

Questions about the Church funds (or assets)

1. Question: What is the *Future Ministry Fund*?

Answer: This is a fund people can donate to, and the fund is used for expenses related to ministries directly administered by Christ Church. At our 2017 Annual Meeting of Vestry, a motion was approved regarding the Future Ministry Fund. The motion that carried was as follows:

“The Future Ministries Fund will support expenses only associated with ministry staffing and programming. For clarity, funds will not be withdrawn to support building maintenance/general operations costs.”

In Fiscal 2023, we were the fortunate recipient of a pledge to the Future Ministry Fund that has now been completed. This generous gift was applied to our staffing costs for the last year resulting in eliminating the proposed \$40,000 deficit budget. We have much to be thankful for.

2. Question: What is the *Heritage Fund*?

Answer: This is a fund that people can donate to, and the fund will be used to pay to preserve the heritage of Christ Church. In most cases this means major physical repairs to the church building. Like the roof, flooring, boiler, etc. For people familiar with condominiums, this is like a reserve fund. Every 10 years (or earlier) we have an engineering study done to establish what projected major projects will be needed. Please do not hesitate to ask for more information on how rules around the Heritage Fund (how money is managed and used) or the details of the latest engineering report.

3. Question: What is the *Consolidated Trust Fund*?

Answer: In the past, Christ Church had a property for the Rector to live in called a rectory. But most rectors (including Byron) would rather own their own property and receive a housing allowance rather than live in a rectory. Christ Church sold the rectory, and the Diocese has a fund that manages the proceeds of the sale on our behalf. Half of the interest is reinvested every year and half goes to the General Fund. In any given year, depending on market conditions, we receive between \$6,500 to \$7,500.

4. Question: What is the *General Fund*?

Answer: This the main fund of the church. Any donation, that is not explicitly for the Future Ministry Fund or the Heritage Fund, goes into the General Fund. All expenses that are not explicitly paid for by the Future Ministry or Heritage Funds are paid for out of the General Fund. The major source of revenue is the Sunday and Seasonal offerings and the major expense is salaries.

5. Question: Why don't I see in the financial statements: Faithworks, PWRDF (Primate World Relief and Development Fund) or other ministries (Coldest Night of the Year, International Christian Voice, Caring & Sharing, etc.) we support?

Answer: Christ Church is an incredibly generous family and supports many ministries in Brampton, across Canada and around the world. Many times, we raise funds that go directly to those organizations, and they don't flow through our books. You will see donated funds to these ministries reflected on your annual tax receipt and reported under Outreach in our Annual Vestry Report.

6. Question: How much money does the church have?

Answer: Christ Church has been blessed by God and the saints that have gone before us. We are in a strong financial position with well cared for property and funds with positive balances, because of very generous people in the past. As of June 30th, 2023, the balance in each of the funds is:

- Future Ministry: \$28,460
- Heritage Fund: \$177,178
- Consolidated Trust: \$414,644 (can only be used for a rectory)
- General Fund: \$168,363

Income Related Questions

7. Question: What is *Regular Giving* and how was the \$400,000 budget determined?

Answer: It is revenue donated by parishioners (with no special designation). Traditionally, this was mostly made up of donations done on a Sunday morning. Over the years, it has emerged that a higher percentage comes from preauthorized giving and electronic donations (including CanadaHelps & E-Transfers). We are committed to and thankful for any method of giving our parishioners choose.

While it is extremely hard to predict this most important budget item, we believe a 5% increase (on last year's actual General Fund) is reasonable. We are very much aware of the current economic conditions and prayerfully put this figure forward to our parish family at Annual Vestry.

8. Question: What is *Other Income* and why are we budgeting less than what was received last year?

Answer: *Other Income*, is income that comes to the Church from people other than parishioners. Throughout Covid, we received CEWS income (money from the government because of COVID) and that no longer exists.

9. Question: Where does *Rental Income* come from?

Answer: Rowntree Montessori School rents space in the basement. They have been an excellent tenant that made several improvements to the property. The rent increase has been agreed to.

In 2021, the City of Brampton started charging Christ Church Property Tax on the portion of our premises used by Rowntree Montessori as it is considered a commercial space rather than worship space (which is exempt from property tax). Last year, we paid back taxes owing and for those in the last fiscal year. Commencing in this fiscal year (July 1, 2023 to June 30, 2024), tax will be recovered from Rowntree Montessori. Annual property taxes are approximately \$1,800 per year.

