

Hello friends,

My name is Matthew Schoenhardt and I am speaking as interim Finance Chair.

I would like to give you an update as to our financial position. When we last spoke in the spring, there was a substantial amount of risk in the air so much so that laying off staff was a possibility. Knowing the rough waters ahead, we asked for the congregation to maintain or increase its offerings. And you did. During Covid our offering has increased about 8% over budgeted amount or \$10,000. This is incredible! For those who have mailed in cheques, switched to or stayed on PAR (pre-authorized remittance), hit the donate now button on the web site or emailed money to contactus@riverbendunited.org we thank you for sharing your treasures with God.

The Board has also pursued all government grants made available to us totaling approximately \$15,000. This extra money has helped keep us afloat. This source of funds has come to an end.

The downside is with the building closed, our rental income fell by 30% to budget or \$15,000 during Covid. As a result, we have been running a deficit to our budget of a few thousand dollars per month.

We also took fairly drastic action, and cut or deferred all discretionary spending which amounted to approximately \$80,000 or 20% out of our annual budget. This was a draconian budget. These cuts included deferrals of our mortgage for \$15,000 and a deferral of approximately \$60,000 of maintenance and capital renewal. These are deferrals, meaning it is not money saved, just cash not spent. These four factors combined:

- Increased offerings: \$10,000
- Government Programs: \$15,000
- Decreased rentals: -\$15,000
- Harsh austerity: -\$80,000

combined have caused us to miss our budget. However, we have generated positive cash flow and doubled our cash position since Covid started. In May I was counting the days to insolvency; I am no longer. Thank you for offering up your treasures to God!

Looking forward with an eye to our re-opening plan, our fall forecast shows a few thousand dollars of surplus every month. Given the strong response from our Community of Faith and our resulting cash balance, while some Churches are hurting, we are in a position to spend some, and I need to stress less than a third, of the \$80,000 of our deferred expenses. The Board has authorized release of approximately \$25,000 of the planned capital budget to fund new front doors and

a building condition assessment. The building condition assessment will provide us a professional opinion of the magnitude and priority of capital renewal required to keep our building in good shape. The Board also passed a motion to review our cash position in October to consider catching up on the deferred \$15,000 of mortgage payments.

To conclude, our Community of Faith's response to support our Church's finances are enviable. We have increased our offerings which has partially made up for the drop in rental revenue. When combined with spending cuts, deferrals and Government grants, we have managed to increase our cash position. This has allowed us to ease off the **DRACONION** budget and move to mere austerity budget. This makes us the envy of most religious organizations. Thank you for stepping up. With your continued offerings Riverbend United Church will get through this.