

Treasurer's Report

For the Year Ended December 31, 2019

Summary after Year End Adjustments:

(accrual basis) (Note 1)	Actual	Budget	Under Budget
Offerings received	\$168,141.62	\$173,000.00	—\$4,858.38
Income from all sources:	\$402,952.86		
Total expenditures	\$388,541.89		
Net 2019 Income: (Note 22)	\$14,410.97		

Highlights & Info:

- "Offerings" (Envelopes (including electronic donations) & Loose Cash) was \$4,858.38 less than budgeted.
- Total Income = \$402,952.86.
Total Expenses = \$388,541.89. Net income for 2019 = **\$14,410.97**. (Note 22)
- Deposits & Fund balances owing:

Memorial Fund	\$13,205.24	(Note 9)
Fellowship Expenses Fund	\$1,289.38	
Mortgage Fund	\$0.00	(Note 3)
Contingency Fund	\$24,495.05	(Note 16)
Mercy Relief Fund	\$1,424.85	(Note 13)
Facility Rental Deposits – for rentals in 2020	\$0.00	
Total Deposits & Funds owing	\$40,414.52	
- Savings balances:

Coast Capital – Savings Account	\$40,921.43	
Vancity – CSA Account	\$9,261.30	
Total Savings	\$50,182.73	(Note 8)
- Chequing Account Balance (reconciled) **\$7,539.48**
- Mortgage information: Beginning of year balance: \$561,866.09.
Payments: \$3,411.00 per month (4.67% interest rate, 5 year term beginning October 9, 2018)
2019 payment breakdown: Interest = \$25,689.16 Principal = \$15,242.84, Total = \$40,932.00.
Mortgage balance at end of year: \$546,623.25
(NB: Extra \$9,000.00 prepayment was made at end of year, but due to inability to do transfers at Coast Capital in November and December, the prepayment was not finalized until January 2, 2020.
At the end of 2019 the \$9,000 was in the Vancity – CSA Account waiting to be applied to the mortgage balance.
After the prepayment on January 2, 2020 the Mortgage balance was **\$537,623.25**.)

Notes:

1. During the year, Trinity budgets and operates primarily on a "cash basis", but at end of year, for reporting purposes, figures are adjusted for reporting on "accrual basis". See notes 2, 4, 7 & 18 below for this year's adjustments.
2. **Income Adjustment:** Some revenue received at beginning of each year is to cover amounts for December of previous year. For recording purposes, this revenue is moved to December of previous year. This year, revenue received at beginning of 2020 for December 2019 is as follows:
\$1,410.00 Faith Lutheran Contribution to Pastor Zhang Pastoral Office
This amount is included in "A/R Misc" on the Balance Sheet.

3. **Mortgage Fund:** Changes to the Mortgage Fund during 2019:

BEGINNING OF 2019 BALANCE:	\$0.00
Additions in 2019:	
From a Member's Estate	\$501.54
From Chinese Fellowship (Special Offerings)	\$5,835.00
From English Fellowship (Special Offerings)	\$2,660.00
TOTAL ADDITIONS	\$8,996.54
Removals in 2019:	
To reduce Mortgage Principal at end of 2019*	-\$8,996.54
TOTAL REMOVALS	-\$8,996.54
END OF 2019 BALANCE:	\$0.00

* When pre-payment made on January 2, 2020 to reduce the mortgage principal, the actual amount paid was rounded up to \$9,000.00.

4. **Mortgage Adjustment:** During year, Trinity operates on cash basis and entire Interest & Principal of the mortgage payments are viewed as an expense. At end of year, the Principal portion of the mortgage payments is removed from the Income Statement and used to reduce the Mortgage amount owing on the Balance Sheet. For 2019 the Principal paid via monthly mortgage payments was \$15,242.84. The Mortgage Principal balance at the end of 2019 was \$546,623.25.

5. **Clauses introduced to Trinity's Vancity Commercial Mortgage when mortgage renewed on October 9, 2018:**
 a) At end of new term (October 9, 2023) we must provide an "executed loan amendment letter" confirming rollover terms before the maturity date, otherwise the mortgage will cease and the amount still owed will rollover into an open term loan at Vancity Prime plus 2.00%.
 b) The mortgage can now be paid in whole or in part with 5 days written notice to Vancity. A fee equal to three months interest on the payment amount will be applied.

