

Church of the Holy Nativity

Minutes of the Vestry Meeting
July 18, 2017
Chapel

Present: **Ex-officio:** Austin Nakoa, Eva Eglinton, and the Reverend Luis Rodriguez
Lay Members: Rich Miller, Bill Seeley, Justin Donahue, Nina Livingston, Natalie Okeson, Wyn Aubrey-Child, and Louisa Le Roux
Guests: Tim Spurrier, Sandra Braham

Absent: Ed Moore and Ken Zitz

Call to Order: The meeting was called to order at 6:00 pm by the Senior Warden, Austin Nakoa.

Devotion and Prayer: E Pule Kakou was offered by Fr. Luis Rodriguez

Minutes:

The minutes of the June 20th, 2017 Vestry Meeting were approved. Bill Seeley motioned to approve the minutes as written. Justin Donahue seconded the motion. The motion passed unanimously.

Presentation:

Sandra Braham gave a report on the state of the sprinkler system and the fountain. Pua Lani, which did the original work, inspected the garden with no charge to the church. The fountain needs to be taken apart and fixed. Sandra offered to reimburse the church for the work and possible parts that are needed (\$70 and \$250) and suggested set up a Gardening Club that will tend to the upkeep. The Vestry suggested recruiting members to the Gardening Club before performing the maintenance.

Reports:

Head of School Report:

Tim Spurrier reported that the school and church used to share the cost of employing a carpet cleaning service, however, the school purchased a new carpet cleaner so they are doing the cleaning room by room. Church and church offices will get done soon. They hired a part time person to manage the grounds for the next couple of weeks.

Holy Nativity School has increased enrollment by 18%. Three new applications are pending and their goal is to get to 150 when school starts. 7th grade enrollment is only at 2, but 5th grade in the largest is has been in years and 6th grade is also seeing an improvement.

Rector Report:

Building Use Task Force

Rev. Luis Rodriguez updated the Vestry that the Task Force has been formed and the first meeting will be September 9th. Begin to brainstorm objectives and set up all the meetings for the year.

The Episcopal Church of the Holy Nativity welcomes you. We are an Episcopal/Anglican community glorifying and enjoying God's love, celebrating Christian life, providing education, encouraging spiritual growth, and sharing God's bounty. Through our various ministries, we have been serving the people of the communities of Aina Haina and East O'ahu since 1949.

It can be said that Holy Nativity Church was born in a stable, for on January 23, 1949 Bishop Harry S. Kennedy held an inaugural Episcopal service in the office of the former Hind-Clarke Dairy on the site that is now Aina Haina Elementary School. Later, a generous land donation from the Hind became the site of the present-day church and school. Later in 1949, ground was broken on the present church site at the corner of Kalaniana'ole Hwy and Nenuue Street. First buildings constructed were the Chapel and classrooms for the day school. Today's main church was dedicated in September, 1954. It was awarded a national prize for design by the Church Architectural Guild of America.

Today, Holy Nativity continues as a lively place of music, worship, service, and education. We are happy to have you here and hope you will come again soon.

Regular Services

Sunday
7:30 am
9:30am

These are a contemporary language, family friendly service with hymns and the sounds of our glorious organ. It is a time of worship and fellowship when our community gathers to celebrate and give thanks. The choir usually sings the 9.30am service and there is Sunday School provision.

Weekday Services

Morning Prayer is said most weekday mornings, and there is a mis-week Eucharist on Wednesdays at 10.00am. These are opportunities to pause from the busy-ness of our lives and reflect, listen to Scripture and to pray. All are welcome

***We hope to see you again
at one of our services***

Date: _____

Names(s): _____

Address: _____

Home Phone: _____

Cell Phone: _____

Email: _____

_____ Member

_____ Newcomer to Honolulu

_____ Visiting From

_____ I would like to know more
about the Episcopal Church.

_____ I would like someone to call
on me.

SPECIAL INTERESTS

_____ Christian Education/Bible Study

_____ Choir

_____ Youth and Children's Ministry

_____ Lay Ministry

_____ Altar Guild

_____ Outreach

Holy Nativity is an active congregation, serving those who worship here and the local community. Our ministries and programs include

Worship Services

Parish Day School

Sunday School for children

Centering Prayer

Choir

Special Holiday Services

Cooking for HIS homeless shelter

Adult Christian Education

Daughters of the King

Contact Details

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***Welcome to the
Church of the
Holy Nativity,
Aina Haina***

E komo mai. Nou ka hale.



