

2021 Operating Budget *Introduction*

While the pandemic ravaged families across Canada and plunged so many people into grief, the economic impact has been almost as devastating. Thousands of people lost their jobs or their income was severely compromised. Lockdown forced many businesses and restaurants to close. Those working in high exposure jobs have no paid sick days and need to work to survive, even if they're not feeling well. People still had to pay their bills.

St. Olave's was not immune to these fiscal pressures. Some parishioners had to decrease their donations. Our tenants could not meet therefore reducing our rental income. Yet we continued to offer our ministries, which were more needed than ever.

We know from the dozens of emails and phone calls and handwritten notes that people valued our efforts to stay connected.

"I want to pass on my sincerest thanks to all the staff for their outstanding faithfulness and dedication in delivering such wonderful services to us," writes one parishioner. "They have been faithful every Sunday in their commitment to ensuring that we, the congregation, have access to the Sunday services in addition to all the other offerings. From the preaching to the music to the phenomenal camera work, the services have been so uplifting and comforting during these COVID times."

Parishioners and non-parishioners alike also tuned in to watch the daily offices on Facebook Live and participate in weekly Compline services and Bible Study on Zoom. They found fellowship in Zoom Coffee Hours, as imperfect as that technology is. They appreciated hearing from clergy and other parishioners on the phone or by email.

We were able to continue offering these ministries due to:

- the generosity of parishioners who were moved and able to give more.
- the Diocesan Jubilee — three months of allotments, clergy salary and grants amounting to \$36,000.
- Canadian Employee Wage Subsidy (CEWS) program which helped us recoup up to 75% of salary paid to our office administrator

Without these gifts, we simply would not have fared as well as we did.

But 2021 is shaping up to be a vastly different story. While the CEWS will continue to provide some additional revenue for us, the Jubilee will not be available. We do not yet anticipate being able to collect a full year of rental income. Churches across the country that are much less resourced than St. Olave's or without strong leadership will struggle to survive. It is in this context that the Wardens and Treasurer drafted the 2021 Operating Budget. Keep in mind:

1. The past three years of our For the Love of St. Olave's (FTLSO) stewardship work has transformed the way that we give. That we ended 2020 with an increase in givings is gratifying.

2. Worship is our core offering. Our services feature high quality sermons, creative liturgies (now recorded with great care), inspiring anthems, stirring organ music, congregational readers and an inclusive children's message.
3. COVID has put families, with school-aged children especially, under incredible strain. We feel it is imperative to accompany our families during this stressful time by offering a digital Sunday School curriculum and other opportunities for worship (Zoom services).

St. Olave's is blessed to have a Capital Investment Fund, founded with the bequests of parishioners whose love for St. Olave's motivated them to give. Their faith in our future was unshakable. Over the years, the fund has been used to pay for capital improvement projects as well as to generate investment income to support our operating costs. We have also relied on it for the past several years to cover a budgeted operating deficit. This drawdown amount has been **decreasing** steadily over the past three years and our overall goal is to work towards relying less and less on the Capital Fund.

But for 2021, COVID is forcing us – like the rest of the world – to take a pause. Just as the grain Joseph saved during the seven years of plenty supplied the needs of many when the famine came, we are grateful to have the gifts of our forebears to see us through this lean year when the entire world will be recovering together.

2021 Operating Budget *Key highlights*

The **operating budget** does not include capital improvements to the church building. These are itemized in the Property Report found later in this Vestry report. The Capital Investment Fund is usually used to cover these upgrades, though not exclusively. (In the case of the boiler replacement in 2019, half of the expense was covered through parishioner gifts. In the case of the organ upgrades in 2020, the entire cost was covered by donations made in 2013.)

The Property Chair, Sheila Tait, has identified a priority list of maintenance projects for 2021. Corporation will work with our property chair, and in consultation with the Investment Fund Committee and the Advisory Board, to determine how best to proceed.

While the Wardens and Leadership Team have done their very best to make reasonable assumptions for all revenue and expense items, there remains a degree of uncertainty in achieving these projections, and more so given the pandemic and its impact on givings, tenant rentals, parking revenue, Canadian Employee Wage Subsidies, and more.

REVENUE

Givings - In consultation with the new chair of our Stewardship Team, a seasoned fundraising professional, we have set an increase of 3%, from a total of \$189,000 to \$195,000. This is based on the industry standard for charitable giving, the effects of COVID-19 on people's income and the fact that in 2020 we received some large "outlier" gifts to our operating fund.