Examples of making a partial payment on October 9, 2019:			
Partial Payment on October 9, 2019	Estimated 3 month Interest Fee	Amount of Interest Saved until October 9, 2023	Principal will reduce by this extra amount by October 9, 2023
10,000.00	114.04	2,028.00	12,028.00
25,000.00	285.10	5,070.01	30,070.01
50,000.00	570.22	10,140.01	60,140.01

6. **Actual Mortgage Prepayment Fee:** When \$9,000.00 Mortgage Pre-Payment was made on January 2, 2020 (too late to be recorded on 2019 financials), the actual Prepayment Fee calculated by Vancity was \$61.30. This is significantly less than what the Treasurer estimated the 3 month interest fee for the pre-payment would be.
7. **Donated Expenses.** During 2019, \$615.31 was received as Donated Expenses. The \$615.31 was in the form of sales receipts for expenses submitted as donations in lieu of reimbursement. \$615.31 is net of both GST and PST as the Canada Revenue Agency does not permit these taxes to be included in value of items donated when donation is made in lieu of reimbursement.
- When Donated Expenses are received in lieu of reimbursement, Canada Revenue Agency requires the same amount to appear in both Income and Expenses on the Income Statement.
- The \$615.31 received in lieu of reimbursement covered the following:
 \$471.87 for Spring Cleaning Supplies and Spring Cleaning Volunteer Lunch, \$8.66 for Fellowship Expenses, \$134.78 to replace spot lights in the sanctuary.
- All donated expenses came from four individuals in 2019.

BALANCE SHEET NOTES:

8. **Savings Balances:** Savings account balances total \$50,182.73 which fully covers the following: \$9,000.00 pre-payment on Mortgage Principal (pre-payment finalized on January 2, 2020), and \$40,414.52 owing for several funds on the Balance Sheet.
9. **Memorial Fund:** Changes to the Memorial Fund during 2019:
- | | |
|---|--------------------|
| BEGINNING OF YEAR BALANCE: | \$10,984.68 |
| Additions in 2019: | |
| In Memory of Members: | \$13,130.00 |
| TOTAL ADDITIONS | +\$13,130.00 |
| Removals in 2019: | |
| "Bert" John Deere Lawn Mower | \$3,127.90 |
| Upgrade Front Sign with LED Message Board | 7,280.00 |
| To Mortgage Fund from a Member's Estate | 501.54 |
| TOTAL REMOVALS | -\$10,909.44 |
| END OF YEAR BALANCE: | \$13,205.24 |

INCOME STATEMENT NOTES:

10. **Trinity Ladies Auxiliary (LWML):** The LWML ladies give offerings to the church (income) designated to be used for LWML missions. \$255.00 was received from members of the Trinity Ladies Auxiliary (LWML) and is recorded under Donations, \$255.00 was then given to Trinity Ladies Auxiliary (LWML) for mission work and is recorded as an expense under "Missions – Other".
11. **Lutheran Church-Canada Outreach Support:** For 2019, Lutheran Church Canada provided Outreach Subsidy Grants totaling \$15,000 for the Chinese Fellowship ministry.
12. **Photocopier Lease Cost:** In 2017, new terms for the photocopier lease were provided by the Lessor that significantly reduced Trinity's lease payments. In addition, at the end of the lease the Lessor transferred ownership of the copier to Trinity Lutheran on April 1, 2019. Trinity Lutheran has had no lease payments since April 1, 2019. The copier was manufactured in January 2014 and is expected to be fully serviceable until 2022-2024 or later.
13. **Mercy Relief Fund:** \$575.00 was expensed as follows: \$375.00 to Richmond Homeless Connect (RHC) and \$200.00 to assist needy individuals in our community who request help at the church.
 \$764.85 was received as Special Donations for the Mercy Relief Fund at Thanksgiving.
14. **Moms & Tots Drop-In:** \$260.00 received as drop-in registration fees. \$137.37 was expensed for the drop-in.
15. **Utilities Expense:** Utilities include Fortis BC (for natural gas), BC Hydro (for electricity), and City of Richmond (for water, sewer, dyke maintenance, meter maintenance, etc.).

