

**Church of the Redeemer**  
**Financial Vestry Reports**  
**February, 2021**

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## **Treasurer's Report**

### **Review of 2020 Revenue and Expenses**

#### Overview

In 2020, we budgeted for an operating deficit; that is, we expected donations and other income would not be sufficient to fully cover the church's expenses. The forecast operating deficit was estimated to be about \$151,000. However, in 2020 we ended the year with a surplus of about \$155,000. Key factors that led to this surplus were: 1) the continuing generosity of the Redeemer community; 2) unanticipated revenue in the form of the Diocesan Jubilee, various grants, and government assistance; and 3) reduced expenses due to restrictions on church activities caused by the pandemic.

#### Review of 2020 Revenue

Parishioners donated \$750,811 (2019-\$855,595) to sustain Redeemer's ministry. Open plate donations were \$3,056 (2019 - \$26,501). We also received one bequest for \$100 and another bequest for \$17,209. The latter was deposited into our Capital Accumulation Fund.

Donations received and designated for FaithWorks totaled \$22,262 (2019 - \$26,204). However, we have committed to donate 5% of regular givings to the FaithWorks program. As allowed by the Diocese we held back 15% of our donation to fund our Common Table program. The final amount sent to the FaithWorks program was \$30,400 (2019 - \$28,987) with the difference between donations received and amount sent being covered by general donations.

Designated donations were received for music - \$7,410 (2019 - \$30,600), flowers - \$450 (2019 - \$2,427) and other special purposes - \$2,161 (2019 - \$25,461).

The church received non-receiptable donations in the amount \$12,960 (2019 - \$74,365) for use of our space by outside groups. We also received \$550 (2019 - \$2,024) as weddings donations. Each year we normally receive a York Rectory subsidy in the amount of \$6,800. However, in 2020 we only received \$5,100 because subsidy payments were stopped in April, May and June during the Jubilee.

Income from the "Rectory Fund" invested in the Diocesan Consolidated Trust Fund (DCTF) totaled \$26,251 (2019 - \$25,621) (see Report on Church Investments).

Grants and subsidies totaling \$142,406 were received to cover the cost of various staff positions and infrastructure: 1) Jubilee subsidy from the Diocese (\$102,160); 2) Diocesan grant to cover the cost of an Assistant Curate position (\$10,000); 3) Diocesan grant to fund a Youth Apprenticeship position (\$6,700 was received, and \$2,228 was spent in 2020); and 4) funding from the City of Toronto to cover the cost of Investing in Neighborhoods (IIN) positions (\$28,018).

Church of the Redeemer received \$78,966 in federal government assistance via the Temporary Wage Subsidy for Employers (TWSE) and the Canada Emergency Wage Subsidy (CEWS) (see Government Assistance).

Total revenue designated for the Common Table program was \$429,762. Total donations for Common Table were significantly higher in 2020 at \$395,802 (2019 - \$175,220). The Common Table also received three grants totaling \$59,277: 1) Daily Bread Food Bank grant primarily to cover staff salaries (\$20,000); 2) Daily Bread Food Bank grant for infrastructure (\$28,750 of which \$3,433 was spent in 2020); and 3)

Pandemic pay grant for front-line workers in the Common Table program (\$10,527) received with assistance from the Toronto Drop-In Network (TDIN). Of the \$59,277 in total grants received for Common Table, \$33,960 was spent in 2020.

### Review of 2020 Expenses

Some expense highlights for 2020 are as follows (see reports elsewhere in this Vestry Report for additional information):

- The total expenses in 2020 were \$1,327,346 (2019 - \$1,429,676) or about \$111,000<sup>1</sup> per month. The total expenses incurred in 2020 was \$271,249 lower than the budget amount that was approved by Vestry in February 2020.
- Personnel costs were lower than budget because plans to fill various staff positions were deferred due to the pandemic. Temporary staff reductions were implemented in early stages of the pandemic which led to a reduction in personnel costs.
- Property expenses in 2020 came in under budget. Maintenance and supplies were above budget. The cost of insurance was underestimated when the 2020 budget was set. These higher costs were offset by lower-than-expected costs in other areas. Utility and contractor costs were lower than budget and actual costs in 2019. The total cost for major repairs was \$399 versus a budget of \$35,000. Many of the major repairs that were planned for 2020 were deferred to 2021 due to the pandemic.
- Church program expenditures totalled \$25,152 or about 38% of the approved budget. Most programs were underspent, and the following areas had significant under-expenditures: young adults, hospitality and recognition, Stewardship Committee, and worship and spirituality. Note that the church program expenditures only cover the cost of materials and supplies for the various program areas and does not include the cost of staff that support the programs.
- Common Table costs for food, supplies, staff training and recognition, and nursing supplies totalled \$56,049, which is 17% above the budget and significantly higher than actual costs in 2019 (2019 - \$36,991). Food costs were higher primarily due to the use of restaurant partnerships. This total cost excludes costs for personnel and the church building supporting this program, which are accounted for elsewhere in the budget.
- General office expenses totalled \$88,294 in 2020 and came in under budget. A key reason for the under-expenditure is that the planning work for the 150<sup>th</sup> anniversary celebration that was anticipated when setting the 2020 budget did not occur. Office expenses totaled \$71,646 and various expenses were generally within or close to budget. The office expenditures include telecommunications, bank and donation service charges, computer equipment, photocopying, office supplies, and investment management fees. The general office expense category includes accounting fees for our annual audit and some legal fees (\$9.9K) as well as investment management fees (\$6.7K).
- Our Diocesan Assessment was \$132,696 in 2020 or about 10% of all church expenditures. The assessment is paid monthly.

### Explanation of Variances Relative to Audited Financial Statements

Table 1 shows the variances between audited financial statements and Table 6 for each major budget category. The variances arise due to a decision to reallocate some expenses to new accounts starting in

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<sup>1</sup> This figure is provided only to illustrate of the amount of cash required to operate the church on an average monthly basis. Actual level of expenditures varies from month to month. Where possible major expenditures are deferred towards the end of the year when revenues are generally higher.

2021. Thus, to allow a fair comparison between 2021 budget amounts and the 2020 actual expenditures the following reallocations were made by Redeemer:

- All staff development and training costs were moved to a single account in Personnel.
- All local travel expenses (taxi, Presto, parking) were moved to a single account in Personnel.
- Advertising was moved from Church Programs to General Office.

**Table 1: Expenses – Audited Financial Statements vs Redeemer Amounts**

<b>Major Cost Category</b>	<b>Audited Financial Statements</b>	<b>Redeemer</b>	<b>Variance</b>
Personnel	882,836	884,149	1,313
Property	114,509	112,849	(1,660)
Church Programs	25,152	23,886	(1,266)
Common Table	56,049	55,072	(977)
General Office Expenses	85,704	88,294	2,590
Diocesan Assessment	132,696	132,696	-
FaithWorks	30,400	30,400	-
<b>Total</b>	<b>1,327,346</b>	<b>1,327,346</b>	<b>-</b>

On page 7 of the financial statements a surplus of \$282,710 is shown. This surplus amount includes an unrealized gain of \$127,625 in the church-controlled investment account with Fiera Capital which remains in the investment account. When this unrealized gain is removed, the surplus amount for 2020 is \$155,085.

### **Electronic Transfer of Funds to Staff, Contractors and Vendors**

In 2020 most of the payments to staff, contractors and vendors were made by electronic transfer of funds (ETF) via ADP payroll service and TelPay. Large payments (i.e., greater than \$10,000) were generally paid by cheque.

Where appropriate we pay recurring bills by pre-authorized debit (PAD). For example, our phone bill, electrical bill, payments for lay pensions and health benefits, and our credit card bill are made of by PAD. In addition to being more convenient, we have greatly reduced the risk of missed payments.

Since March 2020, the use of cheques was minimized due to restrictions caused by the pandemic. We will continue to use ETF for making payments. ETF is more convenient for both Redeemer and the recipient of the funds. ETF is a less expensive method of disbursing funds and leads to net savings to Redeemer. In all cases where ETF of funds has been implemented, appropriate financial controls are in place.

### **Government Assistance**

Church of the Redeemer received \$78,966 in federal government assistance via the Temporary Wage Subsidy for Employers and Canada Emergency Wage Subsidy. The assistance received is not repayable but is subject to audit by the Canada Revenue Agency.

