

SQUAMISH UNITED CHURCH



Squamish
United Church
squamishunitedchurch.org

2017 Annual General Meeting

Minutes

March 12, 2017

The meeting was called to order by Board Chair, Ian Kent, at 11:35am with 33 attending.

1. Reverend Karen Millard opened the meeting with a Call to Worship and prayer.
2. Opening Comments – Board Chair Ian Kent welcomed all attending.
3. Voting Privileges

MOTION: It was moved by Glenn Rupertus, seconded by Roy Shephard that voting privileges be given to all members and adherents in attendance. Carried

4. Review and adoption of last year's minutes.

MOTION: It was moved by Hugh Kerr, seconded by Nairn Steward that the minutes of the March 13, 2016 Annual General Meeting be adopted. Carried

5. 2016 At A Glance – Reverend Karen Millard presented a PowerPoint presentation of many 2016 events as well as an update of the building progress at Centrepont.

6. Review of Committee Reports

- Some errors were noted on the knitting report 114 purple hats were donated to PPCP.
- Messy Church – Kayla Matzen gave a verbal report on 2016 Messy Church. This has become a very popular monthly event with an average of approx. 20 attendees made up of both adults and children. Attendance is growing and there is a possibility that more sessions will be added as we look ahead to reach out to other church communities.

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- Shared Ministry – Reverend Karen Millard presented a verbal report on the status of these discussions. The conversation has been started by a committee consisting of 3 members from Squamish United Church (Hugh Kerr, Marilyn Caldwell and Grace Halvorson) and 3 from St. John Anglican as well as Rev. Millard and Rev. Nick Parker. The group will not be making any decisions without the input of the congregation.

7. Adoption of Committee Reports

MOTION: It was moved by Muriel Shephard, seconded by Grace Halvorson that the Committee Reports, except for Finance, Nominating and Facility Development Reports be received. Carried

8. 2016 Financial Review – Treasurer, Ken Tanner spoke on the financial statements that have been received from our accountants, Smythe, CPA. Attached.

MOTION: It was moved by Ken Tanner as Treasurer, seconded by Vicki Haberl that the 2016 reviewed accounts as prepared by Smythe LLP be accepted. Carried.

9. Finance Committee Report – Kevin Haberl, Finance Committee Chair reported that the committee has been unable to finalize a budget for 2017 and that at the last board meeting a motion was pass that the board recommends the 2016 budget be used until such time as a 2017 budget can be accepted. The board and congregation will work together with consultation to reach this final budget plan.

10. Nomination and Endorsement of the Board Members for 2017

The Nominating Committee presented the 2017 Board Candidates.

Chair	Ian Kent
Vice Chair	<i>vacant</i>
Past Chair	Bert Ionson
Trustee Rep	Peter Gordon
Treasurer	<i>vacant</i>
Finance Comm. Chair	<i>vacant</i>

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Presbytery Rep	Trevor Harris
Worship Liaison	Kayla Matzen
Caring Ministry Liaison	Elizabeth Kerr
Ministry & Personnel	Nairn Stewart
Stewardship	Ken Tanner
Facility Development Liaison	Louise Martin
UCW Liaison	Grace Halvorson
Mission & Service	Hugh Kerr
Children & Family Ministry Liaison	Kaija Belfry Munroe
Property	Walter Huber
Member at Large	Kevin Haberl

It is noted that that there are 3 positions vacant, Vice Chair, Treasurer and Finance Committee Chair.

At this time, Chair Ian Kent called three times for any more nominations. None were put forward.

MOTION: It was moved by Nairn Stewart, seconded by Walter Huber that the Nomination Committee report be approved. Carried.

There being no further business the meeting was adjourned at 12:45pm.

The Reverend Karen Millard closed the meeting with a prayer.

