

MONEY MATTERS

2022 Narrative Budget



Staying Apart.
Praying Together.
Giving Our Best.

50
YEARS
Christ
Church
Deer Park

Christ Church Deer Park – There is Life Here

Several years ago, Christ Church Deer Park adopted the phrase **There is Life Here**. That phrase conveyed, in a single and powerful thought, that while yes, we have a beautiful building that has proudly stood at Yonge & Heath for more than 150 years, behind those walls and doors is a vibrant Christian community with lots happening each and every day of the week – There is Life Here.

This phrase has become even more significant as we enter our third year of COVID. Despite lockdowns which prohibited in-person gatherings, Christ Church has continued to remain faithful to its Ministries proving that there is still life here. We have continued our Sunday services, albeit online; Christian Education, Pastoral Care, and Outreach have all carried on. These activities have been supported and led by our energetic and resilient Rector supported by our incredible staff.

As we look to spring and the promise of Easter, we look forward to the re-opening which is on the horizon.

As a final opening comment – we are grateful to our parishioners who have remained faithful to their Church by continuing with their strong financial support despite not having in person services. Congregational giving constitutes almost 70% of our total income and almost 70% of that is given automatically every month through pre-authorized draws from a bank account or by credit card. In a no in person services environment, the fact that this income continues is absolutely critical.

With budget time upon us, we would ask that each of you have a look at your givings to Christ Church and consider an increase. To those who have not yet signed up for pre-authorized withdrawals from your bank account or credit card contributions, please contact the Church and do so. It matters a lot.

2022 Operating Budget

	2020 Actual (\$)	2021 Actual (\$)	2021 Budget (\$)	2021 Variance \$	Budget 2022
Revenues					
Givings					
Congregational Giving	545,344	459,242	454,400	4,842	461,100
Bequest & Memorial	5,444	6,440	3,200	3,240	6,600
	550,788	465,682	457,600	8,082	467,700
Facilities' Use	62,148	45,647	52,300	(6,653)	65,700
Investment Income	48,494	47,960	48,500	(540)	48,000
Organizations	500	-	-	-	1,000
Fund Raising	-	33,270	15,000	18,270	42,500
Other Revenue	184,720	45,064	21,100	23,964	44,700
Deferred Revenue	81,376	84,264	78,500	5,764	14,300
TOTAL REVENUES	928,026	721,888	673,000	48,888	683,900
EXPENSES					
Personnel					
Clergy	197,054	174,212	210,700	(36,488)	211,800
Lay Pastoral Staff	76,878	59,698	74,600	(14,902)	76,200
Music Ministry	72,917	61,790	56,900	4,890	64,400
Support Staff	205,646	190,060	195,200	(5,140)	210,400
	552,495	485,759	537,400	(51,641)	562,800
Property					
Repairs & Maintenance	62,528	76,148	82,100	(5,952)	77,000
Utilities	39,168	35,259	39,200	(3,941)	43,200
	101,696	111,408	121,300	(9,892)	120,200
Administration	35,767	35,990	33,900	2,090	36,200
Diocesan Assessment	146,675	154,903	154,900	3	150,200
Ministry					
Outreach	54,577	10,756	42,500	(31,744)	16,600
Christian Education	4,383	3,355	4,200	(845)	7,100
Liturgy	20,173	20,141	24,500	(4,359)	23,300
Other Expenses	16,881	18,876	12,600	6,276	22,400
TOTAL EXPENSES	932,648	841,189	931,300	(90,111)	938,800
Income / Expense before Transfers	(4,621)	(119,301)	(258,300)	138,999	(254,900)
TRANSFERS					
Interfund Transfers	48,999	84,231	77,000	7,231	90,500
Surplus (Deficit) after Transfers	44,378	(35,070)	(181,300)	146,230	(164,400)

Snapshot of 2021 Actual and 2022 Budget

Highlights	Comments
Total revenues in 2021 were \$721,884 vs \$928,024 in 2020	COVID hit in March of 2020 impacting revenues and expenses in both 2020 and 2021. Revenues for both years have benefitted from government and diocese subsidy programs
Total expenses in 2021 were \$841,187 vs \$932,649 in 2020	
Total revenue budgeted for 2022 is \$683,900	The revenue forecast for 2022 is lower versus 2021 due to a conservative approach. The expense forecast is higher versus 2021 as we return to full staffing
Total expenses budgeted for 2022 are \$938,800	
The 2021 deficit was \$35,070 after transfers from investment funds	The 2021 deficit was financed with the cash balance remaining from 2020. The 2022 budget is realistic in light of revenue challenges
The 2022 projected deficit is \$164,400	

Financial Commentary

REVENUES

Christ Church has four main sources of income: (i) Congregational giving; (ii) property use rental income; (iii) income from Church sponsored fundraising events; and (iv) investment income derived from its investment funds (mainly the Investment Fund and the Rectory Fund).