### Temporary Wage Subsidy for Employers (TWSE)

This wage subsidy allowed organizations, including charities, to obtain subsidies up to 10% of payroll costs incurred between March 18 and June 19. The maximum claim amount was \$1,375 for each employee, and up to \$25,000 per employer. Redeemer applied directly for this subsidy and received \$11,092.

**Table 2: Temporary Wage Subsidy for Employers – 2020 Redeemer Amounts Received**

<b>Pay Date</b>	<b>TWES Amount Received (\$)</b>
April 24	2,336.40
May 8	2,262.97
May 22	2,262.97
June 5	2,102.84
June 19	2,126.41
<b>Total Received</b>	<b>11,091.59</b>

### Canada Emergency Wage Subsidy (CEWS)

The CEWS serves as financial relief for a portion of the employee wages. The CEWS is temporary and is available from the period March 2020 to June 2021. Redeemer received \$67,905 from this program in 2020.

**Table 3: Canada Emergency Wage Subsidy – 2020 Redeemer Amounts Received**

<b>Claim Period</b>	<b>Start and Finish Dates</b>	<b>Redeemer CEWS Subsidy Received for Lay Staff</b>	<b>Diocese CEWS Subsidy Received for Redeemer Clergy</b>
1	Mar 15 to Apr 11	\$23,066.73	\$0.00
2	Apr 12 to May 9	\$15,809.51	\$0.00
3	May 10 to Jun 6	\$0.00	\$0.00
4	June 7 to July 4	\$0.00	\$0.00
5	July 5 to August 1	\$9,151.29	2,553.75
6	Aug 2 to Aug 29	\$9,354.09	
7	Aug 30 to Sept 26	\$7,969.45	
8	Sept 27 to Oct 24		
9	Oct 25 to Nov 21		
10	Nov 22 to Dec 19		
<b>Total</b>		<b>\$65,351.07</b>	<b>\$2,553.75</b>

Redeemer applied directly to the federal government for lay staff and received money by direct deposit into our bank account. The Diocese applied for Redeemer clergy and when money is received by the Diocese it is passed onto Redeemer.

Redeemer has qualified for Periods 8, 9 and 10. The deadline for filing a CEWS claim is 180 days (about 6 months) following the end of each period. Redeemer plans to file before the deadline for each of the remaining 2020 CEWS periods and money received will be considered 2021 revenue.

It is anticipated that the Diocese will be filing for Periods 6 to 10 before deadlines and when received by Redeemer, the CEWS subsidy for clergy will be considered 2021 revenue. The CEWS for clergy is received as a credit on our monthly invoice from the Diocese.

All churches in the Diocese, including Redeemer, qualified for CEWS on an affiliated basis. The Diocese collected revenue data from all parishes, and on an aggregate revenue basis it was determined that all churches qualified in each of 2020 CEWS periods except Periods 3 and 4. When applying for CEWS the amount received via TWSE had to be deducted from CEWS amount for Periods 2, 3 and 4.

Not all parishes, including Redeemer, experienced revenue declines in 2020 and thus if required to do so, these parishes would not have qualified for CEWS on a “go-it-alone” basis. Redeemer’s revenue in 2020 was greater than revenue in 2019 for all CEWS periods except Periods 7 and 9. In other words, Redeemer was only able to qualify for CEWS because the collective revenue declines experienced by all parishes were large enough to qualify for CEWS.

The financial relief through CEWS is not repayable but is subject to audit by the Canada Revenue Agency (CRA). The Diocese is doing a review of parish revenue data in anticipation of a CRA audit. The following message was received from the Diocese on 9 February 2021:

*“As part of our annual audit, we collected bank statements from a small sample of parishes to allow Grant Thornton to gain comfort on the calculations we have made in claiming CEWS payments during 2020. The results turned up a number of inconsistencies that could affect the correctness of our claims. We are therefore asking the largest parishes in the Diocese to send us more comprehensive data to allow us to estimate the extent of any errors that may have occurred for each month.”*

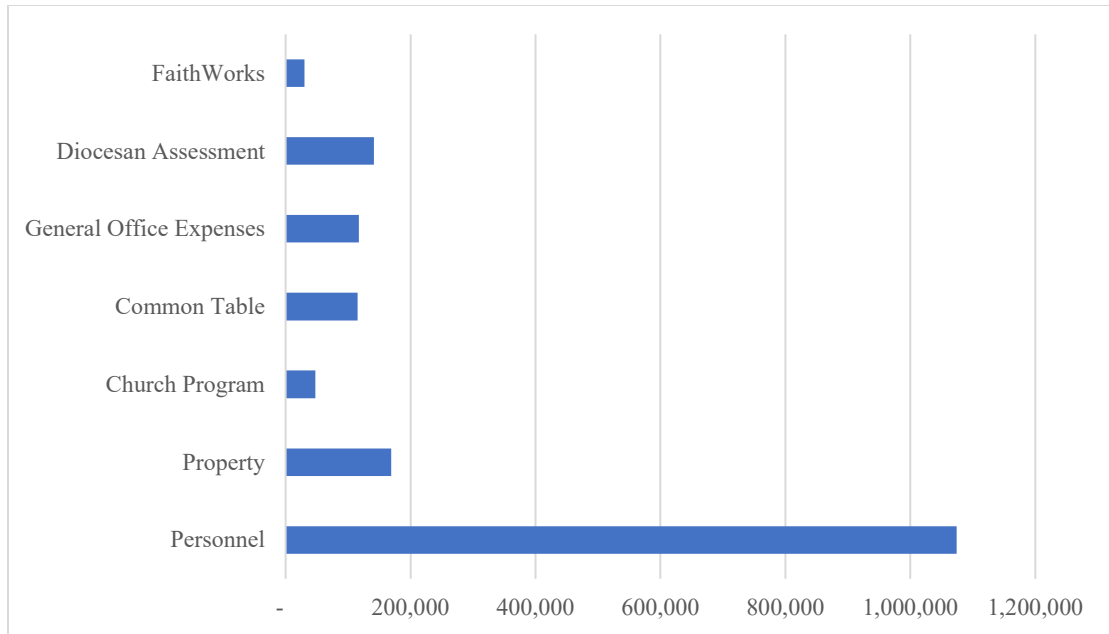
Bank statements for the period July to December 2020 will be submitted to the Diocese to allow a comprehensive review of our revenue data.

## **Proposed 2021 Budget**

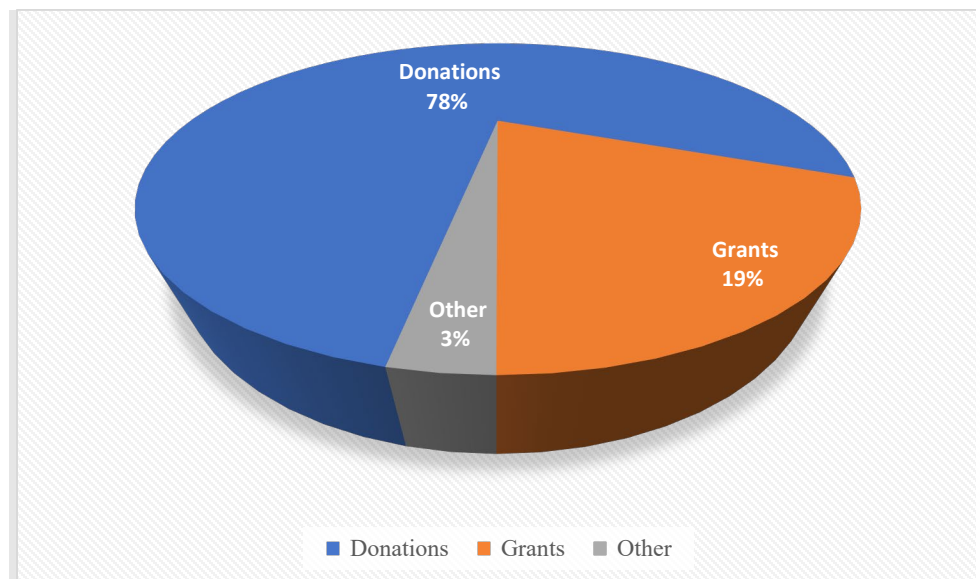
### Overview

The proposed budget for 2021 has expenses totaling \$1,694,588 which is about 7% higher than the 2020 budget approved at last Vestry and 26% higher than actual expenses in 2019. This increase is caused, in large part, by a projected increase in personnel costs.

