

Emmanuel Baptist Church Treasurer's Report @ MARCH 31, 2023

Operating Budget - Snapshot @ March 31, 2023		Capital Budget - Snapshot @ March 31, 2023	
General Offering Target for the Year	\$538,500	Capital Donations Target for the Year	\$2,000
YTD Budgeted General Offering	403,875	YTD Budgeted Capital Donations	1,500
YTD Actual General Offering	310,600	YTD Actual Capital Donations	2,417
YTD Reserve (Deficit)	<u>(93,275)</u>	YTD Capital Overage (Shortfall)	<u>917</u>

EMMANUEL BAPTIST CHURCH				
Statement of Receipts & Expenditures for the 9 Fiscal Months Ending March 31, 2023				
	Actual for the 9 Months July 1 to Mar 31 (20 PP's)		Budget (9 Months)	Budget Annual
	2022/2023	2021/2022	2022/2023	2022/2023
Receipts				
General Offering	310,600	428,648	403,875	538,500
Interest				
Total Receipts	310,600	428,648	403,875	538,500
Expenditures				
Ministry/Worship				
Worship	3,563	4,989	5,063	6,750
Care and Support	85	131	975	1,300
Discipleship	5,932	9,862	12,863	17,150
Outreach Ministries				
Denominational	6,897	21,432	12,116	16,155
Community/Missions Impact	0	7,808	1,125	1,500
Outreach Other	5,159	5,270	5,963	7,950
Fellowship/Hospitality	990	357	1,350	1,800
Personnel	293,758	296,321	293,000	359,921
Facilities	72,882	68,513	73,668	98,224
Administration/Other				
Office	11,162	20,562	15,338	20,450
Professional Fees	7,352	4,676	5,475	7,300
Total Expenditures	407,780	439,921	426,936	538,500
Net Reserve (deficit)	(97,180)	(11,273)		

FINANCIAL REPORT OVERVIEW:

- Program expenses in the categories above are netted against any corresponding cost recovery/income amounts.
- Expenses related to the Connection are included in the total expenses for each category listed above.
- Tables summarizing funds flowing in and out of Emmanuel's Externally Restricted Funds and the Externally Restricted Capital Fund are provided later in this report.

Year-to-Date @ March 31, 2023

- YTD general operating offerings are 28% lower than in the prior year and 23% below the budgeted donations.
- YTD general operating expenditures are 7% lower than at the end of March in the prior year, and 4% less than the amount budgeted for the first 9 months.
- Although there was a significant increase in donations in December, the revenues for the last 3 months followed the typical pattern of reduced revenues in the first quarter of a new calendar year. The result is that EBC's YTD **deficit** position (revenues less expenditures) continues to increase. If this trend continued without intervention, EBC would be in a serious financial position; however, several short-term and long-term solutions, other than donations, have been considered with the provision of a Line of Credit being implemented by the end of March. As a result, EBC's financial situation has been greatly **improved in the short term** but in is important to **emphasis that increased revenues, including general donations, are essential for EBC's long term viability.**

COMMENTARY ON OPERATING EXPENDITURES, INCLUDING THE CONNECTION, BY CATEGORY

Worship:

- Budgeted amounts include leadership development, instrument maintenance, music and copyright fees, devotional resources, communion supplies and special worship events.
- YTD expenses include communion & lent resources and display supplies, music copyrights, licenses, royalties, stream coverage, calendars, instrument maintenance, and devotional resources.

Care and Support Ministries:

- The budget for this category included funds for volunteer leadership training and support/recovery groups.
- YTD expenditures include workbooks (less course registration fees), and other care support supplies.

Discipleship Ministries:

- The total budget for Discipleship is grouped into five main program areas as summarized below.
- The budget for children’s programming included costs for curriculum, volunteer appreciation, and special events. Actual YTD expenses include general & kids camp supplies (less registration fees), royalty fees, and costumes.
- The budget for the Youth program included resources for youth discipleship, youth events and trips, youth leadership resources, youth weekly gatherings, and for general supplies and equipment. YTD expenses include corn maze tickets & bus charters, curriculum & games, concert tickets, snacks, youth night & event expenses, supplies & prizes for games, Youth Quake & pizza for family night, Youth Quake costs were partially recovered.
- Programming for our college ministry has not resumed since the outbreak of the pandemic.
- A major part of the budget for adult programming is for small group resources & training, leadership development, and discipleship electives. Also budgeted for are Heart Matters, marriage ministry resources, and other adult ministries. Actual YTD expenses were for Right Now Media and discipleship & conference teaching resources.
- The budget for senior’s ministry includes community development & fellowship, and the Growing in Grace & In-Motion (cost recovered) programs. Actual YTD expenditures were related to visitations and coffee supplies.

