

2020 Annual Report  
Appendices

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### Report of the Board of Trustees

The Trustees Team: Katherine Dalziel, Bill Dines,(chair), Jennifer Duchesne, 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 \$1,369,561 at December 31, 2020, an increase of \$16,445 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, 2020. 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 2020, \$29,146 representing all of the current year's income was transferred to church operating.
- (3) The Trustees' Administered Funds had a market value of \$338,831 at December 31, 2020. 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 nine recipients, namely, Chiara Pedretti, Christopher de la Rua, Diana Davey, Emily de la Rua, Evelyn Bano, Grace Doris, Jack Kecskes, Patrick Wishart, and Reid Doherty. Each received a bursary of \$300.

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 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 25, 2021.

## Appendix B

FAIRLAWN AVENUE UNITED CHURCH  
STATEMENT OF FINANCIAL POSITION

December 31, 2020

	<u>UNAUDITED</u>					
	2020		2020		2019	
	Church Operating	Trustees Ministerial Salaries	Trustees General	TOTAL	TOTAL	TOTAL
<b>ASSETS</b>						
Cash	\$ 79,925	\$ -	\$ -	\$ 79,925	\$ -	\$ 94,301
Accounts receivable	5,237	-	9,123	14,360	-	8,932
HST Recoverable	-	-	-	-	-	10,057
Interfund Balances	152,222	-	(152,222)	-	-	-
Investments	-	1,000,000	1,526,315	2,526,315	-	2,513,792
Investments - Trustees' administered funds	-	-	338,831	338,831	-	348,779
Prepaid expenses	-	-	-	-	-	3,479
	<u>\$ 237,384</u>	<u>\$ 1,000,000</u>	<u>\$ 1,722,047</u>	<u>\$ 2,959,431</u>	<u>\$ -</u>	<u>\$ 2,979,340</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 28	\$ -	\$ 13,655	\$ 13,627	\$ -	\$ 13,305
Rent received in advance	-	-	-	-	-	2,735
Trustees' administered funds	-	-	338,831	338,831	-	348,779
	<u>\$ (28)</u>	<u>\$ -</u>	<u>\$ 352,486</u>	<u>\$ 352,458</u>	<u>\$ -</u>	<u>\$ 364,819</u>
<b>FUND BALANCES</b>						
Restricted - Operating and Ministerial Salaries Funds	\$ 237,412	\$ 1,000,000	\$ -	\$ 1,237,412	\$ -	\$ 1,261,405
Discretionary - Legacy Fund	-	-	1,369,561	1,369,561	-	1,353,116
	<u>\$ 237,412</u>	<u>\$ 1,000,000</u>	<u>\$ 1,369,561</u>	<u>\$ 2,606,973</u>	<u>\$ -</u>	<u>\$ 2,614,521</u>
	<u>\$ 237,384</u>	<u>\$ 1,000,000</u>	<u>\$ 1,722,047</u>	<u>\$ 2,959,431</u>	<u>\$ -</u>	<u>\$ 2,979,340</u>

## Appendix C

FAIRLAWN AVENUE UNITED CHURCH  
STATEMENT OF OPERATIONS  
Year Ended December 31, 2020