Chair – Ian Kent

Secretary – Jody Villadsen

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REVIEW ENGAGEMENT REPORT

TO THE MEMBERS OF SQUAMISH UNITED CHURCH

We have reviewed the statement of financial position of Squamish United Church as at December 31, 2016 and the statements of general fund receipts and expenditures, fund equity and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Church.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

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Chartered Professional Accountants

Vancouver, British Columbia
March 10, 2017

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Statement of Financial Position December 31 (Unaudited)

	2016	2015
Assets Current		
Cash and term deposits	\$ 753,661	\$ 85,093
Cash - Refugee Sponsorship	69,593	58,201
GST receivable	632	425
Accounts receivable - Refugee Sponsorship	11,870	0
Accounts receivable	0	421
Short-term investments (cost - \$nil; 2015 - \$856,766) (note 4)	0	856,766
Short-term investments (cost - \$438,268; 2015 - \$1,121,759) (note 4)	454,901	1,131,898
Prepaid expenses	417	2,995
	1,291,074	2,135,799
<u>Fixed Assets (note 7)</u>	<u>1,110,256</u>	<u>259,502</u>
	\$ 2,401,330	\$ 2,395,301
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 4,066	\$ 4,039
Equity		
Benevolent Fund	2,851	2,851
General Fund	5,735	17,815
Fixed Asset Fund	1,110,256	259,502
Facility Development Operating Fund	735,939	64,229
Facility Development Capital Fund	0	856,766
Investment Fund	454,901	1,131,898
<u>Refugee Sponsorship Fund</u>	<u>87,582</u>	<u>58,201</u>
	2,397,264	2,391,262
	\$ 2,401,330	\$ 2,395,301

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Statements of General Fund Receipts and Expenditures
Year Ended December 31 (Unaudited)

	2016	2015
Receipts		
Donations	\$ 46,741	\$ 62,129
Fundraising and other	12,170	3,822
Mission and service	12,657	12,766
Investment	60	33
Gain on sale of assets	0	5,901
Property rentals	0	2,560
	71,628	87,211
Expenditures		
Salaries and benefits	72,634	68,629
Ministerial allowances	24,135	23,379
Office	20,705	18,694
Mission and service	12,657	12,766
Presbytery allocation	5,078	5,087
Professional fees	4,100	4,613
Insurance	3,307	3,638
Advertising	587	1,104
Congregational and sundry activities	505	5,778
Utilities	0	14,028
	143,708	157,716
Deficiency of Receipts over Expenditures for Year	\$ (72,080)	\$ (70,505)

See notes to financial statements.

SQUAMISH UNITED CHURCH
Statement of Fund Equity
Year Ended December 31 (Unaudited)

	Benevolent Fund	General Fund	Fixed Asset Fund	Facility Development Operating Fund	Facility Development Capital Fund	Investment Fund	Refugee Sponsorship Fund (note 5)	2016	2015
Balance, Beginning of Year	\$ 2,851	\$ 17,815	\$ 259,502	\$ 64,229	\$ 856,766	\$ 1,131,898	\$ 58,201	\$ 2,391,262	\$ 2,320,800
Receipts	0	71,628	0	0	0	0	0	71,628	87,211
Expenditures	0	(143,708)	0	0	0	0	0	(143,708)	(157,716)
Facility contributions	0	0	0	0	7,072	0	0	7,072	1,355
Refugee contributions	0	0	0	0	0	0	67,709	67,709	58,201
Refugee expenditures	0	0	0	0	0	0	(38,328)	(38,328)	0
Facility disbursements	0	0	851,542	(851,542)	0	0	0	0	0
Depreciation	0	0	(788)	0	0	0	0	(788)	(864)
Transfer into Facility Development Operating Fund from:									
Investment Fund	0	0	0	649,226	0	(649,226)	0	0	0
Facility Development Capital Fund	0	0	0	874,026	(874,026)	0	0	0	0
Transfers into General Fund from:									
Investment fund	0	60,000	0	0	0	(60,000)	0	0	0
Interest on short-term investment	0	0	0	0	0	21,886	0	21,886	22,609
Investment management fee	0	0	0	0	(1,443)	(1,370)	0	(2,813)	(9,402)
Increase in market value of investments	0	0	0	0	0	5,116	0	5,116	54,339
<u>Interest on term deposit</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,631</u>	<u>6,597</u>	<u>0</u>	<u>18,228</u>	<u>14,729</u>
	0	(12,080)	850,754	671,710	(856,766)	(676,997)	29,381	6,002	70,462
Balance, End of Year	\$ 2,851	\$ 5,735	\$ 1,110,256	\$ 735,939	\$ 0	\$ 454,901	\$ 87,582	\$ 2,397,264	\$ 2,391,262

