

2019 Annual Report  
Appendices

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### Report of the Board of Trustees

The Trustees Team: Katherine Dalziel, Bill Dines,(chair),Jennifer Duchesne, Jane Rounthwaite, George Swift and Derek Wishart. Rev. Douglas duCharme also served, ex officio, as a Trustee.

The property of the congregation at 28 Fairlawn Avenue is held in trust for the United Church of Canada by the Trustees. It is the responsibility of the Trustees to see that this property is properly insured and maintained.

The Trustees also oversee the investments of the Congregation. Those investments are held and managed by RBC Dominion Securities Inc. for a quarterly fee based upon assets under management. The investments may be briefly described as follows:

- (1) The Legacy Fund had a market value of \$1,353,116 at December 31, 2019, an increase of \$394,660 from the previous year-end. The fund is unrestricted as to its use. The capital and any income may be used for the general purposes of the congregation.
- (2) The Ministerial Salaries Fund had a market value of \$1,000,000 at December 31, 2019. This fund is restricted as to its use and must be maintained at \$1,000,000 unless approved by United Church of Canada. The income of the fund may be used by the church to fund ministerial compensation. For 2019, \$33,971 representing all of the current year's income was transferred to church operating.
- (3) The Trustees' Administered Funds had a market value of \$348,779 at December 31, 2019. These funds are restricted and the income and capital of these funds may not be used for the general purposes of the Congregation unless specifically stated. The names of the funds are Lucas Sanders, Anne Krug, Kellough Seniors and Social Justice. Details of their purposes are contained in the notes to the financial statements.

On the direction of the Governing Council, and in accordance with the budget approved by the Congregation, the Trustees provided funds from the Legacy Fund during the year to make capital repairs and improvements to the Church building. Income earned on the investments is also transferred to the operating account to offset the Church's operating deficit. A detailed Financial Report of all Accounts under the supervision of the Trustees is included in the Annual Report.

As in past years, the Trustees and Governing Council have approved the use of the income of the Kellough Seniors Fund to establish a taxi account to assist those members who require transportation to and from Church services and other Church-related activities. Anyone requiring such assistance can obtain taxi chits from the Church Office. In addition, income from this Fund has been designated by the Trustees and the Governing Council for payment of expenses related to the elevator.

The Lucas-Sanders Fund provides money for three purposes: 25% of the income is for general congregational expenses; 25% is for the Mission and Service Fund; and 50% is to provide bursaries to members of the Congregation pursuing post-secondary education. This year there were six recipients, namely, Emily de la Rua, Diana Davey, Evelyn Bano, Jack Kecskes, Patrick Wishart and Chiara Pedretti. Each received a bursary of \$500.

We are most grateful to those who leave a bequest to Fairlawn Avenue United Church in their Wills. Please consider the possibility of including our Congregation as part of your estate plan. If you have questions about how to include the Church, please do not hesitate to speak to me. There is also a great deal of helpful information available from the Head Office of The United of Church of Canada.

The trustee term of Jane Rounthwaite will be completed at our general meeting and I wish to thank her for her contribution over the past seventeen years. I would also like to thank my fellow Trustees for their work and support during the year.

The Trustees would welcome any congregants with an interest and the time to contribute as a member of Trustees. Please contact me with any questions.

Respectfully submitted,  
William R. Dines, Chair, March 6, 2020.

## Appendix B

FAIRLAWN AVENUE UNITED CHURCH  
STATEMENT OF FINANCIAL POSITION

December 31, 2019

UNAUDITED

	Church Operating	Trustees Ministerial Salaries	Trustees General	Dec. 31, 2019 TOTAL	Dec. 31, 2018 TOTAL
<b>ASSETS</b>					
Cash	\$94,301			94,301	204,231
Accounts receivable	876		8,056	8,932	23,245
HST recoverable	10,057			10,057	8
Interfund Balances	155,957		(155,957)	-	
Investments		1,000,000	1,513,792	2,513,792	2,035,392
Investments - Trustees' administered funds			348,779	348,779	306,513
Prepaid expenses	3,479			3,479	3,361
	264,670	\$ 1,000,000	\$ 1,714,670	2,979,340	\$ 2,572,750
<b>LIABILITIES</b>					
Accounts payable	\$ 530		12,775	13,305	13,138
Rent received in advance	\$ 2,735			2,735	2,000
Trustees' administered funds			348,779	348,779	306,513
	\$ 3,265	\$ -	\$ 361,554	364,819	\$ 321,651
<b>FUND BALANCES</b>					
Restricted - Operating and Ministerial Salaries Funds	\$ 261,405	1,000,000	-	1,261,405	1,292,643
Discretionary - Legacy Fund			1,353,116	1,353,116	958,456
	\$ 261,405	\$ 1,000,000	\$ 1,353,116	2,614,521	\$ 2,251,099
	\$ 264,670	\$ 1,000,000	\$ 1,714,670	2,979,340	\$ 2,572,750

