



# **Riverbend United Church**

## **2024 Treasurer's Report**

### **Appendix A**

Summary of 2024 Financial Information  
and 2025 Budget

# 2024 Annual Treasurer's Report

## Thoughts on 2025 Budget

Hi! This is my first Treasurer's Annual Report.

As my first budget this was very easy compared to the difficulties Ray Hawrelak had over the prior years with declining offerings and the craziness of Covid. This year's budget basically balanced itself thanks to this year's final push to pay off the mortgage. For the first time in years, we – the Community of Faith of Riverbend United Church – have the financial flexibility to start thinking of how our Ministry and Calling in this world could be ... 🤖

With the various closures of other United Churches in Edmonton, Riverbend United has been gifted the opportunity to fill some of this need, both by providing increased spiritual growth for our current and future Christians and by increased engagement with the larger community. I encourage us not to think, "Phew we are solvent", but rather "How can we use these gifts to be Christ's hands and feet and voice in Edmonton?"

## Where the money comes from and how we use it

I know most of us are not accountants and I have tried to use some different techniques at explaining things with the Board. It went pretty well (thanks for being guinea pigs Official Board!) so I will continue with them.

1. I am going to share numbers in larger buckets. If you really want the dollars and pennies they will be at the end. Our annual budget is roughly \$500,000 and 1% is \$5000. With this mindset I broken our accounting into 10 sources of funds and 15 uses of funds.
2. I like pictures! I will use two different kinds – Sankey (sources and uses of funds) and waterfalls (how things changed from then to now, or budget to actual, or actual to new budget).

