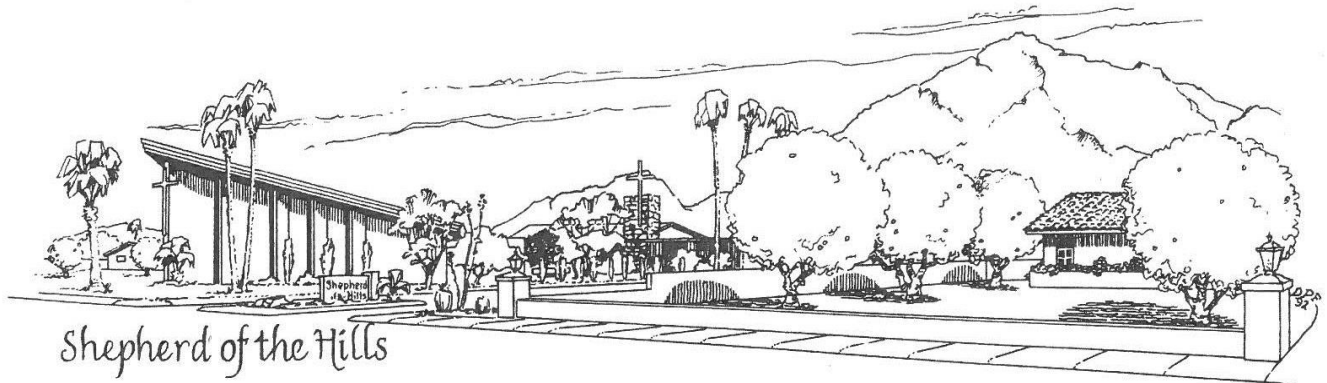


Shepherd of the Hills UCC

Annual Report 2022

Sunday February 5, 2023



Shepherd of the Hills

United Church of Christ • 5524 E. Lafayette Blvd. • Phoenix, Arizona 85018-4599 • (602) 840-3130

**Annual Meeting of
Shepherd of the Hills Congregational United Church of Christ
Sunday, February 5, 2023**

AGENDA

Call to Order
Opening Prayer
Declaration of a Quorum
Minutes from the Annual Meeting February 6, 2022
Report of the Church Clerk (members gained/lost)

Individual, Council and Committee reports:

Pastor's Report	Rev. Rock Fremont
Moderator's Report	Liz Mullen
Buildings and Grounds	Bill Janiga
Outreach	Jill Thomas
Worship and Music	Karyn Mercado
Membership	Renee Basnett
Christian Education	Anne Sheehan
Diaconate	Diane Webb
Stewardship	Terry Haines
Treasurer's Report	Larry Wilson

Other Reports:

Endowment	Dan Mullen
Visioning	Bill Janiga
A/V Technical	Allen Curtis
Pre-School	Frank Schaffner

New Business:

2022 Financial Report	Larry Wilson
Proposed 2023 Budget	Larry Wilson
Election of Council Members	Liz Mullen

Proposed officers:

Treasurer - Bill Janiga
Christian Education - Cindy Pickard
Diaconate - Diane Webb (2nd term)
Membership - Renee Basnett (2nd term)

Recognition of Outgoing Council Members Liz Mullen

Adjournment

COUNCIL

Moderator	Liz Mullen
Vice-Moderator	Gabi Young
Treasurer	Larry Wilson
Clerk	Allen Curtis
Building & Grounds	Bill Janiga
Stewardship	Terry Haines
Worship & Music	Karyn Mercado
Christian Education	Anne Sheehan
Diaconate	Diane Webb
Outreach	Jill Thomas
Membership	Renee Basnett
Member-At-Large	Dick Richardson
Pastor & Ex Officio Member	Rev. Rock Fremont

STAFF

Pastor	Rock Fremont
Office Manager/Administrative Coordinator	Robby Wood
Director of Music	Riley McKinch

**Minutes of the Annual Meeting of
Shepherd of the Hills Congregational United Church of Christ
Sunday, February 6, 2022**

Call To Order 11:15 AM
Opening Prayer
Declaration Of Quorum
Adoption of Agenda

*Mary Curtis, Moderator
Rev. Rock Fremont, Pastor
Mary Curtis, Moderator
Mary Curtis, Moderator*

❖ **Motion to accept Agenda:**

1st - Grace Walraven, 2nd – Bill Janiga

Vote: Passed – All Aye

Presentation of Minutes of Annual Meeting January 31, 2021
and Special Congregation Meeting October 3, 2021

Mary Curtis, Moderator

❖ **Motion to accept minutes:**

1st-Lew Shaw, 2nd- Laura Minnick

Vote: Passed - All Aye

Presentation of Report of the Church Clerk (members gained/lost)
Presentation of Annual Reports:

Jill Thomas, Clerk

Pastor's Report	Rev Rock Fremont
Moderator's Report	Mary Curtis
Building and Grounds	Bill Janiga
Outreach	Gabi Young
Worship and Music	Karyn Mercado
Membership	Renee Basnett
Christian Education	Anne Sheehan
Diaconate	Dianne Webb
Stewardship	Terry Haines
Treasurer's Report	Larry Wilson, Treasurer

