

Questions about the Church funds (or assets)

1. **Question: What is Investors Edge?**

Investor Edge fund comprises of equities bequeathed to the church in 2018 by a family, and the cash dividends it has accumulated over the years. In 2020/2021 during the COVID-19 lock down, we received Jubilee grants from Diocese and government CEWS program. A portion of the funds was invested in a GIC. We continue to invest surplus from previous years to prepare for a time when special monies would be needed for ministry purpose.

We are proposing to use a small amount of the current accumulated interests and dividends (\$5878.28) to hire the needed staff as we continue to rebuild-specifically, to fund our strategic approach to rebuilding our youth and family ministry.

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

Answer: These funds are donations made in the memory of a loved one who died. Some memorial funds are designated for the specific purposes such as, scholarships, purchase of worship and music equipment (instruments, chalices, processional cross etc.).

3. **Question: What is the *Building Fund*?**

Answer: This is a fund that people can donate to, and the fund will be used to pay to preserve the **heritage** of St. Paul's. 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

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

Answer: Consolidated Trust Fund comprise of Parish fund and Rectory maintenance fund, held by the Diocese of Toronto in trust. The amount invested is not much, but it continues to grow with modest dividend income for future use.

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

Answer: This the main fund of the church. Any donation that is not explicitly for the Building, Memorial Fund, Missions Fund, or Special ministries (Alpha, Backpacks etc.) Funds, 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 sources of revenue are PAR, E-transfer and Sunday offerings, and the major expenses are salaries and property costs.

6. **Question: Why do I only see \$22,271 directed to St. Paul's Food Bank?**

Answer: Donations to St. Paul's Food Bank flow two ways: 1) through donations made out directly to St Paul's on the Hill Food Bank, or 2) through donations made out to St. Paul's on the Hill Church but designated for the Food Bank. Although the St. Paul's Community Food Bank is a ministry of St. Paul's, for transparency and auditing purposes we are maintaining two separate accounts and, we *only* record as Food Bank expenses those donations made out through the church.

The Food Bank receives many more donations through its own fundraising mechanisms from the public and from donor companies.

7. **Question: What is the balance in these funds?**

December 31, 2022 , the balance in each of the funds is:

- Memorial Fund: \$ 4,383
- Memorial (designated) \$ 8,678
- Building Fund: \$ 30,925
- Consolidated Trust Fund: \$13,786 in Market value (Parish fund market value as of December 31, 2022); \$6,838 in Market value (rectory fund market value as of December 31 2022)
- General Fund: \$ 148,312
- Funds in “dormant accounts”: security system(\$1,650); Music/Sound System Fund (\$2,931);
- Special Funds: Missions (\$ 25,060); Alpha (\$ 7,336.50).

Income Related Questions

8. **Question: What is *Weekly Givings* and how was the \$ 277,472 budget determined?**

Answer: Weekly givings include undesignated donations by parishioners through PAR, E-transfers and offering envelopes, donations from other charities, cash donations without names, special events donations like, Christmas, Thanksgiving, Easter etc. Traditionally, weekly givings mostly come from donations received from Sunday morning offering plates. But a higher percentage now comes from preauthorized giving and electronic donations. During the pandemic, Sunday morning offering was hardest hit, while our PAR giving remained stable. The \$277,512 is the amount we received in 2022 in Weekly Givings; while we are seeing new members join, we are not budgeting for an increase in 2023 because we cannot foresee the financial impact of the recession on our membership.

9. **Question: Where does *Rent income* come from?**

Answer: Edukids that operates independently as St Paul’s on the hill day care, rents space in the church basement and the rectory. They have been an excellent tenant. Rogers tower on the upper parking lot is also providing monthly rental income.

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

Answer: The investment income come mainly from **Investor Edge** dividend cash payment. Modest amounts are also contributed by **GIC interest** and **Diocese Consolidated Trust** and **Rectory** maintenance funds.