The revenue target for 2021 is \$1,523,273 which is 5% higher than actual revenue received in 2020. We hope to receive donations totaling \$1.2 million. The balance of revenue is expected to come from grants (about \$287,000) and other sources, including space rentals, subsidies, and investment income (about \$42,000).



**Figure 1: Major Expenses in 2021**



**Figure 2: Major Sources of Revenue in 2021**

If both revenue and expense budget amounts are met by the end of 2021, then there will be a deficit of about \$171,000. However, if total revenues are greater than the budget amount and total expenses are less than the estimated amount in our budget, then the deficit will be smaller. With Board of Management approval and only if necessary because there is insufficient cash, funds will be withdrawn from our Redeemer-controlled investment fund to address any deficit.



### Process for Setting Proposed 2021 Budget

The budget setting process started in late October 2020 with requests for budget proposals. These proposals were evaluated, adjusted, ranked, and inserted into the various categories of our budget at a series of meetings held in late 2020 and early 2021. The Finance Committee took responsibility for assembling the budget. The budget was eventually brought to the Board of Management on 19 January 2021 for their approval to take to the annual Vestry meeting. The congregation's approval to implement the 2021 Budget will be sought by a majority vote at the annual Vestry meeting on 28 February 2021.

### Personnel Expenses

Personnel costs are projected to be \$1,074,275 in 2021 versus actual costs of \$884,149 in 2020. However, it is noteworthy that the 2021 personnel budget is about the same as the 2020 personnel budget that was approved at last Vestry in February 2020. Some personnel costs will be offset by an Investing In Neighbourhoods (IIN) grant from the City of Toronto (\$27,000), a Curacy grant from the Diocese (\$10,000) and the remaining amounts payable of a \$6,700 Youth Apprenticeship grant (\$4,473). Personnel costs will also be offset by government assistance via the CEWS program (estimated to be about \$40,000).

Table 4 presents the number staff by category that are currently on the Redeemer payroll (as of February 2021) and the number of vacancies that we plan to fill in 2021. When fully staffed by around mid-2021 there will be 26 staff. These 26 full-time and part-time positions are equivalent to 17 full-time positions.

**Table 4: Number of Staff by Category in 2021 Budget**

<b>Staff Category</b>	<b>Current Number of Staff <sup>1</sup></b>	<b>Vacancies to be Filled in 2021</b>	<b>Total Number of Staff</b>
Clergy	2	1	3
Pastoral	2		2
Music Leadership Team	4		4
Common Table – Salaried	3	2	5
Support Staff – Salaried	3	1	4
Support Staff – Hourly	6	1	7
IIN Staff		1	1
<b>Total</b>	<b>20</b>	<b>6</b>	<b>26</b>

Notes:

1. Staff as February 2021.

The following is a description of the staff positions that we plan to fill in 2021. The timing for the filling of various vacancies has taken into consideration the possible restrictions on church activities due to the pandemic. For budgeting purposes, it has been assumed that church activities will return to “normal” in about September 2021.

*Clergy:* It is assumed that a new Assistant Curate start in September 2021.

*Outreach and Community Engagement:* The Common Table is seeking a full-time Common Table Program and Outreach Coordinator. This individual will manage The Common Table program, staff, volunteers and conduct training. At the time of this report, this role is vacant and previously had a more limited scope and was designated as 25-hours per week.

A Community Engagement Coordinator will be sought for a 2-year contract if a specified 5-year funding opportunity is provided to The Common Table to support this role.

*Office:* A part-time Donations and Administrative Coordinator will be sought to manage the donations of the church in August 2021. This role was eliminated in June 2020 and Karen Chandler has been filling this position in the interim.

*Support Staff:* It is hoped that the church will see rentals return more regularly in the Fall of 2021. At that time, with the enhanced cleaning protocols going forward, an additional hourly Caretaker will be needed.

The Diocese has recommended a 0% cost of living adjustment (COLA). On the recommendation of the Human Resources Committee, the Board of Management has decided that all staff will not receive a 2021 COLA. One staff member's salary will be adjusted, on the recommendation of the Human Resources Committee, to bring their salary closer to an industry level for that position.

Table 5 presents estimates of all 2021 personnel costs. In addition to salaries and hourly wages there are costs for honoraria and contractor payments (e.g., occasional musicians), and there are employer costs for pension, health benefits, EI, CPP, WSIB coverage, training, and local travel expenses.

**Table 5: Breakout of Major Staff Compensation and Expense Costs**

<b>Summary Personnel Costs</b>	<b>Amount (\$)</b>
Gross Pay	921,801
Clergy Pension, Health, Benefits, LTD, CPP, EI, Professional	48,889
Lay Pension, Health, Benefits, LTD, CPP, EI, PD, Training	93,108
Lay WSIB	3,000
Local Travel Expenses (Incumbent parking, mileage, taxi, Presto)	4,475
Payroll Processing	3,000
<b>Total Personnel Costs</b>	<b>1,074,274</b>

#### Property Expenses

The property budget is \$169,000, which is about 48% higher than actual expenditures in 2020. The significant increase is largely due to planned major repairs<sup>2</sup> or improvements to be carried out in 2021. Many of the major repairs and improvements that were planned for 2020 were not carried out due to the

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<sup>2</sup> Major repairs exclude any large-scale or significant improvements to the church property. This would be funded separately through, say, a capital campaign and/or by the Maintenance Reserve fund.

pandemic and were deferred to 2021. The 2021 major repairs and improvements are expected to cost about \$45,000 and include the following:

- New power outlets to front of Nave and in Parish Hall
- Additional sub-panel for electrical adds flexibility
- Video/bells/fob locks at exterior doors (4)
- Map and re-locate thermostats on lower level
- Main floor kitchen painting and refurbishment
- Boardroom painting
- Boardroom flooring and rug
- Third floor bookshelves, lighting and storage
- Miscellaneous storage issues
- Re-keying of inside doors
- Occupancy sensor light switches (20 locations)
- Main entry vestibule painting and refurbishment
- Fireproof storage for archives and financial records

This property budget does not address any major repair work exceeding about \$10,000. For example, the church heating and ventilation system has reached the end of its useful operating life and needs to be replaced. In addition, the stained glass windows at the north end of the church will need to be repaired. Roof repair work occurred in late 2020 and early 2021. These projects will be funded from sources outside the general operating fund for the church.

#### Church Program Expenses

The church program budget is \$47,575, which is 90% higher than actual expenditures in 2020. However, the 2021 budget estimate is considerably lower than budgets for church programs in previous years. Leaders of various church programs were cautiously optimistic about returning to “normal” in the Fall when setting their budgets. The various budgets generally reflect the assumption that the pandemic will be placing restrictions on church program activities for the first 6 to 9 months of 2021.

#### Common Table Expenses

The Common Table budget includes costs for food, supplies, and nursing services and supplies for a program that operates 5 days per week and about 11 months per year. The program serves about 80 to 100 guests each day. This budget includes an allowance for hiring relief staff.

The Common Table budget is \$115,324, which is nearly double actual expenditures in 2020. The primary reason for the large increase in expenditures is the addition of nursing services to the Common Table program. The cost of these nursing services (about \$50K) has already been covered in full by a grant from a local health organization.

Food costs are expected to be higher in 2021. There will be an emphasis on staff and volunteer training in 2021, and funds have been allocated to these activities.

It is important to note that the cost of church staff that support the program is not included in this budget and is captured in the personnel budget. The cost of operating and maintaining the church space that is used by the program is captured in the property budget (e.g., utilities and repairs). The program relies heavily on donations of food (e.g., Second Harvest) to offset food costs.

### General Offices Expenses

General office expenses in 2021 are forecast to be \$117,098 which is a 36% increase relative to actual expenditures in 2020.

General office expenses include IT support (\$26K), telecommunications (\$21K), banking, service and investment management fees (\$20K), photocopy expenses (\$16K), legal and accounting fees (\$11K), office supplies (\$10K), advertising (\$9K).

In 2021, our sesquicentennial year, there will be a special project (\$5,000) to celebrate Redeemer's 150<sup>th</sup> anniversary.