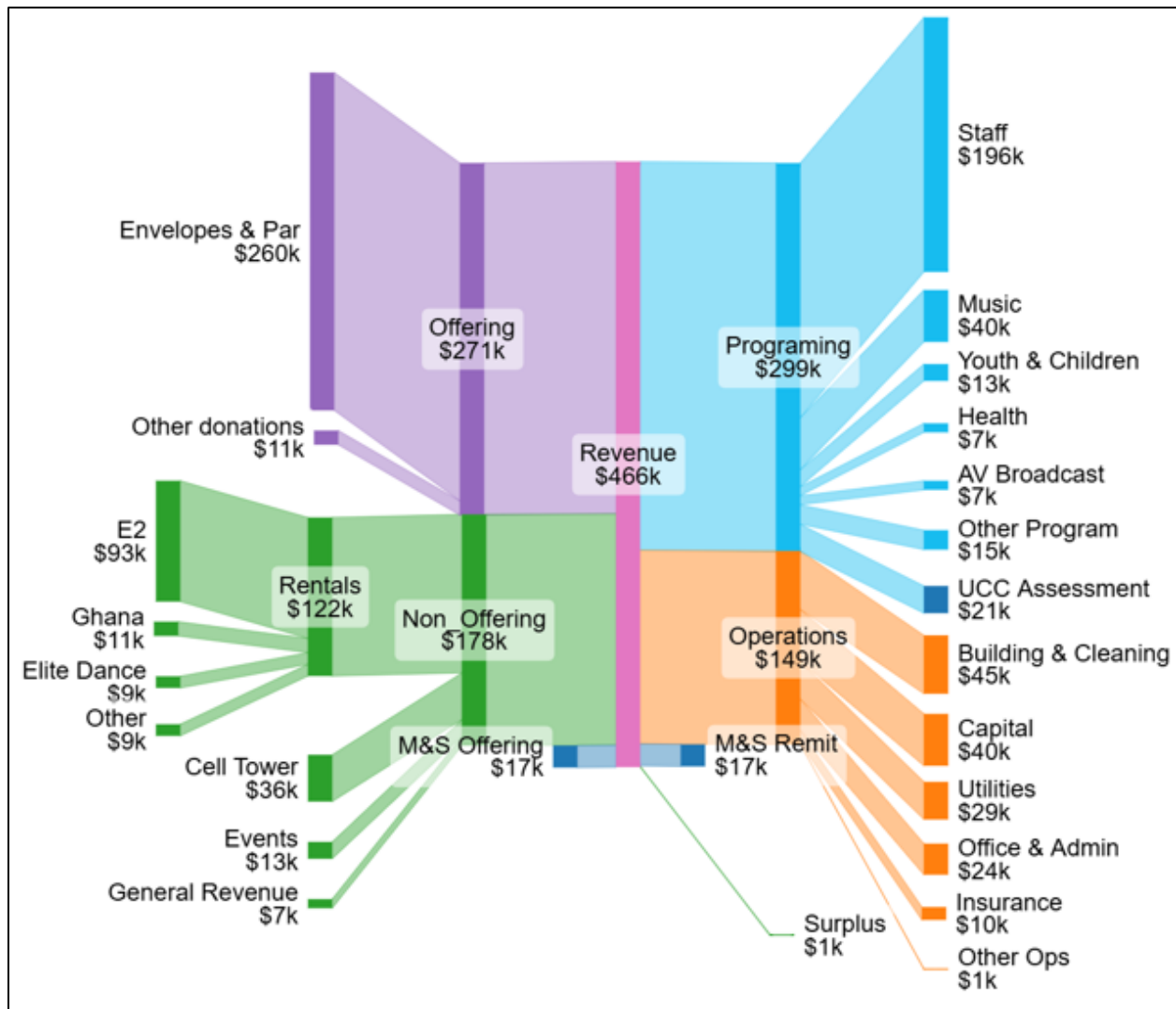


Figure 1: Where our Money comes From and Goes To in 2025 (Sankey Diagram)

In Figure 1: **Where our Money comes From and Goes To in 2025** (Sankey Diagram) we can see that offering is about \$271k of our \$466k of revenue or about 60%. You can eye-ball this as the width of any bar is correctly scaled to the drawing. The purple-offering is slightly more than half of the total revenue and is comprise mostly of envelopes and PAR (Pre-Authorized Remittance – i.e. automatic bank transfers that make it super easy for our Counters and Steward to keep who gave what confidential and correct). This visual also makes it easy to see that our Offering does not even cover all of our Programing costs, let alone our Operations (building) costs.

To make up that shortfall we have other sources of revenue. About 40% of our revenue comes from “non-offering” (green bars) with about 90% of that from long-term rentals. We have three key in-building tenants and one exterior:

1. **E2 Academy:** A registered special needs school that has exclusive access to about half of our basement, is the largest (PS it should be noted that E2 explicitly pays a utility rider accounting for their increased use);

2. **The Ghanaian Methodist Church** rents our sanctuary on Sundays for worship along with other space at other times;
3. **Elite Dance** is a for-profit community dance school that rents our lower hall several weeknights; and,
4. **Rogers** who leases space for a cell phone tower that houses equipment from Rogers, Telus and Bell.

Finally, we have about \$20k of other revenues. General Revenue includes the fees collected from weddings and funerals while events includes things like the Garage sale, Marvelous Music and Yoga classes.

Not included in the purple offering bar is Mission and Service Offering (or “M&S”) shown in darker blue. This is offering that folks specify for the United Church of Canada’s Mission and Service that funds and supports activities outside the wider Church. This is things like community supports, emergency relief, development work, social and environmental justice, and food security both in Canada and around the world. The \$17k of M&S offering is passed on dollar-for-dollar to the United Church of Canada.

I have broken our spending into two main buckets:

- a) Programming, the Church activities we see, feel and participate in; and,
- b) Operations, the behind-the-scenes things that keep the rain out and the lights on.

Programming, shown in light blue, used about 2/3<sup>rd</sup>s of our budget and includes the paid staff (Minister and Office Manager), contractors and expenses that support our Health, Music, Youth, Children, and digital Ministries. Included in this Programming is “Other” which is things like pulpit supply (when Valerie is on vacation), bulletins, candles, weddings, funerals and special events.

