

**Grand River Community Church
April 20, 2022 Business Meeting
General Fund Balance Discussion Document**

Summary:

1. Renew mortgage including a \$75,000 paydown leaving a principle of \$206,000
2. Use \$22,000 (plus \$4,500 from youth fund) for immediate capital projects.
3. Maintain a \$45,000 operating reserve due to givings presently tracking at 77% of budget.
 - a. This can be reduced to a \$25,000 reserve based on review of givings in Q2 (June 30th)

More details are given below and in the pages following.

Background:

At the February 2022 Annual Business Meeting, there was discussion about GRCC's general fund balance which was approximately \$158,000 on December 31, 2021. The unprecedented size of the general fund balance was the result of significant offerings received in December 2021. Funds received during the month of December equaled 46% of the total offerings received in 2021.

It was agreed that the elders and treasurers would investigate potential uses and report back to the congregation in April.

Update:

The general fund balance as of March 31, 2022 is now \$142,000. The draw on the fund balance over the past 3 months has been \$16,000.

Options for Consideration:

Potential uses for the fund balance can be divided into four categories: 1) debt reduction, 2) capital improvements, 3) employ a cleaning service, and 4) maintain a reserve to offset ongoing operating costs.

- 1) Debt Reduction – GRCC's mortgage matures on May 6, 2022. The mortgage balance on the maturity date will be approximately \$281,000. Quoted 5-year mortgage rates are higher than GRCC's current mortgage (5.25% versus 3.9%). GRCC can pay down as much of the mortgage as desired on the maturity date without penalty.
- 2) Capital Improvements – items for possible consideration include: upgrades to washrooms; sound baffles in the sanctuary; fencing and floor covering for the sports pad; curb and sidewalk around the sports pad to maximize longevity; concrete walkway between church entrance and parking lot (stable path, keep dirt out of the church), fertilizer, grass seed and dirt to ensure the sports fields have solid turf and drain well, etc.
- 3) Employ a Cleaning Service – cleaning the church has been provided by volunteers in the past. There are increased expectations about the cleanliness of the church given the pandemic.
- 4) Maintain an Operating Reserve – The general fund balance is being used to offset the difference between operating costs and offerings on an ongoing basis. The draw on the fund has been \$16,000 since January 1, 2022. Offerings as of March 31, 2022 are 77% of the budgeted amount. At year-end, this pace could result in a deficit of \$52,176. Except for December 2021, offerings since the start of the pandemic have been less than budgeted.

Next Steps:

- 1) Present to the congregation for discussion and approval April 20th.

General Fund Balance Recommendation

Current Fund Balance Mar 31st, 2022	\$ 142,000
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Less Proposed Adjustments:

1 Debt Reduction (Pay down Mortgage)	\$ 75,000
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2 Capital Improvements (estimates only)

2.1 Memorial Items	\$ 3,000			
2.2 Sanctuary Sound Baffles	\$ 2,000			
2.3 Concrete around Sports Field	\$ 500			
2.4 Floor covering to Sports Field	\$ 20,000			
2.5 Sports Field Containment	\$ 15,000			
2.6 Washroom Improvements	\$ 5,000			
2.7 Walkway up to Entrance	\$ 4,000			
Total	\$ 49,500	44%	\$	22,000

3 Operating Budget Changes

3.1 Soccer Field Maintenance	\$ 1,000			
3.2 Cleaning Services	-			
3.3 Monthly Mortgage Pmt Savings	\$ (6,300)			
Total	\$ (5,300)		\$	(5,300)

