

January 27, 2021

Christ First Budget Report for 2021

The first item is Identified Givings of \$412,000, our major source of revenue at 62.6% of total receipts. \$372,000 is based on the results of the annual stewardship campaign recently completed. Of the 341 households appearing on the church directory, 143 actual pledges were received totaling \$339,000, and after factoring in those supporters on par who did not formally respond, as is the experience each year, the number increases to 192 givers and \$371,000. The balance of \$41,000 is projected to come from those households (54) who do not normally provide a pledge or have not submitted an Estimate of Givings card this year plus donations from adherents and visitors, etc.

The next item is the Compass Donations of \$10,000, the same amount as last year and which relates to the amount we commit to even if actual donations fall short of this amount. Based on 2020 results of over \$17,000 and our experience over many years, donations will likely again total well in excess of this amount. Regardless of the amount, it is automatically remitted to the Compass and, therefore, has no impact on the bottom line.

As will likely be the case this year, loose givings will again be impacted by Covid, resulting in a reduced budget amount of \$1,000 and a nominal amount for Sunday School.

With current economic times, existing rates on investments continue to be suppressed resulting in no increase to the budget amount of \$5,000. The bulk of the revenue comes from earnings on the Manse Funds that are transferred to the general operating account to help offset the housing allowance portion now incorporated in the overall ministry remuneration package.

“Spring Thing” will not be happening again this year. It is anticipated economic conditions should improve as we look forward several months and the \$5,000 relates to a money raising event in late Fall that we should be able to hold.

The rent figures for the Clarkson and Port Credit campuses are provided as a best estimate with rentals increasing later in the year to more normal operating conditions once Covid restrictions are brought under control.

Projects and Sundry receipts are set at \$5,000. Until such time as the church can be re-opened, normal events cannot take place such as Pancake Supper, Easter and Funeral receptions/celebrations of life, etc., in the early months.

Thanks again to First United Foundation. \$2,800 will be forthcoming this year. One half is directed to Outreach and the other half to maintenance of the Port Credit Campus.

M & S Designated Donations - \$15,000. This segment was established for those members who wish to donate additional dollars for this cause. In this regard we feel it is important to again comment with respect to the difference as to how dollars are collected for the mission of the

United Church of Canada under the unified budget that is in effect here at Christ First, versus the split budget approach that was followed at First United before the amalgamation. For every dollar that you donate to Identified Givings under the budget line at the top of this report, 13% will automatically be set aside for remittance to the Mission & Service fund at the United Church. This way everyone contributes to this important segment. For those members who wish to donate additional dollars to this cause, this is the account that you would designate to be credited. Under the split budget approach, on one side you would have the day to day operating budget that you would contribute to and on the other side would be a separate part for those members who also wished to support the Mission & Service program of the United Church of Canada. If it is your wish to maintain approximately the same overall financial commitment as before, you need to keep the 13% factor mentioned above in mind to do so, by increasing the amount directed to the day to day operating expenses of Christ First, with a corresponding deduction to the Mission & Service amount.

The final item is \$58,136. This is a best estimate at this time of the percentage of salaries that should be recoverable under the government Wage Subsidy program.

Total revenues are projected to come in at \$657,841. We will now look at the expense side.

The UCC-Mission & Service amount of \$53,560 represents the 13% of the \$412,000 shown above under Identified Givings. The next item of \$15,000 is the offsetting amount of the Designated Donations to Mission & Service, reported above under revenues and supporting comments.

This is followed by the UCC-Denominational Assessment of \$21,006. There will be an increase in next year's amount under the new funding model introduced in 2019.

Christian Community Outreach activities are next at \$10,000 which includes the Open Door, Bighead River Food Grains, a provision for new initiatives and the offsetting amount of \$1,400 being one half of the funds received from the First United Foundation shown above under revenues for outreach, recipient yet to be determined.

The following amount of \$10,000 is the commitment to the Compass and offsets the same amount shown above under receipts as the second item. If for some reason donations of \$10,000 are not received, we are still committed to remit this amount.

Next is Church Support of \$3,360, relating to the 2021 stewardship program next Fall.

This is followed by Communications at \$8,284. This includes the costs of maintaining the Website, Internet (high speed), Facebook, Annual Subscriptions, Production of Happenings, Annual Report, Advertising and Church Brochures and Publications. The significant reduction to last year's expenses is mainly due to costs related to signage, new logo and branding which are now behind us.

Next we have \$2,000 to cover sundry expenses of the Church Council and to fund possible new initiatives. \$750 for Congregational Support is for sundry expenses. Next is \$2,500 for Future

Planning Group in case of need in meeting mandate requirements. \$1,000 is being set aside to cover any sundry expenses by our representative(s) on the Horseshoe Falls Regional Council.