Discipleship Ministries - Expenditures Net of Cost Recovery						
Year-to-Date at March 31, 2023						
Program	Current Fiscal Year			Prior Fiscal Year		
	<i>Actual</i> July 1, 2022 Mar 31, 2023	<i>% of Annual</i> Budget	<i>Total Annual</i> Budget	<i>Actual</i> July 1, 2021 - Mar 31, 2022	<i>% of Annual</i> Budget	<i>Annual</i> Budget
Children	923	29%	3,150	4,434	89%	5,000
Youth	3,049	40%	7,650	3,587	49%	7,350
College	-	-	-	20	1%	2,000
Adult	1,812	37%	4,950	1,727	28%	6,150
Senior's	148	11%	1,400	95	5%	1,800
Totals	5,932	35%	17,150	9,862	44%	22,300

Outreach Ministries:

- Denominational – The budget for donations to the CBWC and the Quest is based on budgeted general donations (2% of donations for the CBWC and 1% of donations for the Quest). Actual donations are accrued monthly and are based on actual giving for the same month. Effective January 1, 2023, the Board approved a temporary suspension of general funding to both the CBWC and the Quest until EBC’s revenues increase. This suspension does not include designated funds to the Quest.
- Community Impact – The budget includes the Community Impact Fund and the Connections Community Development programs. No expenditures have been recorded year-to-date.
- Outreach Programs – The budget includes direct costs for the Connection, Christmas, Easter, and Lenten special events expenses plus general costs for advertising, training, royalty licenses, subscriptions, equipment, & our website domain membership. YTD expenditures were for the Share Faith website renewal, royalty fees, general supplies, and advertising. Also included were Christmas presentation and advent wreath supplies, Christingle supplies, Christmas presentation livestream video & equipment. Easter expenses included audio/electrical/cable rental, palm branches, and a LTIGLBlox purchase (a laptop interface that converts input from equipment such as laptops, computers, and CD players to a mic level balanced output).

Fellowship and Hospitality:

- The budget for these ministries includes various costs associated with the coffee bar, kitchen supplies, and church fellowship activities. YTD expenditures recorded for the year were for kitchen & coffee bar supplies, and the church barbeque supplies (less voluntary contributions made by diners at the lunch).

Personnel:

- The budget for Personnel includes staff salaries, employee health and insurance benefits, pension contributions, statutory expenses (CPP, EI & WCB), resource materials, continuing education, conferences, congregational visits, team building, and miscellaneous employee expenditures.
- Employee deductions, and pension & benefit contributions, are a function of paid salaries. YTD payroll salaries and employer paid statutory and other benefits have been expensed to the appropriate accounts to March 31.
- Actual YTD personnel expenses at the end of the third quarter are < 1% above the adjusted YTD budget (after the allocation of higher salary expenses for this period are factored in). Details of note are:
 - Staff salaries – less than 1% variance from YTD adjusted budget. Staff salary expenses are a function of:
 - The method used to allocate the budget for annual staff hours worked and paid throughout the fiscal year (salary continuance payments were fully allocated to the first 3 quarters of the year).
 - Administrative and custodial backup support was not utilized or budgeted for this year.
 - To date, EBC revenues do not support hiring any additional ministry positions.
 - Timing differences between when vacation is earned and expensed and when it is taken.
 - Staff benefits – primarily as a function of salaries resulting in a slight variance from YTD budget.
 - Employer paid Pension is calculated at 6% of pensionable salaries.
 - Employer paid Group Insurance/Benefit expense averages at approximately 4% of gross salary and is based on the benefits chosen by individual staff members.
 - Statutory deductions (CPP, EI and WCB) total approximately 8% of gross salary.
 - Other Staff expenses – only 26% of the YTD budget has been utilized to date.
 - Budgeted expenses include continuing education, mileage, books, staff planning, staff team building, and congregational visits.
 - YTD expenditures included mileage, books, and congregational visits,
- Emmanuel applied for and was approved for a Canada Summer Jobs grant for the 2022 calendar year enabling the church to hire an intern from May to September. The grant (\$6,491 received in late fall) covers 480 hours at minimum wage plus vacation pay and statutory deductions. Emmanuel budgets for and pays the difference between minimum wage and the actual hourly rate paid to the intern.

