

FINANCE COMMITTEE

Sufficed it to say, 2020 was anything but a normal year! The closing of Blythwood Road Church's (BRBC) doors for much of 2020 with the onset of COVID-19 pandemic presented a number of challenges, both operational and financial, that had to be addressed. Financially, first and foremost, was the need to keep contributions regularly flowing into the Church's account in a safe, responsible and efficient manner to support all of BRBC's expense commitments, particularly those related to staff salaries and any benevolent aid. You, the congregation, all deserve a heartfelt round of applause as you responded to the call, embracing change, especially related to use of electronic methods to transfer funds. Total contributions from "regular" sources during this challenging year, including rent and interest, amounted to approximately \$395,000, down 11% from 2019. The Finance Committee expresses its thanks to our Lord for his grace and guidance, but also thanks you for your ongoing financial support and commitment to BRBC and its activities.

Turning to other sources of income, BRBC did participate in all government emergency programs to the full extent available. However, we did so conservatively – not wanting to run too close to any line. In total, the Church received \$42,000 from both the TEWS and CEWS programs over the March to October time period. Additionally, while not "income" in the true accounting sense, the spare "time" afforded the Committee by the pandemic shutdowns allowed it to address BRBC's growing HST receivables amount to enhance the Church's cash flow and cash position. In total, \$39,600 of HST receivables were monetized in October 2020. The remaining \$13,400 of outstanding HST receivable balance had to be written down primarily because they exceeded the four-year limitation on seeking a rebate. Rest assured, HST rebates are back on schedule and will be diligently pursued going forward.

Given the closure of the Church for the better part of the year, discretionary expense management was, unfortunately, effortless. To illustrate, program expenses were only \$6,000 or roughly half to one-third of what they would total over the course of a normal year. In truth, BRBC's total discretionary expenses make up a relatively small portion of overall expenses. The majority of BRBC's normal ongoing expenses are related to items that the Church has limited ability to negotiate or manage down.

Summarizing the financial results for 2020, BRBC had a net accounting deficit of \$56,200. This includes \$37,500 in amortization of our fixed assets. In any given year, amortization represents a non-cash expense, as the funds associated with these assets have all ready been spent. Nevertheless, it is a real expense given these assets will likely need replacement over time. Bottom line, BRBC's 2020 "cash" deficit was approximately \$5,600 when amortization and extraordinary write-downs are excluded. The Church continues to move towards a more sustainable cash neutral situation, but more work is required. The Finance Committee, in coordination with the Board of Deacons, continues to work on expense reduction actions with the plan to be completed before year-end.

Before closing, the Finance Committee wishes to recognize those that have been instrumental in keeping the wheels of BRBC's finances turning during the challenging year that was – namely the Barredos. Throughout

much of the past year and into 2021, they have faithfully collected, counted and deposited all contributions to BRBC. We also thank Gayle Peet for her six years as bookkeeper. Gayle stepped into the position back in 2015 when BRBC required her expertise to assist our then Treasurer, Connie Liu. We ask for all of God's blessings as she resigns to finally enjoy the benefits of retirement.

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generations of leadership. This balance sheet has provided, and continues to provide, time so that we, under the guiding hand of our Lord, can create a plan for the future of BRBC that will put it on a path towards sustainability and allow us to carry out our mission "To Continue Christ's Work in the World".

Respectfully submitted,

Erik Parnoja