

# MONEY MATTERS

## *2024 Narrative Budget*



# Christ Church Deer Park

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*“But now thus says the LORD, he who created you, O Jacob, he who formed you, O Israel: Do not fear, for I have redeemed you; I have called you by name, you are mine. When you pass through the waters, I will be with you; and through the rivers, they shall not overwhelm you ...” (Is. 43:1-2)*

The words of the prophet Isaiah bring comfort and assurance – as we marked our first full year without any lockdowns, while still coping with the fallout of a global pandemic, we were reminded that God is with us through the deep waters. In times good and times challenging, God says to us: *Do not fear, for I have redeemed you; I have called you by name, you are mine.*

2023 may have been a year of ‘getting back on our feet’; but, 2024 will truly be a year of transitions. Our rector, The Venerable Cheryl Palmer, retires on June 1<sup>st</sup>. We thus look ahead to a time of interim leadership, followed by the selection of a new rector.

God continues to call Christ Church Deer Park, just as God continues to call each of us, to not be afraid of the deep waters, to not be afraid of growth or change or challenge. Like those who planted this church 154 years ago, we are God’s people, called by name and bearing witness to God’s story of love, life, and redemption to our neighbours at Yonge and St. Clair.

In 2024, as we say farewell to Cheryl (with a party, of course!) and welcome an interim priest, we are challenged to consider our stewardship to Christ Church. We should not be afraid or reluctant to give – whether of our time, our talent, or our treasure – to help our church so that we are in a strong position when our new rector arrives. God does more than we can ask or imagine, and we trust God to use our gifts and shepherd us through 2024.

We encourage everyone who calls our church ‘home’, to consider their offerings. If you aren’t already, please consider signing up for pre-authorized debit or monthly credit card giving. Your faithfulness truly matters.

# 2024 Operating Budget

|  | 2022<br>Actual (\$) | 2023<br>Actual (\$) | Budget<br>2023 (\$) | 2023<br>Variance \$ | Budget<br>2024   |
|--|---------------------|---------------------|---------------------|---------------------|------------------|
| <b>Revenues</b>                          |                     |                     |                     |                     |                  |
| Givings                                  |                     |                     |                     |                     |                  |
| Congregational Giving                    | 614,856             | 504,872             | 512,700             | (7,828)             | 497,277          |
| Bequest & Memorial                       | 87,379              | 27,674              | 11,900              | 15,774              | 12,670           |
|  | <b>702,238</b>      | <b>532,546</b>      | <b>524,600</b>      | <b>7,946</b>        | <b>509,947</b>   |
| Facilities' Use                          | 102,668             | 155,816             | 121,900             | 33,916              | 107,661          |
| Rectory Investment Income                | 49,902              | 50,387              | 49,900              | 487                 | 50,387           |
| Organizations                            | 250                 | 0                   | 300                 | (300)               | 0                |
| Fund Raising                             | 24,193              | 19,601              | 34,800              | (15,199)            | 26,000           |
| Other Revenue                            | 49,726              | 56,962              | 46,200              | 10,762              | 25,840           |
| Deferred Revenue                         | 25,013              | 143,721             | 23,200              | 120,521             | 157,497          |
| <b>TOTAL REVENUES</b>                    | <b>953,990</b>      | <b>959,033</b>      | <b>800,900</b>      | <b>158,133</b>      | <b>877,332</b>   |
| <b>EXPENSES</b>                          |                     |                     |                     |                     |                  |
| Personnel                                |                     |                     |                     |                     |                  |
| Clergy                                   | 212,662             | 232,366             | 228,000             | (4,366)             | 140,666          |
| Lay Pastoral Staff                       | 73,663              | 52,257              | 62,400              | 10,143              | 38,000           |
| Music Ministry                           | 81,637              | 93,881              | 105,800             | 11,919              | 115,456          |
| Support Staff                            | 279,603             | 262,473             | 237,500             | (24,973)            | 281,202          |
|  | <b>647,565</b>      | <b>640,977</b>      | <b>633,700</b>      | <b>(7,277)</b>      | <b>575,324</b>   |
| Property                                 |                     |                     |                     |                     |                  |
| Repairs & Maintenance                    | 103,842             | 89,136              | 97,900              | 8,764               | 96,653           |
| Utilities                                | 48,296              | 48,986              | 50,500              | 1,514               | 50,894           |
|  | <b>152,138</b>      | <b>138,122</b>      | <b>148,400</b>      | <b>10,278</b>       | <b>147,547</b>   |
| Administration                           | 47,199              | 37,024              | 47,900              | 10,876              | 38,748           |
| Diocesan Assessment                      | 150,160             | 140,718             | 140,700             | (18)                | 131,493          |
| Ministry                                 |                     |                     |                     |                     |                  |
| Outreach                                 | 17,370              | 90,018              | 13,500              | (76,518)            | 115,299          |
| Christian Education                      | 5,762               | 2,305               | 3,100               | 795                 | 2,450            |
| Liturgy                                  | 21,180              | 24,333              | 16,200              | (8,133)             | 17,759           |
| Other Expenses                           | 26,721              | 30,013              | 24,300              | (5,713)             | 40,006           |
| <b>TOTAL EXPENSES</b>                    | <b>1,068,095</b>    | <b>1,103,510</b>    | <b>1,030,400</b>    | <b>(73,110)</b>     | <b>1,068,626</b> |
| Income / Expense before Transfers        | (114,105)           | (144,477)           | (229,500)           | 85,023              | -191,294         |
| <b>TRANSFERS</b>                         |                     |                     |                     |                     |                  |
| Interfund Transfers                      | 90,500              | 82,156              | 80,000              | 2,156               | 83,500           |
| <b>Surplus (Deficit) after Transfers</b> | <b>(23,605)</b>     | <b>(62,321)</b>     | <b>(149,500)</b>    | <b>(82,236)</b>     | <b>(107,794)</b> |

