meeting, February 17, 2022

Episcopal Diocese of El Camino Real Highlights of the February 17, 2022 Finance Committee Meeting

Financial Reports for January

The January 2022 reports have been included in the documents to be shared with the Board of Trustees at their 2/24/2022 meeting. The formatting of the Statement of Activities report will need to be changed to match the format in which the 2022 budget was presented at Convention. The Board should know that most of the figures in the report are correct. There will be one adjustment made in the "Mission Commission" line item..

We will also be suggesting some changes in the formatting of the Balance Sheet, although this may take several months to prepare. The main issue is that we want to start including the funds for the Bishop's Appeal and the School for Ministry on the balance sheet.

Fair Share – PPP

The Instructions manual for completing the parochial report asks that any PPP loans that have been converted to grants should be reported as part of one's income on line 5 which becomes part of line 6A. Line 6A is what has been traditionally used to determine one's Net Disposable Operating Income (NDBI), the figure used for calculating one's Fair Share to the diocese. Our diocese has agreed that our congregations should not pay Fair Share on their PPP grants, so as they calculate their Fair Share owed in 2021, they should subtract the amount of the PPP grant(s) from their NDBI number on line 6A.

Audit for 2020 and 2021 Financial Reports

The audit process for the years 2020 and 2021 will be commencing on April 1st. The Finance Committee members are confident that it will be a much smoother process than our previous audit for 2019. Joe Head, David Starr and Joanna Shreve met with Kirk Nilson to go over the list of documents that the auditors are asking to be prepared ahead of time. It was good to hear that Kirk was confident that he could produce these documents and that there were none listed that were unfamiliar to him as being part of a normal audit process.

The auditors have contracted with us a range of \$40,000 to \$60,000 per year for the audits of 2020 and 2021. We will be asking for warnings if they feel that the work will go above the minimum amount of the range (\$40,000).for each audit year, asking the auditors to supply specific expense metrics and reasons why etc.

Change of Accounting Software

We learned from Great Plains this past week that our liaison, Kathleen Waidhofer, will no longer serve our account. Kirk Nilson, our current accountant, is recommending us moving our accounting to QuickBooks Online Advanced. The Finance Committee discussed this at length and there was unanimous agreement that this would be a wise move.

- Our data on Great Plains has been customized for our use to such an extent that when we wish to make changes, our liaison (Kathleen Waidhofer) has to be consulted to make these changes possible. Her hourly rate for consulting is \$175. If we move our data to QuickBooks Advanced, Kirk Nilson has the highest certification possible with QuickBooks and would become our "consultant" so any "extra fees" would be absorbed in his company's monthly contract with us.
- Our auditors, Hayashi Wayland, suggested in 2020 that we move to QuickBooks. They found the Great Plains data difficult to access and work with. They will be pleased to learn that we have moved to their suggested bookkeeping software.

- QuickBooks enables up to 25 additional users. Some of us could become users (with privileges only to print reports, etc. – making no changes in entries). This would be a definite asset for both the Bishop, the Parish Resource Officer and the Treasurer.
- The cost of QuickBooks annually is \$160 through Tech Soup. It will be up in the cloud, which provides good security.
- In recent years, QuickBooks has put most of its focus on cloud-based systems, and improving its ability to track all entries so it is finally “audit-friendly.” Previously, this was a major complaint about QuickBooks as bookkeepers could make untrackable changes/corrections going back to previous months. Auditors are wary of this.
- QuickBooks software usually has the ability to do payroll. We will be looking into this option with Kirk Nilson. We may be able to close our payroll account with ADP, resulting in a possible savings of \$750 per year. This is still to be determined.

Attachment D

Financial Reports, January 2022

	January	January	Month to Date	Year to Date	Year to Date	Year to Date	Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
INCOME							
Designated Contributions							
Fees							
Undesignated Income							
Fair Share Cash Basis - Current Year	\$72,784.14	\$91,666.66	(\$18,882.52)	\$72,784.14	\$91,666.66	(\$18,882.52)	\$1,100,000.00
Fair Share Cash Basis - Previous Year	13,204.05	13,333.33	(129.28)	13,204.05	13,333.33	(129.28)	40,000.00
Designated Funding	0.00	17,083.33	(17,083.33)	0.00	17,083.33	(17,083.33)	204,999.96
Total Undesignated Income	85,988.19	122,083.32	(36,095.13)	85,988.19	122,083.32	(36,095.13)	1,344,999.96
TOTAL INCOME	85,988.19	122,083.32	(36,095.13)	85,988.19	122,083.32	(36,095.13)	1,344,999.96
EXPENSES							
OFFICE OF THE BISHOP							
STAFF COMPENSATION							
Bishop's Compensation & Benefits							
Bishop's Salary/Housing	13,426.66	13,969.08	542.42	13,426.66	13,969.08	542.42	167,628.96
Bishop's Pension	0.00	2,514.42	2,514.42	0.00	2,514.42	2,514.42	30,173.04
Bishop's Health Benefits	954.40	833.33	(121.07)	954.40	833.33	(121.07)	9,999.96
Total Bishop's Compensation & Benefits	14,381.06	17,316.83	2,935.77	14,381.06	17,316.83	2,935.77	207,801.96
Executive Staff Compensation & Benefits							
Administrator's Salary/Housing	4,416.68	0.00	(4,416.68)	4,416.68	0.00	(4,416.68)	0.00
Administrator's Health Benefits	123.60	0.00	(123.60)	123.60	0.00	(123.60)	0.00
Administrator's Employer Taxes	108.38	0.00	(108.38)	108.38	0.00	(108.38)	0.00
Canon's Salary/Housing	8,333.34	8,333.33	(0.01)	8,333.34	8,333.33	(0.01)	99,999.96
Canon's Pension	0.00	1,500.00	1,500.00	0.00	1,500.00	1,500.00	18,000.00
Canon's Health Benefits	0.00	1,166.67	1,166.67	0.00	1,166.67	1,166.67	14,000.04
Insurance Medical - Clergy	456.76	0.00	(456.76)	456.76	0.00	(456.76)	0.00

