

Emmanuel Baptist Church Treasurer's Report @ JUNE 30, 2023

Operating Budget - Snapshot @ June 30, 2023		Capital Budget - Snapshot @ June 30, 2023	
General Offering Target for the Year	\$538,500	Capital Donations Target for the Year	\$2,000
YTD Budgeted General Offering	538,500	YTD Budgeted Capital Donations	2,000
YTD Actual General Offering	390,797	YTD All Actual Capital Donations	9,307
YTD Reserve (Deficit)	<u>(147,703)</u>	YTD Capital Overage (Shortfall)	<u>7,307</u>

EMMANUEL BAPTIST CHURCH				
Statement of Receipts & Expenditures for the Fiscal Year Ending June 30, 2023 (AFTER Year End Adjustments)				
	Actual for the 12 Months July 1 to June 30 (26 PP's)		Budget (12 Months)	Budget Annual
	2022/2023	2021/2022	2022/2023	2022/2023
Receipts				
General Offering	390,797	567,165	538,500	538,500
Total Receipts	390,797	567,165	538,500	538,500
Expenditures				
Ministry/Worship				
Worship	5,911	6,606	6,750	6,750
Care and Support	123	164	1,300	1,300
Discipleship	10,974	15,174	17,150	17,150
Outreach Ministries				
Denominational	6,883	24,895	16,155	16,155
Community/Missions Impact	1,101	10,258	1,500	1,500
Outreach Other	7,182	8,747	7,950	7,950
Fellowship/Hospitality	1,413	395	1,800	1,800
Personnel	368,246	412,773	359,921	359,921
Facilities	92,049	90,181	98,224	98,224
Administration/Other				
Office	15,550	27,994	20,450	20,450
Professional Fees	9,177	7,300	7,300	7,300
Total Expenditures	518,609	604,487	538,500	538,500
Net Reserve (deficit)	(127,812)	(37,322)		

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 Operating Funds and the Externally Restricted Capital Fund are provided later in this report.

Year-to-Date @ June 30, 2023 (After Year End Adjustments)

- YTD general operating offerings are 31% lower than in the prior year and 27% below the budgeted donations.
- YTD general operating expenditures are 14% lower than at the end of June in the prior year, and 4% less than the amount budgeted for the fiscal year.
- EBC's YTD **deficit** position (revenues less expenditures) increased significantly over the prior year. At the end of the fiscal year, Emmanuel had withdrawn \$30,000 from the SCECU Line of Credit to cover regular operating expenses. In the short term, this withdrawal enabled the church to meet its financial obligations; however, it is important to emphasize that increased revenues from general donations, as well as various other sources, including leasing a portion of Emmanuel's property, 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 largely recovered.
- Programming for our college ministry has not resumed since the outbreak of the pandemic.
- The budget for adult programming is for small group resources & training, leadership development, discipleship electives, Heart Matters, marriage ministry resources, and other adult ministries. Actual YTD expenses are for Right Now Media fees, our Zoom license, and for conference, discipleship & lent 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 June 30, 2023						
Program	Current Fiscal Year			Prior Fiscal Year		
	<i>Actual</i> July 1, 2022 June 30, 2023	<i>% of Annual</i> Budget	<i>Total Annual</i> Budget	<i>Actual</i> July 1, 2021 - June 30, 2022	<i>% of Annual</i> Budget	<i>Annual</i> Budget
Children	1,012	32%	3,150	4,967	99%	5,000
Youth *	6,470	85%	7,650	7,724	105%	7,350
College	-	-	-	20	1%	2,000
Adult	3,309	67%	4,950	2,330	38%	6,150
Senior's	183	13%	1,400	135	8%	1,800
Totals	10,975	64%	17,150	15,176	68%	22,300
* YTD Youth Actual Expenses as listed are net of various cost recovery amounts plus a subsidy from the CBWC of \$750 to partially offset the expenses of taking the youth to SERVE this year						

Outreach Ministries:

- Denominational – The budget for donations to the CBWC and the Quest was based on budgeted general donations (2% of donations for the CBWC and 1% of donations for the Quest). Effective January 1, 2023, the Board approved a temporary suspension of general funding to both the CBWC and the Quest until Emmanuel’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. The YTD expense recorded is for the royalty fee for images.
- 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 LTIGL purchase (a laptop interface).