COVID-19 has not had an adverse affect on everyone's income, and indeed we saw generous giving from many of our parishioners. But we do not fully know the impact of the pandemic as we head into the second year. People will not be coming into the church for quite some time (similar to 2020, therefore we have put a low figure in loose collection). It's impossible to predict. The For the Love of St. Olave's stewardship team will continue to meet and come up with ways to engage with parishioners and encourage giving.

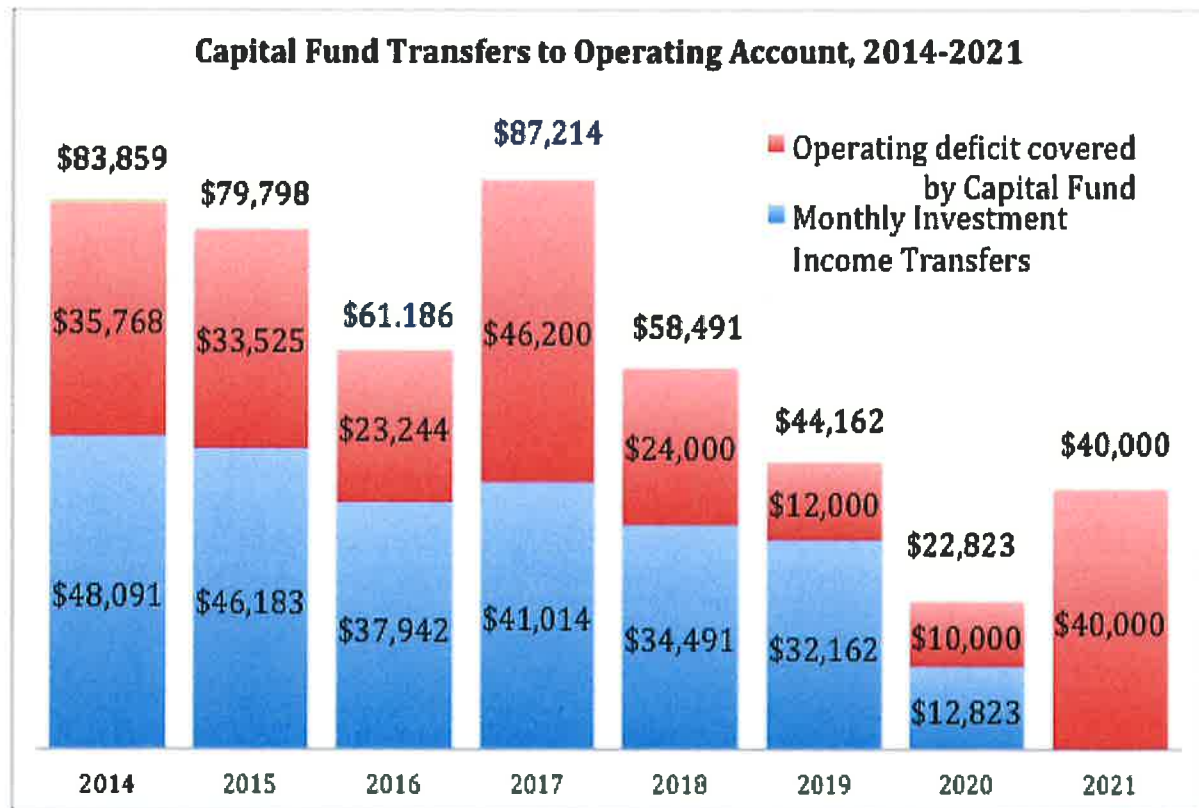
Other revenue

Rental Income - The Ethiopian congregation has returned and their usage and therefore rent has increased. We do not know when Addus, our main daytime tenant, will return. We will be proposing a 2.5% rental increase when they do. Parking income went down slightly in 2020 but we are planning on recouping those losses with additional and returning tenants.

Investment Income - As previously stated, St. Olave's has for many years budgeted to receive investment income every month from our Capital Fund, as well as drawing down the fund to cover a budgeted deficit. At a meeting of St. Olave's Capital investment Fund Committee on February 2, 2021, there was discussion on the practice of the Capital Investment Fund paying out investment incomes, through dividends issued on a regular basis from shares held in the Fund.

In recent years, this has been accounted as Interest Income on the operating budgets for St. Olave's. In reviewing this practice, it was determined that having the operating account receive such monthly investment income would not maximize the potential for financial growth within the Fund.