Presentation of Other Reports:

Endowment	Dan Mullen
Visioning	Bill Janiga

Presentation of 2021 Financial Report

Larry Wilson, Treasurer

❖ **Motion to accept 2021 Financial Report:**

1st – Lew Shaw, 2nd – Beth Franco

Vote: Passed - All Aye

Presentation of 2022 Proposed Budget

Larry, Wilson, Treasurer

Proposal to Amend the budget to increase Music Minister's Salary to +4% (approx. \$500/year)

❖ **Motion to accept amendment to budget:**

1st – Stephan Fuller, 2nd – Karyn Mercado

Vote: Passed - 3 Nay, Rest Aye

❖ **Motion to accept revised 2022 budget:**

1st – Nancy Splain, 2nd – Dan Mullen:

Vote: Passed - 1 Nay, Rest Aye

Presentation of Visioning Team Updates

Bill Janiga, Chair

Election of Council Members

Mary Curtis, Moderator

Proposed Slate of Officers:

Moderator	Liz Mullen
Vice-Moderator	Gabi Young
Outreach	Jill Thomas
Clerk	Allen Curtis
Worship and Music	Karyn Mercado
Member-at-Large	Frank Shaffner

❖ **Motion to accept slate:**

1st – Linley Morris, 2nd – Beth Franco

Vote: Passed - All Aye

Recognition of Outgoing Council Members

Mary Curtis, Moderator

Recognition of Outgoing Moderator

Bill Janiga, Liz Mullen

Call for Adjournment, 12:10 AM

Mary Curtis, Moderator

❖ **Motion for Adjournment:**

1st – Liz Mullen, 2nd – Missy Shackelford

Vote: Passed - All Aye

REPORT OF THE CHURCH CLERK 2022

2022 Membership Report

Beginning Membership Total 2022:	201
Members gained:	1
Members lost:	12
Membership Total 2022:	190

Average Worship Attendance

Online: 58 views

In Person: 47

Pastor's Annual Report - 2022

Dear Shepherd Family,

2023 marks a milestone for our faith journey. I can scarcely believe that we have been together for five years, especially when you consider that over a fifth of that time was spent with all of us in various stages of quarantine. I am also pleased to be celebrating, with you, my Shepherd Family, my (lucky) 13th year of ministry! 2022 was a year of transition and renewal; of funerals and memorials, but also, weddings and baptisms and the commissioning of Deaconesses Judy Eighmey and Linley Morris. We've said goodbye to many friends this past year and hello to others who have joined us along the way. And even though we have maintained the best of the virtual services made necessary during our time apart, I feel that we have more than made up for any feelings of "downtime" we may have had by continuing our Wednesday Wanderers Book Club exclusively online (with visits from authors Frank Schaeffer and Brian McLaren thanks to Ernie), introducing our First Friday Prayer and Fellowship events thanks to Karyn Mercado, the rekindling of our Concert and Music Series thanks to Renée Basnett, Missy Shackelford, and Mary Curtis, and cultivating no fewer than three brand new in-person ministries in 2022!

After the sale of the Parish House, we began asking the questions, "What is next for our congregation?" and "Where is God calling us?" After reading Diana Butler Bass's book, *Freeing Jesus*, we wondered what it might look like to enter into intentional discernment around those questions as a congregation. I am grateful to our Discernment Facilitator, Community of Christ Pastor Larry McGuire. What a privilege it has been to journey alongside a gifted servant leader with such an open heart.

It was out of the sale of the Parish House and thus, our Parish Office, that we began sharing office space for a time with our friends at Prince of Peace Lutheran Church. We have learned so much about the opportunities for engagement that can arise from such an arrangement with our full communion partners, and we continue to worship together and combine our choirs for special worship occasions, such as Thanksgiving and The Rock 'n' Roll Marathon weekend.

We also look forward to our combined Holy Week services, which have become quite the tradition!

Our three new ministries are thriving and enabling us to continue growing our outreach in the margins of our community. We applied for and received a grant from the UCC which will fund our English as a Second Language (ESL) Ministry for the next year. This has been a natural extension of our work hosting and supporting a resettled Afghan family (not to mention our inaugural Afghan Refugee Baby Shower!). In the vein of our work with Family Promise, we have additionally begun preparing and serving wholesome, nutritious meals once a month at the Missionaries of Charity in South Phoenix. I thank our Ministry Heads, Cindy Pickard, Susan Lloyd, Bill Janiga, Laura Minnick, and our Outreach Chair, Jill Thomas. I encourage you to speak with me or any of our Ministry Heads to see how you might connect with this important work.

