

FINANCIAL VIABILITY REVIEW

Pastoral Charge: Westworth United Church
Date: 2016-02-15

Presbytery: Winnipeg Presbytery

Introduction:

This resource document is meant to help the Pastoral Charge Board and the Joint Needs Assessment Committee consider the financial situation of the pastoral charge, and of each point in a multi point charge. Knowing how much income the pastoral charge has for salary costs, as well as a detailed estimate of what the ongoing salary AND benefits including pension will be for various ministry options will help the pastoral charge make decisions about their future ministry that are affordable and sustainable. It will also be helpful for pastoral charges considering any sort of shared ministry with neighboring pastoral charges.

Your congregation is beginning the Joint Needs Assessment process. The information collected here will help create a picture of your financial viability.

Making financial decisions for a congregation is difficult. Few of us have looked at expenses and revenues over a period of time, looking for patterns that remain constant and for changes. Once the data has been collected, discuss the patterns and their implications. Note your thoughts in the observations section. Use your observations to make recommendations that will hopefully help your committee make decisions that balance your expectations.

1. Do your Expenses exceed your Revenues?

| Year | Revenue | Amount given through envelopes and PAR | Expense | Do Expenses exceed Revenues? | Comments | Bank balance at end of year |
|------|-----------------------|--|-----------------------|------------------------------|-------------------|--|
| 2009 | 370,225 | 319,017 | 375,649 | YES | | \$20,776 |
| 2010 | 377,208 | 315,735 | 381,987 | YES | | \$15,742 |
| 2011 | 379,153 | 329,366 | 379,151 | NO | | \$15,744 |
| 2012 | 375,038 | 312,599 | 373,600 | NO | | \$17,182 |
| 2013 | 366,651 | 300,045 | 349,172 | NO | Not fully staffed | \$34,661 |
| 2014 | 399,432 | 295,927 | 404,901 | YES | | \$29,192 (accumulated surplus of Gen. Fund) |
| 2015 | 512,567 (139,526)* | 279,345 | 499,212 (139,526)* | NO | | \$42,548 |

*Refuge donations

Comments: We anticipated that we would have a shortfall for 2015, but with one ministerial staff leaving, we have ended 2015 with a surplus of approximately \$13,000.00

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Please include any comments you think are pertinent to our consideration – renovations, special fund raising, money that comes in as revenue but you really don't have use of because it goes out to organizations, GIC's, Term Deposits, Memorial Fund, support of M&S, ...

In 2008 Special Appeals

In 2009 Special Appeals
"Close the Gap" - \$15,885
Faith and Future Fund grant \$5,554
M&S \$4,508

In 2010 Special Appeals
Memorial Fund \$8,965
Columbian support \$5,236
Misc. \$7475
M&S \$4,657

In 2011 Special Appeals
"Close the Gap" \$23,000
Faith and Future Fund grants \$84,878

In 2012 Special Appeals

In 2013 We had fewer costs due to ministerial staff serving fewer hours. Full-time minister retired and we hired a term - minister to assist with ministerial requirements.

Special Appeals
Refugee support \$26,200

In 2014
Separation of Operating and Mission and Service donations began a 2 year trial for 2015 and 2016.
Special Appeals
Refugee support \$51,400

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Payroll Costs:

At present we have called/appointed/hired (full time/half time/quarter time/ __ hours per week):

Full-time Minister: ____40__ hours per week

Part-time Minister: ____30__ hours per week (presently vacant)

Secretarial : __35__ hours per week

Custodial: __35__ hours per week

Choir Director: 10 hours per week/10 months per year

Organist: _10__ hours per week

other (youth, Sunday School, ...): _32__ hours per month

Cost of Payroll (\$ paid plus pastoral charge burdens (EI, ...) for everyone

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$240,574 | \$243,515 | \$249,339 | \$251,235 | \$232,859 | \$256,241 | \$227,801 |
| 65% | 65% | 66% | 67% | 64% | 69% | 63% |

2. Have you experienced a deficit for more than 2 consecutive years in the last 5 years? If you have, how have you managed your finances? Did you borrow from yourselves? From others? If the deficits have been in the last 3 years, what are your plans for turning this around? How long have you struggled with this?

NO

3. Are there any outstanding loans? If so, how much is still owing? To whom do you owe that money? At what interest rate is the money to be paid back? Does the interest plus the principal exceed 20% of the income?