- 16. Contingency Fund:** The amount set aside for the Contingency Reserve Fund was \$700.00/month in 2019. When applied for, semi-annual GST rebates may also be put into the fund. (At end of year, \$2,448.94 in GST Rebates are available to apply for.) At the end of the year, \$24,495.05 was in the Contingency Reserve Fund. During the year, \$11,000 was "borrowed" from the Contingency Fund to cover the Property Tax and possible miscellaneous expenses. The \$11,000 was "paid back" to the Contingency Fund by the end of 2019.
- 17. Missions – Other:** Through donations received as designated offerings, Trinity forwarded \$200.00 to Lutheran Bible Translators (to support the work of Missionary Michael Kuhn & family).
- 18. WCB – Others:** Workers' Compensation Board regulations require WCB premiums to be paid for contract workers and casual workers and volunteers if they have received any monies or cashable thank you gifts or honorariums. Premiums are to be paid if they receive cash, gift cards, or any other form that can be converted or used as cash. WCB – Other is the premium to be paid for 2019 to cover Stipend workers (including janitorial) and Musicians & Sound personnel.
- 19. Pre-School Expenses:** During the year, \$770.00 was received as Special Donations to be given to Trinity's Little Children Centre.
- 20. Transfers to Fellowship Expenses Fund:** \$100.00 as thank-you from Buettner memorial luncheon.
- 21. Special Donations:** \$9,365.14 consists of the following donations:
- \$ 770.00 for TLCC (nine donations from one individual)
 - \$3,000.00 for Mortgage (seven donations from one individual)
 - \$2,660.00 for Mortgage (from six giving units)
 - \$ 100.00 for Fellowship Expenses Fund (thank you from Buettner memorial luncheon)
 - \$ 200.00 for General Use (thank you from Buettner memorial)
 - \$ 156.80 for Piano Tuning (from one giving unit)
 - \$1,100.00 thank you for June 15 wedding
 - \$ 200.00 for Lutheran Bible Translators (for work of Missionary Mike Kuhn & family)
 - \$ 764.85 Thanksgiving offerings for Mercy Fund (includes Trinity's Food Bank) and Richmond Homeless Connect
 - \$ 413.49 to apply to Property Tax (from one giving unit)
- 22. Comment about Net Income:** Several factors led to a Net Income of \$14,410.97 including:
- 1) \$10,000.00 not spent on exterior painting due to no volunteer available to oversee this project.
 - 2) \$ 8,996.54 brought in from Mortgage Fund for Mortgage. It counts as income, but has no offsetting expense.
 - 3) \$15,242.84 is amount the Mortgage Principal reduced by during the year. This is not an expense.
- 23. Other Miscellaneous Income:** \$3,305.40 consists of \$50.00 offering for a Bible, \$63.58 for Mortgage Interest Correction in January 2019, \$356.82 for BC Hydro Rebate (Hall Lights), and \$2,835.00 for donations received through Chinese Fellowship offerings to make Pre-Payment on Mortgage.

MISCELLANEOUS NOTES:

- 24. Payments to Directors, Employees and Contractors:** The new BC Societies Act requires notation of any remuneration paid to Directors, and any remuneration over \$75,000.00 paid to an Employee or Contractor. During 2019 contract services were provided to Trinity Lutheran Church by two of Trinity's directors. These services did not include their duties as Directors, but were for other services provided to the society. The amounts paid in 2019 for contract services provided by the two directors was \$18,600.00. In addition, they also supervised a facility rental and were paid \$65.00 for this service. And for some Janitorial work with TLCC they were paid \$60.00. During 2019, one "Employee" of the congregation, the Senior Pastor, received remuneration of \$81,106.20. The remuneration consists of salary, housing allowance, MSP premiums, and taxable portion of LCC Worker Benefits.
- 25. Property Tax and Charity Disbursement Quota Requirement:** Canada Revenue Agency requires charities to spend on their charitable purposes an amount at least equal to 3.5% of any assets owned by the charity that are not being used for the charity's charitable purposes. Assets include investments and real estate. The house on the church property is not being used for the Congregation's charitable purposes. As the assessed value of the house increases, the Congregation will need to watch the Disbursement Quota requirement. In 2019, the Congregation sent a letter to the City of Richmond to state that part of the land currently marked for residential use is actually used for overflow parking for the church. If the City decides to apply the Permissive Tax Exemption to include this area it is hoped the Property Tax will decrease beginning in 2020. This should also decrease the value of assets for the Disbursement Quota requirement calculations. Actual Property Tax for 2019 was \$8,269.81. But because the payment was lost by the City after the payment was placed in the City Hall Drop Box, and because Trinity could not prove that payment had been made on time, there was a 5% late payment penalty of \$413.49. The penalty was covered by a special donation from a member giving unit.
- 26. Coast Capital Savings:** Trinity Lutheran Church has chequing and savings deposits at Coast Capital Savings (CCS). On November 1, 2018 CCS became a Federal Credit Union and deposits are no longer covered by the Credit Union Deposit Insurance Corporation (CUDIC), but now are covered by Canada Deposit Insurance Corporation (CDIC). CUDIC covered all deposits. CDIC only insures the first \$100,000 deposited by a person or organization. Trinity Lutheran Church, including Trinity's Little Children Centre, is treated as a single organization with a single "member account" and at any given time can have up to \$250,000 or more in deposits at CCS.