In 2023, we will continue to apply for grant monies made available by our denomination to support our burgeoning and established ministries. I urge you, if grant writing is a charism that you possess and you have a passion for this type of work, to connect with our church leadership team. I want to take a moment to thank Liz Mullen for her strong leadership as our Moderator, and our outgoing Treasurer Larry Wilson for his business acumen and steady hand guiding us through what has arguably been a rough and uncertain couple of years. We are in very good shape thanks to Liz, Larry, and our Council, and I am so grateful to them.

Ernie and I were able to do a little bit of traveling last year, mostly for work, but with a few very special days tucked in. If you know me, you know that I have a passion for ecumenism and for work in the margins, and I was able to visit the place where one of my heroes, the Blessed Dorothy Day animated her ministry during her lifetime, on New York's Lower East Side at Mary House and St. Joseph House of The Catholic Worker. We were in New York City because I was invited through my work with the UCC and ICCC by the Commission of the Churches on International Affairs of the World Council of Churches to attend meetings at the United Nations General Assembly with UN Experts on Racial Justice for People of African Descent. We spent three days in Plenary Sessions at the UNGA, and in meetings at the World Council of Churches New York Office hearing from Member States and the UN Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance.

I also attended The National Buddhist-Christian and Hindu-Christian Dialogues, convened by The Guibord Center, and the National Council of Churches at St. John's Cathedral in Los Angeles, and the very first in-person meeting of the Manual on Church group (which was convened right before lockdown in 2020) in Cleveland.

Our biggest and most rewarding journey by far, was the World Council of Churches 11th Assembly in Karlsruhe, Germany, where I was so proud to represent Shepherd of the Hills, and to serve as a Delegate to the Assembly on behalf of the International Council of Community Churches, where I also serve as the Vice President of Ecumenical and Interfaith Relations. As some of you may know, after attending the Assembly, we headed down to Zurich, where we were greeted by Basil, who took the train from Glarus, and Matteo, who drove up from Bergamo, to meet Miloš, who flew in from Sarajevo. Then we all packed into Matteo's car and drove to Basil's house in Glarus for what Ernie and I both hope was the first of our many Family Reunions.

In the fifth chapter of the book of Ephesians, the Apostle Paul writes: “Therefore be imitators of God, as beloved children, and live in love” (NRSV). Thomas Merton shared a similar observation when he wrote: “To say I am made in the image of God is to say that love is the reason for my existence, for God is love.” Love is the reason for our existence.

Shepherd family, we are called to live in love, and you are answering the call in so many ways. It is the delight of my life to walk with you as you so generously and graciously share your deep and abiding love with me and Ernie, with our boys, with one another, and with our community. I can’t wait to see how we share our love in 2023 and in the years to come.

In Unity,

Pastor Rock

Moderator’s Annual Report - 2022

2022 has been a good year at Shepherd of the Hills: the pandemic is behind us and there seems to be new energy in the congregation.

At last year’s annual meeting, we voted to nearly double our Outreach budget to \$25,000 and are continuing with that amount for the year ahead. Shepherd’s heart has always been with outreach to our community. We adopted an Afghan family, and a dedicated group of members embraced their care. For 2023, additional sources of support have been identified for the Chehri family so our outreach dollars will go to further refugee aid plus funding for our long-term partners such as NourishPHX and Valley Interfaith Project.

The sale of the Parish House has allowed us to proceed with a number of upgrades to our campus: paving the parking lot, repairing the walkway to the sanctuary and a build-out of two offices in the Fireplace Room (to begin soon). Network and technical upgrades have been put into place. Added this year was a monthly meal collaboration with the Missionaries of Charity. A weekly ESL class has been implemented. Monthly, we are hosting a First Friday wine and cheese gathering after a short worship service. Additional organizations are using our facilities for meetings and events. A series of posters in the narthex and Fireplace Room “tell our story” of outreach. The Memorial Garden received a refresh with new plants and updated irrigation. A pet Memorial Garden is in the works. Please refer to the following committee reports for further detail.

Though much has been happening in a positive way, our demographics are changing. Our congregation is evolving, and change is in our future. Nearly one year ago, Council began the process of Discernment. It’s an approach of prayerfully identifying the direction God is calling us. With gathered input from members and outreach partners we will soon be presenting our findings to you. The pace of this process has been, by necessity, slow. Much prayerful thought, analysis and discussion have gone into this. One of the most important ideas shared in Discernment is the importance of community, our own and that surrounding us. I’ve said before that we have a rich history, a solid foundation. Building on that, we will embark on our future.

Your Council is devoted to you. We are all available for your questions and comments; contact any of us. Our hearts are on this journey together.

Elizabeth Mullen
Moderator

Building and Grounds Annual Report -2022

This year was challenging for custodial staff. Gabe, who had been our part time custodian, was doing our cleaning and landscaping. In May, he informed us that he is retiring, and we scrambled to find a replacement. We couldn't find anyone who had the right skill set and who could work part time and do all we needed. We decided to replace Robby sub-contracting his work. Robby, whose role has expanded to Campus manager, found a landscaper who agreed to maintain the lawns and was an economical solution. Through one of our contacts, we found Abraham from Prince of Peace and he agreed to help out with the cleaning/custodial care. This arrangement was working well, but Abraham was not able meet all the requirement for employment and we had to find someone else. Since Dec, we have been utilizing a dependable person who heard about our need for custodial service from one of the groups that meet at our church. He is helping us out until we find a long-term cleaning service.