11. **Question: *Where is the \$35,000 for the Parking Lot and Audio Visual Project coming from and what is it for?***

Answer: We have two special projects this year. We have to repair the lower parking lot to extend its life (proper drainage, repainting lines etc) and church sign. The estimated cost is \$17,775. In

2022 we spent close to \$11,000 from Building Fund on emergency repairs and sealing of exterior bricks of plaza concrete floor. The Audio-Visual project is to replace equipment Bill Bradbury has generously loaned the church with our own equipment, and to improve lighting so our livestream can appropriately manage different kinds of melanin. The total cost is estimated to be \$17,923.

The total cost of the two projects is estimated to be \$35,683. For the Building project, we plan to use money from the Building Fund again to augment the donations that would be received for the building repair project. For the Audio-visual project, we plan to use the remaining balance \$ 8,678 from Geoff Pring Memorial Gift; we are submitting application for \$5000 Reach Grant (which we hope to win); the remainder will be a need we put before the parish.

12. Question: What is the Building Fund deferred Revenue for?

Answer: The fund in this account come from final year-end balance of donations designated for “Building”. It is not for special project but it is meant for regular building repair maintenance projects. Expenses for building maintenance that were not budget items, but which must be done anyways, should be charged to this account.

13. Question: Where is the Christian Education Revenue coming from?

Answer: Christian Education Revenue consists of:

- Donations designated for “youth” to fund regular youth ministry activities and event charges (if any), contribute to Youth leader’s stipend and other costs,
- Donations for designated for “Sunday school” (rarely do we see this, but we do receive donations from Sunday school offering plate and we have a column for it on the count sheets); “church money” that parents give kids to Sunday school. We don’t budget for it!
- Donations for VBS (voluntary donations from parishioners and charge from registrants, if any).
- Charges and voluntary donations for planned college courses (Charges are usually in-out).
- Please note that the church still provides for Youth, Sunday school and VBS expenses even if there are no donations

Expense Related Questions

14. Question: How did the Expenses budget get set?

Answer: Expecting inflation, many of our *Expenses* are budgeted at 6.9% greater than last year’s actuals, except for *Salaries*. We did not budget for increase in staff salaries since most have been hired within the past 6 months.

15. Question: What is a Diocesan Allotment?

Answer: The Diocesan Allotment is the money St. Paul’s 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. The Diocese supported us in 2022 by providing grants up to 5,5000 relief in form of personnel costs credit, on month allotment credit as par of their jubilee program, and area council “love thy neighbour” grant. The Diocese is supporting our ministry in 2023 in a number of ways: 1) by awarding us for a period of 24 months a curacy

grant worth ?? annually, enabling us to have a full-time cleric instead of just a part time one; 2) giving us an opportunity to apply to a number of grants which we hope to receive, including one to defray our livestream project costs; 3) gaining us access to Diocesan staff with specialized knowledge, who have helped us tremendously in 2022 with the St. Paul's Food Bank as well as with sundry other questions (insurance, permit to Enter requests etc).

16. Question: What does SPOTH spend Professional Fees on?

Answer: The financial statements are produced by an outside accounting firm (as required by the Diocese).

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

Answer: St. Paul's is a generous family and support many ministries in Durham Region, throughout Canada and around the world. The support takes many forms including volunteer effort, food donations, clothing donations, fund raising and more.

Questions about the Bottom Line

18. Question: How did we do overall in the year ending December 31, 2022?

Answer: We will have the final numbers after the outside audit is complete. But we can report at this time that in 2022, we spent about \$17,500 more than we received in donations. We are confident that we will be able to cover the deficit with income from capital cost depreciations, refundable HST amount and investment interests. We are grateful for the generous and sacrificial support of our members.

19. 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, as well as the impact of the recession, but we feel it this is an important time to use the assets of St. Paul's to invest in our rebuilding efforts. We feel we have been reasonable, and not too ambitious, in the budget we have set for weekly givings and special projects. Our 2023 budget calls for spending \$5878.28, more money than we take in and use the funds saved for this exact purpose to fund the difference.