Respectfully submitted for the sake of Jesus, for the "Great Commission",
Ewald Wuschke, Treasurer

Trinity Lutheran Church - Richmond
Balance Sheet
For The Year Ending December 2019

	Pre Adjustment Balances	Year End Adjustments	Final 2019 Balances	Notes
ASSETS				
CURRENT ASSETS				
Coast Capital	7,539.48		7,539.48	Note 26
Coast Capital - Savings	40,921.43		40,921.43	Notes 8, 26
Vancity - CSA	9,261.30		9,261.30	Note 8
Investment Shares	10.00		10.00	
Subtotal Current Assets	57,732.21		57,732.21	
FIXED ASSETS				
LAND, BUILDINGS & ORGAN				
Office, Classrooms, Hall	2,060,382.52		2,060,382.52	
OTHER ASSETS				
A/R Misc	3.00	1,410.00	1,413.00	Note 2
GST-Receiveable	2,448.94		2,448.94	Note 16
Subtotal Other Assets	2,451.94		3,861.94	
TOTAL ASSETS	2,120,566.67		2,121,976.67	
LIABILITIES				
CURRENT LIABILITIES				
WCB Payable	0.00	210.00	210.00	
Fellowship Expenses Fund	1,289.38		1,289.38	
Memorial Fund	13,205.24		13,205.24	Note 9
Mortgage Fund	0.00		0.00	Note 3
Contingency Fund	24,495.05		24,495.05	Note 16
Mercy Relief Fund	1,424.85		1,424.85	
Subtotal Current Liabilities	40,414.52		40,624.52	
LONG TERM LIABILITIES				
Vancity Mortgage	561,866.09	-15,242.84	546,623.25	Notes 3, 4, 5, 6
TOTAL LIABILITIES	602,280.61		587,247.77	
FUND BALANCE				
Fund Balance	1,518,286.06		1,534,728.90	
TOTAL FUND BALANCE	1,518,286.06		1,534,728.90	
TOTAL LIABILITIES AND FUND BALANCE	2,120,566.67		2,121,976.67	

