

— 2023
ANNUAL
REPORT



RIVERWOOD
CHURCH COMMUNITY

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LEAD PASTOR'S 2023 REFLECTIONS

In 2023, I watched the film 'Hustle,' featuring Adam Sandler and LeBron James. This movie delves into themes of hardship, determination, and grit. One memorable line from the dialogue stood out to me: *'Guys in their 50s don't have dreams. They have nightmares and eczema!'* Once I had enjoyed a knowing chuckle and the movie ended, I began to reflect on these words and how they apply to churches. It could easily be said: *'Churches in their 30s don't have dreams. They have procedures, programs and problems!'*

Riverwood is not quite 30 years old yet, but I am so grateful that, as a church, we are far more than our procedures, programs and problems. We still have dreams – and plenty of them!

Looking back on 2023 reveals a church that was continuing to figure out what it means to emerge from the global pandemic and forge a path forward.

The further we journey away from the pandemic, the more clearly, we can see the impact of it on our church. Our in-person attendance has only rebounded to 62% of pre-pandemic attendance currently sitting around 1000 including children. However, our online worship participation has increased by about 400%, with approximately 370 devices accessing the service by the end of Sunday and a total of 470 by the end of the first week.

Understandably, with fewer people participating and some residual COVID effects at play in all of our lives, our Serving Teams have struggled to have enough people to meet the needs. And yet, 2023 was a strong year for Riverwood.

On the weekends, we had some strong teaching series that challenged:

January – *Soundtracks*

February – *Relationship Hacks*

March – *Not a Fan*

April-May – *Elemental - 2 Peter 1:3-9*

June-Aug – *Wherever You Go – prayer*

September – *Church in the Park*

September – *Vision Weekends*

October – *Culture Shock*

November – *Echoes: Catechism in a Year*

In September, we heard God saying to us: *“I want you to move from playing defence to playing offence! Asking for more, doubling your impact, while you double-down on disciple-making!”*

Part of the *more* and *disciple-making* really emerged with the rolling out of the daring, 52-week-long series we launched in November called *Echoes: Catechism in a Year*. Additionally, the introduction of First Tuesdays, a day of fasting and prayer, a soup-and-biscuit meal together and an evening of prayer and worship has been both challenging and so good for our church!

During the week, close to 1,000 people connect in support groups, age-based gatherings, Life Groups, Network Life Groups, various community gatherings and services, serving teams and discipleship groups. Every one of these gatherings is an opportunity for people to connect with other people and with God.

2023 was our first full year operating our Neighbourhood Programming out of the renovated Firehall facility and it was a remarkable year of continued engagement with the needs and people of our Elmwood community. Propelled by a stellar team of volunteers, our food bank has continued to serve hundreds of local families. We have shared countless meals together in community, we have distributed thousands of affordable frozen meals, offered a variety support groups for specific needs, and continued to live out our vision to be a church not just with a postal code in Elmwood, but involved and present in the life and needs of it! In the fall of 2023, Kidz Club was able to return its program back into the local elementary school for the first time since the pandemic shut down as well.

In 2023, we took further steps into the Riverwood House venture by expanding our staff team, developing our programs and welcoming more participants home. Riverwood House has risen in our community as a beacon of hope providing a safe place for people to pursue their recovery from addiction and discover healing, as we join in responding to the critical needs of homelessness in our city.

As we look into 2024, we have so many dreams that are percolating.

We dream of welcoming every Riverwooder into their place on one of our 12 Serving Teams!

We dream of 100’s of Riverwooders committing themselves to a day of fasting and prayer every month, gathering for celebration, praying with determination for their church!

We dream of expanding our groups, guiding more individuals to discover the profound love of Christ, witnessing more baptisms, and watching as more Riverwooders take courageous steps towards wholehearted discipleship.

We dream of renovating The Garage to become The NEXT Café, a functional coffee shop for the community and an evening disciple-making centre for our church.

We dream of figuring out how to grow our weekend services from here, especially with The Warehouse filling up!

We dream of enhancing The Warehouse parking lot and buildings with trees, shrubs and plants!

We dream of meeting our daring 2024 Budget with faith, sacrifice and determination!

And, we dream of every Riverwooder so excited about their God, their faith and their church!