Our core Congregational giving has remained very stable. This is mainly because about 70% of our Congregational giving is through credit card and pre-authorized payment that continues to flow despite the lack of in person services.

Property use rental income is the most significant source of income that Christ Church has lost as a result of COVID. For 2022 we have projected income from property use higher than 2021, but not yet back to the pre-COVID income level. Once the Church is once again open to in person activities, re-establishing these revenues will be one of our top priorities.

Sponsored Church events also suffered from COVID closures. For 2022 we assume a limited return of Church sponsored events. There is optimism that a couple of events will likely occur, even if later in the fall.

Investment income is a critical component of the annual budget. The Church benefits from investment income derived from its Investment Fund and its Rectory Fund.

In 2021, the Church saw a significant and special fundraising campaign. Anchored by a generous matching gift from the Moore Family, we raised \$256,209. After using a portion of these funds for capital investments and deficit reduction in 2021, \$149,300 is available in 2022 for further capital investments and operations.

EXPENSES

The single largest expense for Christ Church in any year is personnel costs. The 2022 Budget accounts for personnel costs associated with a Pastoral Associate moving up to Associate later this spring. The 2022 Budget also assumes that with a return to in person services, other expenses will return to 2019 levels.

Christ Church has always had a robust music program which relies heavily upon paid choir leads. For the 2022 Budget, the amount allocated to choir leads is between the amounts spent in both 2019 and 2021. As well, we will be hiring a new Director of Music.

In 2022, we forecast a deficit of \$164,400. While investment income from our investment funds and the remaining funds from the Moore Family Challenge will reduce the deficit significantly, there is still work to do. Improvements in operating results (versus budget) are expected to close the remaining gap. However, this projected deficit is of significant concern to the Wardens and will be monitored carefully through 2022.

It is clear to all of us that Christ Church must increase its income. The Wardens will carry the following significant priorities into 2022 in relation to the 2022 Budget:

- i. examining ways to increase the rental income received for use of the Church building while remaining careful not to affect the culture of life at Christ Church;
- ii. reviewing Church sponsored fundraising events with a view of determining the role they play in the current and future life of our Parish and its finances;
- iii. growth of our Parish in terms of families that call Christ Church their home; and
- iv. begin to examine the tough choices that will need to be made if COVID does not recede.

What Do These Numbers Mean?

REVENUE

Congregational Giving

Includes all regular giving (PAR, Credit Card & Envelopes), plus weekly collection for all services. It also includes Canada Helps, United Way and Gift of Stock Donations. The 2022 Budget is based upon a combined view of 2020 and 2021.

Bequests & Memorials

There are no known bequests for 2022. Memorials donations for memorial, Christmas and Easter flowers; and memorial donations. 2022 is based on 2021 Actuals.

Facilities Use

Includes facilities rental to a number of outside users. The 2022 Budget based on a combined view of 2020 and 2021 and an expectation for a return to in person in 2022.

Investment Income

Investment income from the Investment Fund and the Rectory Fund. The 2022 Budget is based on 2021 Actual.

Fund Raising

Includes CCDP's fund raising initiatives through Rummage Sales, the Holy & Holly Festival and a Glad Tidings concert. The 2022 Budget based on building on 2021 activities.

Other Revenue

Includes government wage subsidy and Diocese Jubilee, funding from Toronto Employment and Social Services, and miscellaneous donations. The 2022 budget is based on 2021 actuals, except for subsidy programs.

Deferred Revenue

Includes planned Our Faith Our Hope funds to be used in 2022 for Live Stream costs. CCDP's Ministry Fund utilized to support our youth ministry program. 2022 Budget based on 2021 Budget.

EXPENSES

Clergy

2022 Budget has included one full-time clergy for the full year (Rector) and a full-time clergy for eight months (Curate). 2021 actual reflected 1 full-time Pastoral Assistant 8 months, as well as 1 full-time Rector.

Lay Pastoral Staff

Includes personnel expenses for Family and Adult Ministries.

Music

Includes cost for the Director of Music – 12 months and paid Choir Leads for Sunday worship service(s). 2022 Budget for Choir Leads, and other musicians is based on 2021 Budget plus a new Director of Music in 2022.

Administration & Custodial Staff

Includes one full-time administrative person and one custodial staff as well as one part-time administrative persons and part-time custodial staff. 2022 Budget based on 2021.

Repairs & Maintenance

Includes all expenses related to operating and maintaining the property. 2022 Budget based on 2022 Actual with increases due to repair of the elevator and kitchen hood.

Utilities

2022 Budget based on 2021 Actual.

Administrative Expenses

Includes audit, legal, accounting, bank charges, credit card charges and office related expenses. 2022 Budget based on 2021 Actual.

Diocesan Assessment

Our mandatory contribution to the ministry of the Church. 2022 Budget is based on the assessment that has been received.