Trinity Lutheran Church - Richmond
Income and Expense Statement
 December 2019

	Year to Date <i>primarily "cash based"</i>	End-of-Year Adjustments	Final 2019 Year to Date <i>"accrual based"</i>	Annual Budget <i>primarily "cash based"</i>	Notes Note 2
INCOME					
CONTRIBUTIONS					
OFFERINGS					
Envelopes	163,896.17		163,896.17	170,000.00	
Loose-Cash	4,245.45		4,245.45	3,000.00	
Subtotal Offerings	168,141.62		168,141.62	173,000.00	
DONATIONS					
Memorial Donations	13,130.00		13,130.00	0.00	
Special Donations	9,365.14		9,365.14	0.00	Note 21
Donated Expenses	0.00	615.31	615.31	2,000.00	Note 7
Trinity Ladies Aux (LWML)	255.00		255.00	100.00	Note 10
Subtotal Donations	22,750.14		23,365.45	2,100.00	
Subtotal Contributions	190,891.76		191,507.07	175,100.00	
RENTAL OPERATIONAL INCOME					
TLCC	30,000.00		30,000.00	30,000.00	
TLCC - Pastoral Oversight	3,000.00		3,000.00	3,000.00	
House Rent	13,200.00		13,200.00	13,200.00	
Facility Rental	1,913.75		1,913.75	5,000.00	
St. John's	27,600.00		27,600.00	27,600.00	
Subtotal Rental Operational Income	75,713.75		75,713.75	78,800.00	
CHINESE MINISTRY CONTRIBUTIONS					
Trinity Chinese Operation	18,000.00		18,000.00	18,000.00	
LCC - Outreach Support	15,000.00		15,000.00	15,000.00	Note 11
Trinity Chinese-Zhang	50,754.96		50,754.96	50,754.90	
Asst Pastor - Faith	15,510.00	1,410.00	16,920.00	16,920.00	Note 2
Subtotal Chinese Ministry Contributions	99,264.96		100,674.96	100,674.90	
INTEREST					
Bank Account Interest	151.35		151.35	250.00	
Vancity Interest	0.17		0.17	50.00	
Subtotal Interest	151.52		151.52	300.00	
OTHER INCOME					
Photo Copier - St John's	274.72		274.72	125.00	
Adult Ed-Family Ministry	96.00		96.00	0.00	
Other-Miscellaneous	3,305.40		3,305.40	250.00	Note 23
Trinity Relief Fund	0.00		0.00	300.00	Note 13
Confirmation Book Sales	90.00		90.00	0.00	
Mom's & Tot's Drop In	260.00		260.00	500.00	Note 14
Subtotal Other Income	4,026.12		4,026.12	1,175.00	
Subtotal Income	370,048.11		372,073.42	356,049.90	
TXFRS FROM BALANCE SHEET					
Memorial Fund	10,407.90		10,407.90	0.00	Note 9
Contingency Reserve Fund	11,000.00		11,000.00	0.00	Note 16
Mercy Relief Fund	475.00		475.00	0.00	Note 13
Other funds	8,996.54		8,996.54	0.00	Note 3
Subtotal Txfrs From Balance Sheet	30,879.44		30,879.44	0.00	
TOTAL INCOME	400,927.55		402,952.86	356,049.90	

EXPENSES

MISSIONS

MISSION - LCC	25,000.00		25,000.00	25,000.00
Trinity CLS Bursary	500.00		500.00	500.00
Subtotal Missions	25,500.00		25,500.00	25,500.00

MISSIONS - OTHER

MISSION	200.00		200.00	0.00	Note 17
Trinity Ladies Aux (LWML)	255.00		255.00	100.00	Note 10
Subtotal Missions - Other	455.00		455.00	100.00	

PASTOR HAROLD'S OFFICE

Pastor Harold Salary	61,175.00		61,175.00	61,175.00
CPP - Harold	2,748.90		2,748.90	2,748.90
EI - Harold	1,204.28		1,204.28	1,204.31
Medical Services Plan	825.00		825.00	900.00
Worksafe BC - H	0.00	94.41	94.41	94.41
Counselling Insurance-H	100.00		100.00	100.00
LCC WB Plan - Harold	20,073.84		20,073.84	19,289.00
Mileage Expense	0.00		0.00	500.00
Housing Allowance- Harold	17,500.00		17,500.00	17,500.00
Cell Phone	109.50		109.50	110.00
Subtotal Pastor Harold's Office	103,736.52		103,830.93	103,621.62

PASTOR ZHANG'S OFFICE

Pastor Zhang Salary	50,414.80		50,414.80	50,414.80
CPP - Zhang	2,425.68		2,425.68	2,571.15
EI - Zhang	1,204.31		1,204.31	1,143.41
WorkSafe BC - Z	0.00	77.78	77.78	77.78
House Allow. Zhang	14,400.00		14,400.00	14,400.00
Mileage - Zhang	1,247.10		1,247.10	1,500.00
LCC WB-Zhang	17,682.12		17,682.12	16,927.76
Counselling Insurance-Z	100.00		100.00	100.00
Pastor Zhang Expense	0.00		0.00	100.00
Subtotal Pastor Zhang's Office	87,474.01		87,551.79	87,234.90

YOUTH COORDINATOR

Youth Coordinator	400.00		400.00	0.00
-------------------	--------	--	--------	------