If you are visiting, new to Aina Haina, or simply returning to the life of the Church, we look forward to getting to know you and to your attending the The Church of the Holy Nativity. To help us in that process please complete the tear-off form on this brochure and drop in the collection plate.

The Church of the Holy Nativity is a church in the Episcopal Diocese of Hawai'i, a constituent member of the world-wide Anglican Communion of Churches. We find our heritage in the Church of England, both catholic and reformed.

Fr. Luis Rodriguez, The Holy Nativity Vestry and Congregation



Church of the Holy Nativity, Honolulu and Holy Nativity School Shared Costs Reimbursement Agreement

The Episcopal Church of the Holy Nativity understands Holy Nativity School as part of its mission efforts in East O'ahu. At the same time, it acknowledges that a significant amount of costs are incurred in the day-to-day operation of the campus (e.g. electricity, janitorial services, waste disposal). Both church and school agree these costs are to be shared according to agreed upon proportions. This present Shared Costs Reimbursement Agreement will be in effect only through June 30, 2019. A new Shared Costs Reimbursement Agreement will have to be agreed before that time, and in place by the July 1, 2019.

Regular Shared Expenses

Currently the agreed formula is that the school is responsible for 86.5% of shared costs, and the church for 13.5%. This figure reflects a considerable rise from that in the recent past – 75% school/25% church – and is due to the fact that the church has given over Glantz Hall for the almost exclusive use of the school. This rise was agreed to by both Vestry and School Board in May 2017, and scheduled to begin June 1, 2017. It has also been agreed that it will remain in place through June 30, 2019.

Below are a list of expenses to be shared on a monthly basis at an 86.5%/13.5%:

- Janitorial, Custodial, Landscaping
- Supplies (hand towels, toilet paper, etc.)
- Supplies (cleaning chemicals)
- Hawaii Electric Company (*rectory not included*)
- Board of Water Supply (*rectory not included*)
- Xtermo (pest/termite treatment)
- Honolulu Disposal (refuse bin and pickup)
- Oceanic/Spectrum (Internet)

Below are a list of expenses to be shared on a regular basis at an 86.5%/13.5%:

- Tree-Trimming, Coconut Trees, etc.
- MD Cleaners (Shampoo, strip-waxing)
- General supplies as required (equipment, fuel, etc. This amount is **not** to exceed an annual total of \$5,000)
- Life-safety work orders (sprinklers , restrooms)

These costs will be paid by the school, and the church will be invoiced on a monthly basis. Invoice is to be received by church no later than the 20th of each month for the previous month, and payment will be received by the school no later than the end of month.

Pastoral Assistant/School Chaplain

The school and the church will be sharing the costs (on a 50/50 basis) of a Pastoral Assistant/School Chaplain. The total annual cost of this position (including salary, taxes and benefits) is \$3816/month. The church and school will together be responsible for this amount, each paying \$1908.00. The Pastoral Assistant/School Chaplain will be paid through the church, and school will be invoiced on a monthly basis. Invoice is to be received by school no later than the 5th of each month for the previous month, and payment will be received by the school no later than the 15th of the month after receiving the invoice. The tenure of the Pastoral Assistant/School Chaplain shall be through May 2018.