This is followed by Ministry & Personnel costs at \$317,570 and the major expense item at 49.7% of general operating expenses for the year. In keeping with policy guidelines approved by the Executive of General Council of the United Church, normal salary adjustments for our staff plus all allowances have been provided for. The benefit categories are a major contributor to the significant increase over last year. If the projected transition to a new employed senior minister takes place say in mid to late summer, then in keeping with established guidelines, all benefit costs will come into play. Another contributing factor is the engagement of a technical director required for the production of the virtual church services because of Covid. Following a move back to normal in-person services, etc. it is expected that streaming of the services will also become a reality. On a positive note, the provision for the engagement of a drummer for the 9:02 band included in last year's budget has been removed.

Next we have the Office budget at \$18,722 with the major expense categories being telephone, stationery, photocopier lease and copies, technology related costs and maintenance of equipment. With the new logo, etc. now in place, new business envelopes will also be purchased. The new photocopier lease negotiated in early 2020 is the main factor contributing to the overall budget total when compared to last year, but at the same time it cancelled a significant lease at the Port Credit campus resulting in a greater offset in expenses on that side.

This is followed by Property-relating to operating expenditures of both (Clarkson -\$77,705) and (Port Credit - \$65,692) campuses including utilities, insuring and general maintenance and improvements of the buildings and surrounding lands relating to 22.44% of total expenses. In the year over year budget comparison a favorable variance of \$11,000 is reflected.

The Property Planning Ministry amount of \$1,000 is for miscellaneous expenses as necessary.

\$4,500 is for Accounting. This is in keeping with our past experience and allowing for normal increases of costs year over year.

Spiritual Development comes in at \$7,700. Most of the reduction in budget expenses comparison year over year is attributed to the effect of Covid conditions. All things considered at present, it would not be surprising to see actual costs come in well below the budget amount.

Next we have Welcome & Fellowship at \$6,556. Primary expense categories are funeral receptions, Chicken BBQ, Lunch on the Lawn, Pancake Supper and social time after services etc. Again, until Covid implications are brought under control none of the aforementioned activities can be held.

\$11,049 is provided for Worship with specific categories being all music programs for both services, Chancel Guild requirements, Anniversary Sunday, engagement of hosts for in person services, special events and funds for the piano and organ tunings and repairs as necessary. The engagement of someone with the necessary expertise for the production of our virtual services

did take place but rather than expense the cost here, this was processed through the payroll segment of the Ministry and Personnel budget. This represented a permanent reduction of \$3,500 for this purpose that was included in the 2020 budget. All other budget lines have been reduced based on a best estimate date as to when we will be able to return to normal activities.

Lastly we have an expense of \$1,000 relating to the \$5,000 Fundraising amount documented under the above revenue section.

With total expenses of \$638,994 compared to receipts of \$657,841, a surplus of \$18,847 is forecasted, for the day to day operating portion.

Looking at the Extra Ordinary Income category, the first item is the revenue amount of \$22,400 on hand to assist with the Capital Expenses recorded below. The majority of these funds include approximately \$4,400 held in the Capital Improvements Fund, \$2,500 of a member's donation for this purpose and an estate bequest of \$15,000 from a family member of congregational members, designated for the renovation of the upstairs kitchen.

Under the Extra Ordinary Expense section, an amount of \$32,100 is recorded for the Ministry & Personnel Committee in their search for a new candidate to assume the lead minister position at Christ First. This is not a simple task and given the limited number of applications to Christ First, the Search Committee has extended its search for candidates to all parts of Canada. COVID is also making the process more challenging which may impact expenses. The relative search budget based on research and input from a variety of sources indicates major dollars could be incurred. If the decision is made to select someone located in another part of Canada, it has been determined that moving costs alone could range between \$15,000 and \$25,000. While costs will be managed as much as possible by doing initial interviews via Zoom, the Search Committee needs to have the option of doing an in-person interview before making the final selection. This could involve travel, accommodation, some food and refreshments etc. In addition, advertising and the possibility of professional reference checking expenses mean an additional \$7,100 could be needed.

The updated list of capital improvement projects provided total \$65,000. The ones of highest priority are the installations of Air Filtration Systems for the Clarkson and Port Credit Campuses relating to Covid-\$30,000, Upper Kitchen upgrade-\$15,000 offset by funds designated for this purpose and the Pig Valley roof leak by the elevator-\$7,000. There are 4 other projects with an estimated combined cost of \$13,000, two of which were part of projects listed in 2020. While this results in a bottom line shortfall of \$56,000, given the favorable results realized over recent years and a combined member equity position of \$223,000, funding of same should not be a major concern.

Clarke Grice

Chair of Finance