UNAUDITED

	2020		Trustees	Trustees	2020	2019
	Church	Restricted	Ministerial	Legacy	Total	Total
	Operating	Operating Funds	Salaries	Fund		
<b>CONTRIBUTIONS AND REVENUE</b>						
Congregation contribution	\$ 448,486	\$ 111,378	\$	\$	\$ 559,864	\$ 625,225
Mission and Service contribution	38,984				38,984	46,178
United Church of Canada Grant (note 10)		83,320			83,320	100,395
Building users	30,013				30,013	118,593
Other income	4,693			3,126	7,819	6,013
Special events (note 9)						16,210
Interest and dividends			37,616	50,899	88,515	84,394
Legacies, memorials and donations				100,310	100,310	205,000
Realized gains				3,803	3,803	13,344
Change in value of investments				(29,592)	(29,592)	221,004
	\$ 522,176	\$ 194,698	\$ 37,616	\$ 128,546	\$ 883,036	\$ 1,436,356
<b>EXPENSES</b>						
Salaries and benefits	\$ 529,332	\$	\$	\$	\$ 529,332	\$ 510,078
Wage Subsidies received (note 11)	(173,847)				(173,847)	
Property	67,588				67,588	72,194
Administration	75,239				75,239	74,849
Worship	23,448	18,982			42,430	74,604
Other councils	15,228				15,228	21,502
Capital assets				77,166	77,166	89,928
Outreach		94,361			94,361	101,686
Investment Management Fees Other			8,470	11,462	19,932	17,865
Mission and Service payments Grant	38,984				38,984	46,178
Expenditures		105,348			105,348	65,452
Total Expenses	\$ 575,972	\$ 218,691	\$ 8,470	\$ 88,628	\$ 891,761	\$ 1,074,336
Excess of revenue (expenses)	\$ (53,796)	\$ (23,993)	\$ 29,146	\$ 39,918	\$ ( 8,725)	\$ 362,020

Appendix D

FAIRLAWN AVENUE UNITED CHURCH  
STATEMENT OF CHANGES IN FUND BALANCES  
Year Ended December 31, 2020

UNAUDITED

	2020				2020	2019
	Church Operating	Restricted Operating Funds	Trustees Ministerial Salaries	Trustees Legacy Fund	Total	Total
<b>Excess revenue/(expense)</b>	\$ (53,796)	\$ (23,993)	\$ 29,146	\$ 39,918	\$ (8,725)	\$ 362,020
Transfer - Ministerial Salaries Fund	29,146		(29,146)			
Transfer - Church operating deficit	23,473			(23,473)		
Lucas Sanders contribution	1,177				1,177	1,402
Fund balances at beginning of year		261,405	1,000,000	1,353,116	2,614,521	2,251,099
Fund balances at end of year	\$ -	\$ 237,412	\$ 1,000,000	\$ 1,369,561	\$ 2,606,973	\$ 2,614,521

## Appendix E

FAIRLAWN AVENUE UNITED CHURCH  
 STATEMENT OF CHANGES IN RESTRICTED OPERATING FUNDS  
 Year ended December 31, 2020

	UNAUDITED			
	December 31, 2019	Contributions and revenue	Expenditures	December 31, 2020
Refugee Fund	\$ 22,737	\$ 1,672	\$ 500	\$ 23,909
Walk in Support	11,336	4,609	9,888	6,057
Embrace Action Fund	17,359	63,756	64,965	16,150
Social Justice Fund	-	345	345	-
Seniors Fund	-	3,950	3,950	-
Eleanor Daley Special Music Fund	33,836	19,031	8,378	44,489
Green Team	1,753	-	-	1,753
Boarding Home Ministry	2,556	555	1,665	1,446
Prayer Shawls	767	340	534	573
Ministers' Funds	823	-	-	823
Bessie Barber Nursery	2,306	1,000	455	2,851
Camp Scugog	2,603	13,675	16,218	60
Other Funds Held in Trust	10,757	-	4,000	6,757
Food Bank	-	2,445	2,445	-
United Church of Canada Grant (note 10)	154,572	83,320	105,348	132,544
	\$ 261,405	\$ 194,698	\$ 218,691	\$ 237,412