NO

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4. Do utilities, maintenance and repairs exceed 25% of revenues?

| Year | Utilities Power & Water | Fuel | Maintenance` | Total | Exceeds 25% of Revenues |
|------|----------------------------|--------|--------------------|----------|----------------------------|
| 2009 | 5600 + 958 | 21,394 | 23,378 | \$51,330 | 14% |
| 2010 | 5568 + 1089 | 15,217 | 23705 | \$45,579 | 12% |
| 2011 | 5794 + 1015 | 13,939 | 19,759 | \$40,507 | 11% |
| 2012 | 5720 + 1611 | 10,277 | 23,646 + 10,815 | \$52,069 | 14% |
| 2013 | 5507 + 1492 | 10,574 | 18,826 +14,455 | \$50,854 | 14% |
| 2014 | 5620 + 880 | 13,438 | 22,869 + 17,010 | \$59,817 | 16% |
| 2015 | 5692 + 513 | 11,958 | 22,054 + 4538 | \$44,760 | 12% |

Do you heat your building with electricity? If so, and you can't separate the utilities and fuel, just put in the one number and change the label to reflect that your fuel bill is included with utilities.

5. How many contributors support your congregation?

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------|------|------|------|------|------|------|
| 291 | 269 | 273 | 258 | 231 | 232 | 247 |

6. How many contributors would you have in each age group this year?

| | |
|---------------|------------|
| 0 – 19 years | 0 |
| 20 – 29 years | 3 |
| 30 – 39 years | 4 |
| 40 – 49 years | 31 |
| 50 – 59 years | 66 |
| 60+ years | 143 |

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7. Is there a reliance on a few contributors where 50% of the revenues come from 10% of the contributors?

| Contributors and Givings (No. of Givers/Percentage/Amount) | | | | | | | |
|--|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| \$0 - \$100 | 51/15.59% \$2014.10 | 71/20.63% \$2,654.78 | 35/11.46% \$1,538.20 | 63/21.28% \$3011. | 123/34.07% \$4115.80 | 103/29.59% \$3929.44 | 64/21.83% \$2045.84 |
| \$101 - \$500 | 48/26.90% \$25,781.68 | 86/24.99% \$26,899.16 | 80/26.22% \$24,928.56 | 73/22.52% \$21,012.60 | 59/16.34% \$17,335.46 | 61/17.52% \$19,486.25 | 54/18.42% \$16,015.35 |
| \$501 - \$1000 | 67/20.48% \$47,613.82 | 72/21.93% \$52,807.50 | 69/22.62% \$50,465.25 | 58/17.9% \$41,312.67 | 61/16.89% \$42,859.45 | 57/16.37% \$41,160.60 | 63/21.50% \$46,530.02 |
| \$1001 - \$5000 | 116/35.47 \$227,026.72 | 110/31.97% \$219,782.79 | 115/37.70% \$232,148.52 | 119/36.782 \$230,292.38 | 111/30.74% \$214,670.55 | 119/34.19% \$255,277.60 | 103/35.15 208,355.74 |
| \$5001 + | 5/1.52% \$44,967.58 | 5/1.45% \$27,336.18 | 6/1.95% 48,750.02 | 5/1.53% \$39,075.52 | 7/1.93% \$47,567.80 | 8/2.29% \$60,583.30 | 9/3.02% 54,328,61 |

It is sometimes difficult to remember in past years how the contributors donated. Please do your best here.

8. Have you taken part in a Stewardship Project (Campaign) in the last 2 years? If you did, what were the results?

We would like to know what sort of Stewardship project you used and the results. You can give us numbers if you like – or be descriptive (i.e. ___ people were contacted by ____, ___ responded, our givings went up/down by a committed amount of ____, ...

Westworth 2016 Stewardship Campaign Summary Conducted in Fall of 2015

Results

| | 2016 | 2015 | 2014 | 2013 |
|--|-----------|-----------|-----------|-----------|
| Members to be asked | 275 | 279 | 277 | 281 |
| Pledges received and / or continuing | 205 | 213 | 229 | 238 |
| Total amount pledged during Stewardship Campaign | \$274,618 | \$282,332 | \$285,740 | \$287,308 |
| Amount for Church Operations | \$238,982 | \$247,605 | \$266,490 | \$268,156 |
| Amount for Mission and Service | \$35,636 | \$34,727 | \$19,250* | \$19,152* |

The average pledge in 2016 is \$1,340 as compared to \$1,316 in 2015, \$1,247 in 2014 and \$1,207 in 2013.