### Diocesan Assessment

The church will be paying \$141,316 (2020 - \$132,696) to the Diocese of Toronto to support the ministry of the Diocese and the ecclesiastical province of Ontario, and the work of the National Church.

### FaithWorks

Historically, the church has committed to donate to the FaithWorks program at a rate of 5% of regular givings. As per Diocesan guidelines we plan to hold back 15% of this commitment to fund the Common Table program. In 2021 this translates into a commitment of about \$30,000. The budget has assumed that the church will receive donations designated for FaithWorks totaling \$25,000. This donation estimate is based on experience, and we plan to use general funds to cover the shortfall.

**Table 6**  
**Summary of Revenue and Expenditures**  
**Budget for Year Ending 31 December 2021**

	<b>Budget 2020</b>	<b>Actual 2020</b>	<b>Budget 2021</b>
<b>Revenue Summary</b>			
Donations	1,094,952	786,700	850,000
Space Use	80,000	12,690	10,000
Subsidies	6,800	5,100	6,800
Investments	24,000	26,251	24,000
Grants & Subsidies	57,000	221,403	81,473
Cost Recovery	-	525	1,000
Common Table	185,000	429,762	550,000
<b>Total Revenue</b>	<b>1,447,752</b>	<b>1,482,431</b>	<b>1,523,273</b>
<b>Expense Summary</b>			
Personnel	1,067,474	884,149	1,074,275
Property	143,000	112,849	169,000
Church Program	65,575	23,886	47,575
Common Table	47,100	55,072	115,324
General Office Expenses	104,227	88,294	117,098
<i>Subtotal</i>	<i>1,427,376</i>	<i>1,164,250</i>	<i>1,523,272</i>
Diocesan Assessment	132,696	132,696	141,316
FaithWorks	38,523	30,400	30,000
<b>Total Expense</b>	<b>1,598,595</b>	<b>1,327,346</b>	<b>1,694,588</b>
<b>Surplus / (Deficit)</b>	<b>(150,843)</b>	<b>155,085</b>	<b>(171,315)</b>

**Table 7**  
**Schedule of Revenue**  
**Budget for Year Ending 31 December 2021**

	<b>Budget 2020</b>	<b>Actual 2020</b>	<b>Budget 2021</b>
<b>Undesignated Donations</b>			
<i>Congregational Giving</i>	1,006,429	750,811	800,000
<i>Open Collection</i>	21,000	3,056	-
<i>Subtotal</i>	1,027,429	753,867	800,000
<b>Designated Donations</b>			
<i>Chancel Flowers</i>	2,500	450	-
<i>Special Purpose</i>	21,500	9,571	25,000
<i>FaithWorks</i>	38,523	22,262	25,000
<i>Subtotal</i>	62,523	32,283	50,000
<i>Weddings</i>	5,000	550	-
<b>Total Donations</b>	<b>1,094,952</b>	<b>786,700</b>	<b>850,000</b>
<b>Space Use</b>	<b>80,000</b>	<b>12,690</b>	<b>10,000</b>
<b>York Rectory Subsidy</b>	<b>6,800</b>	<b>5,100</b>	<b>6,800</b>
<b>Investment Income</b>			
<i>Rectory Fund</i>	24,000	26,251	24,000
<i>Investment Fund</i>	-	-	-
<b>Total Investment Income</b>	<b>24,000</b>	<b>26,251</b>	<b>24,000</b>
<b>Grants &amp; Subsidies</b>	<b>57,000</b>	<b>221,403</b>	<b>81,473</b>
<b>Cost Recovery</b>	<b>-</b>	<b>525</b>	<b>1,000</b>
<b>Common Table</b>	<b>185,000</b>	<b>429,762</b>	<b>550,000</b>
<b>Total Revenues</b>	<b>1,447,752</b>	<b>1,482,431</b>	<b>1,523,273</b>

**Table 8**  
**Schedule of Expenses**  
**Budget for Year Ending 31 December 2021**

	<b>Budget 2020</b>	<b>Actual 2020</b>	<b>Budget 2021</b>
<b>Personnel</b>			
<i>Clergy</i>	283,505	243,293	232,363
<i>Musicians</i>	212,468	166,601	211,018
<i>Common Table (Direct Cost)</i>	169,727	160,243	252,798
<i>Support Staff</i>	388,273	310,982	373,097
<i>Honoraria</i>	13,500	3,030	5,000
<i>Subtotal</i>	1,067,474	884,149	1,074,275
<b>Property</b>			
<i>Major Repairs</i>	35,000	399	45,000
<i>Maintenance &amp; Supplies</i>	24,000	41,682	36,000
<i>Contracts</i>	11,000	9,226	12,000
<i>Insurance</i>	21,000	25,453	26,000
<i>Utilities</i>	48,000	33,639	46,000
<i>Music Equipment Maintenance</i>	4,000	2,450	4,000
<i>Subtotal</i>	143,000	112,849	169,000
<b>Church Programs</b>			
<i>Accessibility</i>	100	-	100
<i>Advisory Board</i>	500	85	200
<i>Archives</i>	100	-	100
<i>Board of Management</i>	500	118	200
<i>Learning at Redeemer</i>	4,550	746	5,300
<i>Catechesis</i>	1,500	292	1,500
<i>Indigenous Solidarity WG</i>	3,425	3,400	3,475
<i>Creation Matters</i>	5,250	1,424	4,900
<i>Youth Group</i>	5,500	4,546	5,500
<i>Youth Adults</i>	6,000	-	2,500
<i>Church School &amp; Nursery</i>	3,300	1,666	3,300
<i>Family Ministry</i>	2,200	-	2,200
<i>Redeemer Rainbow</i>	600	-	600
<i>Hospitality</i>	8,000	3,486	4,000
<i>Music</i>	1,500	3,597	1,500
<i>Getting Connected</i>	1,000	-	2,050
<i>Outreach</i>	2,500	123	1,500
<i>Pastoral Care</i>	2,050	736	1,500
<i>Stewardship Committee</i>	4,000	-	1,000
<i>Synod</i>	300	-	-
<i>Worship &amp; Spirituality</i>	12,700	3,667	6,150
<i>Subtotal</i>	65,575	23,886	47,575

**Table 8 (continued)**  
**Schedule of Expenses**  
**Budget for Year Ending 31 December 2021**

	<b>Budget 2020</b>	<b>Actual 2020</b>	<b>Budget 2021</b>
<b>Common Table (Direct Cost)</b>			
<i>Food</i>	19,000	22,626	27,800
<i>Supplies &amp; Projects</i>	15,200	25,133	29,500
<i>Staff Support</i>	12,900	6,313	8,000
<i>Nursing Services</i>	-	1,000	50,024
<i>Subtotal</i>	47,100	55,072	115,324
<b>General Office Expenses</b>			
<i>Office Expenses</i>	76,427	71,646	93,098
<i>Legal &amp; Accounting</i>	17,800	16,648	19,000
<i>Special Projects</i>	10,000	-	5,000
<i>Subtotal</i>	104,227	88,294	117,098
<b>Total Expenses</b>	<b>1,427,376</b>	<b>1,164,250</b>	<b>1,523,272</b>



## **Report on Church Investments**

### Overview

This report provides an update about the church's Rectory Fund and Investment Fund. The Rectory Fund is invested in the Diocesan Consolidated Trust Fund (DCTF) and our Church-Controlled Investment Fund is currently invested in Fiera Capital's Balanced Endowment, Foundations and Trusts (EFT) fund. At the end of 2020, the total market value of the two funds was \$1,735,811 (2019 - \$1,608,186).

In the following section our Investment Policy is described. Next, each of the investment funds and their performance are described. More information about these investment funds can be found in the financial statements included in this Vestry report.

### Redeemer Investment Policy

The church's Investment Policy is posted on the Redeemer web site (available at <https://theredeemer.ca/governance/>). The document was prepared by the Finance Committee and endorsed by the Board of Management and the Advisory Board in 2003. The investment policy was approved for use at a Special Vestry meeting on 24 April 2005.

The Investment Policy documents what was the practice over the previous 10 years before the policy was approved. The primary purpose of this policy document is to add some transparency to the overall process by which we manage our investments. In the longer term it provides a clear starting point for any discussions that we may choose to have regarding changes in our approach to managing our investments or how our money should be invested.