Additional Notes

- In each case, particularly in the case of “general supplies”, a notation clearly detailing the purpose of each purchase will accompany every receipt at the time of invoice. Requests without accompanying receipts and/or qualifying explanations will not be paid by the party invoiced. Without accompanying details, the entire cost must be borne by the party – church or school – by whom or in whose name the purchase was made.
- While it is recognized that some building works or repairs may require immediate attention, it is expected that the normal process will be for the Vestry to approve any work at one of its regular meetings. Whatever the situation, any significant work or repairs needed must immediately be made known to the Rector/Interim Rector/Priest-in-Charge or Junior Warden.
- The church recognizes that for some time the school paid the church’s photocopying contract with Canon. This total is \$8094.32. The church will pay back the school in monthly installments over the course of two years. Beginning in June, 2017, and ending May, 2019, the school will include an additional \$337.30 in its monthly invoice to the church for this repayment.
- It is understood that from time to time essential maintenance work will be required, in each case representatives of the church and the school will meet to agree upon the portion each will pay towards meeting the costs.

Church of the Holy Nativity Profit & Loss Budget vs. Actual January through July 2017

Ordinary Income/Expense	TOTAL							
	Jul 17	Budget	\$ Over Budget	% of Budget	Jan - Jul 17	Budget	\$ Over Budget	% of Budget
Income								
4999 · Uncategorized Revenue	0.00	0.00	0.00	0.0%	0.00	100,000.00	-100,000.00	0.0%
5010 · Individual Contributions								
5100 · Plate Offerings								
5120 · First Sunday for Alms	38.00	83.34	-45.34	45.6%	404.00	583.30	-179.30	69.26%
5100 · Plate Offerings - Other	185.20	291.67	-106.47	63.5%	1,697.20	2,041.65	-344.45	83.13%
Total 5100 · Plate Offerings	223.20	375.01	-151.81	59.52%	2,101.20	2,624.95	-523.75	80.05%
5200 · Pledges	2,950.35	4,166.67	-1,216.32	70.81%	22,474.02	29,166.65	-6,692.63	77.05%
5400 · Contributions								
5450 · Altar Guild	190.00				630.00			
5456 · Altar Guild Expense	-263.51				-1,667.38			
5400 · Contributions - Other	3,056.00	5,000.00	-1,944.00	61.12%	38,139.50	35,000.00	4,139.50	111.83%
Total 5400 · Contributions	2,982.49	5,000.00	-2,017.51	59.65%	38,102.12	35,000.00	3,102.12	108.86%
5600 · Donations	134.00	833.34	-699.34	16.08%	3,948.15	5,833.30	-1,884.15	67.7%
Total 5010 · Individual Contributions	6,290.04	10,375.02	-4,084.98	60.63%	66,626.49	72,624.90	-5,998.41	91.74%
5030 · From Investments - Drawdowns								
5831 · Nellie Hartman Funds	0.00	0.00	0.00	0.0%	12,663.81	13,000.00	-136.19	98.95%
5832 · Nellie Hartman Expenses	0.00	0.00	0.00	0.0%	-10,000.00	-6,000.00	-4,000.00	166.67%
5833 · Margaret Montgomery Funds	0.00	0.00	0.00	0.0%	677.68	650.00	27.68	104.26%
5835 · Columbarium Fund	0.00	0.00	0.00	0.0%	1,126.86	1,150.00	-21.14	98.16%
5030 · From Investments - Drawdowns - Other	0.00	0.00	0.00	0.0%	26,202.59	27,000.00	-797.41	97.05%
Total 5030 · From Investments - Drawdowns	0.00	0.00	0.00	0.0%	30,872.94	35,800.00	-4,927.06	86.24%
5040 · Fundraising Efforts (net)								
5700 · Thrift Shop Revenue								
5701 · Sales	8,607.16	12,063.34	-3,476.18	71.23%	70,114.85	84,583.30	-14,468.45	82.89%
5703 · Other Revenue	0.00				315.56			
5750 · Thrift Shop Salaries	0.00	-2,166.67	2,166.67	0.0%	-10,920.00	-15,166.65	4,246.65	72.0%
5751 · Thrift Shop Supplies	-102.70	-416.67	313.97	24.65%	-1,272.31	-1,666.66	394.35	76.34%
5752 · Thrift Shop Advertising	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5754 · GE Taxes - Thrift Shop	-390.11	-625.00	234.89	62.42%	-3,394.53	-4,375.00	980.47	77.59%
5755 · Payroll Expenses - TS	0.00	-216.67	216.67	0.0%	-1,075.00	-1,516.65	441.65	70.88%
Total 5700 · Thrift Shop Revenue	8,114.35	8,658.33	-543.98	93.72%	53,766.57	61,858.34	-8,089.77	86.92%
5950 · Special Events Revenue								
5953 · Special Events - In	0.00	0.00	0.00	0.0%	20.00	0.00	20.00	100.0%
5954 · Special Events - Out	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total 5950 · Special Events Revenue	0.00	0.00	0.00	0.0%	20.00	0.00	20.00	100.0%
Total 5040 · Fundraising Efforts (net)	8,114.35	8,658.33	-543.98	93.72%	53,786.57	61,858.34	-8,069.77	86.95%

