

# **THE FINANCE AND EXTENSION BOARD OF CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL**

Financial Statements

December 31, 2021

DRAFT

**THE FINANCE AND EXTENSION BOARD  
OF CONSEIL RÉGIONAL  
NAKONHA:KA REGIONAL COUNCIL**  
Financial Statements  
December 31, 2021

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**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Members of the  
The Finance and Extension Board of Conseil régional Nakonha:ka Regional Council

We have reviewed the accompanying financial statements of **THE FINANCE AND EXTENSION BOARD OF CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL** that comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

**Basis for Qualified Conclusion**

The Entity has converted an interest-bearing loan into a non-interest bearing loan during the year ended December 31, 2021. On conversion date, management has not accounted for the loan at fair value but has stated it at its nominal value, which constitutes a departure from the Canadian accounting standards for not-for-profit organizations. If management had accounted for the non-interest bearing loan at fair value, grants would have been increased by \$193,411 for the year ended December 31, 2021 and net assets and loans receivable would have been decreased by \$193,411 respectively.

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**Qualified Conclusion**

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **THE FINANCE AND EXTENSION BOARD OF CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL** as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Other Matter**

The financial statements of **THE FINANCE AND EXTENSION BOARD OF CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL** for the year ended December 31, 2020 were reviewed by another practitioner who expressed an unmodified conclusion on those statements dated May 20, 2021.

Montreal

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<sup>1</sup> CPA auditor, CA, public accountancy permit No. A132242

**THE FINANCE AND EXTENSION BOARD  
OF CONSEIL RÉGIONAL  
NAKONHA:KA REGIONAL COUNCIL**  
Statement of Operations  
as at December 31, 2021  
(unaudited)

	General Fund	Restricted Funds Schedule 1	2021	2020
	\$	\$	\$	\$
<b>REVENUES</b>				
Income from investment at fair value	628,462	269,368	897,830	586,167
Gain on disposal of investments	37,592	26,688	64,280	330,652
Net change in fair value of investments	1,528,973	618,595	2,147,568	683,097
	2,195,027	914,651	3,109,678	1,599,916
Contributions	-	129,754	129,754	-
Interest on loans receivable	36,646	-	36,646	17,635
Other income	33	-	33	12,277
	2,231,706	1,044,405	3,276,111	1,629,828
<b>EXPENSES</b>				
Board operations				
Salaries and benefits	31,356	-	31,356	25,000
Office and administrative	3,720	-	3,720	1,558
Legal, accounting and review	17,735	-	17,735	29,889
Investment counsel fees, safekeeping and transaction charges	45,405	18,851	64,256	85,680
Contingencies	-	-	-	5,303
	98,216	18,851	117,067	147,430
Assistance and grants				
Grants	530,000	233,195	763,195	782,646
Bursaries	19,800	-	19,800	20,000
Sabbatical leave	12,000	-	12,000	12,000
	561,800	233,195	794,995	814,646
<b>EXCESS OF REVENUES OVER EXPENSES</b>	1,571,690	792,359	2,364,049	667,752

**THE FINANCE AND EXTENSION BOARD  
OF CONSEIL RÉGIONAL  
NAKONHA:KA REGIONAL COUNCIL**  
Statement of Changes in Net Assets  
as at December 31, 2021  
(unaudited)

	General Fund	Restricted Funds Schedule 1	2021	2020
	\$	\$	\$	\$
Net assets, beginning of year	14,409,610	5,603,728	20,013,338	19,345,586
Excess of revenues over expenses	1,571,690	792,359	2,364,049	667,752
Interfund transfer	(12,158)	12,158	-	-
<b>Net assets, end of year</b>	<b>15,969,142</b>	<b>6,408,245</b>	<b>22,377,387</b>	<b>20,013,338</b>

**THE FINANCE AND EXTENSION BOARD  
OF CONSEIL RÉGIONAL  
NAKONHA:KA REGIONAL COUNCIL**  
Statement of Financial Position  
as at December 31, 2021  
(unaudited)