Total Executive Staff Compensation & Benefits	13,438.76	11,000.00	(2,438.76)	13,438.76	11,000.00	(2,438.76)	132,000.00
Administrative Staff Compensation & Benefits							
Staff Assistant's Salary	4,166.68	4,542.50	375.82	4,166.68	4,542.50	375.82	54,510.00
Staff Assistant's Pension	0.00	408.83	408.83	0.00	408.83	408.83	4,905.96
Staff Assistant's Health Benefits	0.00	1,117.50	1,117.50	0.00	1,117.50	1,117.50	13,410.00
Staff Assistant's Employer Taxes	318.76	340.75	21.99	318.76	340.75	21.99	4,089.00
Parish Support Salary	4,000.00	3,500.00	(500.00)	4,000.00	3,500.00	(500.00)	42,000.00
Parish Support Pension	0.00	630.00	630.00	0.00	630.00	630.00	7,560.00
Parish Support Health Benefits	0.00	1,064.25	1,064.25	0.00	1,064.25	1,064.25	12,771.00
Parish Support Employer Taxes	306.00	0.00	(306.00)	306.00	0.00	(306.00)	0.00
Total Administrative Staff Compensation & Benefits	8,791.44	11,603.83	2,812.39	8,791.44	11,603.83	2,812.39	139,245.96
Communications Specialist Compensation & Benefits							
Communications Specialist's Salary	5,778.00	5,100.00	(678.00)	5,778.00	5,100.00	(678.00)	61,200.00
Communications Specialist's Pension	0.00	459.00	459.00	0.00	459.00	459.00	5,508.00
Communications Specialist's Health Benefits	922.28	976.50	54.22	922.28	976.50	54.22	11,718.00
Communications Specialist's Employer Taxes	374.98	390.17	15.19	374.98	390.17	15.19	4,682.04
Total Communications Specialist Compensation & B	7,075.26	6,925.67	(149.59)	7,075.26	6,925.67	(149.59)	83,108.04
Staff Merit Increase Pool	0.00	416.67	416.67	0.00	416.67	416.67	5,000.04
TOTAL STAFF COMPENSATION	43,686.52	47,263.00	3,576.48	43,686.52	47,263.00	3,576.48	567,156.00
OFFICE AND OPERATING EXPENSES							
Office Expenses							
Audit Services	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00
Background Checks	0.00	41.67	41.67	0.00	41.67	41.67	500.04
Bank Service Fees	0.00	125.00	125.00	0.00	125.00	125.00	1,500.00
Building Maintenance	0.00	833.33	833.33	0.00	833.33	833.33	9,999.96
Computer Services	121.22	1,250.00	1,128.78	121.22	1,250.00	1,128.78	15,000.00
Professional Services	15,347.00	6,750.00	(8,597.00)	15,347.00	6,750.00	(8,597.00)	81,000.00
Equipment and Xerox Maintenance	161.92	166.67	4.75	161.92	166.67	4.75	2,000.04
Hospitality & Entertainment	0.00	333.33	333.33	0.00	333.33	333.33	3,999.96
Insurance - Prop & Casualty	0.00	1,250.00	1,250.00	0.00	1,250.00	1,250.00	15,000.00
Insurance - Workers Comp	0.00	416.67	416.67	0.00	416.67	416.67	5,000.04
Office Supplies	482.69	583.33	100.64	482.69	583.33	100.64	6,999.96

