

Hillhurst United Church
Unaudited Statement of Financial Position - All funds
as at December 31, 2020

	Funds						Unaudited		
	UNRESTRICTED	INTERNALLY RESTRICTED			EXTERNALLY RESTRICTED		2020	2019	
	Operating	Major Gifts & Bequests	Innovation	Capital	Building	Refugee			
ASSETS									
Current Assets									
Cash	\$ 206,202	\$ 105,198	\$ 16,337	\$ -	\$ 543,149	\$ 40,555	\$ 911,441	\$ 320,822	
Investments	Note 5	-					-	242,834	
Accounts receivable	Note 6	19,492					19,492	26,042	
Prepaid expenses		5,000					5,000	1,740	
Due from Other Funds	Note 7						-	15,576	
Total Current assets		230,694	105,198	16,337	-	543,149	40,555	935,933	607,014
Property and Equipment	Note 8	-			5,171,190		5,171,190	5,207,400	
TOTAL ASSETS		\$ 230,694	\$ 105,198	\$ 16,337	\$ 5,171,190	\$ 543,149	\$ 40,555	\$ 6,107,123	\$ 5,814,414
LIABILITIES									
Current Liabilities									
Bank loan	Note 9								
	Note 10	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ -	
Payables and accrued liabilities		64,912					64,912	3,696	
Deferred revenue		4,375					4,375	8,510	
Due to Other Funds	Note 7						-	15,576	
Total Current liabilities		99,287	-	-	-	-	99,287	27,782	
EQUITY									
Net Assets									
Unrestricted funds		131,407					131,407	1,750	
Internally restricted funds			105,198	16,337	5,171,190		5,292,725	5,328,935	
Externally restricted funds						543,149	40,555	455,947	
Total Net Assets		131,407	105,198	16,337	5,171,190	543,149	40,555	6,007,836	5,786,632
TOTAL LIABILITIES AND EQUITY		\$ 230,694	\$ 105,198	\$ 16,337	\$ 5,171,190	\$ 543,149	\$ 40,555	\$ 6,107,123	\$ 5,814,414

Hillhurst United Church
Unaudited Statement of Operations - All funds
for the year ended December 31, 2020

	Funds					Unaudited		
	UNRESTRICTED	INTERNALLY RESTRICTED			EXTERNALLY RESTRICTED		2020	2019
	Operating	Major Gifts & Bequests	Innovation	Capital	Building	Refugee		
Revenue								
Contributions	\$ 652,866				\$ 135,954	\$ 11,934	\$ 800,754	\$ 753,618
Rental income	93,723						93,723	122,353
Event receipts	3,360						3,360	47,853
Ministry receipts	15,233						15,233	24,133
Private grants	17,478						17,478	25,470
Fundraising	95						95	19,752
Investment and other income	41,129						41,129	6,080
	823,884				135,954	11,934	971,772	999,259
Government grants (Covid-19 Related) Note 10	167,358						167,358	-
Total Revenue	991,242	-	-	-	135,954	11,934	1,139,130	999,259
Expenses								
Staff compensation	638,678						638,678	639,256
Building operations	89,707				7,278		96,985	98,054
General and administrative	49,995						49,995	53,641
Event expenditures	3,625						3,625	41,013
Ministry expenditures	30,252						30,252	51,431
Refugee and Innovation fund	-					12,853	12,853	10,864
Fundraising	354						354	6,384
UCC Mission & service	12,132						12,132	12,372
UCC Presbytery assessment	36,842						36,842	36,842
Amortization				36,210			36,210	35,660
Total Expenses	861,585	-	-	36,210	7,278	12,853	917,926	985,517
Surplus (Deficit)	\$ 129,657	\$ -	\$ -	\$ (36,210)	\$ 128,676	\$ (919)	\$ 221,204	\$ 13,742

Hillhurst United Church
Unaudited Statement of Changes in Financial Position
for the year ended December 31, 2020

Unaudited	
2020	2019

Cash flows from operating activities

Surplus (Deficit)	\$ 221,204	\$ 13,742
Non-cash items:		
Amortization of property an equipment	36,210	35,660
Deferred revenue	(4,135)	(4,200)
Changes in non-cash working capital accounts:		
Accounts receivable	6,550	3,564
Prepaid expenses	(3,260)	(104)
Payables and accrued liabilities	61,216	2,036
	<u>317,785</u>	<u>50,698</u>