Facilities:

- The annual budget for this category includes utilities, regular facility maintenance and repairs, yard maintenance, telephone and internet services, garbage disposal, snow removal, insurance, carpet cleaning, small equipment and furnishings, and regular parking lot maintenance. Required computer assisted design fees, appraisal fees, and rezoning fees needed to move forward with EBC's plans to lease part of the facility were not budgeted for.
- Net YTD facility & yard expenditures, including all categories and "extras", are still slightly below budget.
 - Some significant improvements to the parking lot are budgeted for (\$10K); however, no actual expenditures have occurred YTD. Our current revenues do not allow for the major repairs and replacement that will soon become necessary. If the surface of the lot deteriorates to the point that the substrata is compromised, the project will eventually become more extensive and costly in the long run.
 - YTD Utilities including electricity, gas, water, garbage, phone, internet, and Zoom accounts are 5% over budget. All utilities are paid to mid-March except City storm fees (paid annually).
 - YTD facility maintenance expenses are below budget and include re-keying of the office wing, HVAC maintenance, paint for the Fellowship Hall, janitorial supplies, elevator maintenance, fire alarm testing & new batteries, and general building maintenance supplies.
 - YTD yard expenses are below budget and include lawn cutting, fertilizer & weed control, fall blowout, and snow removal & parking lot sanding. The YTD budget for major parking lot repairs has not been utilized.
 - YTD licensing & inspections fees have been paid and include required fees to move forward - a \$6,150 appraisal fee, a \$2,600 City of Saskatoon rezoning application fee, and a \$897 CAD reno design fee.
 - YTD furnishings & computer equipment exceeds the YTD budget because expenses for QuickBooks, Microsoft, PDF, and Anti-virus software plus the purchase of a printer and external hard drive for the accounting office laptop are annual expenses, and the YTD budget is based on 9 months.
 - Annual insurance payments have been paid for the year; however, expenses are recorded as accrued.
 - The church bus was sold in June; therefore, there is no budget or corresponding expenses for vehicles.
 - YTD facility rental and wedding & funeral cost recovery income totals \$1,595, exceeding expectations.

Administration (Including the Board) and Professional Fees:

- The budget for administration includes general office expenses such as stationery and supplies, copier lease & expenses, computer maintenance, bank charges, Board training & association fees, and accounting support. The budget for professional fees was based on the estimated fees for next year's annual audit.
- YTD expenses include general office supplies, postage, photocopier lease payments, accounting support, bank charges, the annual Power Church and QuickBooks software licenses, accrued audit fees, and the legal fees incurred to obtain EBC's Line of Credit (this expense was not anticipated when the budget was set last year).

COMMENTARY ON EMMANUEL’S EXTERNALLY RESTRICTED FUNDS:

- The table below summarizes funds flowing in and out of Emmanuel’s Externally Restricted Funds, focusing on outreach, over a two-year period to give a better picture of funding and disbursements over time. The donations allocated to any one of these funds are restricted to being used entirely for the purpose of the fund specified by the donor.
- Donations may be accumulated for an expenditure that can occur in a different year or even over a period of two or more years.
- The table below does not include Emmanuel’s Internally Restricted Operating Reserve Fund or the Externally or Internally Restricted Capital Funds.
- Emmanuel has reinstated the Memorial Fund as an interim fund so that legacy donations can be easily highlighted and tracked. Legacy donations allocated to this fund are meant to honor the memory of deceased loved ones. The Memorial Fund can ultimately be used for either operating or capital expenditures unless the donor has specifically stated how they want the legacy to be designated.

Externally Restricted Funds - For the Two Year Period Ending June 30, 2023 At March 31, 2023							
Fund	Prior Fiscal Year - July 1 to June 30				Current Fiscal Year To-Date		
Fund	Balance @ June 30 2021	Donations & Other Income	Disbursements, Adjustments & Transfers	Balance @ June 30 2022	Donations & Other Income	Disbursements, Adjustments & Transfers	Balance @ March 31 2023
Caring Fund	7,241	9,485	(13,963)	2,764	10,785	(7,404)	6,145
Hope Restored	-	582	(582)	-	70	(70)	0
Misc Committed	894	3,000	(3,000)	894	105	(90)	909
Memorial Fund	-	26,263	0.00	26,263	0	0	26,263
SPOC	-	140	(140)	-	0	0	0
Refugees	30,035	-	0.00	30,035	15,000	(837)	44,198
Short Term Missions	66	-	0.00	66	0	0	66
St. Vincent Relief	-	-	0.00	-	0	0	0
The Bridge	-	3,875	(3,875)	-	400	(400)	0
The Quest (Note)	-	5,180	(5,180)	-	2,300	(2,300)	0
Youth Missions	1,998	-	-	1,998	0	0	1,998
	40,234	48,525	(26,740)	62,020	28,660	(11,101)	79,579

The amounts re the Quest are donations specifically designated by donors and do not include the 1% of the same period's general donations as budgeted in denominational outreach.