## Appendix C

FAIRLAWN AVENUE UNITED CHURCH  
STATEMENT OF OPERATIONS  
Year Ended December 31, 2019  
UNAUDITED

	2019		2019		2019	2018
	Church Operating	Restricted Operating Funds	Trustees Ministerial Salaries	Trustees General	Total	Total
<b>CONTRIBUTIONS AND REVENUE</b>						
Congregation contribution	\$ 495,099	\$ 130,129			\$ 625,225	\$ 583,586
Mission and Service contribution	46,178				46,178	44,824
United Church of Canada Grant (note 10)		100,395			100,395	120,000
Building users	118,593				118,593	130,323
Other income	2,961			3,052	6,013	14,590
Special events (note 9)	16,210				16,210	16,729
Interest and dividends			43,092	41,302	84,394	84,989
Legacies, memorials and donations				205,000	205,000	2,431
Realized gains				13,344	13,344	105,434
Change in value of investments				221,004	221,004	-243,502
	\$ 679,038	\$ 230,524	\$ 43,092	\$ 483,702	\$1,436,356	\$ 859,404
<b>EXPENSES</b>						
Salaries and benefits	\$ 510,078				\$ 510,078	\$ 526,635
Property	72,194				72,194	81,617
Administration	74,849				74,849	80,200
Worship	48,223	26,381			74,604	86,614
Other councils	21,502	68,243			21,502	20,493
Capital assets				21,685	89,928	89,583
Outreach		101,686			101,686	127,784
Investment Management Fees			9,121	8,744	17,865	19,012
Other					0	0
Mission and Service payments	46,178				46,178	44,824
Grant Expenditures		65,452			65,452	371
Total Expenses	\$ 773,024	\$ 261,762	\$ 9,121	\$ 30,429	\$ 1,074,336	1,077,133
Excess of revenue (expenses)	\$ (93,986)	\$ (31,238)	\$ 33,971	\$ 453,273	\$ 362,020	\$ (217,729)

Appendix D

FAIRLAWN AVENUE UNITED CHURCH  
 STATEMENT OF CHANGES IN FUND BALANCES  
 Year Ended December 31, 2019  
 UNAUDITED

	2019				2019		2018	
	Church Operating	Restricted Operating Funds	Trustees Ministerial Salaries	Trustees Legacy Fund	Total	Total	Total	Total
Excess revenue/(expense)	\$ (93,986)	\$ (31,238)	\$ 33,971	\$ 453,273	\$ 362,020	\$ (217,729)		
Transfer - Ministerial Salaries Fund	33,971		(33,971)		0	0		
Transfer - Church operating deficit	58,613			(58,613)	0	0		
Lucas Sanders contribution	1,402				1,402	2,920		
Fund balances at beginning of year		292,643	1,000,000	958,456	2,251,099	2,465,908		
Fund balances at end of year	\$ -	\$ 261,405	\$ 1,000,000	\$ 1,353,116	\$ 2,614,521	\$ 2,251,099		

## Appendix E

FAIRLAWN AVENUE UNITED CHURCH  
 STATEMENT OF CHANGES IN RESTRICTED OPERATING FUNDS  
 Year ended December 31, 2019  
 UNAUDITED

	December 31, 2018	Contributions and revenue	Transfers	Expenditures	December 31, 2019
Refugee Fund	\$ 24,632	\$ 4,686		\$ (6,581)	\$ 22,737
Walk in Support	17,127	6,656		(12,447)	11,336
Embrace Action Fund	18,212	64,318		(65,171)	17,359
Social Justice Fund	-	157		(157)	-
Seniors Fund	-	6,681		(6,681)	-
Eleanor Daley Special Music Fund	29,401	18,713		(14,278)	33,836
Green Team	1,753	-		-	1,753
Boarding Home Ministry	2,901	1,060		(1,405)	2,556
Prayer Shawls	661	665		(559)	767
Ministers' Funds	1,336	1,790		(2,303)	823
Bessie Barber Nursery	1,991	1,470		(1,155)	2,306
Camp Scugog	-	18,044		(15,441)	2,603
Other Funds Held in Trust	75,000	4,000		(68,243)	10,757
Food Bank	-	1,889		(1,889)	-
United Church of Canada Grant	119,629	100,395		(65,452)	154,572
	<u>\$ 292,643</u>	<u>\$ 230,524</u>	<u>\$ -</u>	<u>\$ (261,762)</u>	<u>\$ 261,405</u>

