

ECORC Financial Report to 2022 August 31 and Proposed Budget for 2022

The income for the Regional Council comes from two main sources, the yearly assessment for the communities of faith and Mission and Service (M&S) donations. The assessment portion funds the administrative or general operating expense of the Regional Council while the M & S portion covers the various grants and other mission support activities of the Regional Council including salaries of staff engaged in mission support activities.

The Administrative allocation for 2022 will be held at the same level as 2021, \$325,000 plus an additional \$67,000 for Cross region support of the Executive Minister and the EM Assistant. The Mission Support allocation was reduced to \$240,000 for 2021 and will be held at that level for 2022. The administrative allocations occur monthly, and the mission support allocations generally occur when grants are paid. The accounting is done by the General Council Finance Department with a month end report and transfer of net amounts occurring then.

Additional income has been received from the sale of property by communities of faith. These funds are currently held in a property fund and will be discussed in another report and proposal.

At the end of August the bank balance was \$903,354 and the United Church Foundation investment was \$715,951.

Administrative Income and Allocations

The administrative or operating expenses are used to cover the general operating expenses of the Regional Council and are split into six operational areas, Executive Minister's and Executive Assistant's salary and their office expenses, Regional Staff salary and their expenses, Assembly of Elders Expenses, Pastoral Relations Expenses, Semi-Annual meetings and other administrative expenses. Chart 1 shows the breakdown of the 2021 budgeted expenses by operational area. The budget for 2021 has a small deficit of \$1,195.