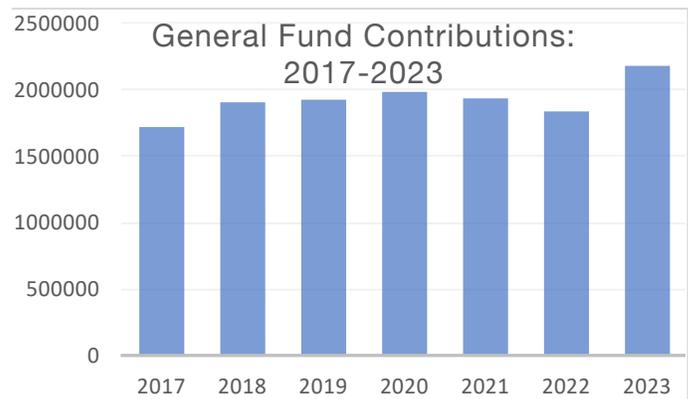
Church – we have an amazing future ahead of us! We are not finished our work – we are just getting going. But of course, dreams are not realized by mere wishes; they demand unwavering grit and determination. Thank you for all you have invested and contributed in 2023 and I want to invite you to a year of even greater impact in 2024!

Respectfully submitted
Pastor Todd Petkau
Lead Pastor, Riverwood Church Community

FINANCES IN REVIEW

Way to go Riverwood! 2023 was the first year that Riverwood's General Fund donations exceeded \$2 million!

If you add to this all the other designated funds, including Eswatini, Capital, Refugee Collective, Community and Riverwood House, Riverwood collected just shy of \$2.7 million in donations. Thank you to all who gave!



In 2023, Riverwood Church increased its cash resources by \$200,000! Roughly speaking, this was the result of the following:

\$2.2M in revenue

Less: \$1.97M in cash-related expenses

\$20K mortgage repayments

\$62K capital asset purchases

The increased cash resources will be available to reinvest in future ministry ventures!

Looking forward to 2024, Riverwood plans on utilizing some of those surplus funds to:

- Invest in Riverwood's full-time staff with training at The Exponential Conference: A Return to Disciple Making in March
- Renovate The Garage to create The NEXT Cafe
- Top up Riverwood's Reserve balances to meet the 2024 reserve requirements

Because we plan to use a significant amount of the funds in 2024 from previous years, you will see a deficit budgeted for the year. This is not a concern nor will this become the norm, but is a way to for the financial statements to record the use of these funds from previous years.

Looking at the Riverwood House Fund in a similar manner, Riverwood House's cash resources decreased by \$270,000 in 2023. This was the result of the following:

\$1.1M in cash-related revenue (made up of donations, government grants, interest and rental income)

Less: \$700K in cash-related expenses

\$20K long-term debt repayment

\$7,000 capital asset purchases

\$700K GIC purchases

FINANCES IN REVIEW CONT'D

The reason for the decreased cash resources in 2023 for Riverwood House was the purchase of \$700,000 of GIC purchases. These GIC purchases are a long-term strategy to work towards achieving a fully funded capital project with no mortgage. (More details can be found after Riverwood House's Cash Flow Statement). By the end of 2024, Riverwood House is expected to have \$2 million in its Mortgage Reserve in GIC investments - getting close to its goal of \$2.5 million!

Stephanie Toews, Controller
Riverwood Church Community

GENERAL FUND OPERATING BUDGET AND ACTUALS

	2024 BUDGET	2023 ACTUAL	2023 BUDGET
REVENUE			
Donations	2,117,500	2,127,652	2,015,000
Government Grants	40,000	38,136	40,000
Other Income	3,500	3,785	-
Interest Income	20,000	35,185	20,000
	2,181,000	2,204,758	2,075,000
EXPENSES			
ADMINISTRATION			
Staff Allowances (mileage, prof dev, mtgs)	67,840	24,224	38,030
Service Charges	26,980	28,716	28,000
Telephone/Internet/IT Expense	31,680	30,958	32,355
Office Supplies (incl. In-house Printing)	15,000	13,896	13,000
Safe Church Expenses	4,000	3,842	3,000
WCB Expense	5,600	4,314	3,905
Memberships & Subscriptions	9,100	8,938	9,000
Staff Care & Training Costs	22,000	23,813	17,500
Elder Leadership Expenses	1,500	1,337	1,500
Professional Fees	10,000	13,192	9,500
	193,700	153,230	155,790
AMORTIZATION			
Amortization Expense	190,000	191,914	170,000
COMPENSATION			
Payroll Costs	1,463,000	1,298,209	1,333,471
FACILITIES			
Factory Expenses	39,500	61,717	38,000
Garage Expenses	6,500	5,833	5,500
Firehall Expenses	24,500	33,178	23,500
Warehouse Expenses	44,500	48,832	44,500
Custodial & Vandalism Expense	8,000	5,853	9,000
Insurance	26,000	23,964	24,000
	149,000	179,377	144,500
INTEREST			
Mortgage Interest	75,000	73,876	67,000
MISSIONS			
Missions Expense	60,000	64,050	58,500