The Fund would be able to better grow if these monthly investment amounts were instead reinvested back into the Fund, so "dividends could be paid on dividends."



In order to do this, the Fund would be advised by the Wardens each two-year period as to what St. Olave's estimated operating and capital needs would be. The Capital Committee would then "raise this money" by selectively selling securities at the beginning of a period and putting the proceeds into a "money market" account, where that cash can readily be distributed out to the Operating Account of St. Olave's as needed. While the money market funds are still "coming" from the Fund, it's the timing that will be more beneficial to the management of Fund.

Other benefits of doing it this way is that it avoids the Committee having to sell securities on shorter term notice in order to fund capital needs of the church and it also avoids having to skew the portfolio's investments toward high yield (and therefore sometimes higher risk) securities in order to provide the church with monthly income.

In 2021, the Wardens and Treasurer are proposing the Budget have a line item in Income for, "Capital Fund – Money Market Account", with the amount calculated to cover operating (not capital) costs in that year. The line for "Capital Fund – Investment Income" will therefore be left blank.

CEWS - The Canadian Emergency Wage Subsidy (CEWS) was initiated by the federal government in March, 2020, to partially reimburse employers for the costs of salaries paid out to their employees. This was brought in as one of the measures designed to assist businesses impacted by the pandemic, particularly if the business has a loss of income in 2020, compared to the same month in 2019.

Employers can submit for a series of 4-week periods, applying for each separately, through the CRA website. The program was extended to December 2020 with periods 1 through to 10. In 2021, the CRA has indicated that there will be three more periods (11-13) to March, 2021.

The Anglican Diocese of Toronto had determined that all churches in the Diocese would submit their incomes for months in 2019 and 2020. The Diocese would collectively determine, based on incomes from all churches in each month, whether as an entity, churches would be eligible to receive CEWS. If so, the Diocese would claim for clergy, to pass the benefit on to churches through reduced Synod payments and the churches could individually claim for CEWS for any other employees on record on their own payrolls.

To date, the Diocese has calculated eligibility for all 2020 periods from 1 to 10, with most but not all periods meeting eligibility. Further, the government has reduced the reimbursement percentages significantly from the program's inception, from a high of 75% of eligible salary to a low, thus far, of only 11%.

Credits for some periods in 2020 were received in 2021, but have been applied to the 2020 balance, (which is why we are now recording a surplus for 2020). We have budgeted to receive CEWS for periods 11 to 13 in 2021 but these amounts can only be estimated as we don't know whether the Diocese will, as a whole, be eligible, or whether the reimbursable percentage will fall below current levels.

EXPENSES

- Most of the operating costs of running the church are fixed. One of the few costs that we do increase each year is salary. It is important to value the work of our incredible team, not only with praise and gratitude, but also with remuneration. However, the Cost of Living Allowance for 2021 has been set at 0.0%. To help curb our expenses, and with deep regret, we will not be offering our valued staff a salary increase for 2021. This is by no means a reflection of our thanks and appreciation for the work that they do.
- Diocesan allotment and building insurance, over which we have no control, have both increased.
- Some wage lines have increased (Director of Music is budgeted for full year, addition of a cleaner).
- The Curacy salary is reduced because it is not for a full year, as Alexandra's time with us will eventually come to an end.
- We have decreased other costs wherever possible without sacrificing the quality of our programs.