## Snapshot of 2023 Actual and 2024 Budget

| Highlights  | Comments  |
|---|---|
| Total revenues in 2023 were \$959,033 vs \$953,990 in 2022          | 2023 was our first full year with no lockdowns since March 2020. Some revenue was lower than anticipated (givings, especially PAR & credit card; and, fundraising), while some was higher (rentals). Expenses reflected a building in use seven days a week and also staff transitions. |
| Total expenses in 2023 were \$1,103,510 vs \$1,068,065 in 2022      |   |
| Total revenue budgeted for 2024 is \$877,332                        | The revenue forecast for 2024 is lower than the 2023 actual due to conservative measuring of rental income and budgeting no increase to congregational givings.   |
| Total expenses budgeted for 2024 are \$1,068,626                    |   |
| The 2023 deficit was \$62,321 after transfers from investment funds | Vestry will be asked to cover the 2023 deficit from the Investment Fund. Overall, it was a much smaller deficit than we had anticipated.  |
| The 2024 projected deficit is \$107,794                             |   |

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# 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 quite stable year over year, but we have noticed a decrease in our core PAR and credit card giving since 2021. This is mainly due to a decrease in parish membership (i.e. deaths, people moving away, etc.).

Memorial giving was higher in 2023 due to many contributions in memory of David Moore.

Property use rental income was very strong in 2023; we have approximately 14 long-term ongoing tenants, and a number of consistent one-time renters.

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.

## *EXPENSES*

The single largest expense for Christ Church in any year is personnel costs. The 2024 Budget accounts for personnel costs associated with a full complement of clergy and increased support staff due to higher use of the building.

Christ Church has always had a robust music program which relies heavily upon paid choir leads. The 2024 Budget reflects that we hired a new Director of Music in January and anticipate a full music program this year, including the continuation of Jazz Vespers and Church on Tap.

In 2024, we forecast a deficit (before transfers) of \$191,294. While investment income from our investment funds will reduce this, there is still work to do.

It is clear to all of us that Christ Church must increase its income. The Wardens will carry the following significant priorities into 2024 in relation to the 2024 Budget:

- i. 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; and
- ii. growth of our Parish in terms of families that call Christ Church their home; and
- iii. working on a stewardship plan to help us as we move into an interim period with Rev. Cheryl's retirement

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# What Do These Numbers Mean?