Programming includes the United Church of Canada Assessment (“UCC Assessment”). This is Riverbend United’s fair share-contribution (mostly determined by our attendance) to the operations of the greater United Church of Canada. In business speak, the UCC Assessment is an invoice we pay to fund head office! In a perfect world the UCC Assessment strictly goes to paying United Church of Canada staff and operations expenses while our voluntary M&S Offering funds the United Church of Canada’s out reach. We could argue that UCC Assessment is an Operations expense, however I elected to put it into Programming as it how our Ministry fits into the larger Church.

The other 1/3<sup>rd</sup> of the budget goes to Operations which has five main buckets:

1. Building and Cleaning: the day-to-day costs of running a \$5M building with lots of use and includes our handyman, snow-plowing, routine inspections and toilet paper.
2. Capital: the money we spend on keeping the building in good shape. In 2025 for instance, we need to replace 3 of our 7 furnaces for over \$20k. It is common to spend 1-2% of the value of a property on capital maintenance every year. For us that would be funded at \$30-60,000 annually but actual spending would not be perfectly even. Generally, we have been lean on this in past years. It is like replacing the shingles on your house, sure you can get one more year out of them – until you can’t as the roof leaks. Then not only do you have to replace the shingles, but also have to repair the water damage. Good capital maintenance precludes costly negligence. Don Trenn has a great plan to keep our building safe!
3. Utilities: gas, water, sewer, garbage and power (which is much smaller thanks to solar panels!)

4. Office and Admin: things like printing bulletins, accounting “audits”, computer support and software.
5. Insurance: seemingly an ever-increasing line both for Riverbend and the rest of us!

The final line is the planned surplus or deficit. We are effectively planning a balanced budget for 2025. The actual numbers might show a slight surplus but as I said, I work in buckets of \$5000, and we should not pretend to be more accurate or predictable than that!

## 2024 Financial Review

The next difference in the introduction of waterfall diagrams with the vertical axis in thousands of dollars. This waterfall diagram starts with the planned cash deficit from our 2024 budget, a \$42,000 deficit, and shows the variations to how we actually ended up, a \$7000 deficit. The passed 2024 budget called for a as it was clear we could not afford to continue paying monthly mortgage payments at the same amortization rate as we had in 2023. This budget reduced our monthly payments in half and as a compromise we put \$25,000 directly against our mortgage in February.

Red bars are unfavorable results – either less for revenue items or more for expenses – while green bars are favorable – either more for revenue or less for expenses. For instance, offerings were \$7000 less than budgeted while rentals were \$7000 more, events was \$8000 better than planned and we received some \$4000 of interest on the bequest while contracts with finalized with the United Church of Canada Foundation. What drove the major difference were a decision to not complete all the planned capital maintenance last year and a one-time solar-power generation underpayment by Epcor for \$6000 that was caught and corrected.