There year was typical for Building and Grounds issues this year. It has been nice not having to deal with issues from the Parish House, which was demolished during the summer. All the building are getting older, and maintenance is expected. One highlight was that the memorial garden had some landscaping improvements made. Also, Allen Curtis worked his magic and many of the internet issues have been resolved on Campus. One of the issues we had to address is the lack of office space now that the Parish house is not available. We have gotten two bids and are looking to select a contractor to remodel the Fireplace room into some office space in the first quarter. In fact, it is where there were offices 40 years ago! There is a lot of building activity going on to the north of us. The wall came down in April and still isn't rebuilt, but it is progressing slowly.

I encourage you to contact me if you see any issues that need to be addressed.

Bill Janiga
B&G chairperson (wejaniga@cox.net)
480-540-5760

Outreach Committee Annual Report - 2022

What a blessing SOH has been to so many in 2022! Our outreach to refugees was expanded as we welcomed our latest refugee family, the Safid Chehri from Afghanistan. SOH was critical in securing housing for the family of 10, helping with educational needs, soccer support to the oldest son and ESL classes for the smaller children and the parents. In over 25 years

SOH has helped welcome and intergrade 4 refugee families to Phoenix. Such an amazing legacy.

We were also able to support Ukrainians fleeing the war by giving to Lifting Hands International money that helped set up a safe place for people to eat, charge their phones and rest days after the conflict started in Moldova just over the border from Ukraine.

We were able to host 5 families for "Family Promise" the last week in October. This was our first-time hosting in person since COVID restrictions were lifted. 5 tents were set up in the Fellowship Hall and each family had their own tent. Our congregation stepped up once again to provide food and activities for these families.

SOH hosted the "8th Biannual Refugee Baby Shower" where 15 soon to be mothers attended educational talks, had a lunch to celebrate together, got to shop for clothing and baby items and went home with diapers, a crib, car seat and many more baby essential items. The shower will be held 2 times a year (the last Saturday of April and October) and in October 2023 they will be inviting 25 new mothers with plans to double this number within a year. In addition to hosting the shower, baby shower items will be stored in the Fellowship Hall on the stage.

With monthly special offerings and planned outreach our goal was \$5,000 but we were able to give local NGO's, some who we have supported for decades, over \$7,000. These NGO's include Nourish Phoenix, Valley Interfaith Project, The Diaper Bank of Central Arizona and Refugee support.

A huge thank you for all the support and love, together we are mighty indeed!

Jill Thomas,
Outreach Chair

Worship & Music Committee Annual Report - 2022

The responsibilities of the Worship and Music team are to support worship services with everything from greeters and ushers to altar and sanctuary decoration, communion, liturgists, and music coordination, in close communication with Rev. Rock Fremont. Throughout 2022, held in-person worship services, along with an online option to include worshippers who cannot join us in person. The committee is very grateful to the volunteers that run our projection and online streaming of worship services, including John Schneeman, Allen Curtis, Ernie Gregg, and Beth Franco.

Diana Schneeman continues to do a great job leading the usher team. She has successfully built back a strong team, after it had dropped in participation significantly during the height of the pandemic.

Throughout the year, Sue Spahle provided altar and sanctuary decoration, including our beautiful trees, poinsettias, and creche for Christmas.

Deacon Diane Webb served as greeter throughout the year, and Linley Morris supported communion and fellowship time.

Our ability to provide vocal and choral music to enhance worship fluctuated at times this past year, as COVID numbers rose and fell. We started the year with a small choir but transitioned to solo and small-group song leaders in late spring. Our choir director, Riley McKinch was able to bring back a solid choir at the end of October to finish the year strong.

During Lent, Pastor Rock led us in Stations of the Cross each Friday afternoon, followed by fellowship on the patio. These services were well attended, so in October we began a monthly First Friday gathering, with an Evening Prayer service and Happy Hour fellowship.

Respectfully submitted by,
Karyn Mercado, Worship and Music Chair

Membership Annual Report – 2022

The SOH Board survey from 2021 revealed that the board wanted to prioritize **social media outreach** as well as **varied music styles** in our worship services. In 2021, Pastor Rock began posting regularly on social media and has also updated our music selections for morning worship. Furthermore, a concert series commenced in December of 2022 and will continue monthly in 2023. The first concert (a *Sing-Along*) was well-received and well-attended.