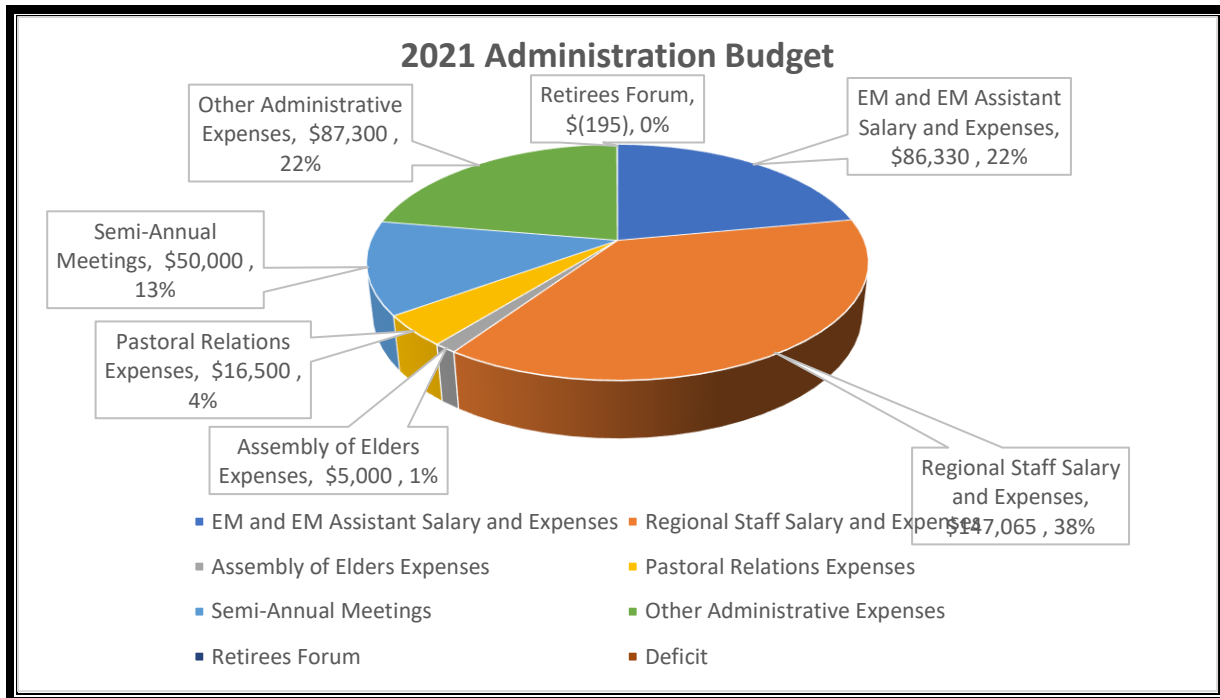


Chart 1 – 2021 Administrative Budget

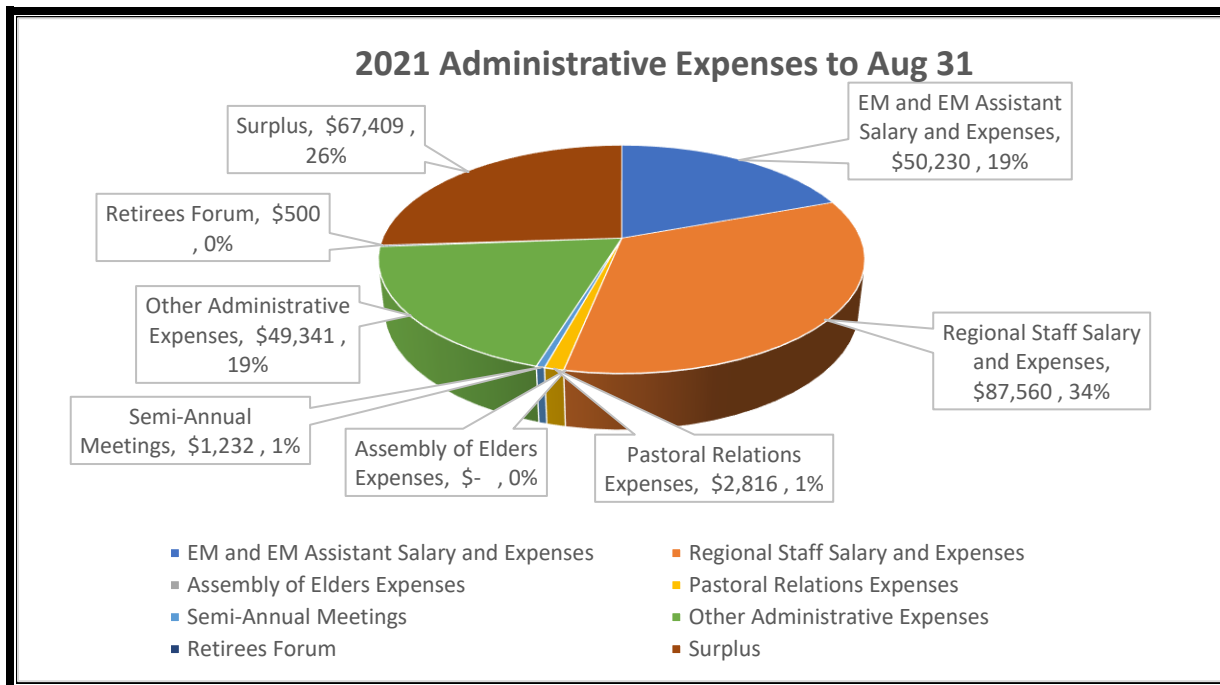


Chart 2 – Administrative Expenses to 2021 August 31

Chart 2 shows the actual administrative costs by operational area to the end of August. At that time expenses were \$69,654 below the budgeted amount to the end of August due mainly to

the inability to travel to meetings, hold the annual meeting in June and other expenses not encountered.