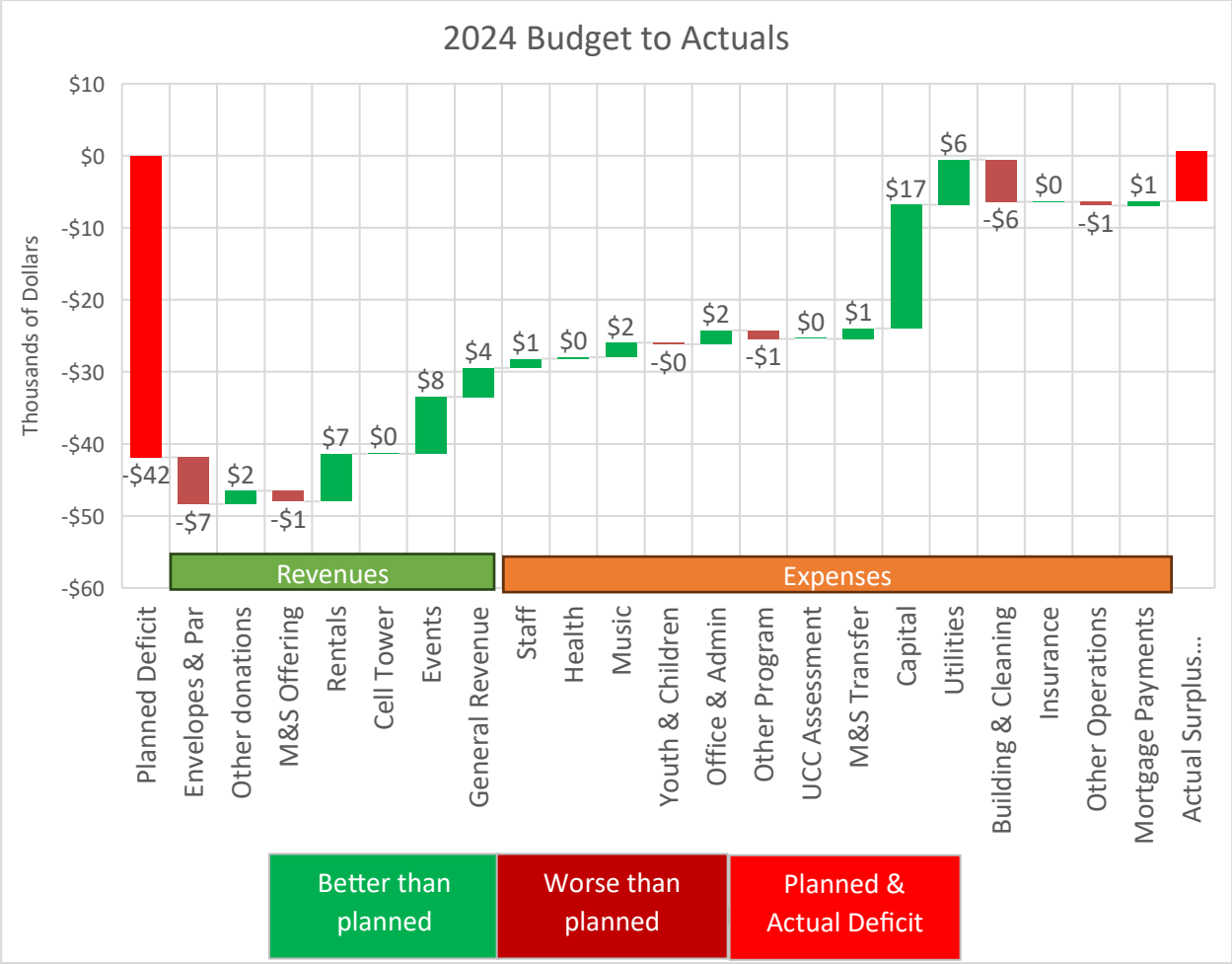


Figure 2: 2024 Budget to Actual (Waterfall Diagram)

### 2025 Budget

The 2025 budget waterfall, Figure 3: 2025 Budget changes form 2024 Actuals, references the 2024 actual results with red bars showing decreases for revenues or increases for spending.

- This chart starts with the 2025 actual short fall of approximately \$8000.
- E2 Academy is no longer renting the upstairs boardrooms going forward which reduces their rent by approximately \$6000.
- General revenue is down by \$6000 as the interest income from last year shown will not continue as the bequest has been fully transferred to the United Church of Canada Foundation to endow the Opportunity and Legacy Funds. This year’s budget does not touch the interest or principle of these funds.
- Various staff costs increased due to wage inflation. It should be noted our Youth program was without a leader for a portion of last year, while this year we are funding for the full year.
- We are budgeting increased capital spending by \$18,000 this year (\$40,000 total). This is the first year in many, that the Property and Maintenance budget request has been fully funded. The main spending item is the replacement of 3 furnaces for \$22k.

- The one-time correction for prior year’s solar generation was removed resulting in an apparent increase in costs by \$4000.
- The budget is effectively balanced by reduced Mortgage payments. Annual payments were \$32,000 and last year we made a single payment of \$25,000 against the principle totaling the \$57,000 favorable variance.
- On paper our budget shows a \$1000 favorable variance. This is effectively zero as none of these forecasted values are accurate within \$5000.

