

— 2020

A N N U A L

R E P O R T



RIVERWOOD  
CHURCH COMMUNITY

# LEAD PASTOR'S REPORT

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I will never forget Thursday morning, March 26, 2020! That was the day I needed to call our Riverwood staff together and announce sweeping layoffs. The Sr Leaders and I had partnered with our Finance Department and our HR Department, putting our heads together in an effort to come up with possible scenarios and projections. On that Thursday morning, so early into the pandemic, I explained to a somber looking team that our best projections, even with layoffs, would be that the church would end the year \$70 - 150,000 in the hole! Sweeping layoffs and pay-reductions for those on the skeleton staff would be required. However, the very next day the federal government hinted at something called CERB, two weekends from that meeting we held our first all-online Good Friday and Easter services, and, to our amazement, Riverwooders continued worshipping God with their offerings!

In the coming weeks, we avoided the sweeping layoffs and pay-reductions, we began learning what it was to minister with new electronic tools and strategies, and the church of Jesus Christ not only continued, it grew, expanded and became more grass-roots as individuals now needed to own their faith in new ways!

In May, one of our staff suggested, *"I'm hearing this pandemic and restrictions could last until September!"* This was met with a hearty, but somewhat nervous laughter and *"You're nuts! There is no way!"* Imagine what the reaction would have been if the first person had said, *"...I mean, September 2021!"*

We all have stories like that! Stories of our journey and emotions through the COVID-19 pandemic. However, the story of the church called Riverwood is that, in-spite of a pandemic, Small Groups & COVID Platoons gathered (online), children's ministry pivoted and reached right into people's homes, people worshipped (in their PJ's on the couch), and youth groups met (and grew) online! Our community ministries intensified as our local Health Inspector deemed some of them 'essential services'! Domestic violence support groups filled up as our team cared for those in crisis! People tithed and gave to put socks on the feet of those experiencing homelessness, groceries in the cupboards that were empty, hygiene kits and food for 280 families in eSwatini and the foundations went into the ground for a 40 bed transitional housing complex! Giving was up in 2020 and with expenses down, we ended our year in amazing shape!

All I can say is "Thank You Jesus!...and "Way to live out your faith Riverwood!"

- Pastor Todd

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# NOTE FROM RIVERWOOD'S S R . A C C O U N T A N T

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## You guys!

2020 had us all over the place here in the Finance office. It started off great and then out of the blue we were budgeting for worst-case scenarios! And lots of them (5 to be exact, revised over and over again). And then we held our breath. And we kept holding our breath...because the worst that was predicted wasn't happening. But no one told us it was okay to breathe. No one told us that Riverwooders were going to come through like never before - and we just had to see it unravel in real time. Month after month giving remained steady. Month after month, I reported to Todd that there was no change compared to 2019. It was phenomenal to say the least.

And this evasive surplus that we have been chasing for years started to grow...and grow. Expenses were kept to the absolute minimum as we waited to see how the year would play out. While the giving kept coming, the surplus continued to grow. In 2019 Riverwood managed a \$29,000 General Fund surplus. The 2020 surplus exceeded \$440,000.

No one would ask for 2020 to happen again...but if there were to be a silver lining to 2020 from the perspective of the Finance department, I'd have to say Riverwooders' commitment to each other and their church is sung out in this report.

So thank you.

# 2020 FUND ACTIVITY

	General	Capital	Community	Eswatini	Refugee Collective	Riverwood House	Total
<b>Opening Fund Balance, Dec. 31, 2019</b>	4,076,694	106,466	94,864	64,587	51,636	736,371	5,130,618
<b>Excess of revenue over expenses</b>	443,247	11,751	44,668	15,392	1,522	1,094,643	1,611,223
<b>Transfers*</b>	18,386	(14,517)	(3,869)	-	-	-	-
<b>Ending Fund Balance, Dec. 31, 2020</b>	4,538,327	103,700	135,663	79,979	53,158	1,831,014	6,741,841

\* For accounting purposes, all assets (aside from Riverwood House) are recorded in the General Fund; therefore Transfer amounts are recording the use of funds from a designated fund when fund-specific assets are purchased/built.