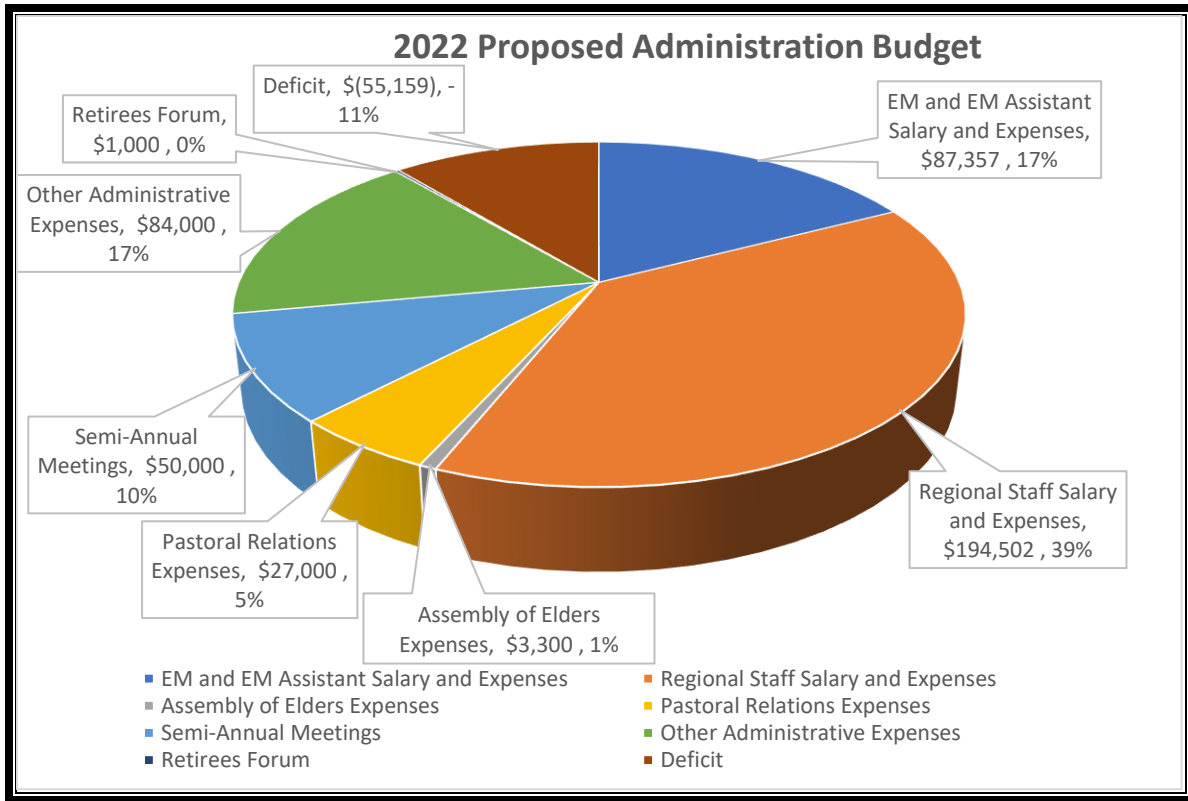


Chart 3 – Proposed 2022 Administrative Budget

Chart 3 shows the proposed Administrative budget for 2022. The total administrative income from the GCO remains the same as 2021 at \$325,000 plus an additional \$67,000 for Cross region support of the Executive Minister.

The budget has a deficit of \$55,159,826 due to the need to budget for a special care minister to attempt to address potential conflicts in communities of faith. Increasing numbers of the communities of faith are in or approaching conflict and these situations must be addressed. The funds will come from the 2021 expected administration year end surplus.

The percentages of the funds allocated to the various activities are:

Executive Minister’s salary and office expenses:	17%
Regional Staff salary and expenses:	39%
Assembly of Elders Expenses:	1%
Pastoral Relations Expenses:	5%
Semi-Annual meetings:	10%
Other Administrative Expenses:	17%
Deficit:	11%

Mission Support Income and Allocations

The Mission Support funds are received from the M&S donations to the United Church. A portion of these donations are allocated to the regions to fund the mission support activities of the Regional Council. The amount allocated is based on the total M&S donations received and the General Council's determination of the percentage to be used by the Regional Councils.

The allocation for 2021 saw a reduction in M&S funding to \$240,000 and it will be maintained at that level for 2022. The funds are primarily used to cover the Mission and Service grants plus the Doing Mission together grants. The balance is used to fund the mission support activities including the funds cover the staff and operating costs involved in carrying out mission priorities. The Mission Support Activities are: Mission Support Grants, Doing Mission Together Grants, Mission Support Salary and Expenses, Other Mission Support, Regional Networks.

Chart 4 shows the budget for 2021 for the main mission support activities with a surplus of \$1,134.

