

## St. David's Monthly Ministry Report to Vestry

Prepared by Jane Krikorian, Treasurer

Date: July 18, 2023

Name of Ministry: Finances

Present July 11: Jane Krikorian, Anne Kellett, Elaine Turnbull, Joy Wolf, Loral Priest, Craig Winder, MK Mason, Preschool Director Karen Garcia, Parish Administrator Treena Roman. APP Team Members: Equilla Luke, Jan Romerdahl. Guest: David Priest

### Income/Expenses for June 2023

May ending cash:	\$96,368	(Balance Sheet: BofA + FC accounts)
June Church income:	\$36,337	(from P&L Church)
June Church expenses:	\$7,635*	(from P&L Church)
June Preschool income:	\$39,572	(from P&L Preschool)
June Preschool expenses:	\$55,637	(from P&L Preschool)
June ending cash:	\$79,503	(Balance Sheet: BofA + FC account)

\*after \$14,966 in capitalization and \$11,077 in extraordinary expenses for a total of (\$26,043) removed from P&L 6765 Preschool Repairs/Improvements expense line. See Information Matters #1-3

BofA Savings Acct = \$559,289

### Informational Matters: (no action needed)

1. The Church had a **positive** income of **\$2,659**. After the capitalized amount of \$14,966 and the extraordinary expense amount of \$11,077 the church had a net income of \$17,624.
2. The \$14,966 capitalized amount is for replacing the preschool floors that were damaged in January 2023 after rain seeped into the lower classrooms and ruined the floors (installed July 2020). This amount was capitalized because it is considered an "improvement." See Balance Sheet "Preschool Construction."
3. The \$11,077 extraordinary expense amount is for the portion of the floor repair work that was not an improvement (asbestos testing, remediation, and repairs). See June P&L.
4. The Preschool had a **negative** net income in June of **(-\$16,065)**.
5. Total net income in June for Church and Preschool: **(-\$13,406)** before capitalization and extraordinary expense adjustments. See Discussion Item #1 below noting the drop from May to June in ending cash balances.
6. After adjustments (capitalization, extraordinary expenses, depreciation, total net income for Church and Preschool in June: **(-\$8,315)**.
7. Total income year-to-date for the Church and Preschool is \$417,553
8. Total expense year-to-date for the Church and Preschool is \$445,159. (includes capitalization amount of \$14,966 and expense amount of \$11,077 so \$26,043 removed from expense amounts).
9. **Total net income year-to-date for the Church and Preschool = (-\$27,606)**.
10. After adding in extraordinary income of \$28,113, deducting extraordinary expenses **(-\$11,077)** and deducting preschool depreciation for flooring **(-\$9,874)** total net income y-t-d Ch&Prschl: **(-\$20,444)**.
11. Transfers from Savings to Operating y-t-d: \$25,000 transferred to cover classroom repairs, \$10,000 for new sound system (yet to be spent), \$19,200 (\$3,200 x 6) to cover lost Verizon income = \$54,200.

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### Discussion Items- The Finance Committee:

1. Noted the (-\$16,865) drop from May to June in the ending cash balances. This indicates that either the church and/or preschool had a negative net income.
2. Reviewed the Church P&L noting pledges were down (-\$4,064) and discussed whether any action needed to be taken (announcements by wardens, review by stewardship committee, outreach from clergy) but did not come to a consensus. Decision was to **discuss at Vestry meeting**.
3. Discussed Memorial Gifts including \$4,409 from Shelley Rowland; \$6,475 given toward the Don Searles Endowment Fund; and a \$100,000 bequest from James Scorry that was deposited into the Bank of America Savings account in July. The Committee discussed how the Vesty could/should inform the congregation regarding gifts; how we needed to come up with a plan on how to honor the donors and the gift during a worship service; and what type of policy should be in place when the church receives gifts and bequests, particularly with no instructions (i.e. Rowland and Scorry gifts). The Committee also discussed at what amount should a gift be considered "extraordinary" and categorized as such on the P&L. Decision was to **discuss at Vestry meeting**.
4. Discussed the capitalization and extraordinary expense figures. **See Information Matters #1-3 above.**
5. Discussed the issues of affording a full-time priest including salary (\$100,000/yr) pension (\$18,000/yr) and healthcare (\$16,800/yr). **A full-time salary package with these amounts would add \$82,800/yr to the current budget or \$6,900 a month.** The Church is currently paying \$52,000/yr for a part-time interim priest with no healthcare or pension benefits.
6. Jan Romerdahl requested that the Preschool Director work with the Treasurer on an amended budget for the rest of 2023 and forecast with assumptions how the preschool can get "back-in-the-black" (show break-even or positive amounts each month rather than deficits.)
7. David Priest updated the Committee on facilities issue including the investigation into reasons why the preschool flooded. An engineer reviewed the site and believes there may be a clogged pipe so water is entering into the classrooms rather than draining properly. The Diocese requested a review into these issues to determine if any mitigation needs to be done before a grant can be approved to cover a portion of the water damage costs.
8. David recommended putting together the AT&T lease negotiating team so that we can move forward with lease negotiations. **This is a Vestry decision (to delegate work to a Committee).**
9. Loral Priest recommended the need for two tree projects: removal of dead trees - \$1,200; and trimming of trees around campus - \$1,525 with \$525 to be donated by the Priests for the trees planted by their son Eric for his Eagle Scout Project to get trimmed.
10. Preschool Director Karen Garcia noted that the back lot had lots of weeds and could use some attention. Loral agreed to determine the scope of the work, Joy suggested the AA group be contacted to see if they could help with the work, and Anne agreed to find out the contact person for the AA group.