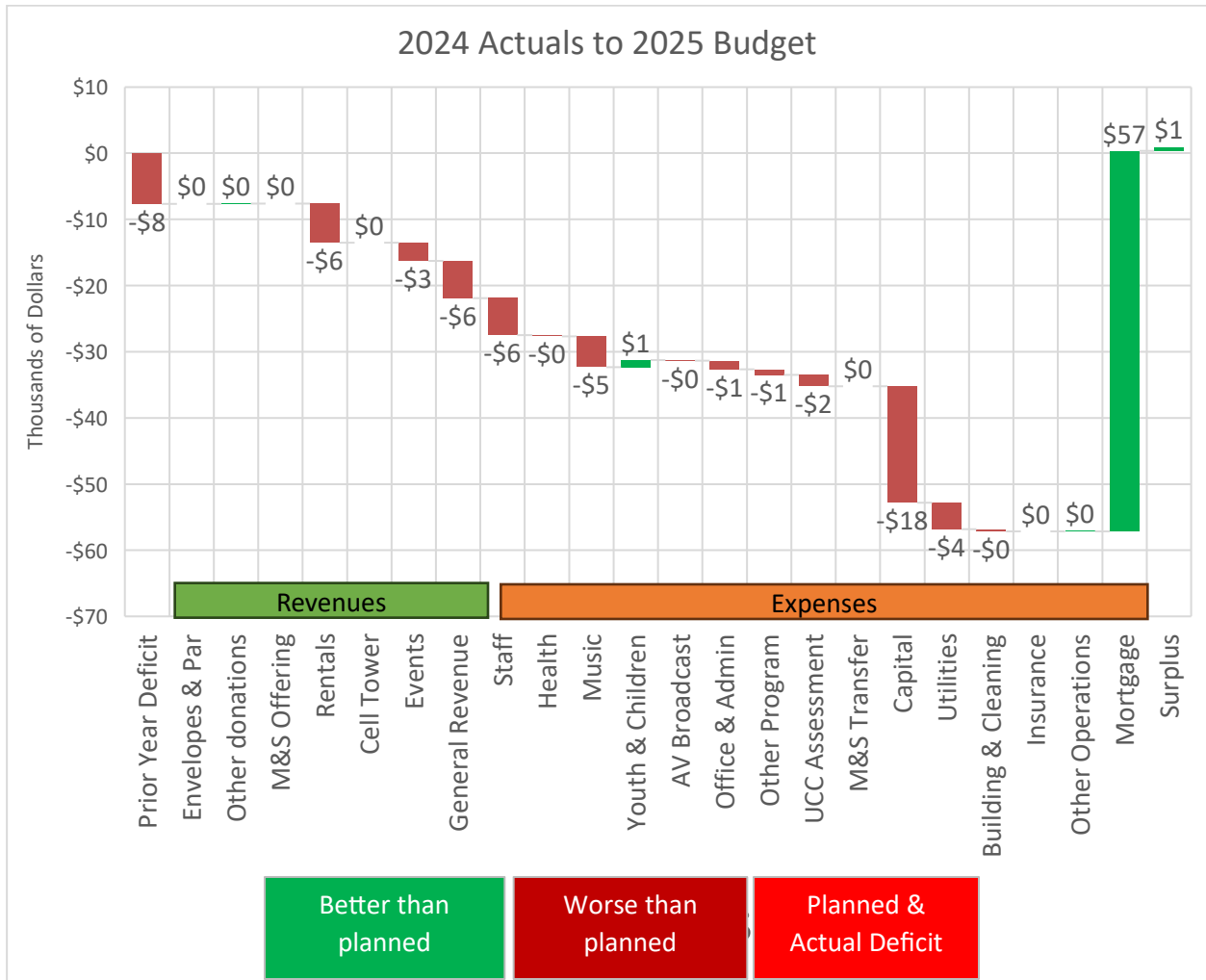


Figure 3: 2025 Budget changes form 2024 Actuals

## Boring Accounting Numbers

If you got this far, either you find me amusing, are passionate about Riverbend or have the accounting tendency to want to see numbers. Here there are:

