



2021 FINANCIAL STATEMENTS

(Unaudited)

YEAR ENDED DECEMBER 31, 2021

KNOX UNITED CHURCH

**STATEMENT OF REVENUE AND EXPENDITURES
(Unaudited)**

YEAR ENDED DECEMBER 31, 2021

	Budget 2021	Actual 2021	Actual 2020	Budget 2022	Budget 2023
REVENUE - UNRESTRICTED					
Worship, Pastoral Care, Christian Education Donations	158,500	135,117	158,064	140,000	155,000
Initial, Lent, Thanksgiving, Advent Donations	11,800	6,960	9,685	10,700	11,200
Donations - Other	1,500	1,156	770	1,200	1,500
Ice Cream Stand (net of expenses)	30,000	(5,036)	0	12,000	12,000
Capital Expenditure Campaigns and Grants	0	11,907	24,414	0	0
Fundraising Projects (net of expenses)	10,500	3,870	2,646	20,000	23,500
Fundraising Projects (net)-Luncheons/Turkey Supper	5,000	(0)	4,839	5,000	5,000
Freedom Kitchen Overhead Contribution	6,000	6,000	0	6,000	6,000
Nursery School/Daycare Net Profit	12,000	(14,471)	25,157	15,000	60,000
Lease and Room Rental	59,200	51,849	31,905	53,000	60,400
Miscellaneous	3,000	3,282	4,280	0	0
Solar Electricity Revenue	12,000	11,203	12,150	12,000	12,000
Bequests	0	0	12,500	0	0
Interest and Investment Income	6,000	20,313	5,521	10,000	10,000
Covid Wage and Rent Grants	8,000	17,919	66,689	5,000	0
	323,500	250,070	358,622	289,900	356,600
EXPENDITURES					
Advertising and Promotion	1,000	0	0	1,000	1,000
Capital Expenditures	10,000	3,699	25,381	10,000	10,000
Capital Expenditures - Solar Project	-	1,890	3,089	-	-
Cleaning and Janitorial	35,000	34,888	16,546	39,661	40,454
Committee Expenses	4,400	1,458	1,644	4,400	4,400
Insurance	11,000	14,000	10,262	17,000	18,000
Interest and Bank Charges	2,000	1,887	1,321	2,000	2,000
Interest on Long Term Debt	1,700	1,722	1,709	5,078	5,078
Moving and Recruitment	10,000	-	-	-	-
Miscellaneous	4,000	1,149	1,695	1,500	1,500
Office Supplies	12,000	10,349	10,040	11,000	11,000
Outreach Expenditures	4,000	1,835	1,300	4,000	4,000
UCC Assessment and Conference Fees	10,710	10,710	10,710	11,087	11,400
Property Taxes	10,000	1,569	1,622	10,000	10,000
Repairs and Maintenance	16,500	25,720	15,477	27,940	28,489
Salaries and Benefits	167,741	133,871	141,474	197,315	202,789
Telephone	4,300	4,694	4,531	5,000	5,100
Utilities	33,500	15,603	22,233	29,000	30,200
Vehicle Mileage Allowance	1,000	-	553	2,000	2,000
	338,851	265,044	269,588	377,981	387,411
UNRESTRICTED NET REVENUE (EXPENDITURE)	(15,351)	(14,974)	89,034	(88,081)	(30,811)
RESTRICTED REVENUES (EXPENDITURES)					
Mission and Service Contributions	18,100	14,653	15,904	14,100	14,100
Mission and Service Expenditures	(18,100)	(14,653)	(15,904)	(14,100)	(14,100)
Freedom Kitchen Donation Revenue		25,391	40,115		
Freedom Kitchen Grant Revenue		25,791	60,000		
Freedom Kitchen Operating Expenditures		(42,286)	(16,540)		
Freedom Kitchen Capital Expenditures		(55,265)	(23,984)		
Lucy Freake Bequest - Youth Fund			10,000		
Lucyn Freake Expenditure Allocation to Youth Fund			(2,500)		
Organ Fund Revenue		14,244	70		
Organ Fund Expenditures		(10,750)			
Other Funds Net Revenue (Expenditures)		1,226	(5,701)		
Repayment of Long Term Debt					
	(15,351)	(56,624)	150,494	(88,081)	(30,811)

KNOX UNITED CHURCH
STATEMENT OF CHANGES IN NET ASSETS
(Unaudited)