	General Fund	Restricted Funds Schedule 1	2021	2020
	\$	\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash	38,794	-	38,794	41,180
Accounts receivable (note 3)	42,437	-	42,437	13,697
Current portion of loans receivable (note 4)	104,919	-	104,919	167,906
	186,150	-	186,150	222,783
Investments in mutual funds	14,951,180	6,408,245	21,359,425	18,868,023
Loans receivable (note 4)	862,107	-	862,107	941,078
	15,999,437	6,408,245	22,407,682	20,031,884
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued liabilities	30,295	-	30,295	18,546
<b>NET ASSETS</b>				
General Fund	15,969,142	-	15,969,142	14,409,610
Restricted Funds	-	6,408,245	6,408,245	5,603,728
	15,969,142	6,408,245	22,377,387	20,013,338
	15,999,437	6,408,245	22,407,682	20,031,884

Approved by the Board

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President

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Treasurer

**THE FINANCE AND EXTENSION BOARD  
OF CONSEIL RÉGIONAL  
NAKONHA:KA REGIONAL COUNCIL**  
Statement of Cash Flows  
year ended December 31, 2021  
(unaudited)

	General Fund	Restricted Funds Schedule 1	2021	2020
	\$	\$	\$	\$
<b>OPERATING</b>				
Excess of revenues over expenses	1,571,690	792,359	2,364,049	667,752
Non-cash items:				
Gains on disposal of investments	(37,592)	(26,688)	(64,280)	(330,652)
Net change in fair value of investments	(1,528,973)	(618,595)	(2,147,568)	(683,097)
	5,125	147,076	152,201	(345,997)
Net changes in non-cash items related to operations				
Accrued interest	(17,684)	-	(17,684)	81,739
Government rebates	(15,504)	-	(15,504)	942
Other receivable	4,448	-	4,448	(4,786)
Accounts payable and accrued liabilities	11,749	-	11,749	(19,364)
	(11,866)	147,076	135,210	(287,466)
<b>INVESTING</b>				
Acquisition of investments	(616,388)	(412,595)	(1,028,983)	(6,604,713)
Proceeds from disposal of investments	496,068	253,361	749,429	6,823,202
Transfer to restricted funds	(12,158)	12,158	-	-
Increase in loans receivable	-	-	-	(138,321)
Collection of loans receivable	141,958	-	141,958	88,030
	9,480	(147,076)	(137,596)	168,198
<b>NET DECREASE IN CASH</b>	(2,386)	-	(2,386)	(119,268)
<b>CASH, BEGINNING OF YEAR</b>	41,180	-	41,180	160,448
<b>CASH, END OF YEAR</b>	38,794	-	38,794	41,180



**THE FINANCE AND EXTENSION BOARD  
OF CONSEIL RÉGIONAL  
NAKONHA:KA REGIONAL COUNCIL**  
Notes to Financial Statement  
as at December 31, 2021  
(unaudited)

**1. Purpose**

The Finance and Extension Board of Conseil régional Nakonha:ka Regional Council (the "Board"), a registered charity, manages the funds entrusted to it, acquires and helps maintain buildings within the Conseil régional Nakonha:ka Regional Council (the "Regional Council") (note 6) and provides sabbatical and bursary funds. The Board is also empowered to promote and carry on mission work with a concern for the spiritual and temporal welfare of the church, which is accomplished through its programs and annual grants transferred to the Regional Council.

In order to maintain its registered charity status, the Board must meet certain spending requirements ("disbursement quota") according to the *Income Tax Act*. The disbursement quota is a minimum amount that the registered charity must spend on charitable programs or as gifts to qualified donees in order to maintain its registered charity status. As at December 31, 2021, the Board complies with the requirement.

**2. Accounting policies**

These financial statements have been prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations using the restricted fund method of accounting for contributions.

*Fund Accounting*

The General Fund is unrestricted and accounts for current operations and programs of the Board. Unrestricted contributions to be used for operating activities and programs are reported in this fund.