Cash flow from investing activities

Redemption of short-term investments	242,834	182,218
Purchase of Property and Equipment	-	(11,060)
Proceeds from Bank Loan	30,000	
	<u>272,834</u>	<u>171,158</u>

Net change in Cash

590,619 **221,856**

Cash, beginning of year 320,822 98,966

Cash, end of year \$ 911,441 \$ 320,822

Hillhurst United Church
Unaudited Statement of Changes in Net Assets - All funds
for the year ended December 31, 2020

	Funds						Unaudited
	UNRESTRICTED	INTERNALLY RESTRICTED			EXTERNALLY RESTRICTED		Total Year End
	Operating	Major Gifts & Bequests	Innovation	Capital	Building	Refugee	
Opening Fund Balances, January 1, 2019	\$ 260	\$ 119,877	\$ 16,337	\$ 5,232,000	\$ 363,798	\$ 40,618	\$ 5,772,890
Surplus/(Deficit) for fund in 2019	(2,129)	-	-	(35,660)	50,675	856	13,742
Inter Fund Transfers	3,619	(14,679)	-	11,060	-	-	-
Closing Fund Balances, December 31, 2019	<u>\$ 1,750</u>	<u>\$ 105,198</u>	<u>\$ 16,337</u>	<u>\$ 5,207,400</u>	<u>\$ 414,473</u>	<u>\$ 41,474</u>	<u>\$ 5,786,632</u>
Opening Fund Balances, January 1, 2020	\$ 1,750	\$ 105,198	\$ 16,337	\$ 5,207,400	\$ 414,473	\$ 41,474	5,786,632
Surplus/(Deficit) for fund in 2020	129,657	-	-	(36,210)	128,676	(919)	221,204
Inter Fund Transfers							-
Closing Fund Balances, December 31, 2020	<u>\$ 131,407</u>	<u>\$ 105,198</u>	<u>\$ 16,337</u>	<u>\$ 5,171,190</u>	<u>\$ 543,149</u>	<u>\$ 40,555</u>	<u>6,007,836</u>

Hillhurst United Church
Unaudited Notes to Financial Statements
for the year ended December 31, 2020

1 . Nature of Organization

Hillhurst United Church ("the Church") is a congregation of the United Church of Canada. The Church is a not-for-profit organization and a registered charity under the Canadian Income Tax Act.

2 . Fund Accounting

The Church follows the restricted fund method of accounting and has the following funds:

a . Operating Fund (Unrestricted)

As it sounds, this fund is used for daily operations, is added to with donations and grants and is used for staff compensation, regular building operations and all other typical expenses incurred during normal operation of the church.

b . Major Gifts & Bequest Fund (Internally Restricted)

The Major Gifts & Bequests (formerly the "Bequest Fund") are funded by estate bequests and large one-time contributions that are not designated for a purpose. The Board of Directors is accountable for the management of this fund and uses it to support operation shortfalls, unexpected capital requests or any other purpose approved by the Board.

c . Innovation Fund (Internally Restricted)

The innovation fund was created in 2017 as a one-time \$25,000 fund to support new ministry programs. As directed by the board, new ministries are funded for 1 year to determine feasibility for the longer term.

Ministries funded to date:

Theologian in Residence	2018	\$	5,584
Right Relations	2018		3,079

d . Capital Fund (Internally Restricted)

The internally restricted Capital Fund represents the physical assets (land, building, furnishings, equipment) of the Church, as managed by the Board of Directors. The fund balance increases with capital asset purchases and decreases with the amortization of said assets.

e . Building Fund (Externally Restricted)

The externally restricted Building Fund holds designated donations for planned renovations, including funds that were raised for the Journey Fund in 2009.

f . Refugee Fund (Externally Restricted)

The Refugee Fund is increased by targeted giving and is reduced by approved spending supporting the Refugee community.

g . Transfers between Funds

Transfers between non-segregated funds are approved by the Treasurer and executed by the staff accountant. Transfers affecting restricted funds are recommended to the board and approved by them.

Hillhurst United Church
Unaudited Notes to Financial Statements
for the year ended December 31, 2020

3 . Adoption of Accounting Standards for Not-for-Profit Organizations

On January 1, 2018, the church adopted the Canadian Accounting Standards for Not-For-Profit and elected to recognize their assets at fair value on that date. The result increased the book value of the land and building by \$3,842,353 which also increased the Capital Fund balance.