GENERAL FUND OPERATING BUDGET AND ACTUALS CONT'D

	2024 BUDGET	2023 ACTUAL	2023 BUDGET
PROGRAMMING			
African Worship Community	3,200	2,464	3,200
Neighbourhood Programming	40,000	40,647	39,500
Student Ministry	19,800	26,553	17,800
Sports Ministry	-	987	2,500
Young Adult Ministry	4,000	4,369	5,000
Life Group Ministry and Networks	10,000	8,756	8,500
Riverwood Kids	16,500	14,978	16,000
Care and Marriage Ministry	7,800	7,322	8,000
	101,300	106,076	100,500
WEEKEND SERVICES			
Hospitality Expenses	20,500	20,854	15,000
Easter Celebration	3,500	2,274	3,500
Christmas Presentation	5,000	7,661	6,500
Welcome Home Weekend	8,000	9,795	2,500
Service Development	12,500	4,220	5,500
Service Audio/Broadcast/Lighting	27,500	27,185	20,700
Worship (incl. Fees & Licenses)	17,000	17,073	15,500
	94,000	89,062	69,200
Total Expenses	2,326,000	2,155,794	2,098,961
Excess (Deficiency) of Revenue over Expenses before Other Items	(145,000)	48,964	(23,961)
Other Items			
Net Café Activities	4,000	4,429	
Collide Conference Activities			
Donations	-	39,094	
Registrations and Sponsorships	-	71,677	
Expenses		(110,771)	
Foreign Exchange Gain	-	441	
	4,000	4,870	
Excess (Deficiency) of Revenue over Expenses	(141,000)	53,834	(23,961)

GENERAL FUND STATEMENT OF CASH FLOWS

	2024 BUDGET	2023 ACTUAL
Cash Provided by (Used for) the Following Activities:		
Operating		
Excess (Deficiency) of Revenue over Expenses (from above)	(141,000)	53,834
Amortization (non-cash)	190,000	191,914
	49,000	245,748
Changes in Working Capital Accounts		
Accounts Receivable	-	(1,145)
GST Receivable	-	4,694
Prepaid Expenses and Deposits	-	(6,095)
Accounts Payable, Accruals and Deferrals	-	35,332
	49,000	278,534
Financing		
Repayments of Long-term Debt	(22,020)	(23,144)
Change in Due to/from Riverwood House	-	(56,166)
Net Contributions of Other Funds to General Chequing	-	64,980
	(22,020)	(14,330)
Investing		
Purchase of Capital Assets	(243,100)	(61,495)
	(243,100)	(61,495)
Increase (Decrease) in Cash Resources	(216,120)	202,708
Cash Resources, Beginning of Year	1,388,856	1,186,148
Cash Resources, End of Year	1,172,736	1,388,856
Cash Resources is Comprised Of:		
Externally Restricted Funds		
Eswatini	105,446	
Capital	10,892	
Refugee Collective	52,678	
Community	14,578	183,594
		183,594
Internally Restricted Reserves		
Operational	182,732	135,850
Emergency	106,800	97,150
Capital	106,800	138,985
Warehouse Parking Lot Reserve	182,600	142,600
Surplus Cash	410,210	690,677
Total Cash Resources	1,172,736	1,388,856