The Restricted Funds account for and report all activities of the following externally imposed restrictions:

- a) The F.W. Kelley Fund was established as a bequest under the will of the late F.W. Kelley, educator and member of the Montreal West United Church, to be used for the purposes of education, church extension and social service in the Regional Council.
- b) The Erskine & American - Mountainside Trust Fund was established by the Regional Council and the St. Andrew's Dominion Douglas Pastoral Charge out of a portion of the proceeds of real property previously held by the trustees of Erskine and American Pastoral Charge (then amalgamated with St. Andrew's Dominion Douglas to become Mountainside United Church Pastoral Charge). The income of the Fund is to be devoted equally to the outreach ministry of the Erskine and American tradition, including any new ventures and needs yet to be determined, and to transformation ministries identified by the Presbytery. The name of the Fund was changed from Erskine and American Fund to Erskine & American - Mountainside Trust Fund as a result of a significant contribution from Mountainside United Church.
- c) The Ste-Thérèse Fund was established from the proceeds of the net assets, excluding the Cemetery Fund of the Ste-Thérèse United Church (then amalgamated with Rosemère Memorial United Church). The Fund is to be used to provide for the expansion of French ministries in the lower Laurentian area under the supervision of the Regional Council.

**THE FINANCE AND EXTENSION BOARD  
OF CONSEIL RÉGIONAL  
NAKONHA:KA REGIONAL COUNCIL**  
Notes to Financial Statement  
as at December 31, 2021  
(unaudited)

**2. Accounting policies (continued)**

*Fund Accounting (continued)*

- d) The St. John's Hall Bursary Fund accounts for activities restricted for the furthering of education.
- e) The St. John's Hall Endowment Fund reports resources contributed for endowment. The net income of the resources of the Endowment fund is reported in the St. John's Hall Bursary Fund.
- f) The Bhal-Yun Fund was established from the proceeds of the Central Korean United Church for the purpose of benefiting many projects of the Regional Council.
- g) The Institut Français Évangélique Fund originated in the Consistoire Laurentien. Approximately 5% of the market value is used annually to fund bursaries for students. The grants to bursary recipients are managed by the Bursary Committee of the Board as per the 1999 agreement.
- h) The Trois-Rivières French Ministry Fund was established in 2007 from the proceeds of the sale of St. Andrew's United Church in Trois-Rivières. A portion of the fund is to offer training, resources and support for French or bilingual (E/F) ministry special projects or events within the area of the Regional Council. It is not intended for the purpose of supporting staff salary or the work of an already ongoing ministry.
- i) The Trois-Rivières Québec Sherbrooke Area Support Fund was established in 2007 from the proceeds of the sale of St. Andrew's United Church in Trois-Rivières. A portion of the fund is designated for the areas of the former Québec-Sherbrooke Presbytery to support work in French Ministry, the Eastern Region, Youth Camp, Internship and Lay Worship Leadership.
- j) The Grand-Mère Fund was established from the sale of church property in Grand-Mère and is to support ministry within the former Consistoire Laurentien area. This money was subsequently earmarked specifically to support the annual Camino de Emaus family summer camp.
- k) The Granting and Enabling Strategic Fund was established from the partial proceeds of church property sales. The Fund is to be used for strategic church development or future ministry in the Region.

*Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that might affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses. Actual results could differ from these estimates.

*Revenue recognition of contributions*

The Board follows the restricted fund method whereby externally or internally restricted contributions are recognized as revenue, in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenues in the General Fund.

The Board recognizes investment income and gains and losses on disposal of investments as revenue when earned. Interest on loans receivable is recognized when earned and when collection is reasonably assured.

**THE FINANCE AND EXTENSION BOARD  
OF CONSEIL RÉGIONAL  
NAKONHA:KA REGIONAL COUNCIL**  
Notes to Financial Statement  
as at December 31, 2021  
(unaudited)

**2. Accounting policies (continued)**

*Financial instruments*

*Measurement of financial instruments*

The Board measures its financial assets and financial liabilities at fair value upon initial recognition, including the following financial instruments acquired or assumed in a related party transaction: equity instruments quoted in an active market, debt instruments quoted in an active market or for which inputs to the determination of fair value are observable, and derivatives. However, financial instruments, other than the above-mentioned instruments, resulting from related party transactions not in the normal course of operations, are usually measured at cost, the cost depending on whether the instrument has repayment terms. Financial instruments resulting from related party transactions in the normal course of operations, or in certain circumstances not in the normal course of operations, are measured at the exchange amount of the consideration transferred or received.