Outreach

Includes costs of our community breakfasts, CCDP contribution to Faithworks and expenses for refugee family. 2022 Budget based on 2.5% of revenues, except for Refugee Expenses as per Refugee Committee.

Christian Education

Includes costs for Children's Ministry and Youth Programs, Vacation Bible Camp, Adult Ministry and other educational expenses. 2022 Budget based on 2021 Actual.

Liturgy

Includes costs for worship supplies and memorial flowers and Live Stream costs. 2022 Budget is based on 2021 Actual plus live streaming.

Other Expenses

Includes stewardship, parish forums, Rector's and Warden's discretionary expenses. 2022 Budget is based on 2021 Actual.

TRANSFERS

InterFund Transfers

The financial statements of the Church refer to investment income from the Investment Fund as transfers. 2021 transfers were from the Investment Fund.

The 2022 Budget is based on the permitted 5% withdrawal of the value of the Investment Fund as at December 31, 2021.

Surplus (Deficit) after Transfers

The 2022 Budget reflects a deficit. It is expected that income from the Investment Fund, the Rectory Fund and funds from the Moore Challenge will be sufficient to eradicate this deficit.

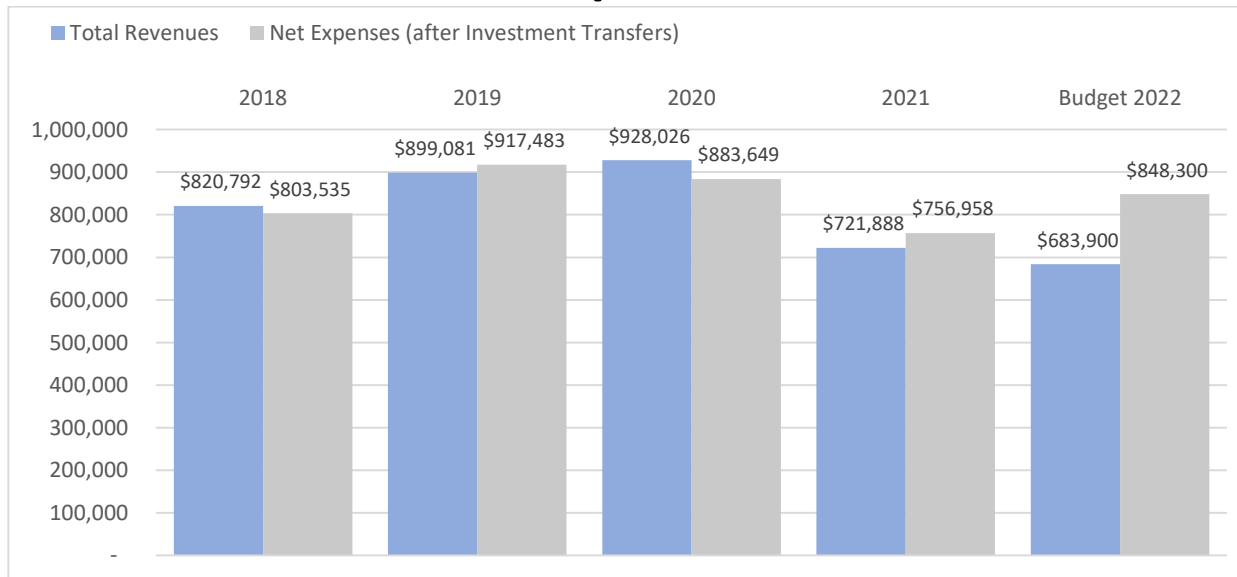
Investment Funds at a Glance

Name	Fund Balance December 31, 2020	Fund Balance ¹ December 31, 2021	Notes
RECTORY FUND	\$1,214,138	\$1,356,634	Money from the sale of CCDP's rectory years ago is invested with the Diocese. CCDP receives investment income from Rectory Fund annually.
INVESTMENT FUND²	\$1,699,619	\$1,810,560	The Investment Fund is the core investment fund of Christ Church and is managed by the Church. A withdrawal of up to 5% of the value of the Investment Fund as at December 31 in the previous year is permitted each year.
ST. ANDREW'S GROUP MONIES	\$11,955	\$13,585	Invested on behalf of St. Andrew's Group of Christ Church Deer Park.
MINISTRY GIFT	\$56,413	\$59,363	Gift from existing parishioner for ministry to children and youth.
OUR FAITH – OUR HOPE DIOCESAN CAMPAIGN	\$256,338	\$244,988	In the past has been for: <ul style="list-style-type: none"> • Communicating in a Wireless World • Leadership Development • Giving to Others • Revitalizing Our Inheritance
TOTALS:	\$3,238,464	\$3,485,130	

¹ All values taken from 2021 Audited Financial Statements, page 4 (Deferred Revenue and/or Fund Balances)

² Balance less \$85,000 loan to Operations and \$41,909 due to other funds.

Financial Historical Comparison





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150
YEARS
**Christ Church
Deer Park**