

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

Prepared by Jane Krikorian, Treasurer

Date: October 17, 2023

Name of Ministry: Finances

Present October 10: Jane Krikorian, Craig Winder, Joy Wolf, Loral Priest, Anne Kellett, Elaine Turnbull, Preschool Director Karen Garcia, Parish Administrator Treena Roman. APP Team Member: Jan Romerdahl.

### Income/Expenses for Sept 2023

Aug ending cash:	\$81,591	(Balance Sheet: BofA + FC accounts)
Sept Church income:	\$30,073	(from P&L Church)
Sept Church expenses:	\$27,449	(from P&L Church)
Sept Preschool income:	\$40,665	(from P&L Preschool)
Sept Preschool expenses:	\$41,960	(from P&L Preschool)
Sept ending cash:	\$83,864	(Balance Sheet: BofA + FC account)

BofA Savings Acct = \$49,704

Charles Schwab Acct = \$600,173 (includes \$100,000 James Scorey Gift; \$500,000 Verizon sale)

Don Searles Endowment Fund = \$53,041

### Informational Matters: (no action needed)

1. The Church had a **positive** net income of \$2,624.
2. The Preschool had a **negative** net income in Sept of **(-\$1,295)**.
3. Total net income in Sept for Church and Preschool: **(-\$1,329)**.
4. Total income year-to-date for the Church and Preschool is \$621,512.
5. Total expense year-to-date for the Church and Preschool is \$637,950.
6. **Total net income year-to-date for the Church and Preschool = (-\$16,438)**.
7. Church y-t-d net income is \$7,041 and Preschool y-t-d net income is **(\$23,479)**.
8. After adding in extraordinary income of \$128,113 (Church), deducting extraordinary expenses **(-\$11,077)** (Church – preschool flood) and deducting depreciation for flooring **(-\$9,874)** (Preschool – preschool flood) total net income y-t-d Ch&Prschl: **\$90,724**.
9. Church y-t-d net income = \$124,078 and Preschool y-t-d net income **(-\$33,354)** which = **\$90,724**
10. Transfers to BofA Operating y-t-d: \$15,000 transferred from BofA Savings and \$10,000 from First Citizen Savings to cover preschool classroom repairs, \$10,000 from BofA Savings for new sound system (spent Aug. 2023), \$28,800 (\$3,200 x 9) to cover lost Verizon income = \$63,800.

### Discussion Items- The Finance Committee:

1. "Income Generation" discussion – Anne Kellett reported that Kidder-Matthew had sent back a marketing flyer but it was unacceptable. She took some additional photos around the St. David's campus and sent them back so they could develop a new one. Karen Garcia informed the Committee that she had been notified that the preschool will receive a federal grant for nearly

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

Prepared by Jane Krikorian, Treasurer

\$23,000. The grant was designed to support childcare centers during Covid. Some of the funding will be a reimbursement for past expenses. Some will be used for additional qualified expenditures such as the purchase of new pergolas. Some future fundraising may need to be done to cover the costs of installing the pergolas because installation is not a qualified expenditure under the grant. Jan Romerdahl discussed "Community Reinvestment" programs offered at banks and will speak with Jeff Martinhauk regarding opportunities to seek funding from these programs.

2. "Expense Reduction" discussion – the Committee discussed the pending increases in water from the City of San Diego and ways to decrease the use of water around campus. The Committee agreed this should be a topic sent over to the Facilities Committee for exploration and research (see motion below).
3. While reviewing the financial reports, the Committee discussed whether the entire Employee Retention Tax Credit (\$24,898) received in May should be solely attributed to the church as a majority of employees are on the preschool side. It was decided that since the credit is based on payroll, Jane would research the payroll ratios during covid and come back with a possible figure. Jan noted that this would not change the P&L net ordinary income but it could help with the final net income figure.
4. Joy Wolf suggested a 4.5% rent increase for the current K-House renters. This will bring the monthly rent from \$3,835 to \$4,000. While Steve Turnbull had informed the committee via email that under current laws it was possible that rent could be increased up to 10%, the Committee discussed the high cost of housing in San Diego and what we wanted to represent to our community regarding the church's actions on this issue. Fr. Kirby sent an email describing his experience with a sudden and high increase (\$1,000 per month!!) and urged the Committee to recommend reasonable rent increases. For comparison, the Bureau of Labor Statistics reported the following on July 28, 2023: *Compensation costs for civilian workers increased 4.5 percent for the 12-month period ending in June 2023 and increased 5.1 percent in June 2022. Wages and salaries increased 4.6 percent for the 12-month period ending in June 2023 and increased 5.3 percent for the 12-month period ending in June 2022.* The Committee is recommending a 4.5% increase (see motion below).
5. The Committee discussed the \$100,000 Scorey Trust Gift and decided to recommend a parish survey to discern the wants and needs of the parish (see motion below).
6. The Committee discussed Steve Turnbull's recommendation to set aside \$25,000 for future K-House maintenance. A more detailed budget of what is necessary at the K-House is needed before the Finance Committee can recommend a set-aside.