The Board subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and investments that the Board designated to be subsequently measured at fair value, mutual funds quoted in an active market, which are measured at fair value. Changes in fair value of these instruments are recognized in income.

Financial assets that the Board has designated to be subsequently measured at fair value consist of investments in mutual funds.

Financial assets measured at amortized cost using the straight line method consist of cash, accrued interest, other receivable and loans receivable.

Financial liabilities measured at amortized cost using the straight line method consist of accounts payable and accrued liabilities.

*Depreciation*

At the end of each reporting period, the Board assesses whether there are any indications that financial assets measured at cost or amortized cost are impaired. When there are indications that there may be an impairment, the carrying amount of the financial asset is reduced to the highest of the three following amounts:

- the present value of the cash flows expected to be generated by holding the asset using a current market rate;
- the amount that could be realized by selling the asset;
- the amount that could be realized from collateral.

The amount of the impairment loss is recognized in income. When the extent of an impairment previously recognized decreases, the write-down is reversed and also recognized in income.

**THE FINANCE AND EXTENSION BOARD  
OF CONSEIL RÉGIONAL  
NAKHONHAKA REGIONAL COUNCIL**  
Notes to Financial Statement  
as at December 31, 2021  
(unaudited)

**2. Accounting policies (continued)**

*Transaction costs*

Transaction costs related to financial instruments that are subsequently measured at fair value are recorded in income in the period during which they are incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are added to financial assets or deducted from financial liabilities.

**3. Accounts receivable**

	2021	2020
	\$	\$
Accrued interest (note 4)	25,452	7,768
Sales taxes	15,927	423
Other	1,058	5,506
	42,437	13,697

**THE FINANCE AND EXTENSION BOARD  
OF CONSEIL RÉGIONAL  
NAKONHA:KA REGIONAL COUNCIL**  
Notes to Financial Statement  
as at December 31, 2021  
(unaudited)

**4. Loans receivable**

	Accrued Interest	Current Capital Portion	2021	2020
	\$	\$	\$	\$
St. James United Church 5 % line of credit (unused credit available \$109,296)	4,892	42,979	391,338	415,872
Valois United Church 5 %, repaid in May 2021	-	-	-	34,811
Wesley United Church 5 %, repaid in June 2021	-	-	-	8,598
Union United Church Montreal Non-interest bearing loan of \$554,694 payable in one installment of \$15,945, annual installments of \$25,000 from 2022 to 2042 and \$13,749 in 2043, due July 2043	20,560	40,946	554,694	554,694
Ste. Geneviève United Church interest free loan, repaid in May 2021	-	-	-	13,900
Roxboro United Church 5 %, principal and interest payable in quarterly installments of \$6,100, due March 2027	-	20,994	20,994	46,868
Hudson Pastoral charge 5 %, repaid in January 2021	-	-	-	34,241
Rosemount – Central and Trinity "Old" (Schedule 2)	-	42,500	42,500	42,500
	25,452	147,419	1,009,526	1,151,484
Provision for uncollectible loans (Schedule 2)	-	(42,500)	(42,500)	(42,500)
	-	104,919	967,026	1,108,984
Less current portion	-	-	104,919	167,906
	25,452	104,919	862,107	941,078

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**THE FINANCE AND EXTENSION BOARD  
OF CONSEIL RÉGIONAL  
NAKONHA:KA REGIONAL COUNCIL**  
Notes to Financial Statement  
as at December 31, 2021  
(unaudited)

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**5. Financial instruments***Credit risk*

Credit risk is the risk that the Board might incur a loss due to the failure of the counterpart to a financial instrument to meet its obligations. The Board is exposed to credit risk mainly with regards to its interest and loans receivable as described in note 4.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Board is mainly exposed to interest rate risk and other price risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board is exposed to interest rate risk on its fixed rate loans receivable since the fair value of these financial instruments fluctuates inversely to changes in market interest rates.

*Other price risk*

Other price risk is the risk that the fair value of a financial instrument fluctuates because of changes in market prices (other than those arising from interest rate risk or currency risk). The Board is exposed to other price risk with regards to its mutual funds since the fair value of these financial instruments fluctuates according to returns from these financial instruments.