Church of the Holy Nativity

Profit & Loss Budget vs. Actual

January through July 2017

	Jul 17	Budget	\$ Over Budget	% of Budget	Jan - Jul 17	Budget	\$ Over Budget	% of Budget
5050 · Space Use Revenue (net)								
5800 · Wedding Revenue	3,360.00	2,166.67	1,193.33	155.08%	13,570.00	15,166.65	-1,596.65	89.47%
5875 · Rectory Rent	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5900 · Community Center Rental Revenue								
5930 · Cellular Wireless Leases	1,225.45	1,175.50	49.95	104.25%	8,578.15	8,228.50	349.65	104.25%
5951 · Community Center Expenses	-1,000.00				-1,000.00			
5952 · GE Taxes - Community Center	-506.86	-516.67	9.81	98.1%	-5,624.09	-3,616.65	-2,007.44	155.51%
5900 · Community Center Rental Revenue - Other								
Total 5900 · Community Center Rental Revenue	8,660.00	9,333.34	-673.34	92.79%	59,113.75	65,333.30	-6,219.55	90.48%
Total 5050 · Space Use Revenue (net)	8,378.59	9,892.17	-1,613.58	83.85%	61,067.81	69,945.15	-8,877.34	87.31%
5997 · Miscellaneous Revenue	11,738.59	12,158.84	-420.25	96.54%	74,637.81	85,111.80	-10,473.99	87.69%
5995 · Daughters of the King - In	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5996 · Daughters of the King - Out	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5998 · Miscellaneous Revenue - In	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5999 · Miscellaneous Revenue - Out	0.00	0.00	0.00	0.0%	367.00	0.00	367.00	100.0%
Total 5997 · Miscellaneous Revenue								
Total Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Gross Profit	26,142.98	31,192.19	-5,049.21	83.81%	226,292.81	355,395.04	-129,102.23	63.67%
Expense	26,142.98	31,192.19	-5,049.21	83.81%	226,292.81	355,395.04	-129,102.23	63.67%
6100 · Work Outside Congregation								
6101 · Diocesan Assessments	15,316.00	7,657.59	7,658.41	200.01%	53,601.00	53,603.05	-2.05	100.0%
6102 · Outreach/Grants	0.00	0.00	0.00	0.0%	2,733.62	4,500.00	-1,766.38	60.75%
6103 · IHS Meals	544.84	541.67	3.17	100.59%	3,706.90	3,791.65	-84.75	97.77%
6104 · Alms Funds	0.00	41.67	-41.67	0.0%	450.00	291.65	158.35	154.3%
Total 6100 · Work Outside Congregation								
6200 · Personnel Expenses	15,860.84	8,240.93	7,619.91	192.46%	60,491.52	62,186.35	-1,694.83	97.28%
6201 · Salary Rector	5,464.62	6,466.64	-1,004.02	84.48%	31,455.41	79,811.80	-48,356.39	39.41%
6202 · Salary Parish Staff	3,161.50	3,966.67	-805.17	79.7%	26,470.00	27,766.65	-1,296.65	95.33%
6204 · Clergy Hiring & Relocation Costs	0.00	0.00	0.00	0.0%	12,095.67	10,000.00	2,035.67	120.36%
6205 · Vacation / Retreat	0.00				100.00			
6207 · Auto	6.69	731.67	-724.98	0.91%	53.53	5,121.65	-5,068.12	1.05%
6208 · Insurance - Auto, Health & TDI	1,848.00	1,666.67	181.33	96.86%	8,481.31	11,666.65	-3,185.34	72.7%
6209 · Pension - Lay	0.00	315.00	-315.00	0.0%	1,297.80	2,205.00	-907.20	58.86%
6210 · Pension - Clergy	4,012.71	2,500.00	1,512.71	160.51%	73,301.77	17,500.00	55,801.77	418.87%
6211 · W/C Insurance	-73.00	116.67	-189.67	-62.57%	523.00	816.65	-293.65	64.04%
6212 · Employment Taxes	0.00	0.00	0.00	0.0%	0.00	500.00	-500.00	0.0%
6213 · Rector Cell	110.00	100.00	10.00	110.0%	460.00	700.00	-240.00	65.71%
6214 · D/O Insurance	48.00	41.67	6.33	115.19%	171.00	291.65	-120.65	58.63%