CHURCH OFFICE

Photo Copier Lease cost	1,289.92		1,289.92	1,615.00	Note 12
Office Supplies	1,917.05		1,917.05	1,600.00	
Postage	189.70		189.70	250.00	
Shaw Cable	1,656.95		1,656.95	1,716.00	
Office Equipment	244.32		244.32	700.00	
Bank Charges/Adj	294.97		294.97	100.00	
Subtotal Church Office	5,592.91		5,592.91	5,981.00	

ELDERS

Elders Expenses	387.52		387.52	100.00
Convention Assesment	1,720.00		1,720.00	0.00
Church Workers Conference	812.00		812.00	200.00
Worship Supplies	1,549.52		1,549.52	1,650.00
Mercy Relief Fund	575.00		575.00	400.00
Honorarium	0.00		0.00	600.00
Music Supplies	153.30		153.30	500.00
Musicians	1,220.00		1,220.00	1,200.00

STIPEND

Secretary Services	6,000.00		6,000.00	6,000.00	
Office Admin (Ppt slides)	6,000.00		6,000.00	6,000.00	
S.S. Supervisor M & T Cra	2,000.00		2,000.00	2,000.00	
Acctg Services	4,600.00		4,600.00	4,600.00	
Caretaker Expense	11,600.00		11,600.00	8,300.00	
WCB - Others	0.00	37.81	37.81	0.00	Note 18
Subtotal Stipend	30,200.00		30,237.81	26,900.00	
Subtotal Elders	36,617.34		36,655.15	31,550.00	

EDUCATION				
Devotional Literature	607.81		607.81	750.00
Sunday School Supplies	32.44		32.44	250.00
Children's Outreach	206.82		206.82	200.00
Adult Education Supplies	0.00		0.00	100.00
Adult Ed-Family Ministry	226.45		226.45	100.00
Youth Ed Supp/Fellowship	0.00		0.00	100.00
Subtotal Education	1,073.52		1,073.52	1,500.00
STEWARDSHIP				
Stewardship Supplies	567.15		567.15	750.00
EVANGELISM				
Evangelism Supplies	293.64		293.64	300.00
Mom's & Tot's Drop In	137.37		137.37	500.00
Web Site / Email	245.64		245.64	250.00
Subtotal Evangelism	676.65		676.65	1,050.00
PARISH FELLOWSHIP				
Fellowship Expense	1,464.97		1,464.97	1,100.00
Kitchen Supplies	170.34		170.34	200.00
Subtotal Parish Fellowship	1,635.31		1,635.31	1,300.00
PROPERTIES				
Mortgage Payments	40,932.00	-15,242.84	25,689.16	40,932.00
Insurance	12,832.05		12,832.05	12,740.00
Rental House-Taxes	8,683.30		8,683.30	8,000.00
Rental House-Water	934.01		934.01	915.00
Maintain Rental premises	450.00		450.00	1,000.00
Sound System	0.00		0.00	500.00
Utilities	13,767.77		13,767.77	14,000.00
Inspections/Security	3,863.97		3,863.97	5,000.00
Painting (Int-Ext)	0.00		0.00	10,000.00
Janitorial Supplies	978.41		978.41	700.00
Front Sign	7,117.50		7,117.50	0.00
Repair & Maintenance Exp	6,907.15		6,907.15	5,000.00
Min Fin & Corp Relations	105.00		105.00	100.00
Subtotal Properties	96,571.16		81,328.32	98,887.00
DONATED EXPENSE				
Donated Expense	0.00	615.31	615.31	2,000.00
Subtotal Expenses	360,299.57		345,882.04	359,474.52
PRE-SCHOOL				
Pre School Expenses	770.00		770.00	0.00
TXFRS TO BALANCE SHEET				
Memorial Fund	13,130.00		13,130.00	0.00
Contingency Reserve Fund	19,400.00		19,400.00	8,400.00
Mercy Relief Fund	764.85		764.85	0.00
Fellowship Expenses Fund	100.00		100.00	0.00
Mortgage Fund	8,495.00		8,495.00	0.00
Subtotal Txfrs To Balance Sheet	41,889.85		41,889.85	8,400.00
TOTAL EXPENSES	402,959.42		388,541.89	367,874.52
EXCESS INCOME\EXPENSES	-2,031.87		14,410.97	-11,824.62

Note 14

Note 25

Note 15

Note 22

Note 9

Note 7

Note 19

Note 9

Note 16

Note 13

Note 20

Note 3