### Rectory (or Housing) Fund

The rectory at 225 Glenview Avenue was sold in 2001 for \$505,225. As required by the Diocesan regulation, the net proceeds of \$476,592, after payment of legal and real estate fees were deposited with the Diocese and are invested in the DCFT. The church owns 2627.75 units in the DCTF. In 2020 the distribution rate was \$9.99 per unit and we received \$26,251 (2020 - \$25,621) in dividends from the fund. On 31 December 2020 the market value of the Rectory Fund was \$657,246 (2019 - \$625,857).

The proceeds from the Rectory Fund are used to pay part of the clergy housing costs.

### Church-Controlled Investment Fund

#### *Background*

The church initially invested \$820,572 in Sceptre's Balanced Pooled Fund. The church's investment in the Balanced fund was sold on 1 May 1993 and used to purchase 12,151 units of the Sceptre's EFT fund at a unit value of \$101.86. The market value of all EFT units owned on 1 May 1993 was \$1,237,739. The total gain realized on the sale of the Balanced fund units amounted to \$568,473.

Sceptre Investment Counsel Ltd. merged with Fiera Capital Ltd in June 2010. The church's investment followed in the same EFT fund which is now called Fiera Balanced EFT Fund.

Profile of the Fiera Capital's EFT Pooled Fund can be found at <https://www.fieracapital.com/en/institutional-markets/investment-strategies/balanced/balanced-endowment-foundation-and-trust-eft-fund>

Fiera's responsible investment policy is available

at: <https://www.fieracapital.com/sites/default/files/Responsible%20Investment%20Policy.pdf>

In November 2018 we received notification that the investment policy for the Fiera Balanced EFT Fund changed to allow investment in real assets, e.g., real estate, infrastructure and agriculture assets. The fund is now invested in (target allocation effective January 2019): cash (5%), Canadian bonds (20%), Canadian equities (30%), US equities (15%), International equities (15%) and real assets (15%).

As of 31 December 2020, the church has 1,391 units (2019 -1391) in the Fiera Balanced Endowment Foundation Trust (EFT) Fund at a market value of \$1,078,565 (2019 - \$982,329).

In May 1993 Redeemer owned 12,152 EFT units which had a market value of about \$1.2M (1993 dollars). During the period 1 May 1993 to 31 December 2020 we redeemed 10,761 units. In the past our church investments were used to fund church operations and represented a significant portion of the money required to operate our church. In 2000 and 2001, the investments were also a major source of funds for renovations to the lower and main levels of the church. Through the generosity of our parishioners, we were able to greatly reduce our reliance on the investment fund to the point where we did not redeem units for a period of 6 years (2012 to 2017). In 2018 and 2019 we redeemed 81 EFT units and 167 units, respectively, to fund church operations. In 2020, we did not redeem any units.

Management fee paid to Fiera Capital in 2020 totaled \$6,751 (2019-\$6,875) excluding HST. Their total management fee is set at 0.675% of market value at time of invoicing (0.75% less a 10% discount) plus 13% for HST.

#### *Performance of Fiera EFT Balanced Fund*

Over the one-year period ending 31 December 2020 the EFT fund return was 9.80%, which is higher than total benchmark performance over this one-year period at 8.96%. The average annual returns for total fund versus total benchmark performance over the last 2, 3 and 4 years are also shown in Table 9. The performance of the bond, Canadian equity, US equity, foreign equity and alternative investment components of the total fund and the corresponding benchmark performance are also provided in Table 10.

**Table 9**  
**Fiera EFT Balanced Fund Performance**  
Average Annual % Returns over periods ending 31 December 2020  
(data supplied by Fiera Capital)

	<b>One Year</b>	<b>Two Years</b>	<b>Three Years</b>	<b>Four Years</b>
Total Fund	9.80	13.21	8.38	8.86
Total Benchmark**	8.96	11.85	6.95	7.27
Bonds in Fund	8.29	6.79	5.05	4.39
Benchmark: 50% FTSE CAN ST & 50%	7.00	5.98	4.44	3.95
Canadian Equities in Fund	4.47	13.32	5.55	6.62
Benchmark: S&P TSX Composite	5.60	13.91	5.74	6.57
US Equities in Fund	21.26	24.26	19.33	19.53
Benchmark: S&P 500 Total Return in Cdn\$	16.32	20.5	14.81	14.57
International Equities in Fund	18.44	21.85	14.37	16.54
Benchmark: MSCI EAFE Net Cdn\$	5.92	10.77	4.86	7.73
Alternative investments Fund	5.63	N/A	N/A	N/A
Blended Benchmark	5.91	N/A	N/A	N/A

**\*\*Total Benchmark is: 5% FTSE CAN Treasury Bills (91 days); 20% (50% FTSE CAN ST & 50% FTSE CAN Universe); 30% S&P/TSX Composite; 15% S&P 500 \$Cdn; 15% MSCI EAFE NET \$Cdn; 15% (FTSE CAN TBILL 91 + 5%)**

Table 10 shows average annual returns of the EFT fund for four-year periods ending in 2017, 2018, 2019 and 2020. These returns are compared to the total benchmark performance over the same periods. This comparison is required so that it can be determined whether the fund met the following performance standard in our Investment Policy:

*Fund is to achieve, over moving four-year year periods, a total annualized rate of return of 1% (net of all management fees) above the benchmark portfolio.*

In other words, for Fiera Capital management to “earn” its management fee, the annualized performance of the fund should be at least 1.0% greater than benchmark after management fee is deducted. As Table 10 shows this objective was not met in any of the four-year periods shown on this table.

**Table 10**  
**Fiera Balanced EFT Fund Performance**  
Average Annual % Returns over  
Four-Year Periods ending 2017, 2018, 2019 and 2020.  
(data supplied by Fiera Capital)

	<i>Four-Year Periods Ending</i>			
	<b>31 Dec 2017</b>	<b>31 Dec 2018</b>	<b>31 Dec 2019</b>	<b>31 Dec 2020</b>
Total Fund*	9.07	5.78	8.15	8.86
Benchmark**	7.80	4.55	6.98	7.27
Value added net of management fee	0.60	0.56	0.50	0.92
EFT Fund Unit Value (\$) at end of 4-	609.24	605.11	706.38	775.58

\* For example, average annual return for four-year period ending 31 December 2017 is based on performance over 4-year period spanning 2014 to 2017.

\*\* See footnote about total benchmark at bottom of Table 8.

## Restricted Funds

Table 11 presents the 2020 opening balance for each restricted fund, the donations received during the year, total expenses charged to each fund and the closing balance of each fund. The funds are restricted because donations that are designated to a restricted fund can only be used as per the purpose of the fund.

**Table 11: Restricted Funds – Opening Balance, Income, Expenses and 2020 Yearend Balance**

<b>Restricted Fund Name</b>	<b>Fund Balance on 1Jan20</b>	<b>2020 Income</b>	<b>2020 Expenses</b>	<b>Fund Balance on 31Dec20</b>
<b>Refugee Settlement</b>	21,895	32,789	10,078	44,606
<b>Maintenance Reserve</b>	1,436	6,100	-	7,536
<b>Capital Accumulation</b>	48,343	25,725	22,446	51,622

### Refugee Settlement Fund

In 2020, the expenses in this fund were used to support the settlement of four refugees from Eritrea and this support ended in March 2020. Donations received in 2020 and residual of donations received in 2019 will be used to support a future settlement that may start in late 2021 or early 2022.

### Maintenance Reserve Fund

This fund is used to pay for unexpected major repairs. The fund was not used in 2020.

### Capital Accumulation Fund

The Capital Accumulation Fund is used to pay for major capital improvements to the church. In 2020, the fund was used to pay for:

- Installation of a new Welcome Centre.
- New audio-visual equipment that is being used for in-person services and for live-streaming.
- Shipment of a sample chair from Vancouver to consider a possible option for a set of chairs to replace pews (pew removal to be decided)
- Bank fees on the CIBC capital accumulation bank account.