Church of the Holy Nativity Profit & Loss Budget vs. Actual January through July 2017

	TOTAL							
	Jul 17	Budget	\$ Over Budget	% of Budget	Jan - Jul 17	Budget	\$ Over Budget	% of Budget
6216 · Diocesan Convention	477.00	0.00	477.00	100.0%	477.00	0.00	477.00	100.0%
6217 · Continuing Education	0.00	0.00	0.00	0.0%	25.00	600.00	-575.00	4.17%
6218 · Additional Clergy/Music	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
6219 · Additional Clergy	0.00	400.00	-400.00	0.0%	2,268.00	1,200.00	1,068.00	186.0%
6220 · Music	2,622.12	2,083.34	538.78	125.96%	15,887.12	14,563.30	1,313.82	109.01%
6230 · Reimbursable Prof. Expenses	203.72	0.00	203.72	100.0%	1,321.60	300.00	1,021.60	440.53%
6250 · Payroll Expenses	3,981.86	2,083.34	1,898.52	191.13%	51,718.78	14,563.30	37,135.48	354.64%
Total 6200 · Personnel Expenses	21,663.22	20,473.67	1,189.55	105.81%	226,056.99	187,646.65	38,410.34	120.47%
6300 · Plant Operating Expenses								
6302 · Property Taxes	3,585.80	3,500.00	85.80	102.45%	7,487.43	7,000.00	487.43	107.11%
6304 · Cable	25.00				50.00			
6305 · Custodial Personnel	1,374.69	2,000.00	-625.31	68.74%	10,607.90	14,000.00	-3,392.10	75.77%
6306 · Insurance								
6307 · Property and Casualty	5,206.00	2,500.00	2,706.00	208.24%	18,225.00	17,500.00	725.00	104.14%
6308 · Hurricane, Earthquake Reserves	564.00	300.00	264.00	188.0%	1,970.00	2,100.00	-130.00	93.81%
6309 · General Liability	728.00	358.34	369.66	203.16%	2,544.00	2,508.30	35.70	101.42%
6310 · Umbrella Liability Insurance	866.00	416.67	449.33	207.84%	3,027.00	2,916.65	110.35	103.78%
Total 6306 · Insurance	7,364.00	3,575.01	3,788.99	205.99%	25,766.00	25,024.95	741.05	102.96%
6321 · Utilities - Electric	1,354.64	1,000.00	354.64	135.46%	5,951.95	7,000.00	-1,048.05	85.03%
6322 · Utilities - Water	885.07	1,166.67	-281.60	75.86%	7,268.04	8,166.65	-898.61	89.0%
6323 · Housekeeping Supplies	132.68	291.67	-158.99	45.49%	1,549.17	2,041.65	-492.48	75.88%
6324 · Maintenance Supplies	0.00	50.00	-50.00	0.0%	0.00	150.00	-150.00	0.0%
6327 · Utilities - Refuse	215.45	233.34	-17.89	92.33%	1,356.79	1,633.30	-276.51	83.07%
6328 · Pest Control	0.00	100.00	-100.00	0.0%	280.57	700.00	-409.43	41.51%
6329 · Security	81.15	90.00	-8.85	90.17%	397.90	540.00	-142.10	73.69%
6607 · Repairs & Maintenance	1,337.91	833.34	504.57	160.55%	10,080.85	5,833.30	4,247.55	172.82%
Total 6300 · Plant Operating Expenses	16,366.39	12,840.03	3,516.36	127.39%	70,616.60	72,089.65	-1,273.25	98.23%
6500 · Office Expenses								
6503 · Equip Rental	0.00	416.67	-416.67	0.0%	2,257.21	2,916.65	-659.44	77.39%
6504 · Office Supplies	10.46	66.67	-56.21	15.69%	603.07	466.65	136.42	129.23%
6505 · Postage & Shipping	0.00	100.00	-100.00	0.0%	133.35	200.00	-66.65	66.68%
6506 · Professional Fees								
6508 · Contract Services	0.00	0.00	0.00	0.0%	0.00	1,000.00	-1,000.00	0.0%
6506 · Professional Fees - Other	0.00	0.00	0.00	0.0%	1,920.00	750.00	1,170.00	256.0%
Total 6506 · Professional Fees	0.00	0.00	0.00	0.0%	1,920.00	1,750.00	170.00	109.71%
6509 · Audit & Acctg	0.00	0.00	0.00	0.0%	2,208.47	1,000.00	1,208.47	220.85%
6510 · Computer Services	0.00	0.00	0.00	0.0%	128.54	500.00	-371.46	25.71%
6513 · Utilities - Telephone	100.00	100.00	0.00	100.0%	250.00	300.00	-50.00	83.33%

