



Financial statements

Northwood United Church

December 31, 2020

Northwood United Church
Notes to the financial statements
December 31, 2020

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Statement of receipts and disbursements

For the year ended December 31	Actual 2020	Budget 2020
Receipts		
Local offerings	\$ 148,626	\$ 163,000
Thrift shop sales	28,751	77,500
Building rentals	55,426	60,000
Designated offerings	1,273	14,500
Fundraising	3,945	10,000
CEWS (Canada Emergency Wage Subsidies)	46,865	N/A
Grants	12,997	0
Other	2,462	16,000
	<u>300,345</u>	<u>341,000</u>
Fixed disbursements		
Salaries and wages	164,127	188,132
Church management ministry (Schedule 1)	83,271	85,236
		14,500
National/Regional Assessments	20,735	18,704
	<u>268,133</u>	<u>306,572</u>
Net receipts over fixed disbursements	<u>32,212</u>	<u>34,428</u>
Disbursements		
Worship and pastoral care ministry (Schedule 1)	8,405	23,375
Community and global development ministry (Schedule 1)	858	5,400
Japanese ministry (Schedule 1)	1,508	4,051
Spiritual development ministry (Schedule 1)	461	9,802
Ministry board	0	300
	<u>11,232</u>	<u>42,928</u>
Other cash receipts and disbursements		
Property contingency fund (Schedule 2)	100	
Trust funds/ Trust utilization	(7,689)	8,500
	<u>(7,589)</u>	<u>8,500</u>
Excess of receipts over disbursements	\$ 13,391	\$ 0

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Statement of changes in equity

For the year ended December 31	General operating fund	Property	Property contingency fund	Trust funds (Schedule 2)	Total
Equity, beginning of the year	\$ (8,017)	\$ 5,994,600	\$ 34,827	\$ 47,687	\$ 6,069,097
Excess (deficiency) of receipts over disbursements	29,480		100	(7,689)	21,891
Previous year adjustment	(481)				(481)
Increase to property value (Note 1)	<u> </u>	<u>313,100</u>	<u> </u>	<u> </u>	<u>313,100</u>
Equity, end of year	<u>\$ 20,982</u>	<u>\$ 6,307,700</u>	<u>\$ 34,927</u>	<u>\$ 39,998</u>	<u>\$ 6,403,607</u>

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Balance sheet

December 31	2020	2019
Assets		
Current		
Cash and short term investments (Note 2)	\$ 128,777	\$ 72,518
GST rebate receivable	<u>776</u>	<u>1,978</u>
	129,553	74,496
Property (Note 3)	<u>6,307,700</u>	<u>5,994,600</u>
	<u>\$ 6,437,253</u>	<u>\$ 6,069,096</u>
Liabilities		
Current		
CEBA Long Term	\$ 3,646	
	<u>30,000</u>	
	<u>\$ 33,646</u>	
Equity		
General operating fund	\$ 20,981	\$ (8,017)
Property	6,307,700	5,994,600
Property contingency fund	34,927	34,827
Trust funds (Schedule 2)	<u>39,999</u>	<u>47,687</u>
	<u>\$ 6,403,607</u>	<u>\$ 6,069,096</u>
Liabilities & Equity	<u>\$ 6,437,253</u>	

On behalf of the Board

_____ Ministry Board Chair

_____ Treasurer

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1. Summary of significant accounting policies

Basis of presentation

The church follows the cash basis method for recording transactions. All cash receipts are recorded at the time they are received. All cash disbursements are recorded at the time they have been paid.

Cash and short term investments

The church maintains two bank accounts, one for the general operations of the church and one for the maintenance of the designated and memorial funds held in trust. Note 2 shows the breakdown of the cash and short term investments.

Property

Land and building have been valued at their estimated fair market value. These values are determined based on the BC Assessment Authority notices. In the current year, the values were adjusted from the 2019 to the 2020 estimated property values. The total increase was \$313,100 over the previous year and this amount was adjusted through Property equity. See Note 3 for further details on these changes.

Equity

In accordance with the Act of Incorporation of the United Church of Canada in 1925, the equity of the Northwood Pastoral Charge is vested entirely in the corporate body, the United Church of Canada.