## Appendix F

FAIRLAWN AVENUE UNITED CHURCH  
 STATEMENT OF CHANGES IN TRUSTEES' ADMINISTERED FUNDS  
 Year ended December 31, 2020

## UNAUDITED

	Lucas Sanders	Anne Krug	Kellough Seniors	Social Justice	Total
<b>REVENUE</b>					
Investment income	\$ 6,004	\$ 1,400	\$ 480	\$ 7,356	\$ 15,240
Unrealized gain (loss)	(1,924)	(449)	(154)	(10,809)	(13,336)
Total Revenue	\$ 4,080	\$ 951	\$ 326	\$ (3,453)	\$ 1,904
<b>DISBURSEMENTS</b>					
Social Justice				\$ 345	\$ 345
Mission and Service	1,177				1,172
Piano Tuning		397			397
Bursaries	2,354				2,354
Investment Management Fees	1,296	302	104		1,702
Taxis, elevator and other			4,700		4,700
Church operating expenses	1,177				1,177
Total Disbursements	\$ 6,004	\$ 699	\$ 4,804	\$ 345	\$ 11,852
Net change during year	\$ (1,924)	\$ 252	\$ (4,478)	\$ (3,798)	\$ (9,948)
Balances beginning of year	153,051	35,712	12,240	147,776	348,779
Balances end of year	\$ 151,127	\$ 35,964	\$ 7,762	\$ 143,978	\$ 338,831



FAIRLAWN AVENUE UNITED CHURCH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020 there were twelve such funds under administration, with an aggregate balance of \$237,412.

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

6. Related Parties

During the year the congregation contributed \$38,984 (\$46,178 in 2019) to the United Church of Canada for its Mission & Service Fund. The Lucas Sanders Fund contributed a further \$1,177 (\$1,402 in 2019).

7. Gifts Received

During the year gifts of securities valued at \$26,387 were received (\$32,345 in 2019).

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

	2020	2019
Cash	\$ 6,313	\$ 426
Money Market	3,328	3,297
Common shares	97,375	108,898
Bonds	13,899	13,614
Preferred shares	13,982	12,624
Foreign equities	23,925	23,593
	\$ 158,822	\$ 162,452

### Pooled Investments

	2020	2019
Cash	\$ 53,452	\$ 4,356
Money Market	98,485	52,182
Bonds	329,560	719,817
Canadian equities	1,772,726	1,449,403
Foreign equities	452,101	474,361
	\$ 2,706,324	\$ 2,700,119

Total Investments Held By Trustees      \$ 2,865,146      \$ 2,862,571

### 9. Special Events

	2020	2019
Book sale	\$ 0	\$ 14,782
Special Music event	0	1,428
	\$ 0	\$ 16,210

## 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.

## 11. Wage Subsidies

In 2020, in response to the COVID-19 pandemic, the Canadian federal government provided subsidies to employers that experienced a drop in revenue compared with previous periods. The church received \$173,847 in subsidy payments in 2020.

## Appendix H

### Fairlawn Avenue United Church 2021 Budget Summary

Operating Revenue	Actual 2020	Budget 2021
Total Offerings	448,486	467,500
Total Rentals	30,013	9,000
Other Income	4,693	2,500
<b>TOTAL REVENUE</b>	<b>483,192</b>	<b>479,000</b>
<u>Experience Belonging</u>		
Pastoral Support/LMT	1,393	2,000
Engagement and Events	955	1,725
<b>Total Experience Belonging</b>	<b>2,348</b>	<b>3,725</b>
<u>Explore Spirituality</u>		
Worship Council	2,306	15,390
Music Council	21,143	16,730
Faith Development Council	1,233	4,500
<b>Total Explore Spirituality</b>	<b>24,682</b>	<b>36,620</b>
Administration	75,238	75,404
Executive Council	4,275	500
Communications Council	6,890	9,625
Stewardship Council	483	650
Human Resources Council (Note)	355,484	467,404
Property Council	67,588	70,710
Total Other Expenses	509,958	624,293
<b>TOTAL EXPENSES</b>	<b>536,988</b>	<b>664,638</b>
<b>NET OPERATING LOSS</b>	<b>(53,796)</b>	<b>(185,638)</b>

Note: The 2020 Human Resource Council expenses were reduced by wage subsidy payments received from the federal government in the amount of \$173,847.