Church of the Holy Nativity

Profit & Loss Budget vs. Actual

January through July 2017

	Jul 17	Budget	\$ Over Budget	% of Budget	Jan - Jul 17	Budget	\$ Over Budget	% of Budget
6514 · Miscellaneous								
Total 6500 · Office Expenses	144.63	133.34	11.29	108.47%	14,994.80	933.30	14,061.50	1,606.64%
6600 · Parish Programs	255.09	818.88	-561.59	31.24%	22,495.44	8,066.60	14,428.84	278.87%
6601 · Christian Education/Formation								
6604 · Marketing/Advertising	0.00	0.00	0.00	0.0%	0.00	1,250.00	-1,250.00	0.0%
6606 · Worship Expenses	0.00	0.00	0.00	0.0%	0.00	250.00	-250.00	0.0%
6608 · Music Supplies	75.19	250.00	-174.81	30.08%	1,156.82	1,750.00	-593.18	66.1%
6611 · Youth Prog (Outside Sun Morn)	0.00	0.00	0.00	0.0%	0.00	300.00	-300.00	0.0%
6613 · Fellowship Refreshments/Meals	0.00	0.00	0.00	0.0%	83.38	600.00	-516.62	13.9%
6614 · Special Events	337.17	50.00	287.17	674.34%	532.82	250.00	282.82	213.13%
Total 6600 · Parish Programs	0.00	0.00	0.00	0.0%	132.96	1,500.00	-1,367.04	8.86%
Total Expense	412.36	300.00	112.36	137.45%	1,905.98	5,900.00	-3,994.02	32.31%
Net Ordinary Income	54,547.90	42,671.31	11,876.59	127.83%	381,786.53	385,889.45	45,877.08	113.66%
Other Income/Expense	-28,404.92	-11,479.12	-16,925.80	247.45%	-155,473.72	19,505.59	-174,979.31	-797.07%
Other Income								
6900 · Investment Revenue (Expense)								
6902 · Dividends & Interest	1.71	0.00	1.71	100.0%	36.70	0.00	36.70	100.0%
Total 6900 · Investment Revenue (Expense)	1.71	0.00	1.71	100.0%	36.70	0.00	36.70	100.0%
7100 · Offerings Recd for Transmittal								
7110 · Received for Transmittal	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
7113 · Bishop's Visitation	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
7110 · Received for Transmittal - Other	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total 7110 · Received for Transmittal	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
7120 · Transmitted	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total 7100 · Offerings Recd for Transmittal	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Income	1.71	0.00	1.71	100.0%	36.70	0.00	36.70	100.0%
Other Expense								
9000 · Capital Funds								
9010 · Contributions - In	0.00	0.00	0.00	0.0%	-499,653.61	0.00	-499,653.61	100.0%
9050 · Major Repair Expenditures	21,322.50	0.00	21,322.50	100.0%	545,769.26	0.00	545,769.26	100.0%
Total 9000 · Capital Funds	21,322.50	0.00	21,322.50	100.0%	48,115.65	0.00	48,115.65	100.0%
Total Other Expense	21,322.50	0.00	21,322.50	100.0%	46,115.65	0.00	46,115.65	100.0%
Net Other Income	-21,320.79	0.00	-21,320.79	100.0%	-46,078.95	0.00	-46,078.95	100.0%
Net Income	-49,725.71	-11,479.12	-38,246.59	433.18%	-201,552.67	19,505.59	-221,058.26	-1,033.31%