2. Cash and short term investments	2020	2019
General operating fund	\$ 14,248	\$ (9,997)
Property contingency fund	<u>34,927</u>	<u>34,827</u>
	<u>49,175</u>	<u>24,830</u>
Trust funds	39,999	38,138
Trust funds (investments)	<u>39,603</u>	<u>9,551</u>
	<u>79,602</u>	<u>47,688</u>
	<u>\$ 128,777</u>	<u>\$ 72,518</u>

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3. Property

	2020	2019
	Fair market value	Fair market value
	<u> </u>	<u> </u>
Land	\$ 4,801,000	\$ 4,456,000
Building	<u>1,506,700</u>	<u>1,538,600</u>
	<u>\$ 6,307,700</u>	<u>\$ 5,994,600</u>

4. Cash receipts

Invariably the pandemic has affected our receipts in an adverse fashion, lowering our normal revenue streams by 27% in 2020. During the fiscal year, local offerings received were significantly lower than the budget by more than \$14,000 (9%) and short of the prior year actual results by almost \$18,000. The 2020 budget for local offerings was estimated to be lower than 2019 according to the trend of the last three years. This shortfall is likely due to a combination of factors including the timing of when receipts are recognized, the inability to hold church services, the necessity of using new online methods of payments for donations (e-transfers and PAR PreAuthorized Remittance) and a decline in congregational membership. Also our Jazz Vespers revenues were much lower.

The Thrift Shop sales were lower than budgeted by almost \$49,000 (62%) given that it was closed for most of the year.

The building rentals were lower than budgeted by \$4,500 (8%). The Provincial election polling station rental income helped considerably to keep it high. This is due mostly to the special efforts of our Office Administrator in finding groups that use the building. Many normal rentals had to be cancelled due to PHO restrictions.

We received a significant boost from the CEWS program of the federal program for assisting the payment of employees of Businesses and Charities with sales and rentals. We received almost \$47,000 over nine months with this Canada Emergency Wage Subsidy program.

We also received a summer student grant for our IT Minister, almost \$3,000. Another \$10,000 is considered a grant for a forgivable portion of the \$40,000 CEBA loan we received. This Canada Emergency Business Account loan was used in 2020 to cover eligible non-deferrable expenses such as wages, utilities, insurance and property tax. The \$30,000 principal is payable by the end of 2022 and is interest free.

5. Fundraising and Other Revenues

Normally during the year the church undertakes a variety of fundraising activities to help generate additional funding for the ongoing operations. Most fundraisers were cancelled due to PHO restrictions. Revenues were down \$6,000 more than expected in the budget (61%).

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6. Salaries and wages

Disbursements for salaries and wages were below budget by approximately \$24,000 for the 2020 fiscal year. Since we had many fewer services we had no need for musicians including Gina Williams, Dan Hearty and substitutes as well as event hosts for cancelled rentals for most of the year.

7. Ministry disbursements

There were no large projects during the fiscal year, allowing for lower expenditures during 2020. Costs were lower than budgeted by almost \$2,000. The absence of these major costs such as incurred through the roof repairs in 2018 has allowed us to have a healthy surplus during 2020.

Church utilities were significantly lower by almost \$7,500 than in the budget. Maintenance costs were higher than expected by \$5,300. By far almost all of the other expenses were within a few hundred dollars (plus or minus), thus minimal variance from the budget for the fiscal year 2020 for those items. Many of these Church Management expenses are fixed and not negotiable.

Unsurprisingly, the Worship and Pastoral Care ministry disbursements were lower than budgeted by almost \$15,000 (64% lower) over the year since worship services didn't take place in the building.

Many of our Community & Global Development ministry programs were curtailed over 2020 bringing these disbursements down by 84% of the budget.

We paid \$7,018 towards the Mission & Service fund by donations; another \$3,128 payable in early 2021. White gift donations were \$5,170 in 2020, of which \$2,337 was used in 2020. The rest is to be used in 2021. Note that these payables at the end of 2020 make up a Liability in the balance sheet of page 3.

The Japanese ministry disbursements were under budget for the 2020 fiscal year by almost \$2,500 (63% lower).

The Spiritual Development ministry spending was under the budget by over \$9,300 (95% lower).

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8. Gifts in kind

In addition to receiving cash donations during the year \$1,684 (\$5,000 in 2019) was received as gifts in kind to further support the objectives of the church. The following schedule shows the breakdown of the ministry areas that received these gifts.