RIVERWOOD HOUSE FUND OPERATING BUDGET AND ACTUALS

	2024 Budget	2023 Actual	2023 Budget
REVENUE			
Operational & Capital Contributions	220,000	315,442	214,000
Government Assistance	438,000	441,834	100,000
Interest Income	87,500	76,969	57,000
Suite Income	286,416	230,349	311,688
Other Income	24,000	31,449	24,000
Implied Interest Income (non-cash)	-	64,796	-
Loan Forgiveness Revenue (non-cash)	-	240,837	-
	1,055,916	1,401,675	706,688
EXPENSES			
ADMINISTRATION			
Staff Allowances (mileage, cell)	5,000	4,581	1,000
Bank and Service Charges	600	609	1,240
Telephone/Internet/Tech	17,750	15,808	17,700
Office Expenses	4,000	3,328	3,800
Donor Engagement & Promotion	1,500	60	1,500
Memberships & Subscriptions	5,000	3,652	3,500
Staff Care & Development	11,450	4,945	12,195
Directors' Insurance	1,778	1,778	2,000
	47,078	34,761	42,935
ALLOCATION TO CMHC REPLACEMENT RESERVE			
Allocation to Replacement Reserve	11,457	2,046	18,100
AMORTIZATION			
Amortization Expense (non-cash)	21,000	20,800	250,000
BAD DEBT EXPENSE			
Bad Debts	-	1,687	-
COMPENSATION			
Payroll Costs	451,610	309,068	261,225
FACILITIES			
Occupancy Costs	71,500	70,042	58,288
Property Tax	48,000	47,202	48,000
Building Maintenance	23,300	23,637	30,300
Building Insurance	30,000	26,903	26,800
	172,800	167,785	163,388

RIVERWOOD HOUSE FUND OPERATING BUDGETS AND ACTUALS

	2024 BUDGET	2023 ACTUAL	2023 BUDGET
INTEREST			
Mortgage Interest	43,200	45,985	43,200
PROGRAMMING			
Programming Costs	142,500	102,116	130,700
Total Expenses	889,645	684,247	909,548
Excess (Deficiency) of Revenue over Expenses before Other Items	166,271	717,429	(202,860)
Other Items			
Insurance Proceeds		3,869	
Excess (Deficiency) of Revenue over Expenses	166,271	721,298	(202,860)

RIVERWOOD HOUSE FUND STATEMENT OF CASH FLOWS

	2024 Budget	2023 Actual
Cash Provided by (Used for) the Following Activities:		
Operating		
Excess (Deficiency) of Revenue over Expenses (from above)	166,271	721,298
Amortization (non-cash)	21,000	20,800
Allocation to Replacement Reserve	11,457	2,046
Implied Interest Apportioned to Income	-	(64,796)
Loan Forgiveness Apportioned to Income	-	(240,837)
	198,728	438,512
Changes in Working Capital Accounts		
Accounts and Interest Receivable	-	(49,302)
GST Receivable	-	5,348
Prepaid Expenses and Deposits	-	(937)
Accounts Payable, Accruals and Deferrals	-	8,919
	198,728	402,540
Financing		
Repayments of Long-term Debt	(20,000)	(20,000)
Change in Due to/from General Fund	-	56,166
	(20,000)	36,166
Investing		
Purchase of Capital Assets	-	(7,235)
Purchase of GIC Investments	(300,000)	(700,000)
Allocation to CMHC Replacement Reserve	(11,457)	(2,046)
	(311,457)	(709,281)
Increase (Decrease) in Cash Resources	(132,729)	(270,575)
Cash Resources, Beginning of Year	349,348	619,923
Cash Resources, End of Year	216,619	349,348
Cash Resources is Comprised Of:		
Internally Restricted Reserves		
Operational	45,000	33,000
Emergency	45,000	33,000
Capital	45,000	33,000
Surplus Cash	81,619	250,348
Total Cash Resources	216,619	349,348
Total GIC Investments for Mortgage Reserve, End of Year*	2,000,000	1,700,000

*At the beginning of the project, RWH had a goal of achieving a fully funded capital project with no mortgage, which we continue to work towards. The financing for this project has been provided through the CMHC National Housing Co-investment Fund (now renamed Affordable Housing Fund) which represents a repayable financing amount of \$2,473,060. We do not have privileges to pay principal down beyond the monthly payments for 10 years. Instead, we are carrying a Mortgage Reserve that represents our capital raised and these funds are leveraged to grow in Guaranteed Investments to help us further achieve our goal.

FINANCIAL STATEMENT EXPLANATION

As the Controller here at Riverwood, I would like to provide a few detailed explanations as you look at the 2023 Annual Report.

- 1) The 2023 Audited Financial Statements are a key part of Riverwood's annual report! They are available online along with the Annual Report (as soon as they become available from the Auditors). The Financial Statements provide:
 - The Statement of Financial Position (Balance Sheet) showing the Assets (including Cash, Investments and Capital Assets), Liabilities (Payables and Long-term Debt) as well as Net Assets (Reserve Balances included);
 - The Statement of Operations (Income Statement) show the Income and Expenses for the year by Fund;
 - The Cash Flow Statement shows the Net Income and the changes in the Balance sheet items to round out the picture of what affected Cash during the year;
 - Notes to the Financial Statement where you will find more detailed information related to the year.