Payroll Service Fees	47.50	62.50	15.00	47.50	62.50	15.00	750.00
Postage	0.00	216.67	216.67	0.00	216.67	216.67	2,600.04
Printing	0.00	216.67	216.67	0.00	216.67	216.67	2,600.04
Publication & Dues	0.00	166.67	166.67	0.00	166.67	166.67	2,000.04
Recruitment/ Deployment Expense	0.00	41.67	41.67	0.00	41.67	41.67	500.04
Software Tech Support	0.00	866.67	866.67	0.00	866.67	866.67	10,400.04
Staff Development	0.00	458.33	458.33	0.00	458.33	458.33	5,499.96
Telephone	0.00	916.67	916.67	0.00	916.67	916.67	11,000.04
Total Travel Expenses	1,500.00	2,083.33	583.33	1,500.00	2,083.33	583.33	24,999.96
Utilities	1,390.37	666.67	(723.70)	1,390.37	666.67	(723.70)	8,000.04
Total Office & Operating Expenses	19,050.70	17,445.85	(1,604.85)	19,050.70	17,445.85	(1,604.85)	259,350.20
Sinking Funds							
Funding - Lambeth/Gen Convention	0.00	1,666.67	1,666.67	0.00	1,666.67	1,666.67	20,000.04
Funding - Legal Fees	0.00	416.67	416.67	0.00	416.67	416.67	5,000.04
Total Sinking Funds	0.00	2,083.34	2,083.34	0.00	2,083.34	2,083.34	25,000.08
Contract Personnel							
Communications							
Internet	151.84	500.00	348.16	151.84	500.00	348.16	6,000.00
Website	500.00	500.00	0.00	500.00	500.00	0.00	6,000.00
Translation	0.00	125.00	125.00	0.00	125.00	125.00	1,500.00
Total Communications	651.84	1,125.00	473.16	651.84	1,125.00	473.16	13,500.00
TOTAL OFFICE AND OPERATING EXPENSES	19,702.54	20,654.19	951.65	19,702.54	20,654.19	951.65	297,850.28
TOTAL OFFICE OF THE BISHOP	63,389.06	67,917.19	4,528.13	63,389.06	67,917.19	4,528.13	865,006.28
DIOCESAN PROGRAMS							
Mission Commission							
Clergy Salaries & Benefits	66,383.92	15,833.33	(50,550.59)	66,383.92	15,833.33	(50,550.59)	189,999.96
Total Mission Commission	66,383.92	15,833.33	(50,550.59)	66,383.92	15,833.33	(50,550.59)	189,999.96
Education Ministries							
CERT Programs	0.00	833.33	833.33	0.00	833.33	833.33	9,999.96

Leadership Grants	0.00	291.67	291.67	0.00	291.67	291.67	3,500.04
Youth Program Expenses	0.00	166.67	166.67	0.00	166.67	166.67	2,000.04
Resource Center	0.00	108.33	108.33	0.00	108.33	108.33	1,299.96
Total Education Ministries	0.00	1,400.00	1,400.00	0.00	1,400.00	1,400.00	16,800.00
Ministry to the Congregation & Clergy							
Commission on Ministry	0.00	650.00	650.00	0.00	650.00	650.00	7,800.00
Partnership Commission	0.00	125.00	125.00	0.00	125.00	125.00	1,500.00
Stewardship Commission	0.00	100.00	100.00	0.00	100.00	100.00	1,200.00
Total Ministry to the Congregation & Clergy	0.00	875.00	875.00	0.00	875.00	875.00	10,500.00
Special Ministries							
Higher Education Grants	3,400.00	3,400.00	0.00	3,400.00	3,400.00	0.00	40,800.00
Santa Maria Urban Mission	0.00	2,500.00	2,500.00	0.00	2,500.00	2,500.00	30,000.00
Total Special Ministries	3,400.00	5,900.00	2,500.00	3,400.00	5,900.00	2,500.00	70,800.00
Mission Beyond the Diocese							
Domestic & Foreign Mission	17,190.56	15,833.33	(1,357.23)	17,190.56	15,833.33	(1,357.23)	189,999.96
Province VIII Mission Program	0.00	41.67	41.67	0.00	41.67	41.67	500.04
Companion Diocese Mission	0.00	250.00	250.00	0.00	250.00	250.00	3,000.00
Seminary Support	0.00	83.33	83.33	0.00	83.33	83.33	999.96
Total Mission Beyond the Diocese	17,190.56	16,208.33	(982.23)	17,190.56	16,208.33	(982.23)	194,499.96
TOTAL DIOCESAN PROGRAMS	86,974.48	40,216.66	(46,757.82)	86,974.48	40,216.66	(46,757.82)	482,599.92
TOTAL OFFICE OF THE BISHOP & PROGRAMS	150,363.54	108,133.85	(42,229.69)	150,363.54	108,133.85	(42,229.69)	1,347,606.20
NET OPERATING INCOME	(64,375.35)	13,949.47	(78,324.82)	(64,375.35)	13,949.47	(78,324.82)	(2,606.24)
OTHER OPERATING INCOME/(EXPENSE)							
Interest Income	177.57	183.33	(5.76)	177.57	183.33	(5.76)	2,199.96
Rental Income - Shafer Seaside	2,925.00	0.00	2,925.00	2,925.00	0.00	2,925.00	0.00
TOTAL OTHER OPERATING INCOME/(EXPENSE)	3,102.57	183.33	2,919.24	3,102.57	183.33	2,919.24	2,199.96

