

St. David's Monthly Ministry Report to Vestry

Prepared by Jane Krikorian, Treasurer

Date: Aug. 10, 2021

Name of ministry: Finances

Present Aug 3, 2021: Jane Krikorian, Craig Winder, Joy Wolf, Loral Priest, Anne Kellett, Karen Garcia, Pastor Jocelynn.

Income/Expenses for July 2021

June ending cash:	\$97,052	(Balance Sheet: BofA Operating account + FC Savings + Paycheck Protection Money in BofA Savings)
July Church Income:	\$29,615	(from P&L Church)
July Church Expenses:	\$34,828	(from P&L Church)
July Preschool income:	\$36,874	(from P&L Preschool)
July Preschool expenses:	\$50,895	(from P&L Preschool)
July ending cash:	\$81,788	(Balance Sheet: BofA Operating account + FC Savings)

<u>Paycheck Protection Program Money Used:</u>	<u>\$74,965</u>
Paycheck Protection Program Money Remaining:	\$0

Informational Matters: (no action needed)

1. The Church had a **negative** net income in July of **(-\$5,213)**.
2. The Preschool had a **negative** net income in July of **(-\$14,021)**.
3. Total net income in July for Church and Preschool: **(-\$19,234)**.
4. July had three payrolls. Normally there are only two. This contributed to the high monthly negative income.
5. Total income year-to-date for the Church and Preschool is \$510,917.
6. Total expense year-to-date for the Church and Preschool is \$574,421.
7. **Total net income year-to-date for the Church and Preschool = (-\$63,504).**
8. The high y-t-d negative net income is due to the use of the PPP money to cover payroll which allowed additional spending on priority projects (see previous T-Reports for lists of projects.) The \$75,000 PPP money received in Feb. 2021 shows up as a loan not as income so that is why the negative net income is high but our bank balance remains relatively healthy.
9. A final transfer of \$10,465 of PPP money was made in July from savings to checking. No other PPP money is available.

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Discussion Items

1. The Finance Committee reviewed the financial reports and discussed the completed and pending projects. Because the PPP money is all used, and the Verizon lease assignment (sale of monthly income stream) is in process, all additional spending and projects were placed on hold.
2. With several changes to income and expenses, (reduction in healthcare costs due to Pastor Jocelynn moving on to her husband's health plan; increase in internet cost; increase in cleaning costs; additional expense for Switcher to livestream the service) the Committee wants to see if the Church & Preschool are in balance and showing monthly surpluses. August and September reports will help the Committee see where we stand in relation to the 2021 Budget.
3. Pastor Jocelynn, Joy and Jane met with the Standing Committee (SC) on July 20, 2021 via zoom regarding the Verizon lease assignment/sale. The SC directed us to work with the Diocesan Finance Committee on presenting a plan for how we intend to use the proceeds of the sale.
4. Jane called Julie Young, former CFO of the Diocese, who along with Jeff Martinhauk, current CFO of the Diocese, will help us formulate a plan.
5. Options for spending, investing, and borrowing were reviewed at the Vestry Retreat held on July 25, 2021 and were reviewed again at the Finance Committee meeting. Jane will develop two plans, one that includes spending and investing, and another that includes spending, investing, and borrowing for the Vestry to review at the August 10, 2021 meeting.
6. The Committee discussed with Karen Garcia, current Director of Preschool, the need to develop a plan for expanding the preschool. This could include infant/toddler/pre-K care. Numbers will need to be projected and reviewed to see what makes the most sense. The directive to expand the preschool was adopted by the Vestry when the Task Force report was adopted in March 2021.
7. Preliminary audit findings determined that there was no adjustment to the Endowment Fund base made in 2020 per the Charter for the Fund. (The Charter states any gift amounts plus a CPI percentage must be added to the base once a year). Jane will provide a written response explaining the "extraneous circumstances" that occurred in 2020: After voting in Feb. 2020 to sell \$5,000 worth of shares the stock market dropped before the sale was made and the value of the fund dropped below the base. This meant the sale could not be made. The Vestry waited for the value to rise back above the base. The sale was finally made in December 2020. Due to these circumstances, an adjustment was never made to the base in 2020 but was made subsequently in April of 2021.
8. Solar and HVAC bids ongoing.

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Action Items –

1) Approve signing of Letter-of-Intent (LOI) with TowerPoint pending approval from Standing Committee at their August 19, 2021 meeting.

2) Work with Julie Young and Jeff Martinhauk to prepare spend/invest/borrow plan for Diocesan Finance Committee regarding lump sum proceeds from Verizon Lease assignment. This is a preliminary step prior to review and hopeful approval by the Diocesan Standing Committee.