

**Treasurer's Report to SFSC Annual Meeting**  
**By Robert Carr, November 13, 2022**

**2021 Review**

- Our 2021 fiscal year was good. We bettered our approved 2021 budget
- Our \$278k of income was higher than the budget of 266k (due to more Wedding & Reception income than budgeted)
- 2021 expenses of 312.2k were a smidge under the budget of 314.4
- 2021 net income of -34.2k was better than the budget of -48.4

**2022 Budget & Project Actuals**

- In November 2021 the congregation approved a 2022 Budget:
  - \$326k income
  - \$363k expenses
  - -\$37k net income
- In the first 9 months of this year we are tracking very closely to the 2022 budget

**2023 Church Operation Proposed Budget**

- The 2023 budget is mostly a “steady as she goes” budget
- It is quite similar to our 2022 budget, with the notable exception that it includes compensation increases for Junchol, Dana, and Heather:
  - A 10% raise for Junchol in salary and housing allowance (which should be viewed as part of his salary)
  - A 10% raise for Dana
  - Converting Heather from a contractor receiving \$250 per service to an employee at a \$15,000 salary
- In considering the raises for Junchol & Dana, please note that for the last 10 years their salaries have increased at a very moderate rate:
  - 2.7% per year for Junchol over the last 10 years
  - 2.4% per year for Dana over the last 10 years
- Also note that the Social Security inflation increase for 2023 is 8.7%
- The 2023 budget shows a loss of ~\$46k, which is higher than the \$37k loss in our 2022 budget. Can we sustain a \$46k loss in 2023? Yes, we have adequate cash reserves on hand.
- We are in a phase of our church history where our plan to solve our chronic annual losses of \$30-40k per annum is to sell 2121 Lyon St. and place the proceeds into the Common Fund, which will provide us higher levels of income than we currently have and more than balance our annual budgets. Right now we are patiently waiting for the current tenants in 2121 Lyon to vacate the building, so we can sell the property.

## **2121 Lyon Proposed Budget**

- The 2023 budget for 2121 Lyon is consistent with recent years.
- We raised the tenant rent by 10% in October 2021 and again by 10% in October 2022
  - We plan another 10% raise again in October 2023
- The 2023 budget increases the annual contribution from 2121 Lyon to our operating budget from \$30k in 2022 to \$36k in 2023
  - The balance of the rent increase at 2121 Lyon needs to be left in its sub-budget to help cover increasing mortgage interest rates