

Finance Committee Report 2021

Coming out of an unprecedented 2020, 2021 was another challenging year for a great number of people in our congregation, including the pastoral staff, as we attempted to adapt to ever-changing health regulations and needs of our members. Building on a solid foundation of preparation from 2020, we were able to provide opportunities to connect in person as well as virtually for worship, spiritual connection and even a bit of fun!

As presented in November, we had a couple of months during the year with lower donations that impacted our overall donations for the year. While our congregation continues to be very generous, we are starting to see the real challenges of increasing operating costs that have outpaced our abilities to match them from donations alone.

We managed our expenses very efficiently this year, with the generous volunteer efforts required to providing in-person, live stream and pre-recorded services throughout the year. Many of our programs operated more infrequently, or remotely, and some have yet to return. This had an continued impact on programming costs. We also continued to save a modest amount on utilities, due to less use of the broader building, compounded by the positive impacts of heating system improvements.

A summary of how the activities of our church are reflected financially in 2021 is as follows:

Balance Sheet:

- ***Cash and Investments.*** Cash is down by \$20,000 from last year reflecting the net deficit for the year, combined with slightly lower amounts owing at the end of the year (accrued liabilities) and higher amounts prepaid for insurance and staff benefits.
- ***Accrued liabilities*** consists mainly of estimated amounts payable for missions, a few late invoices for snow clearing and elevator maintenance and Children's Collections not yet distributed at the end of the year.
- Within the ***Designated funds (Schedule 6)***, there are a few items to highlight:
 - **Bursary Fund:** We had no requests from the Bursary Fund in 2021.
 - **Mutual Aid Fund:** Funds were disbursed based on use of Recovery of Hope that exceeded our budgeted amount.
 - **Camp Worker Fund:** We collected some donations this year, and had another smaller outlay of expenses than previous years to support a few staff that were not covered by MC Manitoba.
 - **Perpetual Care Fund:** Consists of fees collected from church member burials, offset by continued maintenance costs for the cemetery.
 - **World Conference Fund:** We allocated the final budgeted \$2,500 to this Fund in accordance with our approved operating budget. Note that this fund will remain at \$10,000 until the next World Conference, when it will be used to support travel expenses for the conference.
 - **Bathroom Fund:** Some work was done during the year on the small basement (east) bathroom.

Statement of Income and Expenses:

In November, the forecast presented to the congregation showed a projected deficit of approximately \$11,600, based on projected expenses and estimating \$70,000 of donations during November and December. Both our expenses and donations came in largely as expected, resulting in a net deficit of \$11,930.

- ***Donation income*** Thanks to a strong response at the end of the year, we were able to balance the operations.
- ***Rental income*** was slightly lower than budgeted due to less than full rentals during the year.

- **Operating expenses (Schedule 1)** – Utility costs were below budget in 2021, primarily due to limited use of the sanctuary and other common spaces during the year. Our office and insurance expenses were as budgeted.
- **Salaries & Benefits** – Slightly lower than budgeted due to lower professional development costs, mileage reimbursements and staffing replacement was not required.
- **Building Administration expenses (Schedule 2)** – Repairs and Maintenance included minimal snow clearing, general maintenance and other small repairs. Equipment purchases included the last pieces of live streaming equipment.

Missions/Capital Subsidy Fund:

We had 8 months of support for Little Flowers as well as a deposit to replace basement windows that came out of this fund in 2021.

Please keep in mind as you make contributions that you are welcome to designate donations towards this fund if you are willing. We also encourage members to consider this for estate giving if that is an option.

Missions / Charitable support during the year:

Budgeted and non-budgeted contributions to the Conferences, educational institutions and other notable organizations throughout the year continues to be very important for our congregation. We make commitments which are often relied upon to make up part of their budgets. Below is a listing of the organizations that we have supported through budgetary and non-budgetary donations:

	<u>2021</u>
Mennonite Church Manitoba	49,550
Westgate Mennonite Collegiate	16,125
Mennonite Central Committee	6,035
Mennonite Disaster Service	3,540
Canadian Mennonite University	1,125
Little Flowers	4,075
Christian Peacemakers Team	665
Eden Foundation	300
Mennonite Church Canada - Poovong Ministry	5,000
Associated Mennonite Biblical Seminary	1,125
Bethania Mennonite Memorial Fund	500
Local Investment Towards Improvement	500
1 Just City	500
North Point Douglas WC	500
Thrive Community Support Circle	466
House of Hesus	475
Zatoun	475
St. Boniface Street Links	475
Ma-Mawi-Wi-Chi Itata Centre	500
Rosbrook House	766
West Central Women's Resource Centre	580
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	\$ 93,277

Respectfully submitted by your Finance Committee:

Kris Kornelsen, Bill Guenter, Larry Ens

SARGENT AVENUE MENNONITE CHURCH

Balance Sheet

December 31, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT		
Cash and Shares	\$ 64,963	\$ 85,852
Prepaid Expenses and amounts receivable	19,211	16,889
	<u>84,174</u>	<u>102,741</u>
ABUNDANCE CANADA INVESTMENTS	300,587	300,587
FIXED ASSETS, at cost	952,939	952,939
	<u>\$ 1,337,700</u>	<u>\$ 1,356,267</u>
LIABILITIES		
Accrued liabilities	\$ 6,137	\$ 7,390
Designated Funds (<i>Schedule 6</i>)	68,583	65,367
	<u>74,720</u>	<u>72,757</u>
RESTRICTED FUNDS		
Sargent Student Aid Fund	10,343	10,343
Missions/Capital Subsidy Fund	206,595	215,195
Invested in Fixed Assets	952,939	952,939
	<u>1,169,877</u>	<u>1,178,477</u>
UNRESTRICTED FUNDS	93,103	105,033
	<u>\$ 1,337,700</u>	<u>\$ 1,356,267</u>

