

## **2020 Preliminary Finance Committee Report**

### **Members of the Finance Committee**

Jane Ridout (Chair), Larry Little, Diane MacLeod (ex-officio, Envelops Secretary), D. J. McCready, James Ravenscroft (ex-officio - Minister), Gord Saul, Lynn Townsend (ex-officio - Treasurer of UCW), Bill Warrick, Jane Wedlock).

The Finance Committee wishes to acknowledge the contributions of Deb Fratin, Office Administrator, to our work and to the congregation at Richmond Hill United Church.

This report includes the following:

1. Consolidated results for the year ended December 31, 2020
2. Results for the year ended December 31, 2020 for the General Fund, compared to the budget;
3. A statement of financial position at December 31, 2020.

The full financial statements and the 2021 budget will be presented to the congregation at the congregational meeting on May 2. The reason the budget is delayed is because of uncertainties created by the pandemic, particularly related to rental income and government assistance. The Church Board has approved a preliminary budget.

### **Overview**

Richmond Hill United Church experienced financial hardship because of the pandemic. However, two significant special gifts allowed us to present much better financial results. One gift was a \$40,000 special gift from a member of the congregation and the other was a \$10,000 bequest from the estate of a long serving member of the congregation. Also, the church received \$33,400 from the Canada Emergency Wage subsidy. This was a measure brought in by the federal government to assist organizations who experienced revenue drops because of the pandemic. Lastly and most importantly, the congregation continued to support the church, with a number of people making contributions in excess of their pledges, and 8 new households making regular contributions and 16 new members making one time contributions in 2020.

The major unanticipated expenses were the important upgrades to the AV system of \$45,000 in 2020 that have allowed us to improve our ability to deliver services virtually.

As a result of the above, consolidated revenues were less than consolidated expenses by \$18,950. With bequests and memorial gifts factored in, General Fund revenues exceeded expenses by \$28,952. Without these funds the General Fund has a shortfall of \$24,105.

**RICHMOND HILL UNITED CHURCH**

Statement of Operations and Changes in Fund Balances

For the year ended December 31, 2020

	<i>Actual</i> 2020	<i>Actual</i> 2019	<i>Difference from Prior</i> <i>Year</i>	
			\$	%
<i>Receipts</i>				
Contributions	\$ 332,947	\$ 340,147	-\$ 7,199	-2%
Bequests and Memorial Gifts	53,057	9,551	43,506	456%
Space Rentals	65,755	132,614	(66,859)	-50%
Grants	2,091	16,007	(13,915)	-87%
Fundraising	1,504	9,296	(7,792)	-84%
Investment Income	5,525	6,096	(571)	-9%
Additional Revenues	33,702	12,488	21,213	170%
<b>Total Income</b>	<b>494,582</b>	<b>526,199</b>	<b>\$ (31,618)</b>	<b>-6%</b>
<i>Disbursements</i>				
Mission and Service	\$ 35,189	\$ 36,379	\$ 1,190	3%
Outreach, Lenten & Advent Givings, Breakfast Cub	3,165	7,813	4,648	59%
Ministry & Personnel	304,762	295,693	(9,069)	-3%
Property, capital expenses	70,931	27,428	(43,502)	-159%
Property, operating expenses	34,910	41,006	6,097	15%
Administration	39,705	40,576	871	2%
M.A.P.	18,829	26,539	7,709	29%
Committees	6,041	13,033	6,992	
<b>Total Expenditures</b>	<b>513,531</b>	<b>488,468</b>	<b>\$ (25,063)</b>	<b>-5%</b>
Excess (Shortfall) of Income over Expenses	\$ (18,950)	\$ 37,731	\$ (56,680)	
Funds, Beginning of Year	\$ 432,020	\$ 394,289		
<b>Funds, end of year</b>	<b>\$ 413,070</b>	<b>\$ 432,020</b>		

This is a consolidated statement of operations, which shows results for the church across all funds. We hope that this statement gives a complete picture of the financial results, including outreach and mission and service contributions.