Both Rock and Renee approached several attendees about membership, but only one person agreed to join the church in 2022. Therefore, SOH's Membership Committee encourages us all to promote our many programs on social media by "sharing" and/or "commenting" on them. We also must continue to be **WISE** (Welcoming, Inclusive, Supportive, and Engaging) to both newcomers and old-timers. At Shepherd of the Hills-UCC, it is everyone's responsibility to be **WISE**. Finally, below are listed the changes to Shepherd of the Hills membership this past year:

New members to report for 2022

Erich SWEET

Deaths of SOH members in 2022

Dave FULLER
Homer GILCHRIST
Bob GILSDORF
Nadine HUSS
Bob LARSON
Betty NAYLOR
Doris ROPER
Lauren SCHWEIZER
Doug SMITH
Mary Kay SMITH

Members Transferred out in 2022

Jim MEADOWS
Rose Mary DUPUY

Final Membership total in 2022 – 190 members + 1 associate member

FOLLOW Shepherd of the Hills:

[facebook.com/SOHUCC](https://www.facebook.com/SOHUCC)

[instagram.com/shepherducc/](https://www.instagram.com/shepherducc/)

Renee Basnett,
Membership Chair

Education Committee Annual Report - 2022

Our congregation-wide discernment process has been the focus of my Education Committee work this past year. We have been fortunate to be led in discernment by Rev. Rock and Rev. Larry Maguire. It likely seems to many of us (me included!) that the process has been slow. After reading about and discussing the discernment process, it's clear slower-than-expected is the norm.

Providing information to the Council about discernment included placing the drop in membership at SOH in the context of the overall decline in religious membership in the US. The discussions about the reasons for the decline have not provided definitive reasons or solutions. Being in an environment in which the tried-and-true answers no longer work makes turning to God in discernment the best choice for Christians seeking God's will. Many other congregations have faced the situation SOH faces now. They have responded in different ways – from using their funds to maintain their buildings and presence until their membership was in the single digits to sharing their property with affordable housing developments. Alexandria, VA area churches have participated in a number of these projects: <https://alextimes.com/2017/11/affordable-housing-project-revitalizes-local-church/>
<https://patch.com/virginia/oldtownalexandria/affordable-housing-opens-alexandria-co-located-church>

After reading ***Hybrid Hope: Church of the Future for Churches with a Future***, a book written by a group of UCC clergy and scholars, I distributed copies to all the Council members. The book is available on Amazon for \$4.95; the authors priced it to be available to as many Christians as possible.

I am grateful SOH has embraced discernment as the process for making decisions about its future. As each of us practices personal discernment to hear more clearly what God is calling us to do as individuals and as a congregation, we can look to our future with hope.

Anne Sheehan,
Christian Educator

Diaconate Annual Report - 2022

The Diaconate Chair has now become the Diaconate Council with the addition of Judy Eighmey and Linley Morris as Deacons in 2022. We are meeting with Pastor Rock to be of more help to him with Pastoral Care and limit administrative work. We continue our presence during Sunday Services, Celebration and Church gatherings, and VIP as well as other Community functions that we are involved in together and individually, so we are busy and serving!!

Thank you!

Diane Webb: Diaconate

Stewardship Annual Report - 2022

The 2023 Stewardship Campaign kicked off in early November. Pastor Rock obtained 2023 National UCC stewardship/pledge materials created with the theme – *From Bread and Wine to Faith and Giving*.

To promote the campaign, several notifications of pledge material mailings along with words of encouragement to pledge were included in the November and December e-blasts. In addition, several members of our congregation offered testimonies of their passion for the Church's missions as well as personal stories of the important role Shepard of the Hills has played in their lives. Many thanks to Allen Curtis, Jill Thomas and Rob Hart, and Gabi Young for sharing in this beautiful way during our Stewardship campaign.

In mid- November, pledge materials were mailed out to church members and visitors. Many thanks to Diane Webb, Linley Morris, and Mike Sheehan for their help in assembling the 200+ mailings. Pledge cards were also made available in the church narthex. After pledges were received, notes of appreciation were sent to the donors. Many thanks to Mary Curtis, Liz Mullin Gabi Young, and Karen Mercado for their assistance with these acknowledgements.

The pledge process is very critical for determining the church's budget each year and the Stewardship Council is extremely grateful for all who supported this campaign with their pledges. If you have not yet pledged your gift for 2023, there is still time. You may contact the church office, any member of Council, use the SOH website pledge page, or pick up a pledge card in the narthex.

As of January 23rd, 46 pledges have been received for a total of \$122,000. In comparison looking back at the past couple of years, in 2022 we received 56 pledges totaling \$156,948.00: and in 2021, 54 pledges for \$156,885.00. As in past years, we will likely see more pledges

trickle in during January. Currently, we have 11 members who pledged for 2022 who have not yet pledged for the 2023 campaign.

Again, many thanks to everyone who supported the 2023 Stewardship Campaign. Your gifts enable Shepard of the Hills to carry out the many programs and ministries that support our church family, our neighbors in need and the greater community.