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## 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 2024 Budget is based on 2023 Actuals.

### Bequests & Memorials

There are no known bequests for 2024, and are not forecasted. Memorials include donations for memorial, Christmas and Easter flowers.

### Facilities Use

Includes facilities rental to a number of outside users. The 2024 Budget is based on known and anticipated rentals.

### Investment Income

Investment income from the Investment Fund and the Rectory Fund. The 2024 Budget is based on projected income.

### Fund Raising

Includes CCDP's fund raising initiatives through Rummage Sales and the Holy & Holly Festival. The 2024 Budget is based on 2023 actuals, along with the plan for a full Holy & Holly Festival this year.

### Other Revenue

Includes miscellaneous donations, along with the Curacy and Archdeacon grants. The 2024 budget is based on 2023 actuals, except for the subsidy programs, which are both scheduled to end as Rev. Cheryl and Rev. Ali retire and end the curacy program, respectively.

### Deferred Revenue

Includes planned Our Faith Our Hope funds to be used in 2024 for a number of items, including Adult Ministry and Live Streaming costs. 2024 Budget based on 2023 Actuals.

## EXPENSES

### Clergy

2024 Budget has included full-time costs for Cheryl through May, Ali through August (tentatively), and estimates for an interim for the balance of the year.

### 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 the 10:30am worship service. It also includes the 9:15am music pilot project, which is funded through August. The 2024 Budget for is based on full staffing.

### Administration & Custodial Staff

Includes one full-time administrative person and two full-time custodial staff as well as one part-time administrative person and two part-time custodial staff. 2024 Budget based on 2023.

## EXPENSES (continued)

### Repairs & Maintenance

Includes all expenses related to operating and maintaining the property. 2024 Budget based on 2023 Actual.

### Utilities

2024 Budget based on 2023 Actual.

### Administrative Expenses

Includes audit, legal, accounting, bank charges, credit card charges and office related expenses. 2024 Budget based on 2023 Actual.

### Diocesan Assessment

Our mandatory contribution to the ministry of the Church. 2024 Budget is based on the assessment that has been received.

### Outreach

Includes costs of our community breakfast program. 2024 Budget based on 2023 Actuals.

### Christian Education

Includes costs for Children's Ministry and Youth Programs, Vacation Bible Camp, Adult Ministry and other educational expenses. 2024 Budget based on 2023 Actual.

### Liturgy

Includes costs for worship supplies and Live Stream costs. 2024 Budget is based on 2023 Actual.

### Other Expenses

Includes stewardship, parish forums, Rector's and Warden's discretionary expenses. 2024 Budget is based on 2023 Actual.

## TRANSFERS

### InterFund Transfers

The financial statements of the Church refer to investment income from the Investment Fund as transfers. 2023 transfers were from the Investment Fund.

The 2024 Budget is based on the permitted 5% withdrawal of the value of the Investment Fund as at December 31, 2023.

### Surplus (Deficit) after Transfers

The 2024 Budget reflects a deficit. It is not expected that additional income from the Investment Fund and the Rectory Fund will be sufficient to cover the deficit. While we hope to grow congregational givings and rental income, these may not fully cover the deficit and additional funds from the Investment Fund may be required.

# Investment Funds at a Glance

| Name                   | Fund Balance<br>December 31, 2022 | Fund Balance <sup>1</sup><br>December 31, 2023 | Notes  |
|------------------------|-----------------------------------|--|--|
| <b>RECTORY FUND</b>    | \$1,231,750                       | \$1,355,034                                    | Money from the sale of CCDP's rectory years ago is invested with the Diocese. CCDP receives investment income from Rectory Fund annually.  |
| <b>INVESTMENT FUND</b> | \$1,669,868                       | \$1,670,189                                    | 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. |
| <b>TOTALS:</b>         | <b>\$2,901,618</b>                | <b>\$3,025,223</b>                             |  |

<sup>1</sup> All values taken from 2023 Audited Financial Statements, page 4 (Deferred Revenue and/or Fund Balances)

# Financial Historical Comparison