**CHURCH OF THE REDEEMER**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

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## INDEPENDENT AUDITORS' REPORT

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To the Members of the  
**Church of the Redeemer**

### **Report on the Audit of the Financial Statements**

#### *Qualified Opinion*

We have audited the accompanying financial statements of Church of the Redeemer, which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Church of the Redeemer as at December 31, 2020, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

#### *Basis for Qualified Opinion*

In common with many charitable organizations, the Church derives significant revenue from cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Church. Therefore we were not able to determine whether any adjustments might be necessary to operating revenue, excess of revenues over expenses and cash flows for the years ended December 31, 2020 and December 31, 2019, current assets as at December 31, 2020 and December 31, 2019, and net assets balances at the beginning and the end of the years ended December 31, 2020 and December 31, 2019. Our audit opinion on the financial statements for the years ended December 31, 2020 and December 31, 2019 were modified accordingly because of the possible effects of this limitation in scope.



## INDEPENDENT AUDITORS' REPORT (Continued)

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Note 1 describes the Church's accounting policy with respect to equipment. It indicates that the Church expenses capital improvements and purchases of equipment in the year of acquisition. Canadian accounting standards for not-for-profit organizations require that equipment and improvements be recorded at cost when acquired and amortization be recognized for assets with limited useful lives as an expense over the useful lives of the assets. Equipment includes furniture and fixtures and equipment. The effects of this departure from Canadian accounting standards for not-for-profit organizations on the audited financial statements have not been determined for the years ended December 31, 2020 and December 31, 2019.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Church of the Redeemer in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the summarized financial statements in the Church's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.



## INDEPENDENT AUDITORS' REPORT (Continued)

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### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Church's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Church's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Church's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### INDEPENDENT AUDITORS' REPORT (Continued)

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Church's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Church to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KRIENS-LAROSE, LLP



Chartered Professional Accountants  
Licensed Public Accountants

CHURCH OF THE REDEEMER  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2020

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	General Fund 2020 \$	Capital Accumulation Fund 2020 \$	Maintenance Reserve Fund 2020 \$	Refugee Settlement Committee Fund 2020 \$	Total 2020 \$	Total 2019 \$
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash	292,141	103,411	7,536	44,606	447,694	194,974
Accounts receivable	49,764	-	-	-	49,764	73,657
Government assistance receivable (Note 6, 9)	26,475	-	-	-	26,475	-
Prepaid expenses	3,990	-	-	-	3,990	12,171
HST recoverable	20,128	-	-	-	20,128	12,845
Due from capital accumulation fund	51,789	-	-	-	51,789	42,594
	444,287	103,411	7,536	44,606	599,840	336,241
<b>INVESTMENTS (Note 2)</b>						
Rectory fund	657,246	-	-	-	657,246	625,857
Church controlled investment fund	1,078,565	-	-	-	1,078,565	982,329
	1,735,811	-	-	-	1,735,811	1,608,186
<b>Church property (Note 1)</b>	1	-	-	-	1	1
	2,180,099	103,411	7,536	44,606	2,335,652	1,944,428

APPROVED ON BEHALF OF THE BOARD:

*S. Drummond*

, Chairperson

*Keyte*

, Treasurer

CHURCH OF THE REDEEMER  
**STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2020

Page 6

	General Fund 2020 \$	Capital Accumulation Fund 2020 \$	Maintenance Reserve Fund 2020 \$	Refugee Settlement Committee Fund 2020 \$	Total 2020 \$	Total 2019 \$
<b>LIABILITIES</b>						
<b>CURRENT</b>						
Accounts payable	59,897	-	-	-	59,897	58,622
Government remittances payable	-	-	-	-	-	884
Current assessment (Note 3)	141,316	-	-	-	141,316	132,696
Deferred revenue (Note 5)	79,813	-	-	-	79,813	12,975
Due to general fund	-	51,789	-	-	51,789	42,594
	281,026	51,789	-	-	332,815	247,771
Deferred assessment (Note 3)	346,501	-	-	-	346,501	355,121
	627,527	51,789	-	-	679,316	602,892
<b>NET ASSETS</b>						
Total net assets	1,552,572	51,622	7,536	44,606	1,656,336	1,341,536
	2,180,099	103,411	7,536	44,606	2,335,652	1,944,428

CHURCH OF THE REDEEMER  
**STATEMENT OF OPERATIONS - GENERAL FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2020

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	2020	2019
	\$	\$
<hr/>		
<b>REVENUES (Schedule)</b>		
Donations and space rental	1,372,084	1,354,904
Investment income	153,876	222,299
Government assistance (Note 6)	78,996	-
Subsidies	5,100	6,800
<hr/>		
	1,610,056	1,584,003
<hr/>		
<b>EXPENSES (Schedule)</b>		
Personnel	882,836	929,182
Diocesan assessment (Note 3)	132,696	134,658
Property	114,509	142,982
General office	85,704	99,337
Common table program	56,049	36,991
FaithWorks	30,400	28,987
Church program	25,152	57,539
<hr/>		
	1,327,346	1,429,676
<hr/>		
Excess of revenues over expenses from operations	282,710	154,327
<hr/>		

CHURCH OF THE REDEEMER  
**STATEMENT OF OPERATIONS - RESTRICTED FUND -**  
**CAPITAL ACCUMULATION FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Page 8

	2020 \$	2019 \$
<b>REVENUES</b>		
Bequest	17,209	-
Other income	7,020	6,690
Step into the future donations	1,496	1,222
	25,725	7,912
<b>EXPENSES</b>		
Capital expenditures	22,268	3,583
Bank and investment fees	178	174
Step into the future	-	5,665
	22,446	9,422
Excess (deficiency) excess of revenues over expenses for the year	3,279	(1,510)

CHURCH OF THE REDEEMER  
**STATEMENT OF OPERATIONS - RESTRICTED FUND -**  
**MAINTENANCE RESERVE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

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	2020 \$	2019 \$
<b>REVENUES</b>		
Donations	6,100	57
<b>EXPENSES</b>		
Repairs and improvements	-	12,993
Excess (deficiency) of revenues over expenses for the year	6,100	(12,936)

CHURCH OF THE REDEEMER  
**STATEMENT OF OPERATIONS - RESTRICTED FUND -**  
**REFUGEE SETTLEMENT COMMITTEE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Page 10

	2020	2019
	\$	\$
<b>REVENUES</b>		
Donations	32,789	3,953
<b>EXPENSES</b>		
Settlement support	10,078	54,350
Excess (deficiency) excess of revenues over expenses for the year	22,711	(50,397)



CHURCH OF THE REDEEMER  
**SCHEDULE TO STATEMENT OF OPERATIONS - GENERAL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

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	2020 \$	2019 \$
<b>UNDESIGNATED DONATIONS</b>		
Envelopes	753,768	882,096
Bequests	100	11,965
	753,868	894,061
<b>DESIGNATED DONATIONS</b>		
Common table program	395,802	175,220
Grants (Note 9)	176,366	124,542
FaithWorks	22,262	26,204
Other	10,546	58,488
	604,976	384,454
Space rental/weddings	13,240	76,389
	1,372,084	1,354,904
<b>SUBSIDIES</b>		
Diocesan subsidies	5,100	6,800
<b>GOVERNMENT ASSISTANCE</b>		
Government assistance (Note 6)	78,996	-
<b>INVESTMENT INCOME</b>		
Unrealized gain on investments (Note 7)	127,625	109,980
Diocesan Consolidated Trust fund	26,251	25,621
Capital gain on redemption	-	86,698
	153,876	222,299

CHURCH OF THE REDEEMER  
**SCHEDULE TO STATEMENT OF OPERATIONS - GENERAL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

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	2020 \$	2019 \$
<b>PERSONNEL</b>		
Support staff	449,642	487,100
Clergy	268,328	236,127
Musicians	161,836	193,755
Honoraria	3,030	12,200
	882,836	929,182
<b>PROPERTY</b>		
Church maintenance and supplies	42,852	36,116
Utilities	33,639	45,352
Insurance	25,789	20,491
Contracts	10,506	18,213
Parking	1,324	144
Major repairs	399	22,666
	114,509	142,982

**SCHEDULE TO STATEMENT OF OPERATIONS - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
	\$	\$
<b>CHURCH PROGRAM</b>		
Adult learning	5,861	12,795
Youth Ministry	4,546	6,193
Worship and spirituality	3,667	9,690
Music	3,598	2,033
Hospitality	2,616	13,778
Advertising/profile	1,839	2,509
Church school	1,666	2,774
Pastoral care	736	166
White gifts	297	-
Outreach	123	2,204
Board of management	118	615
Advisory Board	85	186
Synod	-	1,365
Redeemer rainbow	-	600
Stewardship Committee	-	2,631
	25,152	57,539