The **Operations/General Fund** is where the main Operations of Riverwood occur and have been broken down into further detail separately in this report. The General fund includes all income and expenses for Administration, Amortization, Compensation, Facilities, Interest, Missions, Ministries and Weekend Services that Riverwood holds.

Riverwood's **Capital Fund** has been known by a few different names over the years (Making History, For the Kids) but it is where Riverwood records the funds it receives designated specifically to Capital projects. The funds here are currently being used to alter the bathrooms/kids space at the Factory with anything remaining going toward the Student Centre at 274 Talbot.

Riverwood's **Community Fund** started as a result of the Turkey Trot a few years back in order to upgrade the Community Kitchen. During 2020 the fund expanded to also include Riverwood's response to the COVID-19 pandemic providing additional Food Bank and Grocery Voucher resources to the Elmwood Community. The balance of funds here represent a combination of these two engagements.

The **Eswatini Fund** (formerly Swaziland) is Riverwood's response to a decades-long relationship with two care points in Eswatini, Africa. In 2020, Riverwood had to cancel it's trip to Eswatini but was able to send a significant amount of funds to aid in the care points' response to COVID-19.

The **Refugee Collective Fund** had been utilized to aid in the sponsorship of Refugee families from Syria and similarly affected regions. The balance will continue to bring support and aid to new-to-Manitoba families.

**Riverwood House** funds are being utilized to build a 40-unit Recovery Housing complex taking aim at addictions, poverty, and homelessness for Winnipeg's at-risk population. Construction is underway with an estimated completion date of December 2021! Note: Funds are currently being utilized to build the complex, which is why only a small amount is recorded as an expense in 2020.

# GENERAL FUND

2021 OPERATING BUDGET			
	2021 BUDGET	2020 ACTUAL	2020 BUDGET
<b>REVENUE</b>			
Donations		1,995,085	
NonReceived Income		3,076	
Summer Grant Income		30,975	
Grant Income		41,027	
Interest Income		5,406	
		2,075,569	
<b>EXPENSES</b>			
<b>ADMINISTRATION</b>			
Mileage	4,550	3,269	4,425
Professional Development	18,226	2,538	19,210
Ministry Meetings	7,080	2,357	7,960
Service Charges	29,500	31,515	33,254
Telephone/Internet	25,845	23,878	26,695
Computer/Website Expense	6,000	7,137	6,000
In-house Printing	10,000	6,143	11,000
Office Supplies	5,500	2,919	6,500
Safe Church Expenses	4,000	1,766	3,000
WCB Expense	2,000	-	-
Staff Care	12,000	10,284	13,700
Memberships & Subscriptions	15,350	11,822	9,000
Staff Training Expense	10,400	-	8,000
Elder Leadership Expenses	1,500	476	1,500

2021  
BUDGET2020  
ACTUAL2020  
BUDGET**ADMINISTRATION CONT.**

Professional Fees	9,500	9,294	7,000
Insurance	19,000	18,015	18,000
	180,451	131,414	175,244

**AMORTIZATION**

Amortization Expense	180,000	180,391	-
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**COMPENSATION**

Payroll Costs	1,175,411	1,019,753	1,147,947
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**FACILITIES**

Facility Usage	-	124	-
Factory Expenses	40,500	30,371	46,000
Garage Expenses	8,500	8,775	8,500
Firehall Expenses	21,500	20,141	25,000
Warehouse Expenses	46,000	38,783	55,000
Custodial Supplies	15,000	8,675	15,600
Vandalism Expense	2,000	1,853	-
	133,500	108,722	150,100

**INTEREST**

Mortgage Interest	33,000	40,051	52,200
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**MISSIONS**