NET OPERATING INCOME	<u>(61,272.78)</u>	<u>14,132.80</u>	<u>(75,405.58)</u>	<u>(61,272.78)</u>	<u>14,132.80</u>	<u>(75,405.58)</u>	<u>(406.28)</u>
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ADJUSTED NET OPERATING INCOME	<u>(61,272.78)</u>	<u>14,132.80</u>	<u>(75,405.58)</u>	<u>(61,272.78)</u>	<u>14,132.80</u>	<u>(75,405.58)</u>	<u>(406.28)</u>
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	January 2022	December 2021	Net Change
ASSETS			
CURRENT ASSETS			
Cash and Investments			
Petty Cash	\$300.00	\$300.00	\$0.00
Bank of America Holding Account	190,894.88	116,594.94	74,299.94
Bank of America Operating Account	441,296.84	636,762.01	(195,465.17)
Bank of America Temporary Account	199,804.99	132,282.83	67,522.16
Paypal	2,792.84	2,792.84	0.00
Bank of America PPP #1 Checking Acct	16.99	16.99	0.00
Schwab Account	55,150.21	55,150.21	0.00
Cash Clearing	(63.00)	0.00	(63.00)
State Street Global - DIT	10,601,800.30	11,086,787.23	(484,986.93)
Total Cash and Investments	11,491,994.05	12,030,687.05	(538,693.00)
Receivables			
Accounts Receivable	82,821.24	77,411.80	5,409.44
Insurance Receivable	(18,734.08)	(16,451.46)	(2,282.62)
St. Benedict's Los Osos Receivable	3,926.68	2,593.68	1,333.00
All Saints Watsonville - Receivables	18,478.00	18,478.00	0.00
San Pablo Apostle - Receivables	24,334.26	17,524.94	6,809.32
Total Receivables	110,826.10	99,556.96	11,269.14
Prepaid & Clearing			
Prepaid Expense	12,931.76	12,931.76	0.00
Prepaid Insurance	52,159.24	42,816.99	9,342.25
Property Tax Clearing	24,771.96	24,771.96	0.00
Payroll Clearing	(5,173.52)	(5,173.52)	0.00
Pension Plan Clearing	25,960.09	16,040.79	9,919.30
W/C Insurance Clearing	4,261.79	2,292.96	1,968.83
Comm/Umbrella Insurance Clearing	(30,993.01)	(29,004.46)	(1,988.55)
Medical Insurance Clearing	(5,318.37)	(851.60)	(4,466.77)
Total Prepaid & Clearing	78,599.94	63,824.88	14,775.06
PROPERTY AND EQUIPMENT			
Equipment & Furnishings Net	40,483.52	40,483.52	0.00
California Valley, SLO	849.00	849.00	0.00
Santa Maria Urban Mission, S J	450,000.00	450,000.00	0.00
Wayside Cross, San Miguel	4,000.00	4,000.00	0.00
St. Luke's, Jolon	12,500.00	12,500.00	0.00
St. Mark's, King City	110,610.00	110,610.00	0.00
St. Matthew's, San Ardo	60,727.00	60,727.00	0.00
San Pablo, Seaside	520,248.86	520,248.86	0.00
Shafer Street Residence	112,847.00	112,847.00	0.00
Bishop's Ranch, Healdsburg	86,496.00	86,496.00	0.00

Sargent House	645,000.00	645,000.00	0.00
Sargent House - Remodel	843,500.25	843,500.25	0.00
All Saints/Cristo Rey, Watsonville	385,321.00	385,321.00	0.00
St. Mark's, Santa Clara	563,690.00	563,690.00	0.00
Total Property and Equipment	3,836,272.63	3,836,272.63	0.00

OTHER ASSETS

NR St. Philip's S.V. Monteagle	57,866.48	58,219.46	(352.98)
Total Other Assets	57,866.48	58,219.46	(352.98)

TOTAL ASSETS

15,575,559.20 16,088,560.98 (513,001.78)

LIABILITIES AND FUNDS**CURRENT LIABILITIES****Accounts Payable & Payroll Liabilities**

Accounts Payable	17,850.85	16,334.60	1,516.25
Suspense Payable	(2,297.35)	4,783.12	(7,080.47)
SBA Loan - Bank of America PPP 1st Loan Di	(96,638.05)	(96,638.05)	0.00
SBA LOAN - Bank of America PPP 1st Loan I	(39,245.37)	(39,245.37)	0.00
Total Accounts Payable & Payroll Liabilities	(120,329.92)	(114,765.70)	(5,564.22)

Deferred Income & Refundable Deposits**Long-Term Debt****CUSTODIAL LIABILITIES****Regular Custodial Liabilities**

DWT - General Fund	727.64	727.64	0.00
Altar Guild	3,445.39	3,445.39	0.00
ECCO	994.34	994.34	0.00
Integrity	1,979.67	1,979.67	0.00
Monterey Deanery	747.38	747.38	0.00
Recovery Ministry	3,000.00	3,000.00	0.00
ERD COVID 19 Response Grant	6,200.00	6,200.00	0.00
SSYO - Sudan Youth Organization	2,777.46	2,777.46	0.00
California Friends of St. Patrick	45.00	45.00	0.00
Bishops Transitions Gifts	20,714.24	20,714.24	0.00

Total Regular Custodial Liabilities

40,631.12 40,631.12 0.00

Mission Custodial Liabilities

Mission - Cristo Rey, Watsonville	0.00	(3,333.34)	3,333.34
Mission - San Pablo - Salinas	0.00	(3,333.34)	3,333.34
Mission - San Pablo - Seaside	15,644.79	18,978.12	(3,333.33)
Mission - Church Plant - King City	0.00	(33,436.80)	33,436.80
Total Mission Custodial Liabilities	15,644.79	(21,125.36)	36,770.15

