

February 23, 2021

To: Whomever Was Concerned Enough To Submit The Following Questions

Subject: Questions for the AGM regarding the Financial Reports

Please ask the Parish Treasurer to clarify these points:

1. **We see from Page 3:** In 2019 the Diocese funded the Assistant Curate Programme, but on the financial reports (pages 31-32 St. Mary and pages 48-49 St. Stephen) there is no mention of diocesan support. Was that not received in 2020?

Response: Yes. The financial support (Curacy grant) provided by the Diocese for the Assistant Curate program is approximately \$8,000 per year. This support was received in 2020 by the Parish, and shared between the two Churches. For bookkeeping purposes, the monthly grant of approximately \$330 for each church was posted as a recovery against the expense.

2. **Speaking of Salary:** Is it not the arrangement that the clergy stipends are split equally between both congregations? How then does St. Stephen pay \$4,200 more for the Incumbent and \$1,600 more for the Curate.

Response: I assume that you are questioning the Salary numbers on the Profit and Loss Reports (page 32 for St. Mary and page 49 for St. Stephen). When comparing the Compensation for the two churches, you need to include the amounts in the account on page 32 called "5180 - Salaries-Lump Sum Sept." which is \$6,410 for St. Mary and "Payroll Bulk Charges" on page 49 for St. Stephen which is \$1,254. These two accounts were necessary to accommodate start-up issues when the Diocese implemented a new payroll system. After making this adjustment, you should find that the variance is 1.0%.

3. **In providing for COVID protection arrangements and for the recording and posting of our virtual services,** what additional costs did the congregations accumulate? Where are these shown on the various financial reports?

Response: The period during which we were honing our current environment for recording and posting of our virtual services was one of continuous improvement. The many pieces that combine for our solution were secured by very generous people like Ian Stuart, and Gary & Rachel Moss. While the solution was under development, the associated invoices or receipts were not submitted and therefore these expenses were not recorded. The exception was the special tape that was purchased. The cost of it (\$250) was captured in the Repairs & Maintenance account. There are no other known direct costs associated with COVID, but this may become clearer during 2021.

- 4. Page 24:** Both Congregations made Deficit Elimination Appeals in the Fall, yet both congregations ended with both modest surpluses and both have carried over Deficit Reserve Funds. Why did this happen?

Response: Firstly, we were overwhelmed with the response to the Deficit Elimination Appeals. These funds were used as intended – to eliminate the deficit and thus both churches have declared modest surpluses. with the aid of the Deficit Elimination receipts. Beyond that, to the extent possible, the receipts from the Appeals were directed to the Deficit Reserve funds.

In the case of St. Mary, there was no new 2020 residual Deficit Elimination receipts at the end of the year, but the \$4,500 from 2019 will be carried over to 2021. If the 2021 Budget is passed, the \$4,500 will be used in 2021.

In the case of St. Stephen there was \$25,046 that remained in the Deficit Reserve Fund after the modest surplus of \$1,403 was declared (By the way, there was a balance of \$9,748.67 in Deficit Reserves at the beginning of the year.). These funds will be used during future years of experiencing a deficit.

- 5. St. Mary's has a payroll (Incumbent, Curate, Music Director & Administrator) of \$90,776 while at St. Stephen these same roles were paid \$83,62L Why then was the wage subsidy \$2,500 less at St. Mary than received by St. Stephen?**

Response: The Federal Government Wage Subsidy was a significant source of revenue to both churches last summer as the facilities became “locked down” to our services, other ministries and for use by members of the community. I give full credit to Gail Gauthier of the Synod Office for the successful results for this Parish.

The Wage Subsidy program was intended to support those organizations suffering from a loss of revenue because of COFID-19 and thus they received some compensation to encourage them to retain their staff/employees. Gail and her staff were instrumental in demonstrating that we had sufficient loss of revenue that warranted consideration for Wage Subsidy compensation. In May the parish received \$8,405 and in June we received an additional \$7,244 for a total of \$15,649. These two amounts were distributed to each church based upon the salaries paid via the Diocesan payroll system.

Thus, of the total Wage Subsidy paid to the Parish, St. Mary received \$8,913 (57%) and St. Stephen received \$6,736 (43%). These transactions are documented under account “4370 – General Income – Wage Subsidy” of the St. Mary Anglican Church.

I sincerely appreciate you taking the time to read the Annual Report in advance of the AGM. Further, you have made a concerted effort to submit your questions in sufficient time for me to develop a response that I hope comes close to answering the question(s) you had intended. If I have misunderstood your question, please let me know and I will try to do a better job.

Respectfully,
Derek Osman.