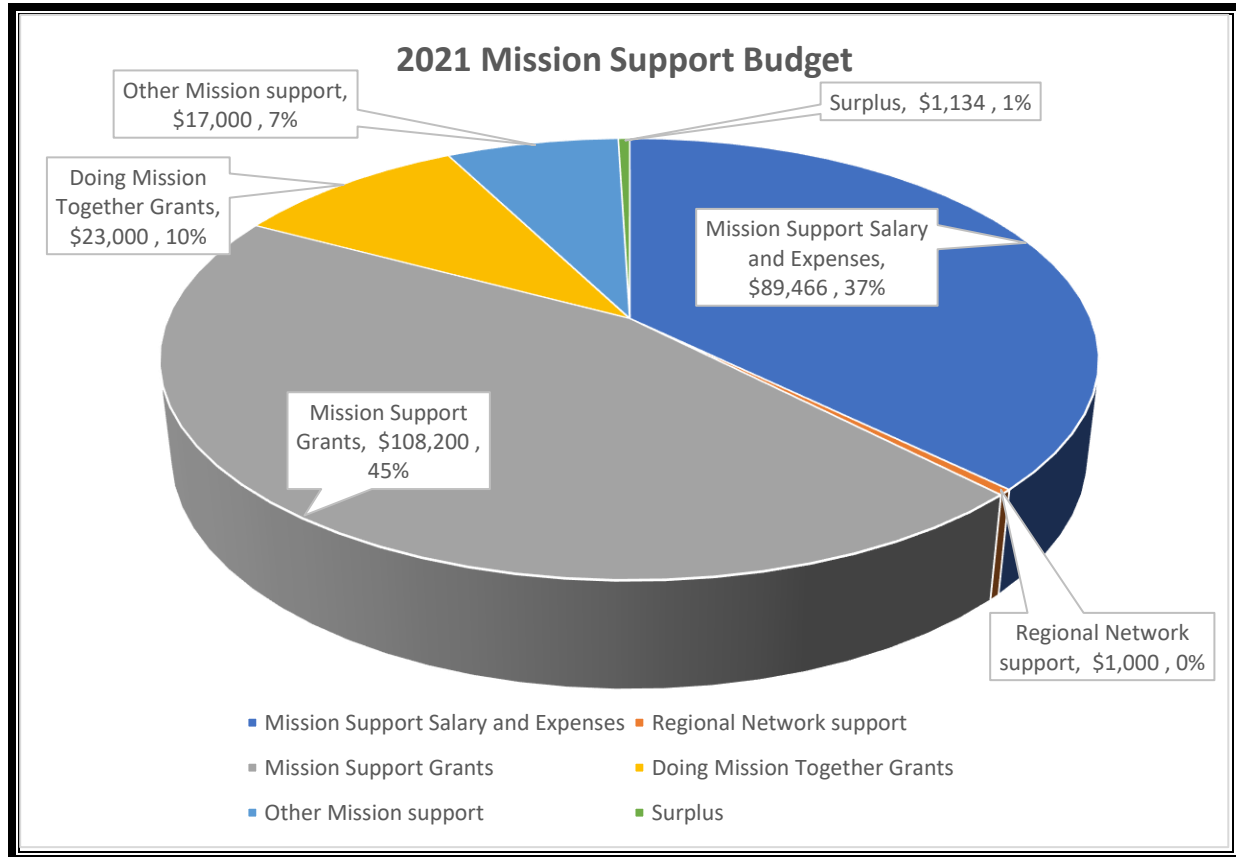


Chart 4 – 2021 Mission Support Budget

Chart 5 shows the Mission Support cost to the end of August. The expenses show a surplus over budget due to inability to travel and hold planned meetings. In addition, there were very few requests for Doing Mission Together grants. The window for Doing Mission Together Grant application was extended to September 15 and many requests have since been received.