Respectfully,

Terry Haines
Stewardship Chair 2022

Treasurer's Annual Report – 2022

INCOME: Total income received through the end of December was \$282,688. That amount is \$8,069 over our budgeted amount of \$274,619. Our pledges (General Fund and Prepaid) collected for the year were \$147,764 compared with \$142,556 budgeted for the year. We collected 92% of our pledged income for 2022. Our Non-Pledge Offering (unpledged collections) for 2022 exceeded our budgeted amount \$11,945. This item is very difficult to estimate. We had only anticipated receiving \$500 from fund raising but our rummage sale was very successful and raised a net amount of \$2,134. Our Facilities usage fees and preschool fees were much better than we had budgeted. We received a full year's rent from the preschool and other organizations (ie AA) have returned and made a strong presence. That income was \$43,925 which exceeded our budget by \$25,925. We are allowed to use up to 5% of the Endowment each year for outreach, therefore, we received \$6,000 from the fund. Our Special Offerings income is the actual amount collected for specific charities and is completely distributed to those charities. It does not affect our operating outcome. In 2022, we were forgiven our second Payroll Protection loan and associated interest. Those amounts were moved from a liability to income which amounted to \$33,716.

EXPENSES: Total expenses for 2022 were \$269,424 which was \$3,137 below our budgeted amount of \$272,561.

A summary of our Expenses by category follows:

-Planned Outreach, \$25,000 budgeted, \$25,451 distributed.

-Special Offerings, \$3,000 budgeted, \$1,920 distributed

-Committee Expenses, \$70,675 budgeted, \$85,136 actual expenses. We have kept our expenses in line with budget with the exception of upgrading our Audio-Visual equipment and our temporary rental of office space. The excess in the Insurance expense account was the

result of SOH changing the payment schedule from three payments per year to two payments per year. This resulted in all the 2022 costs plus 1/3 of the 2021 costs being reported together.

-Payroll Expenses, were \$156,91. We had budgeted \$173,886. Most of the savings were the result of not hiring a person to develop a youth program and only having a Sexton for part of the year.

Our overall expenses for the year were below our budget by 1%.

GAIN: We had anticipated a small surplus for 2022 of \$2,058, but our final result was a surplus of \$13,265.

CONSOLIDATED FUNDS AND ENDOWMENT FUND: As of December 31,2022, we had consolidated Funds totaling \$1,307,314. Last year's balance was \$1,443,387. The Endowment Fund on December 31, 2022 was \$118,457, compared to last year's balance of \$144,948. The reduction in the balances of the two funds was mainly the results of our investments dropping in value from the economic downturn this year.

SUMMARY: We had another strong year even though the national economy has been weak. Now that we are gathering in person, I hope to see another good year ahead. That is not to say we must be cautious about our spending and generate income to sustain and grow our Church. It has been an honor to work as your Treasurer for the past four years. I know the position will be in good hands this coming year and I look forward to working with the new Treasurer.

Larry Wilson,
Treasurer

Endowment Committee

The balance of the Endowment Fund on December 31, 2022 was \$118,457. The fund distributed \$6000 to the church in December. The funds are invested with Vanguard in the Wellington Balanced Fund, 60% equity, 40% fixed income. Due to market conditions in 2022, the return on the fund was -14.26%.

Dan Mullen
Chair, Endowment Committee

Vision Team Annual Report - 2022

The VISION COMMITTEE was established as the year 2021 ended.

The team consists of: Missy Shackelford, Nancy Splain, Liz Mullen, Frank Schaffner, Dick Richardson, Bill Janiga, Linley Morris, John Schneeman, Sue Spahle, Diana Schneeman, and Beth Franco.

Goals for Vision team:

- To make changes to the Campus due to the loss of the Parish House
 - Funding for changes will come from sale of Parish house. Our preliminary estimate is approximately 33% of the sale amount of Parish house.
- To make changes to the Campus to help us meet SOH mission.

What is our Mission???

- The Vision Team work will be determined after a Discernment Process is completed. This is being directed by Council
 - Discernment will involve the whole congregation. Determine who we are going to be as a church in the future!
 - Vision Team actions are limited until discernment process is complete

We met several times in the 1st Quarter of the year. Our actions were limited because the discernment process had not been concluded. We did not feel that we could recommend any major changes until that process had determined our mission. The exception was to create an office space for our Campus Manager and our Senior minister. We had to find a place for them after the sale of the Parish House. There were many discussions about where was the optimum place, but we ended up selecting the Fireplace room. It was ironic that the place we selected had two offices prior to the parlor being remodeled in 1990! We employed an Architectural firm and in the summer had a set of architectural plans to show contractors. We selected 3 general contractors to give us a quote. Due to the current state of construction, the last quote was not received until the end of the year. We now are in discussions with the contractors and hope to have one selected by Early Feb 2023. Construction will take only a month, but at this time, there may be long lead items to procure.

We look forward to taking the decisions from the Discernment process and turning them into a Vision that will make SOH continue its legacy.