10. Question: Where does the *Investment Income* come from?

Answer: This is half the interest from the Consolidated Trust Fund (see question #3)

Expense Related Questions

11. Question: How did the *Expenses* budget get set?

Answer: Expecting inflation, *Expenses* are budgeted as 3% greater than last year's actuals, except for *Salaries* and *Repairs and Maintenance*. At all times, we monitor our expenses to see where we can implement some savings. For example, most recently we were able to reduce annual costs by \$1900 by way of cancelling redundant services (Zoom) or renegotiating existing services (Bell). We try and keep our pencils sharp!

12. Question: Why are we budgeting our *Salaries* to be flat?

Answer: From time to time over the past number of years, we have had to consider this option as a difficult but prudent financial measure. It is important to recognize that our staff work extremely hard, and this is only put in place to control our expenses for the year. Additionally, please remember that our staff has benefited from salary increases over the last few years. It is our hope that we can review this measure in the next fiscal cycle.

13. Question: What is a *Diocesan Allotment*?

Answer: The Diocesan Allotment is the money Christ Church contributes to the operation of the Dioceses of Toronto and the wider Anglican Church. The amount is determined by a formula to ensure that costs are shared fairly across all parishes. Please note that in 2020 and 2021 churches (including Christ Church) received a *Jubilee* payment to help offset the impacts of COVID.

14. Question: Why are we budgeting *Repairs and Maintenance* to be flat this?

Answer: The Repairs and Maintenance line does appear to be flat but it is calculated on a 10% of last year's actual less the \$5,400 paid in City of the Brampton Property Taxes which was an extraordinary, one-off expense.

15. Question: What about last year's *Special Projects*?

Answer: Some of the projects we anticipated that were one-time cost were not required and/or remain uncompleted. That said, we have removed this line item from the budget. As a result of an accumulated cash reserve, these projects will be funded from the reserve. We also anticipate using

that same reserve to fund the replacement of our aging/obsolete soundboard and associated audio-visual components.

Some of us will remember money (\$120,000) being withdrawn from the Heritage Fund to the Organ Restoration in 2008. This is a similar need but will not require funds being released from the Heritage Fund. We would expect the overall expense to complete these projects will be less than \$50,000 and is outside the operating budget. We are very much committed to a thorough process of needs analysis and obtaining competitive quotes. As is our standard operating procedure, we will keep the parish informed. We are also mindful of not spending all our savings ~ much like how you might manage your household budget, we need to prepare for unexpected future expenses.

16. Question: What does Christ Church spend *Professional Fees* on?

Answer: The financial statements are produced by an outside accounting firm (as required by the Diocese) that does the work at a discount for us.

17. Question: Why don't we give more to outreach?

Answer: Christ Church is an incredibly generous family and support many ministries in Brampton, throughout Canada and around the world. The support takes many forms including volunteer effort, food donations, fund raising and more. Many times, we raise funds that go directly to those organizations, and they don't flow through our books. Much of that is reported in the 2023 Annual Vestry Report.

Unique in Fiscal 2023, was an additional gift Christ Church made to International Christian Voice in an emergency appeal to help sponsor Tebeeta Gill and family in June 2023.

18. Question: Why don't we spend more on church programs?

Answer: Most of the programs at Christ Church are self-funded.

Questions about the Bottom Line

19. Question: How did we do overall in the year ending June 2023?

Answer: Our regular offerings increased by 10% last year due in most part to an extraordinary pledge to our Future Ministry Fund. This combined with close attention to our expenses resulted in nearly break-even yearend results. Given that we passed a deficit budget of \$40,000 and are still emerging from the pandemic, we are very happy with this bottom line.

20. Question: How is the upcoming year looking from a financial perspective?

Answer: In these changing times it continues to be difficult to predict Sunday attendance or the type of ministries we will feel God's calling to, but we feel it this is an important time to use the assets of Christ Church to invest in coming out of the pandemic stronger than ever. We are encouraged to see increased attendance with people returning and new people finding us. Our F2024 budget calls for spending \$10,700 more money than we take in and use the funds saved for this exact purpose to fund the difference.