4 Operating Reserve

4.1 Priority Reserve	\$ 25,000			
4.2 Contingent Reserve	\$ 20,000			
Total			\$	45,000

Remaining Fund Balance	\$ 5,300
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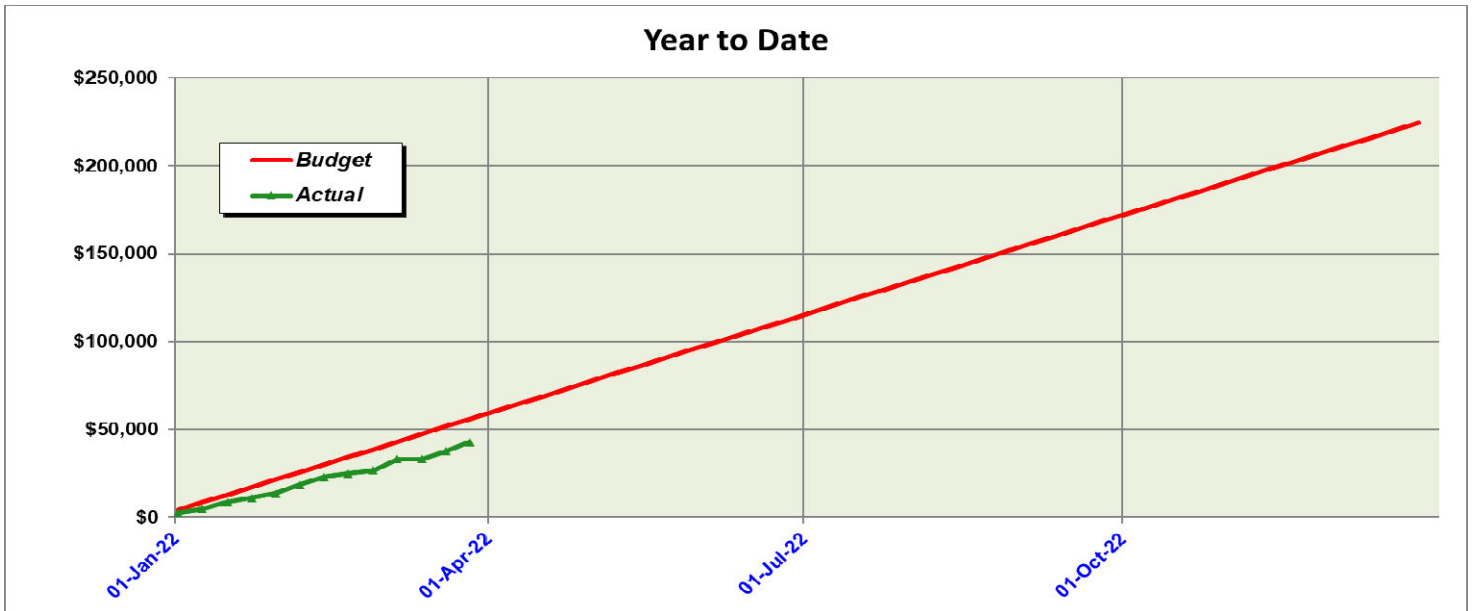
Notes on the above:

- 0.0** LOC is available for capital improvements only and cannot be used for operating budget
- 2.0** Capital items and the prioritization to be discussed at the Apr 20th Business meeting
- 2.3** \$500 is a low estimate based on DIY forming and special pricing from Greenwood Concrete.
- 3.2** Cleaning services was not recommended to be included by the administration committee
- 4.2** Contingent reserve can be applied to capital items if giving warrants (will be revisited in Q2 business meeting)

Motions to be made:

- 1 Motion to renew mortgage
- 2 Make \$75,000 payment on mortgage
- 3 Capital Budget of \$22,000 (plus \$4,500 from youth fund for sports area)

2022 Yearly Budget:	\$ 224,323	
Budgeted Weekly Offering:	\$ 4,314	for 52 weeks
Avg Weekly Offering YTD:	\$ 3,311	77% of Budget
Givings Last 3 Weeks:	Offering	Designated
13-Mar-22	\$ -	0% \$ -
20-Mar-22	\$ 4,586	106% \$ -
27-Mar-22	\$ 5,235	121% \$ -
Total for 13 weeks YTD	\$ 43,037	\$ -
Shortfall in YTD Budget	\$ (13,044)	
<i>Projected Givings to Dec 31st</i>	<i>\$ 172,147</i>	<i>(at current average)</i>



GRAND RIVER COMMUNITY CHURCH

Income and Expense Statement

March 31, 2022

As of March 31, 2022

	2022 Budget		2022 Budget vs Actual		
			YTD Budget	YTD Actual	% bgt
INCOME:					
Weekly	\$4,314				
0.01 Yearly		\$224,323	\$56,081	43,037	77%
Other Income:					
0.03 Capital Expenditures					
0.04 MSCU ownership benefit				173	
0.05 Non-Receiptable Deposits				335	
0.06 Youth Ministry Fund					
0.07 DZ Fund					
0.08 Debt Reduction Fund					
0.09 Misc Specified Donations					
TOTAL GENERAL INCOME		\$224,323	56,081	43,545	78%
EXPENSES:					
1 Prayer					
2 Worship					
2.01 Music				13	
2.02 Worship	674		169		
		\$674	\$169	13	8%
3 Small Groups					
		\$1,300	\$325		
4 Outreach & Community Care					
4.01 Advertising & Printing	200		50		
4.02 Evangelism & Outreach	4,700		1,175	142	
4.03 Celebrate Recovery					
4.04 Missions	13,100		3,275	3,100	
		\$18,000	\$4,500	3,242	72%
5 Fellowship					
		\$1,650	\$413	50	4%
6 Instruction					
6.01 Youth	2,000		500	214	
6.02 Nursery	200		50		
6.03 Children's Ministries	1,000		250	19	
		\$3,200	\$800	232	29%
7 Facility					
7.01 Insurance	6,675		1,669	1,618	
7.02 Interest - Mortgage & LOC	11,800		2,950	2,788	
7.03 Property Taxes	500		125	273	
7.04 Supplies & Consumables	1,000		250	550	
7.05 Building M&R	4,000		1,000		
7.06 Property Maintenance	1,500		375	12	
7.07 Snow Removal	2,500		625	1,782	
7.08 Hydro	6,000		1,500	1,634	
7.09 Union Gas	1,700		425	1,326	
		\$35,675	\$8,919	9,983	112%