CHURCH OF THE REDEEMER  
**SCHEDULE TO STATEMENT OF OPERATIONS - GENERAL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Page 14

	2020	2019
	\$	\$
<b>COMMON TABLE PROGRAM</b>		
Food	23,951	15,054
Supplies, coffee, miscellaneous	22,442	10,624
Nurses supplies	3,343	3,664
Volunteer training & appreciation	3,278	1,837
Security	3,035	1,523
Community education	-	4,289
	56,049	36,991
<b>GENERAL</b>		
Office expenses	75,749	76,647
Legal and accounting	9,955	9,183
Clergy	-	13,507
	85,704	99,337

CHURCH OF THE REDEEMER  
**STATEMENT OF CHANGES IN NET ASSETS**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Page 15

	General Fund 2020 \$	Capital Accumulation Fund 2020 \$	Maintenance Reserve Fund 2020 \$	Refugee Settlement Committee Fund 2020 \$	Total 2020 \$	Total 2019 \$
Balance, beginning of year	1,269,862	48,343	1,436	21,895	1,341,536	1,252,052
Excess of revenues over expenses for the year	282,710	3,279	6,100	22,711	314,800	89,484
Balance, end of year	1,552,572	51,622	7,536	44,606	1,656,336	1,341,536
Restricted funds	30,400	51,622	7,536	44,606	134,164	100,661
Unrestricted funds	1,522,172	-	-	-	1,522,172	1,240,875
	1,552,572	51,622	7,536	44,606	1,656,336	1,341,536

CHURCH OF THE REDEEMER  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

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	General Fund 2020 \$	Capital Accumulation 2020 \$	Total 2020 \$	Total 2019 \$
<b>CASH FROM OPERATING ACTIVITIES</b>				
<b>Contributions received:</b>				
Envelopes	777,661	-	777,661	828,513
Other	10,546	-	10,546	58,488
Common table program	395,802	-	395,802	175,220
Space use/weddings	13,240	-	13,240	76,389
Bequests	100	17,209	17,309	11,965
Diocesan subsidies	5,100	-	5,100	6,800
Maintenance	6,100	7,020	13,120	6,747
Grants	243,204	-	243,204	124,542
Refugees	32,789	-	32,789	3,953
Faithworks	22,262	-	22,262	26,204
Government assistance	52,521	-	52,521	-
Building project	-	1,496	1,496	1,222
	1,559,325	25,725	1,532,529	1,320,043
<b>Cash paid for:</b>				
Suppliers and employees	(1,203,439)	(22,446)	(1,225,885)	(1,404,038)
Diocese	(132,696)	-	(132,696)	(134,658)
	(1,336,135)	(22,446)	(1,358,581)	(1,538,696)
	223,190	3,279	173,948	(218,653)
<b>CASH FROM FINANCING AND INVESTING ACTIVITIES</b>				
Proceeds on sale Fiera units	-	-	-	115,000
Interest and other income	26,251	-	26,251	25,621
	26,251	-	26,251	140,621
Net change in cash	249,441	3,279	200,199	(78,032)
Interfund transfer	(9,195)	9,195	-	-
Cash, beginning of year	104,037	90,937	194,974	273,006
Cash, end of year	344,283	103,411	447,694	194,974

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## PURPOSE OF THE ORGANIZATION

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The Church of the Redeemer (the Church) is established and operates under the Constitution and Canons of the Incorporated Synod of the Diocese of Toronto. The Church is registered as a charitable organization under the Income Tax Act and as such, is exempt from the payment of income taxes.

### 1. SIGNIFICANT ACCOUNTING POLICIES

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The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

#### Financial Instruments

The Church initially measures its financial assets and liabilities at fair value. The Church subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payables

#### Use of Estimates

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimated. Significant financial statement items that require the use of estimates is the accrual and recognition of government assistance related to COVID-19. These estimates are reviewed regularly, and adjustments are made, as appropriate, in the statement of operations in the year they become known.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

#### Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

Continued...

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**Equipment and Property**

Equipment and property including capital improvements, furniture and equipment are expensed in the year of acquisition. The Church of the Redeemer is an incorporated parish of the Diocese of Toronto within the Anglican Church of Canada. All real property, regardless of how the title reads, is held in trust for the Synod of the Diocese of Toronto. Improvements to the Church are recorded as expense in the year they are acquired. The Church building at 162 Bloor Street West has been recorded in the accounts at a nominal value of \$1.

**Fund Accounting**

The Church follows the restricted fund method of accounting.

The General fund accounts for the Church's religious operations, program delivery, and administrative activities. This fund reports resources for general operations.

The Capital Accumulation Fund accounts for the assets, liabilities, revenues and expenses related to any future development of the Church.

The Maintenance Reserve Fund accounts for the assets, liabilities, revenues and expenses related to the maintenance of the Church.

The Refugee Settlement Committee Fund accounts for the assets, liabilities, revenues and expenses related to assistance provided for refugees.

**Revenue Recognition**

**Donations**

Donations are recognized in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted donations are recognized as revenue of the capital accumulation fund, maintenance reserve fund and refugee settlement committee fund.

Unrestricted donations are recognized as revenue of the General fund.

**Rentals**

Rentals of the Church's facilities are recognized as revenue of the General fund when earned.

**Diocesan Consolidated Trust Fund**

Unrestricted investment income of the Diocesan consolidated trust fund is recognized as revenue of the General fund.

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1. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**Revenue Recognition (continued)**

**Investment income**

Investment income is recognized on the accrual basis in accordance with applicable terms of the investments.

Any unrealized gain or loss on investments, which is the difference between the investment book value and fair value of the investments is included in the Statement of Operations - General Fund. Transaction costs are expensed as incurred.

**Government Assistance**

Government assistance is a restricted contribution and is accounted for using the deferral method based on the assistance provided.

Wage subsidies are recognized as revenue in the year the related wages are incurred.

**Donated Services**

During the year voluntary services were provided. Because these services are not normally purchased by the Church, and because of the difficulty in determining their fair value, donated services are not recognized in these statements.

2. **INVESTMENTS**

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**Church Controlled Investment Fund**

The Church-controlled investment fund currently consists of 1,391 units (2019 - 1,391 units) in Fiera Capital Ltd's Balanced Endowment Foundation Trust (EFT) Fund. In 2020, the Church did not have any transactions during the year (2019 - 167 units were sold and a capital gain of \$86,698 was realized on redemption).

On May 1, 1993, 12,152 EFT units were purchased at a unit value of \$101.85 for a market value of \$1,237,739. These units were purchased with proceeds from the sale of all units held in Fiera's Balanced section of the pooled fund. The total gain realized on the sale of these units amounted to \$568,473. Through an agreement with the diocese 62.7% of this gain or \$356,389 was included as a deferred investment gain in the Church's General Fund and is transferred to the General Fund's unrestricted balance over time as EFT units are redeemed.

During the period May 1, 1993 to December 31, 2020, 10,761 EFT units have been redeemed. The Church's 1993 deferred gain on the sale of these units is \$320,390. This leaves \$28,788 (2019 - \$28,788) in the Church's General Fund to be transferred to the General Fund's unrestricted balance as future EFT units are redeemed. The book value of the investments as at December 31, 2020 is \$168,465 (2019: \$168,465).

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## 2. INVESTMENTS (Continued)

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### **Rectory Fund**

The rectory at 225 Glenview Avenue was sold in the 2001 year for \$505,225. As required by Diocesan regulation the net proceeds of \$476,592, after payment of legal fees and real estate commission, were deposited with the Diocese and are invested with the Diocesan Consolidated Trust Fund (D.C.T.F).

The Investment as at December 31, 2020 consists of 2,628 (2019 - 2,628) D.C.T.F units in a fund managed by Mercer Global Investments; Foyston Gordon & Payne and Letko Brosseau. The book value of the investment at December 31, 2020 is \$490,882 (2019 - \$490,882).

### **The Church's investment policy is:**

#### *(a) Safety of Capital*

The funds shall be conservatively invested to protect the capital against undue financial and market risk.

#### *(b) Adequate Income*

The funds shall be invested so as to generate adequate income for the operation of the Church.

#### *(c) Corporate Responsibility*

To the extent that is practical, the Board of Management shall ensure that the funds are invested in companies that are socially responsible.