Statement of Cash Flows
Year Ended December 31 (Unaudited)

	2016	2015
Operating Activities		
Deficiency of receipts over expenditures	\$ (72,080)	\$ (70,505)
Facilities development contributions	7,072	1,355
	(65,008)	(69,150)
Changes in non-cash working capital		
GST receivable	(207)	134
Accounts receivable	420	(68)
Prepaid expenses	2,578	(737)
Accounts payable and accrued liabilities	32	(173)
	2,823	(844)
<u>Cash Used in Operating Activities</u>	<u>(62,185)</u>	<u>(69,994)</u>
Investing Activities		
Withdrawal from short-term investments	1,582,295	60,000
Investment in joint venture	(851,542)	(40,171)
Donated fixed assets	0	(976)
<u>Cash Provided by Investing Activities</u>	<u>730,753</u>	<u>18,853</u>
Inflow (Outflow) of Cash	668,568	(51,141)
<u>Cash and Term Deposits, Beginning of Year</u>	<u>85,093</u>	<u>136,234</u>
<u>Cash and Term Deposits, End of Year</u>	<u>\$ 753,661</u>	<u>\$ 85,093</u>

See notes to financial statements.

1. **OPERATIONS**

Squamish United Church (the "Church") became a member congregation of the United Church of Canada on August 23, 1927. All its assets and holdings are under the discipline and governance of the Vancouver Burrard Presbytery of the British Columbia Conference of the United Church of Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Church were prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) and include the following significant accounting policies.

(a) Fund Accounting

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

The Benevolent Fund and General Fund are part of the general operations of the Church. The statement of general fund receipts and expenditures represents the activities of these two operating funds.

The Fixed Assets Fund tracks the Church's investment in fixed assets.

The Facility Development Operating Fund tracks the Church's operations regarding the fundraising for and construction of the new facility. These amounts are represented by the contributions and disbursements listed on the statement of fund equity.

The Facility Development Capital Fund holds the funds that have been collected towards the construction of the new facility.

The Investment Fund holds the investment from the proceeds of the sale of the Manse property. Interest earned by the Fund is to be used for the ministerial housing allowance and for operations. The housing allowance is funded by amounts transferred to the General Fund for operations.

The Refugee Sponsorship Fund holds the funds that have been collected to sponsor Syrian refugee families coming to Squamish and was created during the year.

(b) Revenue recognition

Donations, fundraising and other, memorial services and weddings are recorded as revenue when received. Property rental revenue is recognized on an accrual basis.

Interest income is recognized on the accrual basis and investment income is recognized as distributed from the various investments.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of receipts and expenditures and the balance of accrued liabilities during the reporting period. Significant estimates include amortization of fixed assets. While management believes, these estimates are reasonable, actual results could differ from those estimates and could impact future cash flows.

(d) Amortization

Fixed assets are amortized on the basis of their useful life using the declining-balance method at the following annual rates:

Building	- 4%
Furniture and equipment	- 20%

Additions during the year are amortized at one-half the annual rates.

No amortization is recorded for the facility development project.

(e) Cash and term deposits

Term deposits consist of highly liquid, short-term investments that are readily convertible to known amounts of cash.

(f) Financial instruments

The Church initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Church subsequently measures all its financial assets and financial liabilities at amortized cost, except for any short-term investments that are quoted in an active market, which are measured at fair value.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in deficiency of receipts over expenditures. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in deficiency of receipts over expenditures provided it is not greater than the original amount prior to write-down.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption. These transaction costs are amortized into income on a straight-line basis over the term of the instrument. All other transaction costs are recognized in deficiency of receipts over expenditures in the period incurred.