### Action Items:

**Motion to approve removal of dead trees in August and trimming of trees in September (or??)**

**Motion to approve AT&T lease negotiating team**

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Verizon Cell Tower Proceeds – Tracking Chart	
<b>2021 - December</b>	<b>\$700,000</b>
<b>2022 – March</b>	\$30,000 transfer to First Citizens savings
<b>March, May, June</b>	\$35,000 transfers to cover Admin office floor/paint
<b>March – December</b>	\$32,000 monthly \$3,200 transfers x 10 months
<b>Interest</b>	\$254
<b>2022 Ending Balance</b>	<b>\$603,254</b>
<b>2023 – March</b>	\$10,000 for new sound system in Sanctuary
	\$15,000 to cover preschool water damage expenses
<b>Jan – June</b>	\$19,200 monthly transfers \$3,200 x 6 months
<b>Interest</b>	\$235
<b>2023 June 30 Balance</b>	<b>\$559,289</b>

Church 2023 Actuals Rprt G	January	February	March	April	May	June
<b>Income</b>	\$25,162	\$30,721	\$29,306	\$31,526	\$22,642	\$36,337
<b>Expense</b>	\$27,486	\$27,511	\$50,718	\$34,638	\$31,248	\$7,635
<b>Net Income</b>	<b>(-\$2,324)</b>	<b>\$3,210</b>	<b>(-\$21,412)</b>	<b>(-\$3,112)</b>	<b>(-\$8,606)</b>	<b>\$28,702</b>
<b>Extraordinary Income</b>		\$3,215			\$24,898	
<b>Extraordinary Expense</b>						(\$11,077)
<b>Capitalization</b>						(\$14,966)
<b>Net before transfers</b>	<b>(-\$2,324)</b>	<b>\$6,425</b>	<b>(-\$21,412)</b>	<b>(-\$3,112)</b>	<b>\$16,292</b>	<b>\$17,625</b>
<b>Verizon Transfers</b>	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200
<b>Water Damage Transfers</b>			\$25,000			
<b>Sound System</b>			\$10,000			
<b>Net after Transfers</b>	<b>\$876</b>	<b>\$9,625</b>	<b>\$16,788</b>	<b>\$88</b>	<b>\$19,492</b>	<b>\$20,825</b>

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<b>Church 2023 Actuals Rprt G</b>	<b>Totals</b>	<b>Budget</b>
Income	\$175,697	\$159,472
Expense	\$179,239	\$176,926
Net Income	<b>(-\$3,542)</b>	<b>(-\$17,454)</b>
Extraordinary Income	\$28,113	
Extraordinary Expense	(\$11,077)	
Capitalization (moved to Balance Sheet)	(\$14,966)	
Net before transfers	<b>\$13,494</b>	
Verizon Transfers	\$19,200	
Water Damage Transfers	\$25,000	
Sound System	\$10,000	
Total y-t-d Transfers	<b>\$54,200</b>	
Preschool y-t-d Net Income	<b>(-\$24,063)</b>	

**Beginning Bank Balance (BofA & FC) January 1, 2023 = \$61,084**

**Ending Bank Balance (BofA & FC) June 30, 2023 = \$79,503**