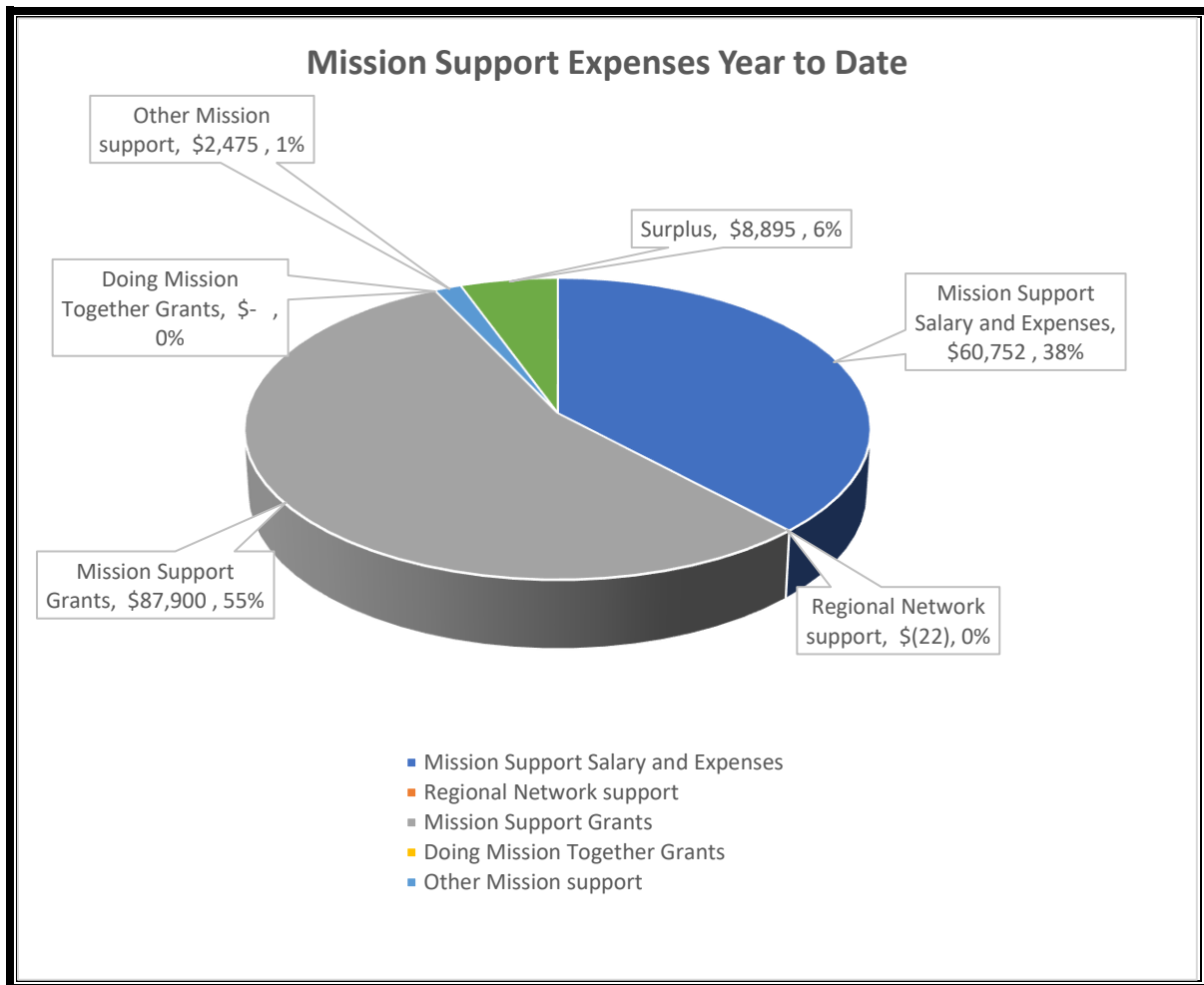


Chart 5 – Mission Support Expenses to 2021 August 31

Chart 6 shows the Mission Support Budget for 2022 broken down by the various activities. The budget shows a deficit over the funding available, and this will be paid from the operating account reserves. The deficit is projected due to an increase in budgeted grants and other mission activities. The funds will come from any surplus from the 2021 budget and reserve funds.

The percentages of the funds allocated to the various activities are:

Mission Support Grants:	40%
Doing Mission Together Grants:	8%
Mission Support Salary and Expenses:	34%
Other Mission Support:	9%
Regional Networks:	~0%
Deficit:	9%