* The M+S amount in 2014 and earlier was based on a % of pledges approved at the annual meeting. In 2015 this changed to an amount designated by the donor through a pledge. If there is no pledge all amounts donated are directed to church operations.

Stewardship Program Information Notes

1. There were 275 members who received the Stewardship Campaign information package which asked them to support the Stewardship Campaign. They either picked up the package at church or it was mailed to them. Of these 275, 139 were called as they had actually donated in 2015 but had not returned their pledge in the first week of the stewardship campaign.
2. The calling program was made by 20 volunteers and was only directed to those who had actually donated to Westworth in 2015. Any of the 275 names on the membership lists who had received a pledge package but who had not actually donated in 2015 or if they pledged prior to the 2016 Stewardship calling program starting were not called.
3. Of the 205 pledges received and / or continuing:
 - a. 160 actually completed a pledge form and returned it to Westworth.
 - b. The balance of 45 are comprised of;
 - i. 24 individuals who were on PAR 2015 and whose pledge simply continued even if they did not respond to the Stewardship Campaign. This is a feature of PAR donations that they continue unless the pledger actually cancels them.
 - ii. 21 individuals who it has been assessed by church staff that they are regular donors who will continue giving at an estimated level but who do not complete a pledge form for various reasons.
 - iii. Of these 45, the majority of these donations (probably about 35-38) are directed exclusively to church operations as they have not registered a designated amount to M+S. About 8-10, comprised of about 4-5 in each of the above two groups, have chosen to designate some funds to M+S.

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9. Please list your investments, special funds, other monies your congregation may hold. What are the rules/restrictions around the use of those funds? (i.e. - \$\$ from the sale of the manse – interest only to be used to support minister’s housing \$ in ___ Fund – only for funding learning in theology)

As of December, 2015

Faith and Future Fund \$244,122 (\$200,000 restricted for Westworth use, interest and amounts above may be distributed on recommendation from the Faith and Futures Fund Committee and acceptance by the Westworth Board)

Memorial Fund \$12,887 (unrestricted)

Childrens’ Fund \$6,714 (originally amount from a single donor, now with a few extra donations; distributed to projects for youths)

Special Appeals \$239 (funds for ministries beyond Westworth; distributed June of each year)

Choir Fund \$13,527

Building Reserve Fund \$56,661 The Fund was set up to allow the Property Committee to spend the money over the next five years. An estimated plan was made, and has since been revised as the needs change. We do not have any written rules or guidelines to follow on how the money is to be spent. The money is to be used on building upgrades that don't fall under our yearly budget monies.

Organ Fund (\$844.70)

The United Church of Canada provides Budgeting Tool for Treasurers on the General Council website for both Ministry Personnel and Lay Employees. Go to: www.united-church.ca/local/tools

Please remember that in addition to the employer costs noted in the tables in these UCC tools there are employee and employer premiums for Employment Insurance and Canada Pension Plan. (Tables for these are available on the Canada Revenue Agency website (www.cra-arc.gc))

10. Observations:

Consider these thoughts, along with others you may have, as you make your observations:

The covenant with a minister that you call is seen to be at least a 3-year commitment.

Can you show how (Can you see how) you will be able to meet that commitment?

What funds can you identify for the one-time costs of MOVING, ADVERTISING, INTERVIEWING and funding the SEARCH? What would the Westworth Board be able to budget for the search?

We believe the congregation is ready and able to make a 3 year commitment to any new staff person. When looking at the resources of the congregation listed above, this seems very feasible. We have suggested to the Board that \$5,000 would be required for the Search Committee if one is needed and that amount is available.

11. Recommendations:

We are attaching our Executive Summary with our overall recommendations to this summary.

We have reinforced the role of the M&P Committee as the Human Resources body of the Church, but we continue to identify the need for more support/education from the wider Church, especially when dealing with lay staff and performance issues. There are not always people in any congregation who have the necessary backgrounds willing and able to be part of the M&P process to be, and there is a definite lack of support from Presbytery and Conference. Educational opportunities have to be increased and oversight and resources provided.

We are looking at our own broader picture on our viability - finances, leadership, volunteer strength and building issues over the next couple of years to help us make some decisions regarding the future. We are already in conversation with EDGE regarding this.

RESOURCE WORKSHEET

Where to find current salary costs

List of the financial terms asking for actual dollar numbers

ADP costs yearly

Pension cost of someone at the category that PC has indicated they are viable for

EI, CPP costs for Pastoral charge (not the minister part)

Housing with actual costs (if manse what are the costs of painting/preparing/maintenance for someone new)

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