*Liquidity risk*

Liquidity risk is the risk that the Board will encounter difficulty in meeting its obligations associated with financial liabilities. The exposure of the Board to liquidity risk relates to accounts payable and accrued liabilities.

**6. Related party transactions**

The following transactions included in the financial statements are with the Regional Council, a registered charity that controls the Board.

	2021	2020
	\$	\$
Grants	530,000	530,000

The transactions were carried out in the normal course of business and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**7. Comparatives figures**

Certain figures for 2020 have been reclassified to conform to the presentation adopted in 2021.

# THE FINANCE AND EXTENSION BOARD OF CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

## Schedule 1

Statement of operations and changes in net assets of externally restricted funds  
as at December 31, 2021

	St John's Hall Endowment Fund	St John's Hall Bursary Fund	P.W. Kelley Fund	Erskine & American- Mennonite Trust Fund	St- Thérèse Fund	Imbui Français Évangélique Fund	Bhai Yum Fund	Quebec Socrooke Aren Support Fund	Tyler- Rivieres French Mennon Fund	Granting and Enabling Fund	2021	2020
<b>Revenue</b>												
Investment income	-	4,092	31,653	170,061	4,698	4,798	26,204	14,924	6,591	751	260,368	169,948
Gain on sale of investments	-	165	1,631	13,126	5,345	558	4,978	130	747	7	26,688	64,552
Change in fair value of investments	-	9,795	75,585	404,631	8,758	11,271	61,105	24,191	15,525	1,813	618,595	215,717
Contributions	-	-	-	-	-	-	-	12,713	-	-	129,754	-
	-	14,053	108,869	587,818	18,801	16,727	92,387	61,968	22,863	2,571	1,044,405	490,217
<b>Expenses</b>												
Investment account fees safe keeping and transaction charges	-	282	1,193	12,192	478	339	1,864	985	467	51	18,451	22,767
Grants	-	1,000	11,395	134,800	50,000	4,000	25,000	-	7,000	-	233,195	252,646
	-	1,282	13,588	146,992	50,478	4,339	26,864	985	7,467	51	252,046	275,413
<b>Excess (deficiency) of revenues over expenses</b>	-	12,771	95,281	440,826	(31,677)	12,388	65,523	60,983	15,396	2,520	118,348	174,804
<b>Net assets, beginning of year</b>	53,000	31,573	657,608	3,694,931	143,440	101,770	560,263	294,212	141,447	15,398	5,003,728	5,428,924
<b>Excess (deficiency) of revenues, over expenses</b>	-	12,771	95,281	440,826	(31,677)	12,388	65,523	60,983	15,396	2,520	118,348	174,804
<b>Interfund transfer fund</b>	-	-	-	-	-	-	-	-	-	-	12,198	12,198
<b>Net assets, end of year</b>	53,000	44,344	753,989	4,035,757	111,769	114,158	625,786	355,195	156,843	17,918	5,108,295	5,603,728

**THE FINANCE AND EXTENSION BOARD  
OF CONSEIL RÉGIONAL  
NAKONHA:KA REGIONAL COUNCIL**  
Uncollectible loans to churches  
December 31, 2021  
(unaudited)

**SCHEDULE 2**

	Year of loan	Original Amount \$	2021 \$	2020 \$	Year of latest payment
Rosemount - Central	1926	17,500	17,500	17,500	1926
Trinity "Old"	1927	25,000	25,000	25,000	1927
			42,500	42,500	
Provision for uncollectible loans to churches		42,500	42,500	42,500	
		-	-	-	



## GENERAL GUIDELINES FOR FINANCING REQUESTS

### General Guidelines for Financing Requests from Conseil régional Nakonha:ka Regional Council and the Finance and Extension Board – May 1, 2019

With a growing number of pastoral charges facing financial challenges, it is anticipated that there will be an increasing number of requests to the Region and/or to the Finance & Extension Board for financial assistance in the form of loans or grants of a short term bridging nature or of longer term duration. These requests can take different forms, such as:

- Operating loans (repayable) or grants to cover deficits, cash flow crises and the like of a short-term nature;
- Operating loans or grants to cover operating deficits into the future which may be secured by a capital asset (such as the church building) or a personal guarantee;
- Loans for capital improvement, acquisition, re-building, or necessary capital expenditures of a planned or emergency nature.