YEAR ENDED DECEMBER 31, 2021

	Invested	Restricted			Unrestricted		Total
	in capital assets	Freedom Kitchen	Community Outreach	Organ Fund	Miscellaneous Funds		
Balance, beginning of year	1,443,041	59,591	12,573	12,863	33,482	330,001	1,891,551
Net revenue (expenditure)		(46,369)		3,494	1,226	(14,974)	(56,623)
Balance, end of year	1,443,041	13,222	12,573	16,357	34,708	315,027	1,834,928

KNOX UNITED CHURCH

**BALANCE SHEET
(Unaudited)**

DECEMBER 31, 2021

ASSETS

	2021	2020
CURRENT		
Cash	265,972	304,954
Accounts Receivable	10,377	18,701
	276,349	323,655
INVESTMENT FUND (at market value)	214,659	194,590
CAPITAL ASSETS	1,649,100	1,649,100
	2,140,108	2,167,345

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	57,674	24,955
LONG TERM DEBT (Note 5)	247,506	250,839
	305,180	275,794

NET ASSETS

NET ASSETS	1,834,928	1,891,551
	2,140,108	2,167,345

KNOX UNITED CHURCH
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
DECEMBER 31, 2021

1. DESCRIPTION OF ENTITY

Knox United Church, located in Lower Sackville, Nova Scotia, is a not-for-profit religious organization and is a registered charity under the Income Tax Act

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

Financial Instruments

The Church's financial instruments consist of accounts receivable, unrestricted term deposits, manse fund investments, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is the board's opinion that the Church is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

The Church is exposed to collection risk on its accounts receivable which is primarily a tenant in its premises and interest rate price risk related to its fixed rate investments.

The Church does not enter into hedging activities and does not engage in derivative transactions.

Manse Fund Investments

Investments are valued at fair market value with all income and changes in market value included in net revenue (expenditure) income in the period in which it is earned or changed.

Revenue Recognition

The Church follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Restrictions

The Freedom Kitchen Fund and Community Outreach Fund are dedicated to funding operations of the Freedom Kitchen facility and providing meals and clothing to the community.

The Organ Fund was established to raise funds for maintenance, repair or replacement of the organ.

Miscellaneous Funds have been raised for other specific projects or restricted by the donors of the funds,

Capital assets

Capital asset purchases (except for the initial estimated cost of the Church Property) are recorded as operating expenditures. Capital assets are not being depreciated.

Contributed services and materials

Volunteers may contribute their time to the Church each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements. Donated materials, if any, are recognized only if the fair market value of the materials can be reasonably estimated.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Consistent with similar not-for-profit organizations, Knox United Church's risk management policies are part of the overall management of the entity's operations. Management's direct involvement in day-to-day operations identifies risks and variations from expectations leading to changes in risk management activities, requirements and actions. Management has not entered into hedging transactions to manage risk. As a part of the overall management of the entity's operations, management considers avoidance of undue concentrations of risk, and employs appropriate investment and credit management policies to manage the Church's exposure.

4. LONG TERM DEBT

In 2017, an agreement was signed with the United Church of Canada providing that no further payments for a mortgage on the property at 567 Sackville Drive will be required until a default occurs, the property is sold, mortgaged or otherwise encumbered without prior worship and related activities by the pastoral charge for a period longer than 30 days. Interest will accrue from July 10, 2017 at a rate of 3% with a maximum repayment amount of \$383,842. providing that no further payments for a mortgage on the property at

The mortgage payable balance at date of agreement, July 10, 2017 was \$191,921.

3% loan from the Church Extension Board of Halifax Presbytery, repayable in equal monthly instalments (principal and interest), of \$421, maturing in December, 2034.

The balance payable at December 31, 2021 was \$55,585 (2020-\$58,919)

Total long term debt at December 31, 2021 was %247,506 (2020-\$250,839)

KNOX UNITED CHURCH

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

DECEMBER 31, 2021

5. SALARIES AND BENEFITS	2021	2020
Minister (Jan/21 - Oct/21) - salary	\$ 53,011	\$ 62,244
Minister (Jan/21 - Oct/21) - benefits	695	1,290
Minister (Nov/21 - Dec/21)- salary	10,028	
Minister (Nov/21 - Dec/21)- benefits	2,427	
Organist and music - salary	36,580	34,571
Organist and music - benefits	8,470	7,782
Secretary - salary	17,762	26,709
Secretary - benefits	2,370	5,745
Education and supply ministry	2,528	3,133
	<u>133,871</u>	<u>141,474</u>