### Action Items:

**Motion to direct Facilities Committee to investigate ways to decrease water usage.**

**Motion to increase the K-House rent by 4.5% starting January 1, 2024 for a total amount of \$4,000 per month.**

**Motion to direct a Parish Survey for ideas, needs, wants regarding the \$100,000 Scorey Trust gift to St. David's Church & Peschool.**

**Motion to roll-over the \$100,000 Scorey gift at the Charles Schwab brokerage account currently in a 30-day Certificate of Deposit indefinitely.**

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

Prepared by Jane Krikorian, Treasurer

<b>Verizon Cell Tower Proceeds – Tracking Chart BofA Savings</b>	
<b>2021 - December</b>	<b>\$700,000</b>
<b>2022 – March</b>	\$30,000 transfer to First Citizens savings
<b>March - May</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 – Sept</b>	\$28,800 monthly transfers \$3,200 x 9 months
<b>July 2023</b>	\$500,000 transfer to Charles Schwab
<b>Interest</b>	\$250
<b>2023 Sept 30 Balance</b>	<b>\$49,704</b>

<b>Church 2023 Actuals Rprt G</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>
<b>Income</b>	\$25,162	\$30,721	\$29,306	\$31,526	\$22,642	\$37,400	\$29,556
<b>Expense</b>	\$27,486	\$27,511	\$50,718	\$34,638	\$31,248	\$7,635	\$20,865
<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>\$29,765</b>	<b>\$8,691</b>
<b>Extraordinary Income</b>		\$3,215			\$24,898		\$100,000
<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>\$18,688</b>	<b>\$108,691</b>
<b>Verizon Transfers</b>	\$3,200	\$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				

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

Prepared by Jane Krikorian, Treasurer

Net after Transfers	\$876	\$9,625	\$16,788	\$88	\$19,492	\$21,888	\$111,891
---------------------	-------	---------	----------	------	----------	----------	-----------

Church 2023 Actuals Rprt G	Aug	Sept	Totals	Budget
Income	24,618	\$30,073	\$261,007	\$238,996
Expense	26,613	\$27,448	\$253,966	\$257,746
Net Income	<b>(-\$1,995)</b>	<b>\$2,624</b>	<b>\$7,041</b>	<b>(-\$18,753)</b>
Extraordinary Income			\$128,113	
Extraordinary Expense			(\$11,077)	
Capitalization (moved to Balance Sheet)	(\$9,292)		(\$24,258)	
Net before transfers	<b>(-\$1,995)</b>	<b>\$2,624</b>	<b>\$124,078</b>	
Verizon Transfers	\$3,200	\$3,200	\$28,800	
Water Damage Transfers			\$25,000	
Sound System			\$10,000	
Net After Transfers	<b>\$1,205</b>	<b>\$5,824</b>		
Total y-t-d Transfers			<b>\$63,800</b>	
Preschool y-t-d Net Income			<b>(-\$23,479)</b>	

Affording a full-time priest could include a salary of (\$100,000/yr) pension (\$18,000/yr) and healthcare (\$16,800/yr) for a total of \$134,800. The Church is currently paying \$52,000/yr for a part-time interim priest with no healthcare or pension benefits. ***A full-time salary package with these amounts would add \$82,800/yr (\$134,800 - \$52,000 = \$82,800) to the current budget or \$6,900 a month.***