Commentary on the Financial Statements

As at March 2nd, 2025

First, let me thank all those of you who contributed to the necessary changes to these statements from the time they were first distributed on February 16th to those that were distributed to you electronically February 28th and this morning in hard copy.

If these changes were only cosmetic, none of this would have happened. The changes, that I’ll get to in shortly, were necessary to ensure that they correctly reflect the state of the accounting system as at December 31st, 2024. We incorrectly thought we could get things done correctly by February 16th and we’ve learned that we simply went too fast this year and mistakes and oversights and indeed new learnings were discovered after we published the statements. We have made a note in the procedures that we need to move the January Session meeting out to the 3rd week of the month to allow the closing procedures to take place. We’ve also noted that the Annual Meeting should not be scheduled on the Family Day weekend and so, it is likely to be the weekend after that…Stay tuned.

So, let us begin. These statements are generated directly from QuickBooks. There is no copy typing as there has been in the past. This is the reason the formatting has changed.

Balance Sheet

We’ve changed from a Cash accounting system to an Accrual system and so, from now on, you’ll see the closing balances of the bank accounts we have as well as any outstanding Accounts Receivable. In this case, the BGH Day Hospice Program is always billed on the last day of the month and so, its invoice is outstanding. This year we need to account for Capital Building Pledges and so those funds will show up in the Account Receivable report too. So the $1,997.50 is correct. The Wood Gundy Portfolio shows the 4 funds that we have there.

On the Liability and Equity side, the Accounts Payable is showing the amount owing to the Receiver General for the employee pay cycle that just ended and it is offset by a donation to the Memorial Account and these cheques cleared the bank account in early January.

Now, on the Payroll Deductions, there is something new. The Presbyterian Church of Canada is now asking us to keep a reserve fund for the minister’s continuing education. Any unused portion of the budget will now be held in account 2523 and so, should the minister choose a course that is more than the $1,100.00 for 2025, there are these extra funds available to her. This fund has a ceiling of $1,500 .

Also, in this category on the report, the Capital Project Pledges are shown, since we published these statement, I’ve introduced a new sub heading titled “Deferred Revenue” so going forward this will be clear and not be confused with the Payroll Deductions.

The HST Rebate account is currently shown as a Liability. We’ve learned that this should be an asset and so, it will be moved shortly into the Asset section of the Balance Sheet. There were so many moving parts during these last two weeks, that I simply did not address this one.

On the Equity side of things, this is where there were many changes. In the past, any dividends and interest that were earned on the Wood Gundy Portfolio by year end, were distributed across the funds that we have. We have now learned that it is a better practice to allocate these funds in January following the year end. In the statements we distributed February 16th, the distribution had taken place and our accounting firm, Walker and Associates encouraged us to adopt the better practice of distributing these funds in January. This is the primary reason for delaying the Annual Meeting and issuing new version of the statements to you. When you think about it. How can you distribute income that you don’t know about until the December Wood Gundy Statement is received mid-January? Does that make sense now?

Profit and Loss Statement - Revenues

Thank you one and all for your very generous weekly donations. I also thank a member of the congregation for the generous donation towards the specific maintenance project. The Move Ministry received funds for some of their initiatives and that helped offset some of their expenses, helping to keep their budgets in line.

Donations we receive for Distribution are not budgeted for except for Presbyterians Sharing. As you can see we are blessed to have these funds and the distribution of them took place in early January. In the earlier version, you may also have noticed that the Brockville Together Revenue account had a negative $11,683.55 shown. This of course was very wrong and it took us a bit of time to track down the incorrect entries. I am pleased to say that we did find the incorrect entries and so, we straightened that little mess up. You see why we had to postpone the Meeting until today. Simply too many little mistakes that needed to be corrected.

This year’s rental income was boosted up considerably with the film crew renting the church hall for a few weeks while they filmed “Hot Frosty”. I do hope you’ve all had a chance to see that enchanting little movie that featured the Brockville’s downtown area.

The $30,715.02 of Recoveries is our HST Rebates. Now, we’ve learned that this should not be declared as income going forward and should instead be used to offset the now Liability of the HST Rebate line on the Balance Sheet. This will be changed during 2025. Good news is that with the new system, preparation of the HST Return is just about as easy as clicking a button for the report to pop up. The HST Returns are now being done in a timely fashion.

Next you’ll see the Investment Income. These funds were distributed across the various funds in mid-January. The only Fund raising event we had during 2024 was the Christmas Memory Tree. Thank you everyone who contributed to that and thanks to the choir for managing that whole process.

The Krugel Foundation provided the church with the 2023 interest in early January 2024 and then provided the 2024 interest in late November. So, for this year, the Krugel Foundation appears to have given us twice the usual amount. Memorial funds were allocated to the Memorial Fund in mid-January too. The Shared Ministry is working well for both churches. While we don’t typically received revenue from Pulpit Supply, this was a repayment of an overpayment made in March 2024.

Thanks again to everyone who has generously donated funds toward the Capital Project. These funds will help us offset the amount we will need to borrow to help finance the building.

Profit and Loss Statement – Expenses

Sadly there was a mistake in the earlier version of the Expenses for the Presbyterians Sharing account. It was early days of using the new system and I entered a Receiver General Payment to the Presbyterians Sharing account. Of course, this was simply dead wrong and the transaction had to be changed. This has since been corrected.

I apologize to our staff members for revealing their salaries and benefits in the earlier presentation of the financials. It was clearly a privacy breach and I take full responsibility for it. Rest assured; it will not happen again.

The various Committee expenses overall, are in line with their budgets. Thank you, committee members, for your due diligence and thank you for all you do for the congregation and our community at large. The Sunday Suppers are well attended and the Breakfast Bags are truly appreciated by those that receive them.

You can see the Administrative Expenses. They are in line with the budget. In the Property Maintenance, we have a new microwave oven, the church alarm system monitoring is included, we had a fire inspection of the Main Kitchen, Annual Inspection of Fire safety Devices including the Hydro and pressure testing, filled the potholed on the driveways, water heater rental, church stairs replaced and so on. For a complete list refer to the Property Committee.

The rental properties, on the other hand, did not require much maintenance at all this year. A laundry room light fixture needed replacing in 12 Church Street. That and the property taxes that can’t be avoided.

That brings us down to the Capital Project. You’ll see “OB” and a dollar figure on each line. These figures represent the Original Budget amounts that we received from Rob Thompson in June 2024. We didn’t want to loose sight of those and so included them in the headings. These are the expenses we have spent to date and I think Quentin Robinson will be addressing later this morning.

Respectfully submitted,

Brenda Fisk