Deposits Held in Trust

DIT - All Saint's Watsonville	333,971.83	349,249.52	(15,277.69)
DIT - St. Barnabas' Endowment	52,284.94	54,676.74	(2,391.80)
DIT - St. Dunstan's Foundation	488,206.63	510,547.61	(22,340.98)
DIT - St. Luke's Atascadero Gorman Fund	18,620.17	19,471.95	(851.78)
DIT - St. Luke's L.G. Organ Fund	9,093.65	9,509.64	(415.99)
DIT - St. Luke's L.G. Bldg & Grounds Fund	53,066.51	55,494.06	(2,427.55)
DIT - St. Luke's Los Gatos Fund	186,502.91	195,034.57	(8,531.66)
DIT - St. Mark's, King City Endowment	72.33	75.64	(3.31)
DIT - St. Philip's Scotts Valley	9,048.38	9,462.30	(413.92)
DIT - St. Timothy's Investment Fund	41,816.50	43,729.41	(1,912.91)
DIT - St. Timothy's Heritage Oak	241,875.84	252,940.60	(11,064.76)
DIT - All Saint's Watsonville-Cooley Endown	203,226.56	212,523.25	(9,296.69)
DIT - St. Dunstan's-St. Andrea Haiti	47,926.29	50,119.26	(2,192.97)
DIT - St. Andrew's BL - Investment Fund	50,902.63	53,225.06	(2,322.43)
DIT - SMUM Investment Fund	464,259.98	485,497.77	(21,237.79)
DIT - St. Luke's AT Bergen Bequest	68,978.24	72,133.68	(3,155.44)
DIT - San Pablo Apostol	75,268.70	78,711.89	(3,443.19)
DIT - St. Paul's Cambria General Fund	281,590.82	294,472.32	(12,881.50)
DIT - St. Paul's Cambria Outreach Fund	103,634.71	108,375.54	(4,740.83)
DIT - St. Francis San Jose	73,446.97	76,806.83	(3,359.86)
DIT - St. Paul's Cambria Capital Improvemen	7,805.67	8,162.74	(357.07)
DIT - Good Shepherd Endowment Fund	82,756.94	86,542.69	(3,785.75)
DIT - Holy Family Endowment Fund	822,723.89	860,360.64	(37,636.75)
DIT - St. Mary's, Pacific Grove (Leslie Garden	14,608.71	15,274.59	(665.88)
Total Deposits Held in Trust	3,731,689.80	3,902,398.30	(170,708.50)

RESTRICTED NET ASSETS

Designated Net Assets	8,165,739.68	8,396,517.29	(230,777.61)
Temporarily Restricted Net Assets	1,849,197.11	1,930,582.93	(81,385.82)
Permanently Restricted Net Assets	515,546.49	515,546.49	0.00
Restricted Net Assets Current Year - Funds	(312,163.43)	1,258,041.65	(1,570,205.08)
Total Restricted Net Assets	10,218,319.85	12,100,688.36	(1,882,368.51)

UNDESIGNATED NET ASSETS

Undesignated Net Assets Retained	1,750,876.34	140,670.26	1,610,206.08
Undesignated Net Assets Current Year	(61,272.78)	40,064.00	(101,336.78)
Total Undesignated Net Assets	1,689,603.56	180,734.26	1,508,869.30