As of March 31, 2022

	2022 Budget	2022 Budget vs Actual		
		YTD Budget	YTD Actual	% bgt
8 Salaries & Administration				
8.01 Salaries, Benefits & Travel	127,000	31,750	34,794	
8.02 Conventions & Food Bank	1,000	250		
8.03 Pulpit Supply	900	225		
8.04 Plan to Protect	1,000	250		
8.10 Accounting & Legal Exp.	1,000	250	1,200	
8.11 Bank Fees	3,000	750	281	
8.12 Office Supplies	2,000	500	557	
8.13 Telephone (1-Landline)	360	90	90	
8.14 Telephone (Cellular)	500	125	109	
8.15 Internet	4,000	1,000	2,192	
8.16 GST (Non-refundable portion)	1,064	266	366	
	\$141,824	\$35,456	39,590	112%
9 Capital Expenditures				
10 Principal Repayments				
10.02 Principle Paid on Mortgage	22,000	5,500	5,735	
	\$22,000	\$5,500	5,735	104%
TOTAL GENERAL EXPENSES	\$224,323	\$56,081	58,846	105%
GENERAL INCOME - GENERAL EXPENSES			-15,301	
Other Income:				
50.01 Community Care Fund				
50.02 Missions, non-budget				
50.03 Youth Fund				
50.04 Specified Donations				
Total Other Income				
Other Expenses:				
60.01 Community Care				
60.02 Missions, non-budget				
60.03 Youth Fund			978	
60.04 Specified Donations				
Total Other Expenses			978	

GRAND RIVER COMMUNITY CHURCH

Multi-Period Balance Sheet

December 2021

March 2022

ASSETS

Current Assets

Cash to be deposited	0.00	
CIBC General Fund Bank Acct	163,859.98	157,656.34
Reallocate Community Care Fund Bal.	-585.50	-585.50
Reallocate DZ Funds Account	-6,068.86	-6,068.86
Reallocate Youth Ministry Funds	-5,308.40	-4,417.15
Available Cash	151,897.22	146,584.83

Community Care Fund	585.50	585.50
Discovery Zone Fund	6,068.86	6,068.86
Youth Ministry Fund	5,308.40	4,417.15
Reimbursable Expenses	6,912.26	791.98
Total Funds & Reimbursable	18,875.02	11,863.49

Total Current Assets	170,772	158,448
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Capital Assets

1	Capital Purchases	105,925.23	105,925.23
	Accum. Write-Downs Capital Purchase	-77,498.63	-77,498.63
	Net Capital Assets	28,426.60	28,426.60

2	Computers	5,712.62	5,712.62
	Accum. Write-Downs Computer	-2,511.33	-2,511.33
	Net Computers	3,201.29	3,201.29

3	Lawn Tractor	2,310.58	2,310.58
	Accum. Amort. -Lawn Tractor	-1,919.24	-1,919.24
	Net - Lawn Tractor	391.34	391.34

4	Building	956,870.63	956,870.63
	Accum. Amort. -Building	-346,389.96	-346,389.96
	Net - Building	610,480.67	610,480.67

5	Sports Pad	46,222.75	46,222.75
	Accum. Amort. -Sports Pad	-9,244.55	-9,244.55
	Net - Sports Pad	36,978.20	36,978.20

* Note: A designation of \$50,000 was made to offset this capital expense

6	Land	220,511.45	220,511.45
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Total Capital Assets	899,990	899,990
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TOTAL ASSETS	1,070,762	1,058,438
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Multi-Period Balance Sheet

December 2021

March 2022

LIABILITIES**Current Liabilities**

Accounts Payable	913.53	4,950.30
Accrued invoices	472.00	0.00
EI Payable	0.00	0.00
CPP Payable	0.00	0.00
Federal Income Tax Payable	0.00	0.00
Pension Employer Payable	0.00	516.30
Life Ins 2010- A D & D emplyer pay.	-229.20	6.54
Deduction-Pension Employee Payable	103.39	0.00
Deduction-LTD Employee Payable	0.00	91.58
Deduction-Life Insurance Payable	0.35	0.00
GST Owing (Refund)	0.00	0.00

Total Current Liabilities	1,260	5,565
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Long Term Liabilities

Kindred Mortgage	288,676.04	282,921.75
Kindred Line of Credit	537.37	379.67
Kindred Membership Shares	-25.00	-25.00
Kindred MSCU Ownership Benefit Shares	-1,852.48	-2,025.65

Total Long Term Liabilities	287,336	281,251
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TOTAL LIABILITY	288,596	286,815
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