COMMENTARY ON THE EXTERNALLY RESTRICTED CAPITAL FUND:

- Capital Fund expenditures in any year can differ significantly from year to year depending on what capital outlays are required. The chart below highlights that the expenditures in the past 3 years were much greater than anticipated for the current year because the capital needs were very different year-over-year.
- The current year's capital budget is exceptionally low. Generally, the Finance Committee recommends building up a reserve for major future building maintenance requirements whenever possible. Examples of major expenditures expected in the next several years are the overall re-paving of the parking lot, repairs to the roof over the sanctuary, and updating or replacement of the building's furnaces. It appears to be unlikely that EBC will be able to add to its reserves this fiscal year unless additional funds are donated for capital expenditures before the end of June.
- YTD capital donations are greater than the total annual amount budgeted to meet this year's anticipated capital budget for computer or other technical replacements.
- No expenditures for computer or other technological upgrades or replacements have occurred YTD by the end of the current month.
- It should be noted that annual giving to the Capital Fund in past years included generous legacy donations.

EXTERNALLY RESTRICTED CAPITAL FUND Statement of Cash Flows AT MARCH 31, 2023	Current Year Actual 2022/2023	Current Year % of Annual Budget	Curent Year Annual Budget	Prior Year Annual Actual 2021/2022	2 Years Ago Annual Actual 2020/2021	3 Years Ago Annual Actual 2019/2020
Capital Cash Inputs:						
Capital Donations Including Legacies	2,417	121%	2,000	10,119	148,658	93,812
Proceeds of Long Term Debt (CBWC)						115,000
Proceeds from the Sale of the Church Bus				2,850		-
Other						166
Total Capital Inputs	2,417	121%	2,000	12,969	148,658	208,978
<i>The Finance Committee recommends building up a reserve for major, future building or property maintenance requirements. These significant, upcoming outlays should be planned and "saved" for to reduce the risk of a sudden need that could require another loan plus interest payments. Examples of known, major upcoming expenditures are the overall re-paving of the parking lot, replacement of furnaces, and repairs to the roof over the sanctuary.</i>						
Capital Cash Outflows:						
Major Repairs - Roof						135,294
Purchases:						
Purchase - Sound System						49,386
Purchase - Live Streaming Equipment					13,779	
Purchase - Computers (approved by Board)			2,000	4,352	5,358	3,516
Purchase - Refrigerator for Kitchen					4,215	
Long-Term Debt (LTD) - CBWC Loan (Paid):						
Repayment of LTD - Principal					149,455	12,435
Interest on LTD					4,355	6,003
Total Capital Outflows	-	0%	2,000	4,352	177,162	206,634
<i>The table above provides the most common cash inputs and outflows. Some amounts that will impact the year-end Capital Fund balance such as depreciation or investment income/(loss) are not included as these expenses/income are only calculated at the end of the fiscal year.</i>						

REVENUE COMPARISON - GENERAL OPERATING DONATIONS

The data below highlights the pattern of reduced giving at Emmanuel over the last 4 years. At March 31, 2023 (75% of the year), YTD general operating donations totalled 58% of budgeted (\$538,500) operating revenues for the year.

Total general operating offerings (excluding capital donations) for the month **ending March 31, 2023** were **\$310,600**. The fiscal year is from July 1 to June 30. Total giving compared to the past 3 years prior to this fiscal year is provided below.

Actual YTD 2022/2023	310,600		
Actual YTD 2021/2022	(428,648)		
Variance - YTD	(118,048)		Total decrease in giving at March 31, 2023 vs 2022
			This is approximately a 28% decrease in total giving year over year
Actual YTD 2022/2023	310,600		
Actual YTD 2020/2021	(496,928)		
Variance - YTD	(186,328)		Total decrease in giving at March 31, 2023 vs 2021
			This is approximately a 38% decrease in total giving year over year
Actual YTD 2022/2023	310,600		
Actual YTD 2019/2020	(539,214)		
Variance - YTD	(228,614)		Total decrease in giving at March 31, 2023 vs 2020
			This is approximately 42% decrease in total giving year over year

In addition to the reduction in general operating revenues over the last 4 years, capital donations have also declined significantly over the same period of time. Capital donations at March 31, 2023 for the Fiscal Year were \$2,417. For comparison purposes, Capital donations for the fiscal year ending June 30, 2022 were \$10,119; for the fiscal year ending June 30, 2021 were \$148,658; and, for the fiscal year ending June 30, 2020 were \$93,812. The previous page of this report provides more details.