Bill Janiga
Vision Team member

A/V Technical Report 2022

The Sanctuary computer has been updated with more memory, a solid-state disc drive, new Operating system, and software, particularly ProPresenter. We have upgraded the network infrastructure, increasing the network bandwidth and speed for both the Fellowship Hall and Sanctuary. We switched from the restrictive CenturyLink DSL to Cox broadband allowing us future expansion as needed. This has improved the in-campus and live broadcast experience. Integrating the Mevo cameras with the ProPresenter slides is in progress to present a better online service experience.

Allen Curtis
Clerk, Church Council

Preschool Report 2022

This year the Preschool Committee was formed to assess the declining enrollment at The Hills preschool. Frank Schaffner was named liaison to the pre-school and Jill Thomas and Gabi Young were later appointed to an ad hoc committee exploring options for enhancing our profile and engagement with a new entity.

The Preschool Committee was able to meet in person with Nola and she was informed our current agreement would end June 30, 2023. The committee will actively pursue a new tenant. Nola was invited to also submit a proposal to remain all or part of the Education Building.

A by-product of this will be an increase to the SOH revenue stream which would be closer to current market rents. Most importantly a fully rented Education Building will bring life back to that part of the campus and a closer relationship between SOH, the school and its community.

Frank Schaffner, Preschool Liaison
Gabi Young and Jill Thomas, Committee Members

SOH 2022 Budget Vs Actual (through 365 days or 100% of year)				
Income	Actual YTD 12/31/2021	2022 Budget	Actual YTD 12/31/22	% of Budget
General Fund Pledges	\$143,076	\$119,556	\$124,764	104%
Prepaid Pledges Given in Prior Year	\$17,000	\$23,000	\$23,000	100%
General Fund - Non Pledge	\$58,092	\$35,000	\$46,945	134%
Fund Raiser Income	\$0	\$500	\$2,134	427%
Preschool and Facilities Fees	\$17,006	\$18,000	\$43,925	244%
General Fund - Post-Paid Pledge	\$2,950	\$0	\$0	
Endowment Distribution	\$6,600	\$6,000	6,000.00	100%
Carryover from Prior Year	\$0	\$35,963	0.00	0%
Special Offerings	\$2,845	\$3,000	\$2,205	74%
Payroll Protection Loan Forgiveness	\$34,259	\$33,600	\$33,716	100%
Total Income	\$281,828	\$274,619	\$282,688	103%
Expenses	Actual YTD 12/31/21	2022 Budget	Actual YTD 12/31/22	
Outreach				
Planned Outreach	\$10,979	\$25,000	\$25,451	102%
Special Offerings	\$2,555	\$3,000	\$1,920	64%
Total Outreach	\$13,534	\$28,000	\$27,371	98%
Committee Non-Payroll				
Christian Education	\$79	\$2,000	\$128	6%
Preschool License Renewal	\$2,000	\$0	\$0	
Music		\$0	\$0	
Worship	\$2,495	\$3,200	\$3,102	97%
Sanctuary Décor			\$1,537	
Diaconate	\$115	\$150	\$69	46%
Membership	\$0	\$700	\$237	34%
Stewardship	\$168	\$200	\$0	0%
Conferences and Delegates	\$124	\$335	\$181	54%
Office and Administrative Expense	\$11,735	\$11,000	\$13,143	119%
Website, Audio & Visual		\$5,000	\$6,839	137%
Insurance	\$14,732	\$12,500	\$17,993	144%
Buildings and Grounds	\$35,570	\$35,000	\$41,907	120%
Youth Program	\$0	\$500	\$0	0%
Interest Expense	98	\$90	\$0	0%
Total Non-Payroll	\$67,115	\$70,675	\$85,136	120%
Staff Compensation and Benefits				
Senior Pastor with Benefits	\$92,399	\$98,171	\$98,514	100%
Interim Pastor / Pulpit Supply	\$550	\$600	\$456	76%
Faith Formation/Education	\$0	\$8,125	\$288	0%
Nursery	\$0	\$450	\$0	0%
Director of Music	\$13,500	\$14,040	\$14,040	100%
Office Manager/Coordinator	\$34,715	\$30,000	\$30,167	101%
Sexton/Custodian	\$15,802	\$16,500	\$8,146	49%
Staff Benefits (other than Pastor)	\$1,531	\$0	\$0	0%
Payroll Taxes & Worker's Comp	\$6,720	\$6,000	\$5,305	88%
Total Payroll	\$165,216	\$173,886	\$156,916	90%
Total Expenses	\$245,866	\$272,561	\$269,424	99%
Net Surplus or Deficit	\$35,963	\$2,058	\$13,265	

Note that we received \$11,514 from 4 pledge units that was in excess of amount they had pledged for the year. That amount was moved into the General Fund non pledge column. \$7,000 of prepaid pledge income was removed from pledge income.