Missions Expense	50,000	48,502	57,800
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	2021 BUDGET	2020 ACTUAL	2020 BUDGET
<b>MINISTRIES</b>			
African Worship Community	4,000	801	6,500
Bus Expense	300	1,497	4,000
Community Programming	21,100	8,473	21,350
Food Bank	11,000	2,176	11,000
Kidz Club	7,500	5,880	7,500
Refuge	12,000	5,646	12,000
Alpha	2,000	597	2,000
Café Operations (net)	-	(699)	-
Student Ministry	16,800	9,428	16,800
Young Adult Ministry	2,400	1,292	2,400
Small Group Ministry and Networks	8,750	5,402	13,900
Conference Ministries	-	-	1,500
Riverwood Kids	18,000	11,788	20,120
For the Kids - Upgrades	-	8,723	-
Care and Marriage Ministry	4,600	1,520	4,600
	<b>108,450</b>	<b>62,525</b>	<b>123,670</b>



2021  
BUDGET2020  
ACTUAL2020  
BUDGET**WEEKEND SERVICES**

Hospitality Expenses	2,000	687	2,000
Coffee Supplies	15,000	2,796	19,000
Kitchen Supplies	2,500	427	2,500
Service Volunteer Care	4,500	1,092	4,500
Connexions	2,750	165	2,750
Professional Printing	2,800	679	3,000
Easter Celebration	3,000	96	3,000
Christmas Presentation	5,000	7,090	5,000
Welcome Home Weekends	2,500	-	2,500
Guest Speakers / Music	4,000	2,500	3,500
Service Design and Resources	2,500	503	2,500
Service Audio/Broadcast	18,700	20,957	17,000
Worship	5,000	1,410	5,000
Wind of the Spirit	4,000	2,562	4,000
	<b>74,250</b>	<b>40,964</b>	<b>76,250</b>
<b>Total Expenses</b>	<b>1,935,062</b>	<b>1,632,323</b>	<b>1,783,210</b>
<b>Excess of Revenue over Expenses</b>		<b>443,247</b>	

# F A Q S

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## **What is 2021's budget based on?**

2021's budget is based on anyone's best guess. We don't know how much or what can be opened up in 2021 so we took a middle of the road approach hoping that the majority of Riverwood can come back to life, but also knowing that it may be a slower road to get there.

## **What is Safe Church Expense?**

In direct response to Riverwood's commitment to safety, Safe Church Expense encompasses expenses related to Criminal Record Check costs (for staff and volunteers) and Safety Committee expenses.

## **Staff Training seems higher than in the past. Why?**

Riverwood is dedicated to 3 training sessions in a year for its entire staff starting in 2021 as well as specific training for its Leadership team. Training in the past has been on an ad-hoc basis, but is now a mandated policy.

## **What is Amortization Expense and why is there an amount within the 2021 budget?**

Every year since I have started at Riverwood (it's been FOUR years!), I have wanted to align the Annual Report to the Audited Financial Statements prepared by MNP. Amortization is the last step to get there. Amortization is an amount that represents how much Riverwood's assets have worn out over the year (and therefore the estimated cost of replacing them). Amortization then, can be seen as a place-holder for funds to be set aside for future Capital Improvements.

## **Why is only Mortgage interest in the Annual Report? Where is the remainder of the payments?**

Riverwood makes monthly mortgage payments of \$8,085. The principal portion goes to pay down the Mortgage (on the Statement of Financial Position), while the interest portion is reported on the Statement of Operations. Riverwood holds a variable rate mortgage and has been able to reduce its monthly interest costs as a result of reduced interest rates. The Mortgage balance as at December 31, 2020 was \$1,126,691.

## **What is "For the Kids Upgrades" and why wasn't there a budget for those spent funds?**

These funds relate to the Riverwood Kids upgrades across each Facility to make the experience more homogeneous between the locations. They were approved for \$10,000 and \$8,723 were not Capital in nature (items purchased were less than \$1,000) and are therefore reported in the Statement of Operations.

## **Wow, almost \$21,000 spent on Service Audio/Broadcasting in 2020? What happened?**

This is a trick question - everyone knows what happened. COVID-19 shut all in-person services down forcing all services to go online. Thankfully Riverwood had much of the expertise and equipment already in place, but required some additional purchases and upgrades to get to the place in broadcasting where Riverwood is today... and we all know how cheap technology is.

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## **Do you have another question?**

Please email [elders@riverwood.cc](mailto:elders@riverwood.cc) and we will be pleased to answer your question.



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