**Notes:**

1. This amount includes contributions *received* by the church for all funds, including General, Mission and Service, Building, Accessibility, Harry Sayers, Organ, Lenten and Advent offerings, and Breakfast Club funds. The amount *disbursed* by the church is reflected in expenditures. Contributions are higher than budget because Contributions have declined from 2019 because of reduced support from people who have moved away or passed away.

2. As previously noted, in 2020 we received two special amounts, one a special gift from a member of the congregation of \$40,000 as well as a bequest of \$10,000 plus a small amount that was the residual from a previous bequest. The balance represents memorial gifts.

If we choose to transfer the bequests and memorial gifts<sup>1</sup> to the Bequest and Memorial Funds then there will be a \$24,105 shortfall, resulting in an accumulated surplus in the General Fund of \$84,065 (2019 - \$108,170). In 2021 we expect to draw down on these funds, since the 2021 budget is expected to show that the income for the General Fund will be insufficient to cover General Fund expenses due to contributions from the congregation being less and rental revenues continuing to be less than pre-pandemic levels.

3. Our space rentals were significantly less as a result of the building being closed from the middle of March until late August due to the pandemic. Also, many of our tenants did not return in the fall. The manse was not rented until October 2020.

4. Grants received in 2020 support Breakfast Club programmes.

5. Fundraising revenues include the 2020 Sock Hop, cash cards and jam sales.

6. \$33,431 of other revenues represents government emergency wage subsidies.

7. Disbursements for Mission & Service of \$35,189 are slightly higher than the budget of \$33,500.

8. Outreach, Advent and Lenten Givings show the amounts paid to charities, as well as amounts spent on programmes, including Krasman lunches and Breakfast Club. At the end of 2020 amounts raised for Advent Givings were still in the fund as they had not yet been disbursed. In addition,

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<sup>1</sup> It has been the practice at Richmond Hill United Church to move undesignated bequests and memorial gifts to separate funds so that these gifts can be used for special projects that arise from time to time. However, because we expect to have a shortfall in 2021, these funds might be required to pay for General Fund expenses, so consideration should be given to leaving these amounts in the General Fund. There will be a recommendation in this regard at the Congregational meeting on May 2

there are amount raised in 2019 Advent and Lenten Givings for projects to engage youth in environmental initiatives that were not able to be carried out in 2020.

9. M&P expenses were slightly more than 2019 because of cost of living raises and because we did hire a part-time custodian for part of the year. However, these amounts were not as high as expected because no expenditures were made on continuing education and honorariums were lower.

10. Capital spending in 2020 is as follows:

AV System	45,506
CD Roof repairs	19,325
Manse	3,224
Office computer	675
Other	2,200
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	70,931
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11. The other property expenses were less mainly because water expenses were significantly less, electricity was slightly less and maintenance expenses, which include cleaning supplies, floor mat service, etc. were less because of the building being closed for almost 6 months. Note that while the building was closed our custodian, Dan Plourde did continue to work and was able to accomplish a significant amount of maintenance.

12. Administrative expenses were not significantly different from the prior year.

13. Committee expenses were less because of the pandemic, particular, worship and music and Christian Development expenses.

14. M.A.P. spending was less than budget because while the process is ongoing there have been delays because of the pandemic, so work planned for 2020 was altered or deferred to 2021.

**RICHMOND HILL UNITED CHURCH**

(UNAUDITED)