TOTAL LIABILITIES AND FUNDS

15,575,559.20	16,088,560.98	(513,001.78)
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	Balance At 1/31/2022	Monthly Activity	Balance At 1/31/2022	Investment Income	Realized Gain/(Loss)	Unrealized Gain/(Loss)	Investment Fees
DESIGNATED ENDOWMENTS & FUNDS - DETAIL							
21000 - Diocesan Enhancement	\$1,554,598.01	(\$67,439.90)	\$1,487,158.11	\$370.47	\$2,710.12	(\$69,938.26)	(\$915.13)
23100 - Education	8,950.44	(388.99)	8,561.45	2.14	15.63	(384.87)	(5.28)
24101 - General Purpose	123,031.19	(5,338.53)	117,692.66	29.33	214.90	(5,288.49)	(72.40)
24102 - General Purpose - Board Designated	473,556.79	(20,543.97)	453,012.82	112.86	825.52	(21,303.49)	(278.75)
25100 - Mission Activity Fund	1,484.39	(64.38)	1,420.01	0.35	2.59	(63.68)	(0.87)
25101 - Mission Fund Board Designated	1,597,997.49	(69,323.16)	1,528,674.33	380.82	2,785.81	(71,893.06)	(940.68)
26100 - Rehabilitation Ministry Fund	6,477.47	(281.68)	6,195.79	1.55	11.32	(279.65)	(3.82)
27100 - Seminarian Scholarship / Clergy Education	8,878.47	(386.30)	8,492.17	2.12	15.53	(382.10)	(5.24)
27200 - Mission Opportunity Fund - Designated	128,612.06	(5,579.98)	123,032.08	30.65	224.17	(5,786.89)	(75.71)
27300 - Sargent House Bldg & Mtn Fund - Designate	179,636.87	(7,793.19)	171,843.68	42.81	313.13	(8,082.26)	(105.74)
29002 - Building R&M	152,889.96	(6,631.59)	146,258.37	36.43	266.55	(6,877.81)	(90.02)
29004 - Mission Commission Reserve	6,621.05	(287.04)	6,334.01	1.58	11.54	(299.04)	(3.89)
29005 - Lambeth/General Convention	50,883.15	(2,207.85)	48,675.30	12.13	88.85	(2,187.39)	(29.92)
29006 - Operating Reserve	132,333.53	(5,740.94)	126,592.59	31.54	230.75	(5,953.02)	(77.90)
29008 - Std Committee Assess	6,541.25	(284.37)	6,256.88	1.56	11.43	(282.42)	(3.86)
29009 - Transportation	3,358.89	(144.87)	3,214.02	0.80	5.82	(152.29)	(1.97)
29010 - Staff Sabbatical Sinking Fund	12,655.93	(549.95)	12,105.98	3.02	22.10	(570.38)	(7.46)
29011 - Bishop Housing Fund	871,170.01	(37,790.92)	833,379.09	207.61	1,518.74	(39,193.00)	(512.84)
TOTAL DESIGNATED ENDOWMENTS & FUNDS	5,319,676.95	(230,777.61)	5,088,899.34	1,267.77	9,274.50	(238,918.10)	(3,131.48)
DESIGNATED ENDOWMENTS & FUNDS - BY CATEGORY							
21000s - Funds - Special Purpose	1,554,598.01	(67,439.90)	1,487,158.11	370.47	2,710.12	(69,938.26)	(915.13)
23000s - Funds - Education	8,950.44	(388.99)	8,561.45	2.14	15.63	(384.87)	(5.28)
24000s - Funds - General Purpose	596,587.98	(25,882.50)	570,705.48	142.19	1,040.42	(26,591.98)	(351.15)
25000s - Funds - Mission Activity	1,599,481.88	(69,387.54)	1,530,094.34	381.17	2,788.40	(71,956.74)	(941.55)
26000s - Funds - Rehabilitation Ministry	6,477.47	(281.68)	6,195.79	1.55	11.32	(279.65)	(3.82)
27000s - Funds - Seminarian Scholarships/Clergy Ed	317,127.40	(13,759.47)	303,367.93	75.58	552.83	(14,251.25)	(186.69)
29000s - Funds - Sinking	1,236,453.77	(53,637.53)	1,182,816.24	294.67	2,155.78	(55,515.35)	(727.86)
TOTAL DESIGNATED ENDOWMENTS & FUNDS	5,319,676.95	(230,777.61)	5,088,899.34	1,267.77	9,274.50	(238,918.10)	(3,131.48)

TEMPORARY ENDOWMENTS & FUNDS - DETAIL**Temporary Endowments**

43100 - Education	39,168.32	(4,462.08)	34,706.24	24.51	179.35	(4,605.40)	(60.54)
43101 - Apperson Scholarship	7,062.68	(383.73)	6,678.95	2.11	15.42	(396.05)	(5.21)
44100 - General Purpose	70,317.06	(8,924.63)	61,392.43	49.03	358.71	(9,211.28)	(121.09)
45100 - Mission Activity	69,767.38	(8,924.63)	60,842.75	49.03	358.71	(9,211.28)	(121.09)
46100 - Rehabilitation Ministry	36,737.83	(2,231.04)	34,506.79	12.26	89.67	(2,302.70)	(30.27)
47001 - Rev. C. Shannon Mallory Scholarship	1,780.25	(140.79)	1,639.46	0.77	5.66	(145.31)	(1.91)
47002 - St. Thomas' Seminarian	235,502.40	(14,249.88)	221,252.52	78.28	572.75	(14,707.56)	(193.35)
47100 - Seminarian Scholar/Clergy Ed	69,478.70	(6,693.59)	62,785.11	36.77	269.05	(6,908.58)	(90.83)
Total Temporary Endowments	529,814.62	(46,010.37)	483,804.25	252.76	1,849.32	(47,488.16)	(624.29)

Temporary Funds

51101 - Capital-Camp Center	551.41	(24.15)	527.26	0.13	0.97	(24.92)	(0.33)
51104 - Amos CDSP Scholarship	54,283.97	(2,355.40)	51,928.57	12.94	94.78	(2,334.14)	(31.92)
51105 - Theological Education	8,056.08	(348.74)	7,707.34	1.92	14.02	(346.11)	(4.73)
51107 - SJ Canterbury Education Fund	134,234.35	(5,824.09)	128,410.26	32.00	234.42	(5,770.27)	(78.99)
58004 - Bishop Discretionary - Olsen Estate	65,657.49	(2,849.01)	62,808.48	15.65	114.62	(2,821.45)	(38.62)
58005 - Bishop Discretionary - Clergy Medical	131,819.38	(5,719.47)	126,099.91	31.42	230.21	(5,665.06)	(77.57)
58101 - Bishop Discretionary - Clergy Education	56,110.84	(2,433.18)	53,677.66	13.38	98.01	(2,411.66)	(33.01)
58108 - 2017-2019 BA General	121,250.65	(5,260.74)	115,989.91	28.90	211.34	(5,454.62)	(71.38)
58114 - Leadership Innovation	247,175.35	(10,722.67)	236,452.68	58.91	430.88	(11,119.68)	(145.49)
58115 - Covid & Disaster Relief	(45,200.00)	(1,953.00)	(47,153.00)	10.74	78.92	(2,018.50)	(26.46)
Total Temporary Funds	773,939.52	(37,490.45)	736,449.07	205.99	1,508.17	(37,966.41)	(508.50)