2021 OPERATING BUDGET FOR VESTRY

OPERATING INCOME

GIVINGS	2019 budget	2019 actual	2020 budget	2020 actual	2021 Budget	Notes
General Givings (env's, stocks, etc)	\$110,690	\$90,858	\$112,000	\$70,199	\$81,000	we have been proactive in sending out envelopes
Pre-Authorized Givings	\$56,110	\$52,184	\$60,000	\$44,146	\$47,000	additional \$250/month a good target
Loose Collection	\$8,600	\$4,642	\$6,000	\$1,150	\$1,300	If we open by the fall
Online giving - Tithe.ly General				\$20,887	\$26,000	
Christmas	\$6,000	\$6,295	\$7,000	\$17,026	\$18,000	
Easter	\$3,000	\$2,295	\$3,000	\$28,951	\$5,000	includes large gift which may be one-time
St. Olave's Day				\$4,472	\$5,000	
Thanksgiving	\$6,000	\$3,555	\$4,500	\$1,183	\$4,500	
Maintenance Fund	\$6,000	\$13,641	\$13,000	\$1,838	\$7,200	
TOTAL GIVINGS	\$196,400	\$173,470	\$205,500	\$189,852	\$195,000	3% increase based on industry standard of 2-3% and in consultation with the stewardship chair. The 2020 total of \$189K includes large \$25K gift\
plus Boiler Contributions	\$4,000	\$42,015	n/a			
total	\$200,400	\$215,485	\$205,500			
OTHER REVENUE	2019 budget	2019 actual	2020 budget	2020 actual	2021 Budget	Notes
Parking	\$24,000	\$17,754	\$21,000	\$15,051	\$17,556	can promote parking like we did in years past
Rentals	\$33,000	\$30,165	\$32,000	\$8,095	\$19,072	for six months, Addus (with 2.5% increase), Ethiopians, Power4Teens (with 2.5% increase), South Sudanese
Rentals - Music	\$800	\$1,735	\$1,700	\$620	\$800	
Consolidated Trust Fund	\$7,600	\$6,790	\$6,790	\$6,957	\$7,000	
Capital Fund Investment income	\$34,000	\$36,674	\$36,000	\$12,823	\$0	We propose ceasing the practice of receiving monthly dividends from investment income. The funding coming from Capital Fund as an annual drawdown will now be shown on the next line item called "Capital Fund - Money Market"
Capital Fund - Money market account					\$40,500	See above. This is the amount we anticipate needing from the Capital Account to balance the Operating Deficit in 2021. More information is available on the mechanics of the funding to the Operating Account from the Capital Account instead of \$20,000 inv. income + \$20,000 drawdown
Jr Church Grant(s)	\$0	\$6,450	\$0	\$0	\$0	
Junior Church	\$200	\$140	\$140	\$516	\$250	donations in 2020 were gifts for Advent candle holders
Altar Guild	\$800	\$755	\$800	\$3,142	\$3,500	this is in/out cost, very successful way to engage parish
Arts Guild				\$0	\$0	
Rector's Discretion	\$100	\$929	\$100	\$50	\$100	based on donations to Rector's Discretionary Fund
Youth	\$250	\$170	\$200	\$0	\$200	if Christmas Craft Show returns Youth will have opportunity to raise funds
Grants	\$0	\$0	\$0	\$1,100	\$2,000	will plan to apply for YCV grants
CEWS				\$16,093	\$4,400	based on treasurer's calculations and consult with Diocese
Jubilee				\$36,973	\$0	n/a
Other Designated	\$1,200	\$8,120	\$8,000	\$8,000	\$0	this was to fund the curacy
ACW				\$1,513	\$2,000	
Hospitality (formerly Fellowship)	\$1,800	\$2,688	\$2,500	\$683	\$900	based on returning in the fall
Religious Education fellowship	\$4,000	\$2,965	\$3,000	\$782	\$750	based on returning in the fall
Wedding/Event Fees Collected	\$1,300	\$230	\$500	\$0	\$0	
Advertising Fees Collected	\$800	\$0	\$0	\$0	\$0	
Growth (Christmas Craft Show)	\$2,600	\$1,976	\$2,000	\$100	\$2,000	based on returning in the fall
Other Receipts	\$400	\$525	\$400	\$220	\$300	
Memorial Gifts	\$2,200	\$2,700	\$2,500	\$2,125	\$3,000	hard to predict
Romanian Admin fee	\$4,500	\$4,783	\$4,500	\$3,695	\$4,000	their donations are down as well
Subtotal - other revenue	\$119,550	\$125,549	\$122,130	\$118,538	\$108,328	
TOTAL OPERATING INCOME	\$315,950	\$299,019	\$327,630	\$308,390	\$303,328	
(inc. boiler donations in 2019)		\$341,034				

