



## ST JOHN THE EVANGELIST ANGLICAN CHURCH

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Hello fellow parishioners of St John's,

We hope that this letter finds you safe and healthy in the midst of this global pandemic. It is good to have our building open again for services and that we can gather, albeit in new ways, both physically and virtually.

As you can imagine, the COVID-19 pandemic, which struck in earnest a few weeks after we discussed our financials at Vestry, has played havoc with our budget for 2020. We therefore thought it appropriate to bring you up to date on the current state of finances in the Parish.

We are pleased to report that regular givings are on par with those from last year (for which we are very thankful), but unfortunately about 4% behind budget. Other givings such as festivals, loose givings, flowers, etc., are obviously down. It should come as no surprise that our biggest challenge has come from rentals and other income. The largest contributors to the shortfall here are The Community Thrift Shop, rentals of our space, parking lot revenue, and events (such as concerts). We are forecasting to end the year with half the income that was budgeted in the Rentals and Other Income category. Overall, we are projecting an operating income shortfall of approximately \$155,000 (on a budget of \$607,500).

While income is down, operating expenses are down also. Despite expenses due to necessary COVID-19-related supplies (signage, hand sanitizer dispensers and product, etc.) as well as custodial supplies and services, and an increase in utilities costs, our overall expenses are down about 17%. The largest contributors to these savings has been:

1. the Jubilee Program initiated by the Diocese to offset the salary costs of clergy and staff (Equalized Cost Of Priestly Services, or ECOPS) as well as the Parish Fair Share (PFS) for the months of April and May. This has saved St John's approximately \$55,000.
2. The Diocese has also reduced our ECOPS obligations to account for having a part-time clergy to the end of the year as opposed to a full-time clergy, a savings of \$15,000.
3. Corporation, with the support of Parish Council, has taken the decision to withhold our remaining Parish Fair Share payments from August until the end of 2020. This will further reduce our expenses by \$27,000.

We are currently projecting overall operating expenses at the end of the year to be \$129,444 lower than the budgeted \$607,627. Thus, we anticipate a deficit from operations of approximately \$24,000.

Another significant activity in the past six months has been the installation of a new brick veneer to complete the repair of the wall that collapsed a few years ago. The cost to complete this has been \$36,275. While our budget called for a capital campaign to offset this cost, one has not been launched due to our focus on activities related the COVID-19 pandemic. Nonetheless, we have received \$10,000 in donations that will be applied to the capital project. Taking this into account, as well as the management of our existing debts (net \$6,675), our overall deficit from both operations and capital at the end of 2020 is projected to be in the order of \$43,500. We would welcome any additional gifts to assist in covering the costs of completing the wall repairs as well as reducing our overall budget shortfall.

Your Corporation looks forward to working with the Diocese in the coming months as we work through the financial challenges of the parish, dealing with the COVID-19 pandemic, and as we discern a new incumbent who will lead our parish to a sustainable future. Thank you for your continued commitment and generosity.

Yours truly,

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