Difficulties include:

- requests/demands often emerge in an emergency situation which places pressure for rapid response without well thought through plans in place as to how to address the situation in the longer term. The short-term consequences without financial assistance can well mean the closure of the congregation which places great “political” pressure on the Region.
- “political” difficulties in remedying delayed repayment. When “best intentions” and accepted plans for repayment are not met the one real option can well be the sale of the church building. This option is most often strongly resisted by the congregation.
- realistically judging and facing long term viability of a community of faith.
- decision by the Region to financially support a particular request for financing then forwarding to the Finance & Extension Board to arrange the financing without prior involvement of the Finance & Extension Board in the decision process; thus, lack of coordination between assessment of need and availability and terms of financing.

#### Guidelines for Financial Assistance:

1. As a general rule financing should **not** be provided to cover operating deficits of a short or longer term nature and other short term cash flow needs.

It is, however, recognized that short term emergencies can arise when it may make sense that short term bridge financing be provided but these should be in only exceptional cases. Such cases could include:

- major unforeseen capital expenditures (water damage, structural problem, heating system in mid-winter, etc.).
- short term bridging when financing has been confirmed, as with an approved grant or bank loan, to be repaid from the grant or loan when received.
- a real short-term emergency of an operating nature. Not being able to “meet the payroll” because of running deficits is **not** a short-term emergency but a management and/or viability problem.

In such circumstances the ability to repay the short-term bridge financing, generally within the year, must be demonstrated and an agreed on realistic plan with monitoring and agreed repayment provisions must be provided.

2. Proposals for financing must be considered by both the Region Property and Finance Leadership Group and the Finance & Extension Board before being presented to the Region for decision.

A joint working group of the Region Property and Finance Leadership Group and the Finance & Extension Board before being presented to the Region and the Finance Committee of the Finance & Extension Board will consider such requests and provide for a "one wicket" coordinated approach. The Region Council will be informed through the Chair of the F&E or the Secretary of the F&E.

3. As a pre-condition of any assistance, approved requests will provide for active engagement of the Region in working with the Community of Faith or mission unit in assessing options going forward and in monitoring progress.
4. In all cases, including for financing of capital projects, a well-considered plan going forward must be provided and agreed on which demonstrates the longer term viability of the community of faith or mission unit and which provides for repayment and agreed-on repayment remedying provisions in the event that the plan cannot be met.

When considering assistance, the overall financial condition of the Community of Faith or mission unit will be reviewed including the assets and reserves held by Trustees and any liabilities including loans, assessments, etc. outstanding. Due diligence should also ensure that, for example, buildings are properly insured.

The plans will:

- (a) provide for regular monitoring and formal review of progress in meeting the plan's goals.
- (b) include agreed-on provisions in the case of default of repayment obligations. Although the goal of financial assistance is to assist in creating a viable/self-sustaining ministry, this is not always possible. The covenant agreed to with the Community of Faith will include a financing agreement, mission goals, and plan of action with provisions that, in the event of default of repayment after warning for a year and a day, the Community of Faith will merge or disband the congregation and sell the church building. Region / Finance & Extension Board will have first call on the proceeds for full re-imbursement of financing provided.

In this regard, it should be noted that, per Guideline 3 above, the Region is engaged with the Community of Faith /mission unit throughout the process to arrive at viable solutions. When such solutions are not possible and, in the case of default:

The Region reserves the right to act as set out above as per Sections C-3.1.2 (c), C-3.1.3, and G-1.5.2 of the UCC Manual (2013). (The reference in the 2019 UCC Manual will be updated).

- (c) provide for the repayment of interest at least equal to Finance and Extension Board's minimum investment return with, as appropriate, additional provision according to the risk.

The plan must be reviewed with a view of long-term viability taking into account the context of the geographic area and address options such as possible amalgamations, shared ministry or other arrangements, the sale of the church building, and shared use/lease of alternative buildings. The review should assess the life of the congregation or mission unit. This would include its intentional presence and engagement/reaching out with the wider community within and outside the church building, its sense of mission within and beyond the congregation, the health of its worship and congregational life and its plans going forward in making itself more relevant and viable.