OPERATING EXPENSES	2019 budget	2019 actual	2020 budget	2020 actual	2021 budget	Notes
Diocesan Allotment	\$35,624	\$35,624	\$39,013	\$39,013	\$39,529	as determined by diocese
Synod Fees		\$780				
Parish Outreach - General	\$1,000	\$400	\$1,000	\$130	\$500	still want to set a target for funds raised to be donated
TOTAL OUTREACH	\$36,624	\$36,804	\$40,013	\$39,143	\$40,029	
Rector's Stipend	\$55,610	\$55,610	\$57,822	\$58,515	\$57,822	following Diocesan recommendation of 0.0% increase
Rector's Ret. Fund	\$13,593	\$13,593	\$13,865	\$14,095	\$13,865	
Rector's Ben & Prof. Dev.	\$7,124	\$7,124	\$7,266	\$7,578	\$7,266	
TOTAL MINISTERIAL & LEADERSHIP	\$76,327	\$76,327	\$78,953	\$80,188	\$78,953	
Rector's Travel	\$1,500	\$855	\$1,000	\$286	\$300	reduced from 2020 budget, based on limited ability to travel
Rector's Discretionary	\$2,000	\$1,737	\$2,000	\$82	\$200	reduced from 2020 budget, still want Rector to be able to support parishioners in need
TOTAL PASTORAL CARE	\$3,500	\$2,592	\$3,000	\$368	\$500	
Curate's stipend	\$4,000	\$3,932	\$9,060	\$9,043	\$6,029	This provides a cushion for the Curacy to continue until end of August if the diocese continues to pay its portion
Curate's office and Expenses	\$1,500	\$1,443	n/a			
Curate's discretionary/ expenses			\$260	\$0	\$0	
TOTAL CURACY EXPENSES	\$5,500	\$5,375	\$9,260	\$9,043	\$6,029	
Telephone, Cellphone, Internet	\$1,500	\$1,386	\$1,500	\$1,230	\$1,300	
Water & Waste	\$1,000	\$1,004	\$1,010	\$1,184	\$1,200	
Gas Heating/AC	\$0	\$3,259	\$3,000	\$2,790	\$2,800	
Electricity	\$850	\$952	\$900	\$853	\$900	
Maintenance	\$3,800	\$4,366	\$3,500	\$3,306	\$3,500	
Taxes	\$6,200	\$6,286	\$6,246	\$6,940	\$6,600	
York Rectors Fund	-\$6,800	-\$6,800	-\$6,800	-\$5,100	-\$6,800	
TOTAL RECTORY	\$9,350	\$10,453	\$9,356	\$11,203	\$9,500	
Organist Fees	\$27,742	\$27,742	\$28,897	\$18,285	\$28,897	
Paid leads	\$15,520	\$12,366	\$16,200	\$6,065	\$7,200	calculation based on current practice (one singer and tech per week) and then resuming in September with four leads
Occasional musicians	\$200		\$200	\$0		
Music Supplies	\$600	\$107	\$600	\$0		
Organ/Piano Tuning	\$1,000	\$980	\$1,000	\$860	\$1,000	would prefer to not reduce tuning needs in order to protect the investment made in repairing the organ
TOTAL MUSIC	\$45,062	\$41,195	\$46,897	\$25,210	\$37,097	
Junior Church	\$1,000	\$281	\$400	\$17	\$200	If programs resume in the fall, there will be need to replenish supplies
Youth Group	\$800	\$551	\$800	\$28	\$400	Youth Group is really missing gathering
Child & Youth Minister Wages	\$10,000	\$8,000	\$10,000	\$10,750	\$10,000	
TOTAL CHILDREN & YOUTH	\$11,800	\$8,832	\$11,200	\$10,795	\$10,600	
Worship robes/choir robes	\$500	\$0	\$1,000	\$30	\$0	Deferred
Library/publications	\$300	\$331	\$300	\$237	\$0	
Prayerbooks (Parasource)		\$600	\$0		\$0	
Altar Guild	\$1,000	\$1,355	\$1,300	\$3,473	\$3,500	in/out cost
Chancel maintenance	\$1,000	\$1,336	\$1,300	\$1,333	\$1,000	reduced slightly
Altar Wine	\$600	\$137	\$250	\$137	\$150	need will continue to be reduced
Religious Education (fellowship & marketing)	\$5,095	\$5,055	\$5,415	\$1,401	\$1,000	If resuming in the fall, cost greatly reduced
Additional Clergy Fees	\$1,000	\$319	\$100		\$500	
TOTAL WORSHIP	\$9,495	\$9,133	\$9,665	\$6,611	\$6,150	