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.
- Total YTD personnel expenses at the end of June are approximately 2% above budget. Details of note are:
 - Staff salaries – slight variance from YTD budget. Staff salary expenses are a function of:
 - Staff hours worked and paid for throughout the fiscal year. Note that budgeted and actual salaries @ June 30 includes provision for the salary continuance paid to a former staff member from July 2022 until January 2023.
 - Administrative and custodial backup support was not budgeted for or utilized this year.
 - To date, EBC revenues do not support hiring any additional ministry positions.
 - Staff benefits – primarily 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 expenses average at approximately 4% of gross salary and are based on the benefits chosen by individual staff members within specified parameters.
 - Statutory deductions (CPP, EI and WCB) total approximately 8% of gross salary.
 - Other Staff expenses – only 42% 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 was initially approved for a Canada Summer Jobs grant for the 2023 calendar year enabling the church to hire an intern between Apr 24 & Sept 2, 2023. Emmanuel budgeted for the grant (\$7,379) which was intended to cover 490 hours at minimum wage (\$13/hour) plus vacation pay and statutory deductions (\$1,009). Unfortunately, Emmanuel was not notified that the payment of the grant had been withdrawn by the Canada Summer Jobs program until after the intern had worked and been paid for his hours.

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 but not expenses related to future leasing arrangements.
- Net YTD facility & yard expenditures are 6% below budget.
 - The budget for parking lot improvements was \$10K. The actual repairs to 2 catch basins totaled \$16,275. Of this amount, \$12,166 was allocated to the capital fund and \$4,109 was classified as operating. Our current revenues do not allow for the major repairs and replacement of the facility and property that may soon become necessary.
 - YTD Utilities including electricity, gas, water, garbage, phone, internet, & Zoom accounts are on budget. Utilities are paid until mid-June except City storm fees (paid annually).
 - YTD facility maintenance expenses, including parking lot repairs, are above 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 above budget and include fall blowout, snow & ice removal, parking lot sanding, lawn cutting, fertilizer & weed control, power raking, and parking lot sweeping.
 - YTD licensing & inspections fees have been paid.
 - To secure a Line of Credit for Emmanuel, it was necessary for the facility and property to be appraised (\$6,500) as these assets represent the security for the debt.
 - To prepare for EBC's lease arrangement, expenses reported in the year as capital building costs were the rezoning application fee (\$2,600), design fees (\$897), and engineering fees (\$1,230).
 - YTD furnishings & computer equipment is on budget and includes expenses for Microsoft, Anti-virus software plus the purchase of a printer and external hard drive for the accounting office laptop.
 - Annual insurance payments have been paid for the year.
 - YTD facility rental and wedding & funeral cost recovery income totals \$2,285, 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 and start up bank fees incurred to obtain EBC's Line of Credit.

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. The balance in the Memorial Fund @ June 30 was transferred to the Operating Fund to help reduce the operating deficit for the year.

Externally Restricted Funds - For the Two Year Period Ending June 30, 2023 At JUNE 30, 2023 AFTER Year End Transfers							
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 @ June 30 2023
Caring Fund	7,241	9,485	(13,963)	2,766	11,905	(8,533)	6,138
Hope Restored	-	582	(582)	-	70	(70)	0
Misc Committed	894	3,000	(3,000)	894	105	(105)	894
Memorial Fund Transferred to Operating Fund	-	26,263	0.00	26,263	0	(26,263)	0
SPOC	-	140	(140)	-	0	0	0
Refugees	30,035	-	0.00	30,035	15,000	(15,837)	29,198
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)	-	2,500	(2,500)	0
Youth Missions	1,998	-	-	1,998	3,546	(3,973)	1,571
Sub-Total	40,234	48,525	(26,740)	62,022			
Transfer to Internally Restricted Operating Fund @ Year End				32,622		(32,622)	
				94,644	33,526	(90,303)	37,867