Gift in kind disbursements	2020	2019
Spiritual development ministry		
Children's church books & supplies		\$ -
Junior youth supplies		46
Refreshments		104
Senior Youth		40
		<u>190</u>
Community and global development ministry		
Shoebox ministry	86	44
White gifts	67	364
Fundraising event supplies	39	471
Food programs	320	1,575
Thrift shop supplies	182	31
	<u>694</u>	<u>2,484</u>
Worship and pastoral care ministry		
License and music supplies		-
Worship supplies	50	47
Technical supplies		107
	<u>50</u>	<u>154</u>
Church management ministry		
Building maintenance		201
Office supplies		165
Grounds maintenance		382
Thrift shop maintenance		-
Janitorial Supplies		19
Kitchen maintenance & supplies		374
Church Maintenance	940	
		<u>1,141</u>
Refugee sponsorship fund		\$ 986
	<u>1,684</u>	<u>4,955</u>

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9. Property contingency fund

During the fiscal year, \$100 was donated to the property contingency fund (\$2,671 in 2019). None of these funds were used or budgeted in 2020 since there were no major projects during the year. As at December 31, 2019 the balance in the fund was \$34,927.

10. Trust funds

During the fiscal year, the congregation continued to give to the designated and memorial funds held in trust. A total of \$870 was received in trust in 2020. There was also a bequest of \$1,000 which was given to cover some general operating expenses. The Refugee sponsorship fund has essentially been used up in 2019.

The budget allowed for a Trust utilization of \$8,500 from the Memorial Fund (unspecified) as it was foreseen at the time that it would likely remove a shortfall for the year. During the summer of 2020 it appeared that we were headed for a steep deficit; this was before we knew of our eligibility for the CEWS and before our knowledge of the CEBA program. Hence we applied the trust utilization to help. Aside from this sum the other trust funds were barely used.

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For the year ended December 31	Actual 2020	Budget 2020
Church management ministry		
Church utilities	\$ 21,763	\$ 29,190
Maintenance	31,473	26,126
Property taxes	8,050	10,000
Insurance	9,332	9,000
Office supplies	5,374	6,400
Thrift shop utilities and maintenance	2,099	2,800
Other	3,386	500
Bank charges	1,794	1,220
	<u>83,271</u>	<u>85,236</u>
Worship and pastoral care ministry		
Jazz Vespers supplies	2,371	12,090
Honorariums (music and pulpit supply)	2,049	3,000
Licence and music supplies	835	1,200
Worship supplies	613	1,000
Technical supplies	2,197	125
Honorariums (funerals and weddings)	-30	5,300
Prayer shawl ministry	-50	200
Pastoral care supplies	169	360
Healing touch ministry	250	100
	<u>8,404</u>	<u>23,375</u>
Community and global development ministry		
Fundraising event supplies	87	1,500
Sunday coffee time supplies	59	800
Food programs	581	1,000
Thrift shop supplies	46	300
Shoe box ministry	84	500
Emergency shelter outreach	0	400
Benevolent fund spending	0	400
World Development & Relief	0	500
	<u>857</u>	<u>5,400</u>
Japanese ministry		
Pulpit supply	1,283	2,941
Pastoral care	0	150
Musician	225	900
Seniors gathering	0	60
	<u>1,508</u>	<u>4,051</u>
Spiritual development ministry		
Supplies	247	1,175
Youth and Young Adults	158	1,327
Children's church	66	4,500
Social committee	-210	1,000
Spiritual practices alternatives	200	1,800
	<u>461</u>	<u>9,802</u>

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Changes in Trust Funds

Year ended December 31, 2020	Opening balance	Contributions	Disbursements	Ending balance
Trust funds				
F&J Carter Children and Youth Bursary fund	\$ 1,825	\$ 250	\$ -	2,075
Investment in people fund	1,648	-	-	1,648
Ladies united circle retreat fund	5,937	-	-	5,937
Memorial fund - unspecified	35,042	520	(8,500)	27,062
Memorial fund - capital	255	-	-	255
Refugee sponsorship fund	(199)	-	(59)	(258)
Senior choir special gift fund	981	-	-	981
Wendy Tocher Children and Youth Music fund	2,199	100	-	2,299
	<u>\$ 47,688</u>	<u>\$ 870</u>	<u>\$ (8,559)</u>	<u>39,999</u>