TOTAL TEMPORARY ENDOWMENTS & FUNDS	1,303,754.14	(83,500.82)	1,220,253.32	458.75	3,357.49	(85,454.57)	(1,132.79)
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TEMPORARY ENDOWMENTS & FUNDS - BY CATEGORY**Temporary Endowments**

43000s - Endowments - Education	46,231.00	(4,845.81)	41,385.19	26.62	194.77	(5,001.45)	(65.75)
44000s - Endowments - General Purpose	70,317.06	(8,924.63)	61,392.43	49.03	358.71	(9,211.28)	(121.09)
45000s - Endowments - Mission Activity	69,767.38	(8,924.63)	60,842.75	49.03	358.71	(9,211.28)	(121.09)
46000s - Endowments - Rehabilitation Ministry	36,737.83	(2,231.04)	34,506.79	12.26	89.67	(2,302.70)	(30.27)
47000s - Endowments - Seminarian Scholarships/C	306,761.35	(21,084.26)	285,677.09	115.82	847.46	(21,761.45)	(286.09)
Total Temporary Endowments	529,814.62	(46,010.37)	483,804.25	252.76	1,849.32	(47,488.16)	(624.29)

Temporary Funds

51000s - Funds - Special Purpose	197,125.81	(8,552.38)	188,573.43	46.99	344.19	(8,475.44)	(115.97)
58000s - Funds - Discretionary	576,813.71	(28,938.07)	547,875.64	159.00	1,163.98	(29,490.97)	(392.53)

Total Temporary Funds	773,939.52	(37,490.45)	736,449.07	205.99	1,508.17	(37,966.41)	(508.50)
TOTAL TEMPORARY ENDOWMENTS & FUNDS	1,303,754.14	(83,500.82)	1,220,253.32	458.75	3,357.49	(85,454.57)	(1,132.79)

PERMANENT ENDOWMENTS - DETAIL

73100 - Education	50,000.00	0.00	50,000.00	0.00	0.00	0.00	0.00
73101 - Apperson Scholarship	4,300.00	0.00	4,300.00	0.00	0.00	0.00	0.00
74100 - General Purpose	100,000.00	0.00	100,000.00	0.00	0.00	0.00	0.00
75100 - Missions	100,000.00	0.00	100,000.00	0.00	0.00	0.00	0.00
76100 - Restorative Justice	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00
77001 - Rev. C. Shannon Mallory Scholarship	1,578.00	0.00	1,578.00	0.00	0.00	0.00	0.00
77002 - St. Thomas' Seminarian	159,668.49	0.00	159,668.49	0.00	0.00	0.00	0.00
77100 - Seminarian Scholar/Clergy Ed	75,000.00	0.00	75,000.00	0.00	0.00	0.00	0.00
TOTAL PERMANENT ENDOWMENTS	515,546.49	0.00	515,546.49	0.00	0.00	0.00	0.00

PERMANENT ENDOWMENTS - BY CATEGORY

73000s - Endowments - Education	54,300.00	0.00	54,300.00	0.00	0.00	0.00	0.00
74000s - Endowments - General Purpose	100,000.00	0.00	100,000.00	0.00	0.00	0.00	0.00
75000s - Endowments - Missions	100,000.00	0.00	100,000.00	0.00	0.00	0.00	0.00
76000s - Endowments - Restorative Justice	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00
77000s - Endowments - Seminarian Scholarships/C	236,246.49	0.00	236,246.49	0.00	0.00	0.00	0.00
TOTAL PERMANENT ENDOWMENTS	515,546.49	0.00	515,546.49	0.00	0.00	0.00	0.00

CUSTODIAL DEPOSITS IN TRUST - DETAIL

27000 - All Saint's Watsonville	349,249.52	(15,277.69)	333,971.83	0.00	0.00	0.00	0.00
27040 - St. Barnabas' Endowment	54,676.74	(2,391.80)	52,284.94	0.00	0.00	0.00	0.00
27050 - St. Dunstan's Foundation	510,547.61	(22,340.98)	488,206.63	0.00	0.00	0.00	0.00
27070 - St. Luke's Atascadero Gorman Fund	19,471.95	(851.78)	18,620.17	0.00	0.00	0.00	0.00
27080 - St. Luke's L.G. Organ Fund	9,509.64	(415.99)	9,093.65	0.00	0.00	0.00	0.00
27090 - St. Luke's L.G. Bldg & Grounds Fund	55,494.06	(2,427.55)	53,066.51	0.00	0.00	0.00	0.00
27100 - St. Luke's Los Gatos Fund	195,034.57	(8,531.66)	186,502.91	0.00	0.00	0.00	0.00
27120 - St. Mark's, King City Endowment	75.64	(3.31)	72.33	0.00	0.00	0.00	0.00
27140 - St. Philip's Scotts Valley	9,462.30	(413.92)	9,048.38	0.00	0.00	0.00	0.00
27150 - St. Timothy's Investment Fund	43,729.41	(1,912.91)	41,816.50	0.00	0.00	0.00	0.00