Church of the Holy Nativity Statement of Activities

July 2017

	Jul 17
6300 - Plant Operating Expenses	
6302 - Property Taxes	3,585.80
6304 - Cable	25.00
6305 - Custodial Personnel	1,374.69
6306 - Insurance	
6307 - Property and Casualty	5,206.00
6308 - Hurricane, Earthquake Reserves	564.00
6309 - General Liability	728.00
6310 - Umbrella Liability Insurance	866.00
Total 6306 - Insurance	7,364.00
6321 - Utilities - Electric	1,354.64
6322 - Utilities - Water	885.07
6323 - Housekeeping Supplies	132.68
6327 - Utilities - Refuse	215.45
6329 - Security	81.15
6607 - Repairs & Maintenance	1,337.91
Total 6300 - Plant Operating Expenses	16,356.39
6500 - Office Expenses	
6504 - Office Supplies	10.46
6513 - Utilities - Telephone	100.00
6514 - Miscellaneous	144.63
Total 6500 - Office Expenses	255.09
6600 - Parish Programs	
6605 - Worship Expenses	75.19
6613 - Fellowship Refreshments/Meals	337.17
Total 6600 - Parish Programs	412.36
Total Expense	412.36
Net Ordinary Income	54,547.90
Other Income/Expense	-28,404.92
Other Income	
6900 - Investment Revenue (Expense)	
6902 - Dividends & Interest	1.71
Total 6900 - Investment Revenue (Expense)	1.71
Total Other Income	1.71
Other Expense	1.71
9000 - Capital Funds	
9050 - Major Repair Expenditures	21,322.50
Total 9000 - Capital Funds	21,322.50
Total Other Expense	21,322.50
Net Other Income	21,322.50
Net Income	-21,320.79
	-49,725.71

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08/06/17

Cash Basis

Church of the Holy Nativity Statement of Activities

July 2017

	Jul 17
6300 - Plant Operating Expenses	
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6305 - Custodial Personnel	1,374.69
6306 - Insurance	
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Total Other Income	1.71
Other Expense	
9000 - Capital Funds	21,322.50
9050 - Major Repair Expenditures	21,322.50
Total 9000 - Capital Funds	21,322.50
Total Other Expense	21,322.50
Net Other Income	-21,320.79
Net Income	<u><u>-49,725.71</u></u>