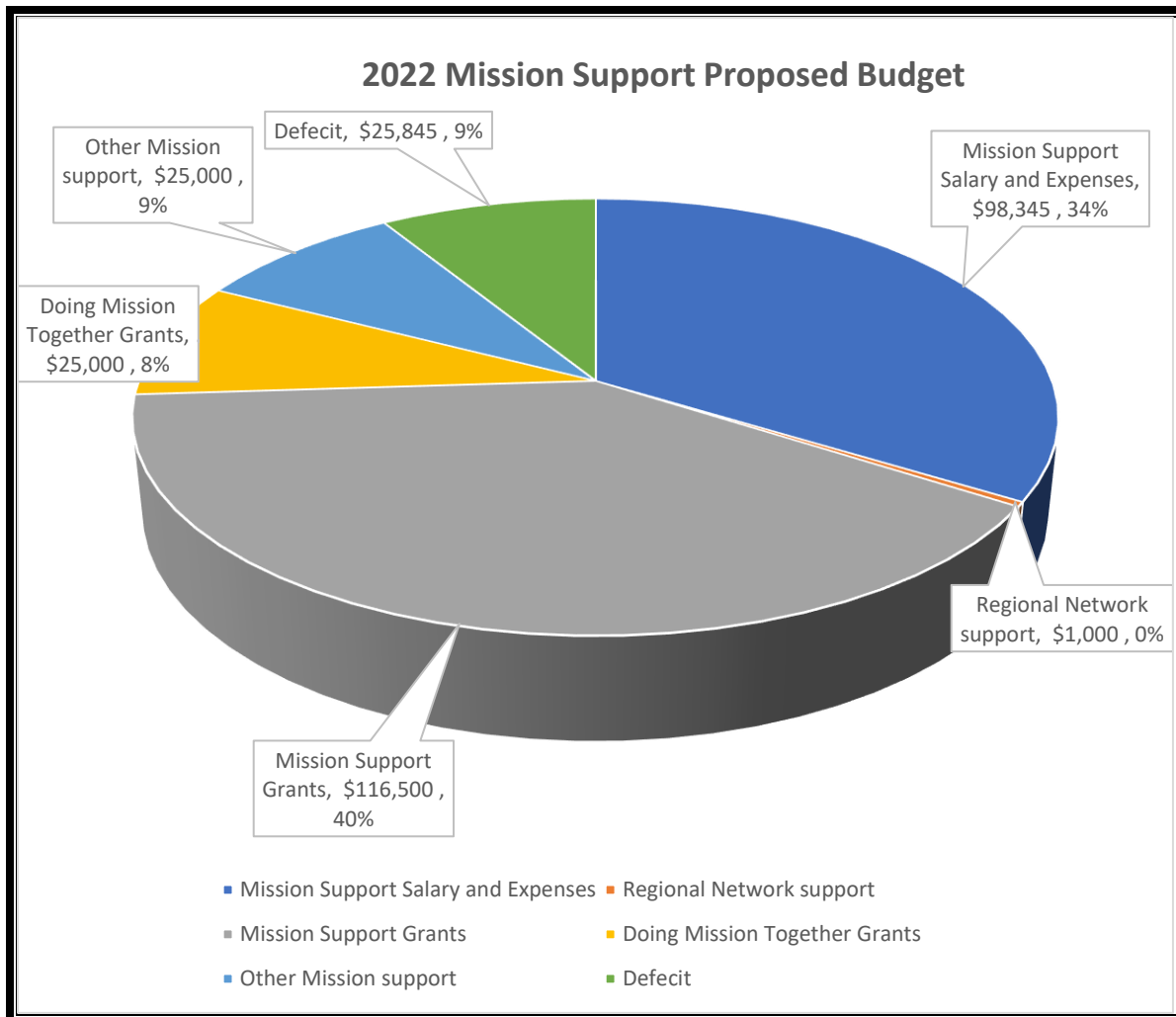


Chart 6 – 2022 Mission Support Proposed Budget

Investment and Property Sale Income

ECORC has significant investments in the United Church Foundation which were transferred from the Bay of Quinte Conference along with a number of restricted funds. At the beginning of 2021 the United Church Foundation investment value was \$601,554 and had increased to \$719,321 by August 31. The gains have been allocated to the various restricted funds based on the initial value of the funds as no information was found regarding which funds were represented in the investment. There is a proposal to reallocate the funds and investments associated with them. Some will remain with the United Church Foundation and the other will be transferred to TUCC.

10% of the proceeds from sale of property by communities of faith that are disbanding is transferred to the Regional Council. There is a proposal to invest these funds with TUCC and make them available as loans and perhaps grants to communities of faith. This property fund

included the proceeds from Knox United in Peterborough plus sale income and stood at stood at \$361,946 on August 31.

Respectfully submitted
Ministry Through Property and Finance Team