## Appendix F

FAIRLAWN AVENUE UNITED CHURCH  
 STATEMENT OF CHANGES IN TRUSTEES' ADMINISTERED FUNDS  
 Year ended December 31, 2019  
 UNAUDITED

	Lucas Sanders	Anne Krug	Kellough Seniors	Social Justice	Total
<b>REVENUE</b>					
Investment income	\$ 6,864	\$ 1,562	\$ 819	\$ 3,953	13,198
Unrealized gain (loss)	15,520	3,531	1,851	23,191	44,093
					-
Total Revenue	\$ 22,384	\$ 5,093	\$ 2,670	\$ 27,144	\$ 57,291
<b>DISBURSEMENTS</b>					
Social Justice				157	157
Mission and Service	1,402				1,402
Piano Tuning		386			386
Bursaries	2,805				2,805
Investment Management Fees	1,255	285	150	502	2,192
Taxis, elevator and other			6,681		6,681
Church operating expenses	1,402				1,402
					-
Total Disbursements	\$ 6,864	\$ 671	\$ 6,831	\$ 659	\$ 15,025
Net change during year	\$ 15,520	\$ 4,422	\$ (4,161)	\$ 26,485	\$ 42,266
Balances beginning of year	137,531	31,290	16,401	121,291	306,513
Balances end of year	\$ 153,051	\$ 35,712	\$ 12,240	\$ 147,776	\$348,779



FAIRLAWN AVENUE UNITED CHURCH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

1. The Church

Fairlawn Avenue United Church (the Church) was established in 1915. The Church is a registered charity and is exempt from income tax.

2. Basis of Presentation

These financial statements include the accounts of the Operating Fund of the Church, which fund is administered by the Finance & Stewardship Council, and the accounts of the Trustee Administered Funds of the Church, which are administered by the Board of Trustees.

3. Significant Accounting Policies

a) Accrual basis of accounting

These financial statements are prepared on the accrual basis of accounting. Revenue is recognized when received or considered receivable, and expense is recognized when services are rendered or supplies consumed without regard to the receipt or payment of cash.

b) Capital assets

The Church building and land are owned by the United Church of Canada and are not reflected in these financial statements. Capital assets are expensed in the year of purchase.

c) Donated materials and services

Much of the Church's work is performed by volunteers. The value of their efforts cannot be readily estimated and no attempt has been made to reflect such amounts in these financial statements.

d) Donated securities

Donated securities are accounted for at fair value on the date the gift is accepted.

e) Financial instruments

The Church's financial statements, other than investments (see note below), cash, accounts receivable, and accounts payable are reported at cost. The Church feels that, given the short life of these assets and liabilities, the reported values approximate fair value satisfactorily.

f) Valuation of investments

Investments are valued at fair value, determined as bid price for marketable securities.

g) Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires the Church to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the year. These estimates and assumptions are reviewed periodically and adjustments are made to income in the year they become known.

h) Contribution and revenue recognition

In the Operating Fund, congregational donations are recognized when payment is received. Other revenues are recognized on the accrual basis when payment seems certain. In the Trustee Administered Funds, investment income is recognized on the accrual basis. Donations, bequests, and other revenues are recognized when payment is received.

#### 4. Trustee Administered Funds

##### Restricted Funds

##### Ministerial Salaries Fund

The Ministerial Salaries Fund was created from the partial proceeds of the sales of three manses and Armour Heights United Church. Income from this fund may be used to assist in covering the ministerial salaries of the Church. The fund does not participate in realized gains or losses on the sale of investments or unrealized gains or losses. The capital in this fund is to be maintained at \$1,000,000 except as expenditures may be approved by the United Church of Canada.

#### Lucas Sanders Fund

The Lucas Sanders Fund was formed with the legacies from Lillian Lucas and Ann Sanders. These legacies specified that the investment income from this fund should be distributed annually in the following fashion: 25% to Church operating expenses, 25% to the Mission & Service Fund, and 50% to bursaries for students who are proceeding beyond secondary school.