Accounts	2025 Total
<b>Revenue</b>	
4111 Envelopes & PAR	\$260,495
4122 Publications & subscriptions	\$1,282
4123 Miscellaneous revenue	\$942
4124 CanadaHelps Donations	\$3,655
4133 Garage sale	\$5,760
41351 Youth Retreat income	\$250
41359 Youth event - other	\$307
41371 Community event	\$1,245
41372 Fundraising events	\$1,165
4139 Other miscellaneous events	\$869
41392 Yoga class	\$3,362
4141 Wedding income - Ops.	\$1,000
4142 Funeral income - Ops.	\$6,150
4150 Other Revenue	\$48
4212 Special receipts	\$30
4221 Loose collection	\$4,954
4231 Rentals	\$122,129
4232 Cell tower	\$35,754
4321 M & S Envelopes	\$16,003
4322 Birthday M&S	\$1,145
<b>Total Income</b>	<b>\$466,596</b>
<b>Expenses</b>	
51111 ADP staff Salaries	\$154,951
5114 Book Allowance	\$2,880
51151 ADP staff EI	\$2,791
51161 ADP staff CPP	\$7,025
5117 UC Benefits	\$14,183
5118 Employer Pension Plan	\$13,859

<b>Accounts</b>	<b>2025 Total</b>
5121 Office Supplies	\$2,453
5122 Computer ADSL/other costs	\$4,399
5123 Photocopier lease, repair & use	\$4,476
51241 Accounting	\$3,998
51243 ADP & PAR charges	\$801
51244 Other Miscellaneous Service Cost	\$78
51245 Service Fee - Donation Services	\$345
5125 Telephone / Comm. incl postage	\$5,192
5129 Hospitality	\$600
5131 Board & Trustee Expenses	\$24
5132 Communications & advertising	\$778
5133 Ministry & Personnel	\$215
5137 Memorial Fund expenditures	\$327
5138 UCC Assessment	\$20,666
51412 Bulletins / Subscriptions	\$1,531
51413 Pulpit Supply	\$500
51414 Pastoral care (coffee, etc.)	\$139
51415 Worship supplies (candles, palms, etc.)	\$273
51416 AV assistance	\$7,400
51421 Honorarium - Children's Ministry	\$4,510
51422 Children's Ministry - supplies	\$423
51429 Other Expense	\$323
51432 Affirm expenses and supplies	\$209
51441 Honorarium - Youth Leader	\$6,400
51449 Other expenses	\$118
51451 Honorarium	\$6,765
51461 Wedding expenses	\$1,050
51462 Funeral expenses	\$2,950
51511 Music Director	\$22,588
51512 Handbell Choir Director	\$6,000
51513 Organist	\$10,435
51519 Guest services (piper, etc.)	\$250
51521 Choir expenses	\$704
51522 Handbell expenses	\$53
5163 Garage sale expenses	\$728
51651 Youth Retreat	\$177
51661 Funeral Catering Expenses	\$133
51671 Community Event	\$1,265

<b>Accounts</b>	<b>2025 Total</b>
51672 Fundraising event	\$1,109
5169 Other events	\$3,706
5225 Elizabeth House Project	\$254
5228 Outreach Projects	\$1,935
5410 M&S Disbursements	\$17,148
5450 Benevolent Fund (other)	\$350
5521 Summer maintenance	\$692
5522 Winter maintenance	\$5,619
5531 Insurance	\$10,499
5532 Safety, Security & Monitoring	\$1,140
55331 Electricity	\$8,974
55332 City utilities	\$8,091
55333 Natural Gas	\$6,938
55334 Waste & recycle collection	\$4,539
5534 Bldg. cleaning & janitorial	\$15,400
5535 Bldg. Repair & Maintenance	\$14,950
5536 Capital Fixes 1	\$40,450
5539 Handy Man	\$8,500
<b>Total Expense</b>	<b>\$465,257</b>