4 . Significant Accounting Policies

a . Cash

Cash consists of petty cash on hand at the church, demand deposits at the bank and cash in the investments

b . Revenue Recognition

The Church follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions that are bequests are recognized as revenue of the Major Gifts & Bequest Fund.

Restricted contributions relating to general operations are recognized as revenue of the Operating Fund in the year in which the related expenditures are incurred. All other restricted contributions are recognized as revenue of the appropriate fund. Restricted contributions received in advance for activities to be undertaken in a subsequent year and for which no fund exists are recorded as deferred revenue until the related expenses are incurred. Investment income includes interest income that is recognized as earned. All other income is recognized when the Church is entitled to the funds.

c . Property and Equipment

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which are as follows:

Building	40 years
Building improvements	20 years
Church Furnishings	10 years
Office Equipment and Computers	5 years
Sound Equipment	10 years

d . Contributed Services and Materials

Volunteers contribute many hours per year to assist the Church in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are recognized at fair value at the date of contribution.

e . Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires the use of estimates and assumptions that may impact amounts reported at the date of the financial statements. These estimates are reviewed periodically, and adjusted as better information becomes available, with adjustments being shown in the period they are recorded.

Hillhurst United Church
Unaudited Notes to Financial Statements
for the year ended December 31, 2020

f . Financial Instruments

The Church reports financial assets and liabilities (cash, accounts receivable, and accounts payable) at their fair value, and subsequently adjusts their value to reflect amortized cost. Investments are reported at face value until maturation.

5 . Investments

Investments consist mainly of Guaranteed Investment Certificates (GICs) that are held jointly in 1 investment account under the name of Hillhurst United Church at ScotiaBank. Interest rates vary from 2.2% to 2.8% (2018-2.0% to 2.8%). See also Note 9, Line of Credit.

Investments include balances in our RBC Dominion Securities Account. This account is held to transact Gifts of Marketable Securities. Most of these transaction happen in the month of December but do not always close before December 31st.

	2020		2019	
	Maturity Date	Amount	Maturity Date	Amount
ScotiaBank Investment account:				
Certificate 1			14-May-2020	\$ 50,702
Certificate 2			16-May-2020	25,348
Certificate 3			21-May-2020	159,602
Security for Line of Credit		-		235,652
Certificate 4		-	20-Sep-2020	5,178
				240,830
RBC Dominion Securities account:				
Securities balance			2-Jan-2020	2,004
		\$ -		\$ 242,834

6 . GST Receivable

Accounts receivable include an amount for Input Tax Credits receivable (GST) of \$2,487 (2019-\$2,527)

7 . Due to from Other Funds

Working capital needs are funded through temporary borrowing from the Major Gifts and Bequests fund.

Hillhurst United Church
Unaudited Notes to Financial Statements
for the year ended December 31, 2020

8 . Property

	2020			2019
	Appraised value	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 3,940,000	\$ -	\$ 3,940,000	\$ 3,940,000
Buildings	1,360,000	136,000	1,224,000	1,258,000
Office Equipment	11,060	3,870	7,190	9,400
	\$ 5,311,060	\$ 139,870	\$ 5,171,190	\$ 5,207,400

9 . Line of Credit

The Church maintains a bank line of credit for \$150,000 with the ScotiaBank that is secured by the funds in the investment accounts. The line of credit is due on demand and bears interest at prime plus 1.75%. As at December 31, 2020, the church has never made use of the line of credit.

The investment funds also contain one GIC that is held by the Bank as security for the credit limit (\$5,000) on the Corporate credit card account (Visa). This credit card account is kept current on a monthly basis.

10 . Bank Loan

The Church qualified for and obtained a Canada Emergency Business Account (CEBA) which is a \$40,000 credit facility provided by the federal government with no interest or payments due until December 31, 2022. On January 1, 2023 any unpaid amounts drawn on the facility will convert to a three year term loan at 5% with all outstanding principal and interest due by December 31, 2025. The loan included a forgiveness clause that CRA wanted realized into operations in the year of receipt, the forgiveness was \$10,000.

Subsequent to year-end, an additional advance in the amount of \$20,000 was received on this credit facility with the forgiveness component being another \$10,000.