(g) Income taxes

The Church is a registered charity and is exempt from income taxes under section 149(1)(f) of the *Income Tax Act* (Canada).

3. FINANCIAL INSTRUMENTS

(a) Credit risk

Credit risk is the risk of potential loss to the Church if the counterparty to a financial instrument fails to meet its contractual obligations.

The Church's financial assets that are exposed to credit risk consist of cash and term deposits and short-term investments. The Church minimizes this risk by placing the assets with major Canadian financial institutions insured by the Canadian Deposit Insurance Corporation.

(b) Interest rate risk

Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Church's monetary assets and liabilities are affected by changes in prevailing market interest rates, the Church is exposed to interest rate cash flow risk.

- (ii) To the extent that prevailing market rates differ from the interest rates on the Church's monetary assets and liabilities, the Church is exposed to interest rate price risk.

The Church is not exposed to significant interest rate price risk due to the short-term nature of its financial instruments.

The Church is exposed to interest rate cash flow risk, as future cash flows from interest income on investments will be affected by interest rate fluctuations. The Church manages interest rate risk by maintaining an investment policy that focuses primarily on the preservation of capital and liquidity.

- (c) Liquidity risk

Liquidity risk is the risk that the Church will encounter difficulty in meeting obligations associated with financial liabilities.

The Church is exposed to this risk mainly in respect of its accounts payable. Cash flow from operations provides satisfactory resources to meet the Church's cash requirements. If required, the Church has access to a line of credit with a limit of \$20,000. The Church's borrowing arrangements are concentrated with a single Canadian financial institution.

- (d) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk).

The Church is exposed to other price risk on its publicly traded short-term investments, as the fair value of those investments change with changes in their quoted market prices.

4. SHORT-TERM INVESTMENTS

The carrying value of short-term investments is based on quoted market prices. The cost of the investments is \$417,946 (2015 - \$463,796).

A portion of the short-term investments was withdrawn and reinvested in term deposits under the same restricted funds during the year. These term deposits, including interest receivable, have a balance of \$nil (2015 - \$1,514,729) and are grouped with short-term investments.

5. REFUGEE SPONSORSHIP FUND

Funding raised in the Refugee Sponsorship Fund is for expenses anticipated in 2016 and 2017.

6. ACCOUNTS RECEIVABLE - REFUGEE SPONSORSHIP

Accounts receivable - Refugee Sponsorship is comprised of \$18,866 the Church forwarded in June 2016, in refugee account funds to the Mennonite Central Committee. A fee of \$898 applies to this transaction, with \$17,968 to be returned to the Church. Later in 2016, \$6,098 of the \$17,968 was returned, leaving \$11,890 receivable. Repayment of \$4,756 is expected in March 2017 and the remaining \$7,134 is expected to be returned in May 2017.

7. **FIXED ASSETS**

	Accumulated		2016	2015
	Cost	Amortization		
Building under construction	\$ 1,107,103	\$ 0	\$ 1,107,103	\$ 255,561
Furniture and equipment	<u>5,230</u>	<u>2,078</u>	<u>3,153</u>	<u>3,941</u>
	\$ 1,112,333	\$ 2,078	\$ 1,110,256	\$ 259,502

8. **COMMITMENT**

The Church is committed to a venture with another not-for-profit enterprise regarding construction of a new building on the property. As part of this commitment, the Church has contributed land and has committed to contribute a total of \$1,890,538 towards the construction costs. Contributions to date total \$983,398, with \$846,140 remaining. These accounts do not include the value of contributed land, which had no value attributed to it on the financial statements.

The Church has raised funds directly for this project and included the amounts in its Facility Development Operating Fund. The Church has capitalized its property investigation disbursements for a new facility development, net of amounts recovered from the joint venture partner, and included the amounts in its Fixed Assets Fund.