The amounts re the Quest are donations specifically designated by donors

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. Emmanuel was unable to add to its reserves this fiscal year since additional donations for capital expenditures did not occur.
- 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; however, no expenditures for computer or other technological upgrades or replacements have occurred YTD.
- It should be noted that annual giving to the Capital Fund in past years included generous legacy donations.
- It was determined by the Board that purchasing a John Deere Tractor would be cost effective in the long run since several yard maintenance expenses such as lawn care and snow removal can now be handled by staff and volunteers rather than being sourced out to various for-profit businesses.

EXTERNALLY RESTRICTED CAPITAL FUND Statement of Cash Flows AT JUNE 30, 2023 (AFER Year End Recassifications)	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:						
General Capital Donations Including Legacies	2,942	147%	2,000	10,119	148,658	93,812
Donations Specified for John Deere Tractor (3)	6,365					
Proceeds of Long Term Debt (CBWC)						115,000
Proceeds from the Sale of the Church Bus				2,850		
Other						166
Total Capital Inputs	9,307		2,000	12,969	148,658	208,978
Capital Cash Outflows:						
Major Repairs - Roof						135,294
Major Repairs - Parking Lot Catch Basins (2)	12,166					
Purchases (approved by the Board):						
Purchase - Sound System						49,386
Purchase - Live Streaming Equipment					13,779	
Purchase - Computer Upgrades			2,000	4,352	5,358	3,516
Purchase - Refrigerator for Kitchen					4,215	
CAD Design Work re Building Renos for School (4)	898					
Engineering Review re Renos for School (4)	1,230					
City of Saskatoon Zoning Review re School (4)	2,600					
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	16,894		2,000	4,352	177,162	206,634

(1) 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.

(2) The total cost for the parking lot catch basins was \$16,275 (net of GST rebate); however, only \$12,166 could be allocated to the capital fund. This was the maximum amount that could be debited to the fund so that the balance was not reduced to less than zero.

(3) The purchase of the tractor was a cost effective way (instead of outsourcing the services) to ensure that the lawn could be maintained and snow removal be guaranteed now that EBC leases some of our facility to Allegro Montessori School. Funds were donated specifically for the tractor (\$6,365) and a down payment (\$1,000) was made in fiscal 2022/2023. The tractor was physically delivered and the balance owing (\$4,772) was paid in fiscal year 2023/2024.

(4) At the end of the fiscal year, the listed expenditures related to preparing to lease property to the Allegro Montessori school were reclassified from operating expenditures to the purchase of capital assets (building costs).

REVENUE COMPARISON - GENERAL OPERATING DONATIONS

The data below highlights the pattern of reduced giving at Emmanuel over the last 4 years. At June 30, 2023 (100% of the year), YTD general operating donations totalled 73% of budgeted (\$538,500) operating revenues for the year.

Total general operating offerings (excluding capital donations) for the month **ending June 30, 2023** were **\$390,797**. 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	390,797	
Actual YTD 2021/2022	<u>(567,165)</u>	
Variance - YTD	<u>(176,368)</u>	Total decrease in giving at June 30, 2023 vs 2022
		This is approximately a 31% decrease in total giving year over year
Actual YTD 2022/2023	390,797	
Actual YTD 2020/2021	<u>(643,822)</u>	
Variance - YTD	<u>(253,025)</u>	Total decrease in giving at June 30, 2023 vs 2021
		This is approximately a 39% decrease in total giving year over year
Actual YTD 2022/2023	390,797	
Actual YTD 2019/2020	<u>(699,441)</u>	
Variance - YTD	<u>(308,644)</u>	Total decrease in giving at June 30, 2023 vs 2020
		This is approximately a 44% 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 June 30, 2023 for the Fiscal Year were \$9,307. 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.