## Statement of Operations and Changes in Fund Balance, General Fund

For the year ended December 31, 2020

	<i>Actual</i> 2020	<i>Budget</i> 2020	<i>Difference</i>	
			\$	%
<b>INCOME</b>				
General Fund Contributions:				
Pre-authorized contributions	\$ 152,194	\$ 157,000	\$ (4,806)	-3%
Envelope Givings	101,082	86,000	15,082	18%
Loose Offerings	448	5,000	(4,552)	-91%
Total General Fund Contributions	253,723	248,000	5,723	2%
Space Rentals	56,755	116,000	(59,245)	-51%
Manse Rental	9,000	18,000	(9,000)	-50%
Bequests and Memorial Gifts, undesignated	53,057	-	53,057	
Fundraising	654	1,000	(346)	-35%
Investment Income	5,525	5,400	125	2%
Wedding & Funerals	-	2,000	(2,000)	-100%
Additional Revenues	33,702	1,000	32,702	3270%
<b>Total Income</b>	<b>\$ 412,416</b>	<b>\$ 391,400</b>	<b>\$ 21,016</b>	<b>5%</b>
<b>EXPENDITURES</b>				
Ministry & Personnel	\$ 304,762	\$ 335,000	\$ 30,238	9.0%
Administration				
Presbytery Assessment	14,738	14,450	(288)	-2%
Office Expenses	10,642	11,066	423	4%
Insurance	14,324	13,500	(824)	-6%
	39,705	39,016	(689)	-2%
Property				
Heating	13,620	14,500	880	6%
Hydro & Water	5,488	10,300	4,812	47%
Rental expenses	4,745	4,800	55	1%
Maintenance	11,056	16,200	5,144	32%
	34,910	45,800	10,890	24%
Committees				
Music & Worship	3,422	7,600	4,178	55%
Christian Development	18	7,650	7,632	100%
Fellowship	-	500	500	100%
Welcome	231	200	(31)	-16%
Council & Special Events	-	800	800	100%
Lay Pastoral Visitors	-	150	150	100%
Communications	-	1,000	1,000	100%
Generous Spirit	419	500	81	16%
	4,089	18,400	14,311	78%
<b>Total Expenditures</b>	<b>\$ 383,465</b>	<b>\$ 438,216</b>	<b>\$ 54,751</b>	<b>12%</b>
Excess (Shortfall) of Income over Expenses	\$ 28,952	\$ (46,816)	\$ 75,767	
Transfer to Bequest & Memorial Funds	(53,057)	-	(53,057)	
Decrease in General Fund	\$ (24,105)	\$ (46,816)	\$ 22,711	
General Fund, Beginning of Year	\$ 108,170	\$ 108,170		
<b>General Fund, end of year</b>	<b>\$ 84,065</b>	<b>\$ 61,355</b>		

RICHMOND HILL UNITED CHURCH  
Statement of Financial Position (Unaudited)  
December 31, 2020

	<b>31-Dec-20</b>	<b>31-Dec-19</b>
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash & current portion of marketable securities (Note 2)	\$ 84,457	\$ 111,512
Accounts Receivable	42,526	4,199
Prepaid expenses	1,239	229
<i>Total Current Assets</i>	<u>128,222</u>	<u>115,940</u>
Marketable Securities (Note 2)	354,316	349,143
<b>TOTAL ASSETS</b>	<u><u>\$ 482,538</u></u>	<u><u>\$ 465,083</u></u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 69,468	\$ 33,063
<b>FUND BALANCES</b>		
<i>Externally Restricted Funds (Notes 3 &amp; 4):</i>		
Special Gifts Fund	\$ 115,884	\$ 132,545
Building Fund	36,273	73,110
Harry Sayers Fund	26,365	26,365
Accessibility Fund	17,342	15,052
John Spanner Fund	675	675
Bursary Fund	100	100
Refugee Fund	2,418	2,418
Outreach Initiatives Fund	7,467	5,736
Breakfast Club Fund	5,746	4,170
	<u>212,269</u>	<u>260,170</u>
<i>Internally Restricted Funds (Note 5):</i>		
Bequests Fund	94,922	44,350
Memorials Funds	21,814	19,329
	<u>116,736</u>	<u>63,680</u>
General Fund	84,065	108,170
<b>TOTAL FUND BALANCES</b>	<u><u>\$ 413,070</u></u>	<u><u>\$ 432,020</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 482,538</u></u>	<u><u>\$ 465,083</u></u>