- 2) In the Annual Report you will find the Statement of Operations allocation is slightly different than the Audited Financial Statements as the money brought in for events and other non-receipted amounts are grouped with the respective ministries for budget reporting purposes. The Excess/Deficiency (Net Income) figures align and a reconciliation has been prepared for the auditors.

- 3) One significant difference in this year's annual report is that I have separated the Cash Flow Statement (from the Audited Financial Statements) into the General Fund Cash Flow and the Riverwood House Fund Cash Flow. The reason for this is to give you a better picture of the use of cash so you can look beyond the \$141,000 deficit that is budgeted on the Income Statement for the General Fund and see the use of surplus funds.

At the end of the 2024 Budgeted year, Riverwood is expecting to spend \$216,120 more than what is brought in for the year. It is planned to utilize a portion of the surplus cash that Riverwood has on hand. At the bottom of the General Cash Flow Statement, you will see that there will be \$410,210 remaining in the Cash Surplus at the end of 2024.

If you have any questions for me, please send elders@riverwood.cc an email and they will send it my way!

2023 GENERAL FUND FAQS

What kind of Government Grants is Riverwood's General Fund receiving?

For the past several years, Riverwood Church has applied for grants to cover the costs of hiring summer students. These grants enabled Riverwood to hire 8 summer students in 2023!

Staff Allowances have increased in the 2024 budget by \$43K over 2023 actual. What is the purpose of the increase?

The increase is all related to staff professional development! The increase includes funds for Riverwood Church's full-time staff to attend The Exponential Conference: A Return to Disciple Making in March and for Riverwood's Lead Pastor to complete his 2-year executive leadership course. The staff conference is being covered by prior year surpluses so it is not expected to be covered by 2024 donations.

Riverwood's payroll is a significant portion of its total General Fund budget. Budgeted payroll costs have increased. Are more positions opening up?

At the start of 2024, Riverwood Church is fully staffed! The long-empty Facilities Director position was filled by Terry Hiebert and we collectively sighed with relief! For years, the senior staff at Riverwood shared the responsibilities to manage the facilities, which added more to their already full plates. Lydia Brunelle is now the Riverwood Kid's Director and Oleh Korzhov is taking care of all things IT/Tech. Riverwood is deeply appreciative of our dedicated

staff team, each member faithfully serving with their unique gifts, skills, and unwavering energy.

Facilities 2023 actual costs were \$40,000 above budgeted. What caused that increase?

At the Factory, it was found that the sprinkler system was close to causing catastrophic water damage. We caught the problem early enough, but the repair costs for that work came in close to \$23,000. It was a significant cost, but was necessary as insurance would not have covered a claim that was caused by a known deficiency. Other R&M costs above budgeted amounts included electrical work at the Factory and the addition of an office at the Firehall.

2023 Actual for Student Ministries was almost \$9,000 above budget. What additional costs were incurred?

In 2023, \$8,000 of donations were received for youth camp sponsorship and young adult dinners. These donations are recorded separately on the annual report but do cover the overage.

Do you have another question?

Please email elders@riverwood.cc and we will be pleased to answer your question.

2023 RIVERWOOD HOUSE FUND FAQS

What kind of Government Grants is the Riverwood House Fund receiving?

In 2023, the Province of Manitoba shifted their agency funding model to support all organizations operating Supportive Recovery Housing with a standardized, per-bed, funding rate. Riverwood House qualifies to receive this funding to support its operations and is responsible to maintain standards that have been developed for this category of housing.

2023 Actual Suite Income didn't reach the 2023 budgeted amount and even the 2024 budgeted amount is lower than 2023 budgeted. Isn't the plan to fill up the suites with as many people as possible?

Yes! Reflected in the 2023 and 2024 budgets is the intentional planning to ramp up occupancy at a measured pace as we have developed our programming and hired staffing. We are now approaching full occupancy. The reduction in our 2024 budget also comes through learning that we needed to plan for a slightly higher vacancy rate to accommodate the transitional periods between participants moving out and new participants moving in.

Do you have another question?

Please email elders@riverwood.cc and we will be pleased to answer your question.



RIVERWOOD
CHURCH COMMUNITY