## 3. DEFERRED DIOCESAN ASSESSMENT

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The total deferred assessment owing is \$346,501 (2019 - \$355,121). Deferred assessment includes provisions for unpaid assessment on church income and unpaid assessment on the 1993 gain as outlined in note 2.

Through an agreement with the diocese 37.3% of the gain realized in 1993 or \$212,075 was deemed a deferred assessment on the gain. The deferred assessment is recognized as EFT units are redeemed and paid to the diocese if money is used to fund church operations. While there were no units redeemed in 2020, there were 167 and 82 units redeemed in fiscal years 2019 and 2018, respectively. There were no units redeemed in 2017, 2016, 2015, 2014, 2013 and 2012, while 174 units were redeemed in 2011 to fund operations. The amount of the 1993 deferred assessment associated with the sale of these units in 2011 was \$3,087. The amount of the 1993 deferred assessment associated with the sale of these units in 2019 is \$2,971.

Continued...

**3. DEFERRED DIOCESAN ASSESSMENT (Continued)**

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During the period May 1, 1993 to December 31, 2020 10,761 EFT units have been redeemed and the amount of the 1993 deferred assessment associated with the sale of these units is \$186,189 (2019 - \$186,189). Thus leaving \$25,886 (2019 - \$28,886) owing to be paid as EFT units are redeemed. The diocesan assessment expense in the year represents the estimated assessment based on the statement of operations for the year.

**4. LINE OF CREDIT**

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The Church has a revolving line of credit facility from the CIBC of \$40,000. The credit is available at prime rate and is secured by a general security agreement covering all present and after acquired personal property of the Church. On December 31, 2020, the line of credit was nil.

**5. DEFERRED REVENUE**

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Deferred revenue represents the following funds for space rental services to be provided in the next fiscal year and unspent grants to be utilized in the next fiscal year.

	2020 \$	2019 \$
Prepaid space rental	-	12,975
Nursing Service Grant	50,024	-
Youth Ministry Apprenticeship	4,472	-
Daily Bread Grant	25,317	-
Total	79,813	12,975

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Continued...

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**6. GOVERNMENT ASSISTANCE**

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During the fiscal year, the Church received government assistance as follows:

	\$
Canada Emergency Wage Subsidy (CEWS)	67,905
Temporary Wage Subsidy for Employers (TWS)	11,091
Total government assistance	78,996

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The CEWS serves as financial relief for a portion of employee wages. The assistance received is not repayable albeit is subject to audit by the Canada Revenue Agency (CRA). The CEWS is temporary and is available from March 15, 2020 to June, 2021 to eligible employers. \$26,475 of the periods 5, 6 and 7 CEWS is receivable as at December 31, 2020.

The TWS serves as reduction in the amount of payroll deductions required to be remitted to the Canada Revenue Agency (CRA). The assistance received is not repayable albeit is subject to audit by the Canada Revenue Agency (CRA). The TWS was temporary and was available from March 18, 2020 to June 19, 2020.

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**7. UNREALIZED GAIN ON INVESTMENTS**

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The unrealized gain on investments is the total change in the market value of the Rectory fund investment and the Church controlled investment from December 31, 2019 to December 31, 2020.

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8. COMMITMENTS

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**De Lage Landen Financial Services Canada Inc.**

The Church entered into a lease for a printer on December 20, 2019, which expires on March 31, 2025. The lease has been accounted for as an operating lease. Future obligations due approximate \$29,686 and include the following annual payments.

	\$
2021	6,985
2022	6,985
2023	6,985
2024	6,985
2025	1,746

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29,686

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**Genelipse Inc.**

The Church entered into a service contract for an IT support, which expires on September 15, 2021. Future obligations due approximate \$7,200.

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9. GRANTS

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**Youth Ministry Apprenticeship Program**

The Church entered an agreement dated September 24, 2020 for the Youth Ministry Apprenticeship Program in the amount of \$6,700 from the Incorporated Synod of the Diocese of Toronto. The grant is to be used for wages paid to the Youth Ministry Apprentice. In fiscal year 2020, \$2,228 of the funds were used to pay wages for the Youth Apprentice. At the end of fiscal year 2020, \$4,472 of the funds are deferred and will be used in the next fiscal year.

**Curacy Grant**

Commencing in May 2018, the Church started receiving a subsidy from Incorporated Synod of the Diocese of Toronto in the amount of \$2,500 per month. The subsidy is to be used for wages paid to the assistant clergy personnel. In fiscal year 2020, the Church received a total of \$10,000 (2019 - \$30,000).

Continued...

9. GRANTS (Continued)

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**Investing in Neighbourhoods**

The Church entered into a contract with the City of Toronto in January, 2013 to participate in a social assistance program for the purpose of increasing the social capital capacity of local neighbourhoods as well as the employability and skill level of recipients of social assistance. The program reimburses employment costs of the Church for qualified employees. The Church received \$28,018 of assistance related to the 2020 fiscal year (2019 - \$90,014). The Church did not have a receivable balance as at December 31, 2020 (2019 - \$10,092)

**Jubilee Subsidy**

In fiscal year 2020, the Church received a subsidy of \$102,160 from the Incorporated Synod of the Diocese of Toronto to provide financial assistance to the Church during the pandemic. This subsidy was provided to relieve the Church of the expense of the clergy payroll expense and allotment for the months of April, May and June 2020.

**Pandemic Pay Grant**

In fiscal year 2020, the Church received \$10,527 in pandemic pay from the City of Toronto through the Toronto Drop-In Network (TDIN) which benefited four front-line staff working in The Common Table program for the period of April 24-August 13, 2020.

**Common Table Grants**

In fiscal year 2020, the Church received two grants from the Daily Bread Food Bank. The first was \$20,000 and was used for staff salaries to keep The Common Table open and available for the community. The second was \$28,750 and related to kitchen infrastructure. As at December 31, 2020, only \$3,433 had been utilized. The remaining \$25,317 has been recorded as deferred revenue, and will be used in the next fiscal year. The first order of business is a new oven for the Parish Hall kitchen.

In addition, the Church received a grant of \$50,024 from La Fondation Emmanuelle Gattuso for the provision of a nurse for a 12-month period who will be engaged to provide health services from the Church on an outreach basis. The provision of a nurse to fulfill this grant will be established in 2021, and therefore the full amount was recorded as deferred revenue.

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## 10. FINANCIAL INSTRUMENTS

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The Church is exposed to various risks through its financial instruments. The following presents the Church's risk exposure and concentration at December 31, 2020

### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Church's credit risk would occur with their accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$0 (2019: \$0).

### **Liquidity Risk**

Liquidity risk is the risk the Church will encounter difficulties in meeting obligations associated with financial liabilities. The Church is exposed to this risk mainly in respect of its accounts payable. The Church expects to meet these obligations as they come due by generating sufficient cash flow from operations, and from unrestricted net assets. There has been no change in the risk assessment from the prior period.

### **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Church has a moderate interest rate risk.

### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Church is not exposed to foreign currency risk.

### **Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Church is exposed to price risk through its investments in publicly traded shares and mutual funds. The exposure to this risk fluctuates as the Organization's investment market values change from year to year. The risk exposure has increased from previous years due to the instability of the investment market as a result of the COVID-19 pandemic.

Continued...



**11. IMPACT OF THE NOVEL CORONAVIRUS (COVID-19)**

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In March 2020, the World Health Organization declared a global pandemic due to the outbreak of the novel Coronavirus ("COVID-19"). The situation is continuously developing and the economic impact has been substantial to both Canada and around the globe.

As at February 4, 2021, the Church is aware of the changes in operations as a result of the pandemic, including staff primarily working remotely, the inability to provide Common Table services inside the Church and cancellation of in-person Church services for approximately 10 months in 2020. During the time of closure, the Church provided virtual services to parishioners. The Church has received Government assistance including the Canada Emergency Wage Subsidy (CEWS) and the Temporary Wage Subsidy for Employers (TWS).

The Church is not able to fully estimate the impact of COVID-19 on operations at this time given the continuous evolution of the pandemic and the global responses thereon to mitigate the spread. Management is closely monitoring the situation, and as at February 4, 2021, estimates the financial impact on future operations to be minimal given the current financial position. The financial impact will be accounted for when it is known and able to be assessed.