SOH 2023 Proposed Budget		January 29, 2023		
Income	2022 Budget	Actual 2022	Proposed 2023	Notes
General Fund Pledges	\$119,556	\$124,764	\$111,278	92% of pledges received less prepaid
Prepaid Pledges Given in Prior Year	\$23,000	\$23,000	\$17,000	
General Fund - Non Pledge	\$35,000	\$46,945	\$30,000	
Fund Raiser	\$500	\$2,134	\$1,000	
Preschool and Facilities Fees	\$18,000	\$43,925	\$44,800	6mo@2,300+5mo@3,000+16,000Misc
General Fund - Post-Paid Pledge	\$0	\$0	\$0	
Endowment Distribution	\$6,000	\$6,000	\$6,000	
Carryover from Prior Year	\$35,963	\$0	\$45,000	\$35,000 from2021+\$10,000 from2022
Special Offerings	\$3,000	\$2,205	\$3,000	
Investment Income Distribution		\$0	\$0	
PPP 2022 Forgiveness	\$33,600	\$33,716	\$0	
Total Income	\$274,619	\$282,689	\$258,078	
Expenses	2022 Budget	2022 Actual	Proposed 2023	
Outreach				
Planned (Incl. Family Promise)	\$25,000	\$25,451	\$25,000	
Special Offerings	\$3,000	\$1,920	\$3,000	
Total Outreach	\$28,000	\$27,371	\$28,000	
Committee Non-Payroll				
Christian Education	\$2,000	\$128	\$500	
Preschool License Renewal	\$0	\$0	\$0	
Music	\$0	\$0	\$2,500	
Worship	\$3,200	\$3,102	\$1,800	
Sanctuary Décor	\$0	\$1,537	\$1,500	
Diaconate	\$150	\$69	\$200	
Membership	\$700	\$237	\$300	
Stewardship	\$200	\$0	\$300	
Conferences and Delegates	\$335	\$181	\$350	
Office and Administrative Expense	\$11,000	\$13,143	\$9,950	no longer are renting space
Website, Audio & Visual	\$5,000	\$6,839	\$5,000	
Insurance	\$12,500	\$17,993	\$15,000	
Buildings and Grounds	\$35,000	\$41,907	\$52,600	using cleaning service not custodian
Youth Program	\$500	\$0	\$0	
Interest Expense	\$90	0	\$0	
Total Non-Payroll	\$70,675	\$85,136	\$90,000	
Staff Compensation and Benefits				
Senior Pastor with Benefits	\$98,171	\$98,514	\$101,396	
Interim Pastor / Pulpit Supply	\$600	\$456	\$2,000	
Faith Formation/Education	\$8,125	\$288	\$1,300	
Nursery	\$450	\$0	\$300	
Director of Music	\$14,040	\$14,040	\$14,500	
Office Manager/Coordinator	\$30,000	\$30,167	\$33,800	
Sexton/Custodian	\$16,500	\$8,146	\$0	
Staff Benefits (other than Pastor)	\$0	\$0	\$0	
Payroll Taxes& Worker's Comp	\$6,000	\$5,305	\$4,550	
Total Payroll	\$173,886	\$156,916	\$157,846	
Total Expenses	\$272,561	\$269,424	\$275,846	
Net Surplus or Deficit	\$2,058	\$13,265	-\$17,768	

Status of Consolidated Funds		12/31/2022	End Bal	Working	Undesignated	Designated	Endowment
General Fund			\$125,208.46	\$125,208.46			
Ministry at the Doorstep Fund			\$760.90			\$760.90	
Good Earth Group Fund			\$1,398.99			\$1,398.99	
Undesignated Gift Fund			\$59,076.30		\$59,076.30		
Music Fund Fund			\$0.00			\$0.00	
Memorial Garden Fund			\$2,131.28			\$2,131.28	
Family Promise of Greater Phx Fund			-\$338.64			-\$338.64	
In & Out Fund			\$6,722.94	\$6,722.94			
Turley Memorial Garden			\$2,302.87			\$2,302.87	
Annie Mae Keys Memorial Fund Fund			\$0.00			\$0.00	
Books Fund			-\$103.92			-\$103.92	
Shepherd Sisterhood Fund			\$268.11			\$268.11	
Endowment Fund Fund			\$118,457.46				\$118,457.46
Afghan Family Fund			\$3,034.60			\$3,034.60	
Replacement Fund			\$3,702.80		\$3,702.80		
Asylum Seekers Fund			\$0.00			\$0.00	
Parish House Sale			\$1,103,366.91		\$1,103,366.91		
English as a Second Language			-\$217.25			-\$217.25	
			\$1,425,771.81	\$131,931.40	\$1,166,146.01	\$9,236.94	\$118,457.46
STATUS OF CONSOLIDATED AND ENDOWMENT FUNDS							
AS OF 10/31/2022		12/31/2022					
CONSOLIDATED FUNDS:							
WORKING FUNDS			\$131,931.40				
UNDESIGNATED FUNDS			\$1,166,146.01				
DESIGNATED FUNDS			\$9,236.94				
TOTAL CONSOLIDATED FUNDS			\$1,307,314.35				
ENDOWMENT FUNDS			\$118,457.46				
TOTAL FUNDS HELD			\$1,425,771.81				