SARGENT AVENUE MENNONITE CHURCH

Statement of Income and Expenses

For the Year Ended December 31, 2021

	2021 Actual	2021 Budget	2020 Actual
INCOME			
Budget Donations	\$ 288,680	\$ 321,575	\$ 310,569
Rental income	10,815	12,000	10,280
Other income	29	-	178
Total Budgeted Income	\$ 299,524	\$ 333,575	\$ 321,027
Thanksgiving Collection	6,750		4,775
Missions Collection	5,320		7,035
Total Income	\$ 311,594	\$ 333,575	\$ 332,837
EXPENSES			
Operating expenses	\$ 28,176	\$ 30,025	\$ 27,503
Salaries & Benefits	210,704	220,000	209,231
Building administration expenses	6,253	12,500	14,487
Church Program expenses	1,347	2,000	1,669
Conference expenses	-	1,000	2,910
Adult Ministries Team expenses	19	600	300
Youth/YA Ministries Team expenses	1,681	2,000	1,576
Children's Ministries Team expenses	249	2,000	287
Mission & Service Team expense	2,000	2,000	2,000
Music & Worship Team expense	1,825	2,250	1,073
Supporting the Larger Church Communit	59,200	59,200	59,200
Total budget expenses	\$ 311,454	\$ 333,575	\$ 320,236
Thanksgiving Disbursements	6,750		4,775
Missions Disbursements	5,320		7,035
Total non budget expenses	\$ 12,070		\$ 11,810
Total Expenses	\$ 323,524	\$ 333,575	\$ 332,046
EXCESS OF INCOME OVER EXPENSES	\$ (11,930)	\$ -	\$ 791
Clearing donations <i>(Schedule 5)</i>	\$ 10,462		\$ 11,994

SARGENT AVENUE MENNONITE CHURCH

Statement of Changes in Funds

For the Year Ended December 31, 2021

	Missions / Capital Subsidy Fund	Student Aid Fund	Total Restricted Funds	Unrestricted Funds
<i>Balance, December 31, 2020</i>	\$ 215,195	\$ 10,343	\$ 225,538	\$ 105,033
Interfund Transfers	-	-	-	-
<i>Adjusted balance, January 1, 2021</i>	\$ 215,195	\$ 10,343	\$ 225,538	\$ 105,033
Surplus (Deficit) from annual operations	-	-	-	(11,930)
Interest income earned	15,000	92	15,092	-
Little Flowers support	(4,000)	-	(4,000)	-
Basement windows	(4,600)	-	(4,600)	-
<i>Balance, December, 31, 2021</i>	<u>\$ 221,595</u>	<u>\$ 10,435</u>	<u>\$ 232,030</u>	<u>\$ 93,103</u>

SARGENT AVENUE MENNONITE CHURCH
Schedules to the Financial Statements
For the Year Ended December 31, 2021

	<u>2021 Actual</u>	<u>2021 Budget</u>	<u>2020 Actual</u>	
Schedule 1 - Operating Expenses				
Utilities	\$ 11,825	\$ 13,000	\$ 11,627	
Office and General	4,431	4,800	5,107	
Alarm & Fire	1,268	1,600	1,268	
Property Taxes	1,276	1,325	1,326	
Insurance	9,376	9,300	9,443	
Total	\$ 28,176	\$ 30,025	\$ 28,771	
Schedule 2 - Building Administration Expenses				
Repairs & Maintenance	\$ 2,634		\$ 3,124	
Furniture and Equipment purchases	650	\$ 10,000	5,771	
Janitor Supplies	406		800	
Elevator Maintenance	1,500		1,984	
Technology	1,063	2,000	1,361	
Kitchen Supplies	-	500	179	
Total	\$ 6,253	\$ 12,500	\$ 13,219	
Schedule 3 - Church Program Expenses				
Recovery of Hope	\$ 500	\$ 500	\$ 500	
Guest speaker honoraria	400	500	270	
Fellowship Meals and Special Events	447	1,000	899	
Total	\$ 1,347	\$ 2,000	\$ 1,669	
Schedule 4 - Missions				
Mennonite Church Manitoba	\$ 44,200	\$ 44,200	\$ 44,200	
Westgate	15,000	15,000	15,000	
Total	\$ 59,200	\$ 59,200	\$ 59,200	
Schedule 5 - Clearing Donations				
Junior Choir	\$ -		\$ 970	
Children's Collection	6,112		7,097	
Mennonite Church Manitoba	1,400		300	
Mennonite Central Committee	2,875		3,092	
Little Flowers	75		-	
Total	\$ 10,462		\$ 11,994	
Schedule 6 - Designated Funds				
	<u>Jan 1/21 Balance</u>	<u>2021 Income</u>	<u>2021 Disbursements</u>	<u>Dec 31/21 Balance</u>
Bursary Fund	\$ 657	\$ 1,150	\$ -	\$ 1,807
Food Services Fund	1,044	-	-	1,044
Mutual Aid Fund	1,144	-	520	624
Camp Worker Fund	500	3,000	1,785	1,715
Refugee Fund	6,181	710	-	6,891
Ullah Family	15,852	-	266	15,586
Poovong Family	1,492	4,015	5,408	99
Cemetery Perpetual Care Fund	18,656	3,390	846	21,200
World Conference Fund	10,000	-	-	10,000
Bathroom Renovation Project	9,841	-	224	9,617
Total	\$ 65,367	\$ 12,265	\$ 9,049	\$ 68,583