#### Anne Krug Fund

The Anne Krug Fund was established to administer the contributions from the congregation in support of the renovation and maintenance of the grand piano donated by the Krug family.

#### Kellough Seniors Fund

The Kellough Seniors Fund was created by the legacy from Maude Kellough. The legacy restricts the use of the income from the fund for the benefit of seniors.

#### Social Justice Fund

The Social Justice Fund is a continuation of the pre-amalgamation St. James-Bond United Church non-designated trust funds. The funds are available to provide funding for the congregation's commitment to the development of a Social Justice Ministry. Spending of the capital in this fund requires the approval of the Social Justice Committee and the Governing Council.

#### Discretionary Funds

##### Legacy Fund

The Legacy Fund is used to cover all administrative costs of the Trustees, pay for capital asset additions, provide operating support for the Church and any additional funding requirements such as major repairs as directed by the Governing Council.

#### 5. Restricted Operating Funds

Governing Council administers various special purpose funds from time to time. At December 31, 2019 there were eleven such funds under administration, with an aggregate balance of \$261,405.

Details of these funds are disclosed in the Statement of Changes in Restricted Operating Funds.

#### 6. Related Parties

During the year the congregation contributed \$46,178 (\$44,824 in 2018) to the United Church of Canada for its Mission & Service Fund. The Lucas Sanders Fund contributed a further \$1,402 (\$2,920 in 2018).

#### 7. Gifts Received

During the year gifts of securities valued at \$32,345 were received (\$13,954 in 2018).

#### 8. Investments Held By Trustees

The Social Justice Committee, in the restricted funds held by the Trustees, has its own investments. All other restricted and discretionary funds share pooled investments. Investment income includes dividends, interest and realized gains or losses on the sale of investments. Such investment income, together with unrealized gains or losses on investments held at year-end, is allocated to restricted and discretionary funds in proportion to their opening fund balances. The Ministerial Salaries Fund does not participate in realized gains or losses on the sale of investments or unrealized gains or losses.

## Social Justice Investments

	2019	2018
Cash	\$ 426	\$ 397
Money Market	3,297	7,561
Common shares	108,898	81,791
Bonds	13,614	13,221
Preferred shares	12,624	11,787
Foreign equities	25,593	21,019
	\$ 162,452	\$ 135,776

## Pooled Investments

	2019	2018
Cash	\$ 4,356	\$ 4,263
Money Market	52,182	93,706
Bonds	719,817	690,080
Canadian equities	1,449,403	1,116,861
Foreign equities	474,361	301,219
	\$ 2,700,119	\$ 2,206,129

Total Investments Held By Trustees      \$    2,862,571                      \$ 2,341,905

## 9. Special Events

	2019	2018
Book sale	\$14,782	\$15,444
Special Music event	1,428	1,285
	\$ 16,210	\$ 16,729

## 10. Grant Funding

In 2018, the church was successful in its application to the United Church of Canada for grant funding to research the needs of both our congregation and the broader community. The grant funding does not offset any existing church operating costs but will fund third-party research and program development over a period of three years.

## Appendix H

### Fairlawn Avenue United Church -2020 Budget Summary Version

Operating Revenue	Actual 2019	Budget 2020
Total Offerings	490,096	485,500
Total Rentals	118,593	106,250
Other Income	24,171	18,000
<b>TOTAL REVENUE</b>	<b>632,860</b>	<b>582,750</b>
<b>EXPERIENCE BELONGING</b>		
TOTAL Pastoral Support/LMT	1,055	875
Engagement and Events	235	1,025
<b>TOTAL EXPERIENCING BELONGING</b>	<b>1,290</b>	<b>1,900</b>
<b>EXPLORE SPIRITUALITY</b>		
Total Worship Council	4,656	8,300
Total Music Council	43,567	43,850
Total Faith Development Council	2,649	6,000
<b>TOTAL EXPLORESPIRITUALITY</b>	<b>50,872</b>	<b>58,150</b>
Total Administration	74,789	75,454
Total Executive Council	4,584	1,600
Communications Council Total	11,596	13,857
Total Stewardship Council	993	1,450
Total Ministry & Personnel	510,078	587,570
Total Property Council	72,194	73,770
Total Other Expenses	674,234	753,701
Total Expenses	726,396	813,751
Net operating income (loss)	(93,536)	(231,001)