#### F&E Property Committee Guidelines for Churches requesting a Loan

Category: Major Construction, Renovation, Repairs or Equipment Replacement

Property Committee Process for Project Planning, Design, Construction:

To facilitate the F&E loan process for funding of projects related to construction, renovation, or major maintenance, communities of faith that are contemplating a loan request are asked to follow the guidelines established for this purpose.

The Board of Trustees of the community of faith are requested to forward a project statement to the F&E Board and the Region Property and Finance Leadership Group. The project statement should include a description of the project, why it is being proposed and when project completion is required.

The Property Committee of the F&E Board will work with the Board of Trustees to include the necessary information and documentation to accompany the loan application.

Recommendations from the F&E may include the hiring of professionals such as surveyors, appraisers and architect and engineering firms to complete this part of the process. The F&E Property Committee will review and approve the technical information and make the recommendation to support the loan application. Once a loan has been granted, the Property Committee of the F&E Board will accompany the community of faith in the design, project management, construction and completion phases of the project as necessary.

F&E Board May 1, 2019

## BURSARY ASSISTANCE - POLICIES

DRAFT BASED ON 2019 VERSION

As a result of a bequest by Dr. Hugh Duncan to the Finance and Extension Board in his Last Will and Testament, financial assistance is available to full-time university students. A second fund provides financial assistance for college studies and part-time university studies by way of the Institut Français Évangélique (Fondation I.F.E). Bursaries are available to active members of United Church congregations in the Region.

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Main considerations of granting a bursary are:

- academic success – applicant has strong record and thus potential to complete studies
- rationale for studies – applicant articulates personal goal, possibly links to future goals
- well-rounded lifestyle – applicant is engaged in extra-curricular activities (citizenship and leadership) as well as academic pursuits
- financial initiative – applicant demonstrates efforts to support self financially.

Priority is given to those applying for a second time.

## SABBATICAL LEAVE GRANTS – POLICIES

### DRAFT BASED ON 2019 VERSION

Financial assistance is available to ministry personnel and their employing units to support sabbatical leave for full and part-time ministry personnel in pastoral relationships in the Québec Region. A sabbatical is a period of at least three consecutive months intentionally set aside as an occasion for reflection, recreation and revitalization, unencumbered by customary responsibilities, and yet receiving their usual remuneration and benefits. Sabbatical leave finds expression in renewal, new perspectives in ministry, rest, spiritual retreat and prayer.

Main considerations of granting a Sabbatical Leave are:

- submission of a complete proposal including a description of the intended sabbatical period, reasons for the request and time line.
- communication and coordination with the employing unit.
- preparation and submission of a detailed budget.

The Joint Sabbatical Leave Committee affirms the spirit of the United Church sabbatical leave policy.

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## APPENDIX

### 2021 F&E Committee Membership

#### Investment Committee

Paul Stanfield (Chair)	Craig McAlpine	Brian Ruse (ex officio)
Peter Bisset	Peter Mundie	Caroline Leamon
Fred Braman	Ted Rutherford	(ex officio)
Tom Kent	Frederick (Rick) Sheffer	

#### Finance Committee

Tom Kent (Chair)	Fred Braman	Brian Ruse (ex officio)
Paul Stanfield	Marc Grenon	Caroline Leamon
Peter Bisset	Peter Mundie	ex officio)
Craig McAlpine	Frederick (Rick) Sheffer	
Dave McCormack	Ted Rutherford	

#### Property and Buildings Committee

Peter Mundie (Chair)	Paul Stanfield	Brian Ruse (ex officio)
Peter Bisset (Acting Chair)	Frederick (Rick) Sheffer	Caroline Leamon
Marc Grenon	Jim Moffat	(ex officio)

#### Nominations Committee

Frederick (Rick) Sheffer (Chair)  
Paul Stanfield

#### Bursary Committee

Monique Moser-Verrey	Libby Monaco	Brian Ruse (ex officio)
(Chair)	Lynn Drew	Caroline Leamon
Dave McCormack	Renate Sutherland	(ex officio)

#### Sabbatical Leave Committee

Diane Campbell (Chair)  
Renate Sutherland (Past Chair)  
Jim Fyles  
Brian Ruse (ex officio)  
Caroline Leamon (ex officio)