27160 - St. Timothy's Heritage Oak	252,940.60	(11,064.76)	241,875.84	0.00	0.00	0.00	0.00
27170 - All Saint's Watsonville-Cooley Endowment	212,523.25	(9,296.69)	203,226.56	0.00	0.00	0.00	0.00
27180 - St. Dunstan's-St. Andrea Haiti	50,119.26	(2,192.97)	47,926.29	0.00	0.00	0.00	0.00
27190 - St. Andrew's BL - Investment Fund	53,225.06	(2,322.43)	50,902.63	0.00	0.00	0.00	0.00
27200 - SMUM Investment Fund	485,497.77	(21,237.79)	464,259.98	0.00	0.00	0.00	0.00
27210 - St. Luke's Bergen Bequest	72,133.68	(3,155.44)	68,978.24	0.00	0.00	0.00	0.00
27220 - San Pablo Apostol	78,711.89	(3,443.19)	75,268.70	0.00	0.00	0.00	0.00
27230 - St. Paul's Cambria General Fund	294,472.32	(12,881.50)	281,590.82	0.00	0.00	0.00	0.00
27240 - St. Paul's Cambria Outreach Fund	108,375.54	(4,740.83)	103,634.71	0.00	0.00	0.00	0.00
27250 - St. Francis San Jose	76,806.83	(3,359.86)	73,446.97	0.00	0.00	0.00	0.00
27260 - St. Paul's Cambria Capital Investment Fund	8,162.74	(357.07)	7,805.67	0.00	0.00	0.00	0.00
27270 - Good Shepherd Endowment Fund	86,542.69	(3,785.75)	82,756.94	0.00	0.00	0.00	0.00
27280 - Holy Family Endowment Fund	860,360.64	(37,636.75)	822,723.89	0.00	0.00	0.00	0.00
27290 - St. Mary's, Pacific Grove (Leslie Garden)	15,274.59	(665.88)	14,608.71	0.00	0.00	0.00	0.00
CUSTODIAL DEPOSITS IN TRUST	3,902,398.30	(170,708.50)	3,731,689.80	0.00	0.00	0.00	0.00
ALL DEPOSITS IN TRUST							
Designated Endowments & Funds	5,319,676.95	(230,777.61)	5,088,899.34	1,267.77	9,274.50	(238,918.10)	(3,131.48)
Temporary Endowments & Funds	1,303,754.14	(83,500.82)	1,220,253.32	458.75	3,357.49	(85,454.57)	(1,132.79)
Permanent Endowments	515,546.49	0.00	515,546.49	0.00	0.00	0.00	0.00
Custodial Deposits in Trust	3,902,398.30	(170,708.50)	3,731,689.80	0.00	0.00	0.00	0.00
TOTAL ALL DEPOSITS IN TRUST	11,041,375.88	(484,986.93)	10,556,388.95	1,726.52	12,631.99	(324,372.67)	(4,264.27)

Attachment E

Communication from St. John the Divine,
Morgan Hill

January 25, 2021

Attn. Property Committee, Board of Trustees, and Bishop Lucinda,

The following is our proposal to lease our now vacant preschool property. It is intended to provide some details for your review regarding renting our pre-school space to Olivina Education.

Pre-school proposal outline:

1. We would like to propose a lease agreement with Oliva Education, Inc. They provide a pre-school and after school program that includes both education and play, promoting the value of being good citizens. I have had conversations with Mr. Li regarding the program's focus, past and present successes and challenges, presence in the community, and asked for references. Another church that has been renting their space to another pre-school for more than six years offered excellent comments. They have never had a problem with rental payments coming in on time and their relationship with the church has been very positive.
2. We'd like to enter into a three-year lease with the option for another three.
3. The St. John's preschool was closed in May/June of 2020. It is that space only that will be leased. The building is completely separate from the church and has its own fenced off play yard. Our parking lot is large enough to accommodate pick-up and drop off. The entire pre-school area is well-suited for their school.
4. I have spoken with the Santa Clara County Assessor's office to discuss tax considerations. There is no threat to losing our non-profit/welfare status. We would only be taxed on the portion of the property that is being leased, if leasing to a for-profit entity. The cost of that would be considered in the monthly cost of the lease.
5. I feel strongly that the school and St. John's have shared values that would provide opportunities for building healthy relationship and connecting with the community at large. The preschool and day care would also offer needed services in our community. Mr. Li is open to welcoming students and parents to various events and joining in outreach programs that we are currently involved in.

Thank you for considering our proposal to lease the St. John's preschool property.

Respectfully and faithfully,

Karen+

Rector, St. John the Divine, Morgan Hill.