Holy Nativity Finance Committee

as of 8/17/2017 GNDT additions/changes

Priority	Responsible Person	Description
High 3) DONE	Wendy, Eva	<p>Thrift Shop Review (also see wholesale/retail trends; project 1-5 yrs)</p> <ol style="list-style-type: none"> 1) By-Laws – determine requirements documented in the by-laws, revise if needed 2) Accounting – review sales and receipts process to ensure accuracy, completeness, segregation of duties, and safeguarding of cash/assets 3) Review Thrift Shop Manager job description
High	Finance Committee/Vestry Approval? Jean/Luis re what's done wk 8/14	Define roles and responsibilities for bookkeeper, treasurer and potential accounting resource
High DONE	Vestry	Approve revised budget
High DONE ?	Fr. Luis/Didi	Prepare for Audit/Agreed Upon Procedures to be performed in May: see DIDI re closing report
Medium	Jean	<p>Endowment</p> <ol style="list-style-type: none"> 1) Obtain/distribute formal documentation for each fund 2) Grease Trap – can endowment funds be used for this capital improvement 3) Develop a planning and reporting process 4) Find resources to lead endowment efforts-form committee?
HIGH (formerly medium)	Fr. Luis/Vestry Potential resources: Bob Steele Ed Moore	Develop Stewardship Committee <ol style="list-style-type: none"> 1) Analysis of pledges 2) Plan pledge drive
Medium	Aleeka w/ Barbara/Jean	Update Parish Directory keep it simple
Medium	Wendy	Document purpose and usage of General Ledger Accounts that appear in financial reports
High DONE	Jean or Wendy/Vestry Approval	Review/Revise Bank Signatories for Interim Rector/Treasurer
HIGH	Jean, Didi/Mark, Luis, Wym	Draft 2018 Holy Nativity Budget (needed first for pledge drive; then to manage 2018) Jean prep letter to depts and committees re 2018 expenses and income; <u>expense budget line for Search Com.</u>
HIGH		Messages to appropriate committees re more solar/electricity and costs of rectory AC

From: Peter Pereira <PCPereira@episcopalhawaii.org>

Date: August 14, 2017 at 4:05:47 PM HST

Subject: RE: Diocesan Investment Portfolio- Change in Spending Policy

Aloha Rectors, Vicars, Wardens, Treasurers and Parish Administrators

Our current spending policy is set at a payout rate of 5 percent (5%) of the average market value of the Investment Fund over twelve quarters. The Commission of Finance Administration and Diocesan Council have approved changing the spending policy on our endowment funds from 5% to 4%.

This spending policy (which we will continue to review), together with sound investment performance, ensures that, over time, the fund will retain its ability to produce earnings and keep up with inflation.

RATIONALE

In order to sustain a 5% spending rate, the investment fund must earn 7-8% in order to cover investment management fees and to retain a portion of the return to keep up with inflation. Our 5 year return through December 31, 2016 was 6.65%. Our portfolio is invested in a mix of investment grade stocks and bonds as is customary for an investment fund like ours. We do not invest in speculative investments, so our returns are steady and conservative.

In order for an investment portfolio that is 60/40 equities/fixed income to earn 7-8% when interest rates are very low like they are today, the equities component of the portfolio would need to sustainably earn 10-12%. The stock market has had a 9 year bull run, is at an all-time high, and many believe it is due for a correction. Additionally, 10 year treasury bonds have historically yielded 4% or higher which helped to support spending policies of 5%. Equities had to only make up a modest shortfall (from 5% spend vs. 4% bonds) and cover expenses and inflation. Today however with bonds yields less than 2.5% it becomes a much greater hurdle for equities to make up the 2.5% difference (5% - 2.5%) plus provide sufficient additional returns to cover expenses and inflation.

As part of ongoing managing and monitoring of our investment portfolio, we became aware that many endowment funds utilize a spending rate closer to 4% than 5. For example, Hawaii Community Foundation with an investment portfolio in excess of \$500 million, decreased its spending rate from 5% to 4% in 2015. Also, a 2014 study by The National Association of College and University Business Officers (NACUBO) and the Common Fund on endowment spending rates found that endowment funds in the \$25 to \$50 million range had spending rates spanning 4.8% to 3.8% from 2005 to 2014, with lower spending rates (close to 4%) in more recent years. Additionally, we became aware that many endowed institutions are lowering their spending rates. This information and discussions with our investment monitor caused us to revisit our spending rate.

Given the low interest rate environment, which reduces investment return, and the medium term risk of low return or losses on equities, we do not believe we should be assuming that a 5% spending rate is prudent for the foreseeable future. These factors have led to the decision to reduce the spending rate to 4%.

ACTION

This change will take effect in 2018. We will be distributing at 4% starting with the first quarter ending March 31, 2018. If your Vestry / Bishops Committee chooses to stay at 5%, please send me an email. If I don't hear from you by email, I will distribute at 4%.