OPERATING EXPENSES	2019 budget	2019 actual	2020 budget	2020 actual	2021 budget	Notes
Secretary salary	\$37,472	\$37,472	\$37,206	\$38,135	\$37,206	No increase
Paper	\$1,034	\$1,016	\$1,020	\$763	\$900	
Outside Printing	\$800	\$608	\$800	\$1,043	\$800	
Postage	\$1,508	\$1,525	\$1,550	\$1,319	\$1,500	
Copying Costs	\$5,905	\$6,010	\$6,020	\$6,488	\$6,500	
Office Supplies	\$350	\$269	\$300	\$294	\$300	
Giving Envelopes	\$500	\$471	\$500	\$343	\$350	
Online donation fees	\$50	\$43	\$50	\$1,097	\$1,200	Increased donations = Increased fees
Advertising	\$3,000	\$2,668	\$3,000	\$2,232	\$1,500	reduced
Bank Charges/Interest	\$1,000	\$1,178	\$1,000	\$709	\$700	
Employment Insurance	\$900	\$849	\$900	\$843	\$900	
W.S.I.B.	\$1,000	\$672	\$800	\$581	\$700	
Canada Pension Plan	\$1,700	\$1,732	\$1,750	\$1,818	\$1,750	
CRA Fees		\$12	\$20	\$0	\$0	
Accounting Fees	\$3,000	\$3,390	\$3,200	\$3,955	\$3,900	
Consultants	\$1,000	\$442	\$1,000	\$1,390	\$1,000	
TOTAL ADMIN	\$59,219	\$58,357	\$59,116	\$61,010	\$59,206	
HST Paid	\$15,000	\$20,258	\$20,000	\$14,300	\$14,000	Same as 2020
HST Refunded	-\$11,000	-\$14,891	-\$14,000	-\$13,269	-\$14,000	Same as 2020
Arts Guild			\$0			
ACW				\$750	\$1,000	
Hospitality (form. Growth & F'ship)	\$3,000	\$2,516	\$2,500	\$937	\$1,000	
Special Honoraria (gifts)	\$750	\$741	\$500	\$334	\$500	
MISCELLANEOUS TOTAL	\$7,750	\$8,624	\$9,000	\$3,052	\$2,500	
Custodian Wages	\$20,530	\$20,031	\$20,432	\$9,756	\$11,238	based on reduced schedule
Cleaning Services					\$7,800	Need for external cleaning given Sexton hours and duties
Building Insurance	\$12,669	\$10,908	\$14,510	\$15,779	\$16,740	increase has been set
Telephone	\$2,200	\$2,753	\$2,700	\$2,554	\$2,600	based on 2020
Internet	\$800	\$917	\$950	\$1,288	\$1,300	based on 2020
Gas Heating	\$8,500	\$9,447	\$9,500	\$7,035	\$7,250	based on 2020 actual
Water & Waste	\$1,500	\$1,285	\$1,300	\$1,950	\$2,000	based on 2020 actual
Electricity	\$3,300	\$3,445	\$3,500	\$2,360	\$2,500	based on 2020 actual
Security	\$1,200	\$1,752	\$1,800	\$1,545	\$1,600	based on 2020 actual
Cleaning/Gardening Supplies	\$3,900	\$3,978	\$3,900	\$5,352	\$4,000	reduce
Lawn Care/Snow Removal	\$2,500	\$2,220	\$2,500	\$1,000	\$2,500	based on 2020 budget
Plumbing Maintenance	\$750	\$320	\$500	\$4,000	\$3,000	based on current costs
Electrical Maintenance	\$1,800	\$910	\$1,200	\$0	\$600	reduced from 2020 budget
Boiler Cleaning/Maintenance	\$4,000	\$1,791	\$1,000	\$1,190	\$1,000	Reduced
Carpet Cleaning	\$500	\$0	\$500	\$0	\$0	deferred for this year
Painting	\$500	\$0	\$500	\$550	\$500	some need for painting around windows
Rector's Office	\$200	\$74	\$100	\$0	\$0	incorporated into office and equipment
Equipment Purchase & Maint	\$3,000	\$2,490	\$3,000	\$2,924	\$2,700	reduced
TOTAL CHURCH PROPERTY	\$67,849	\$62,321	\$67,892	\$57,283	\$67,328	added cleaning costs not reflected in 2020
TOTAL OPERATING EXPENSES	\$332,476	\$353,913	\$343,252	\$303,906	\$317,891	Deficit as % of Expenses
NET SURPLUS/DEFICIT	-\$16,526	-\$12,879	-\$15,622	\$4,484	-\$14,563	-1.1%
surplus from previous year					\$14,484	Unused 2020 Surplus
PLUS Capital Fund transfers*	\$12,000	\$12,000	\$12,000	\$10,000	\$0	*Moved to income
Total Surplus/Deficit		-\$879		\$14,484	-\$79	Final Deficit Value