

**APPLEWOOD UNITED CHURCH
NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012**

ACCOUNTS

Other groups such as the ladies fellowship and youth group do not directly receive tax-receipted donations and maintain separate bank accounts. Records of these groups are not reviewed, and the financial activity of those groups is reflected in the Consolidated Statements only to the extent that funds from those groups pass through General or Trustee Funds

NOTES TO SPECIFIC ENTRIES

1. The cash assets of the pastoral charge are held in four bank accounts – the account for general funds through which most of the transactions occur, the account for the Trustees where most of the financial assets under the authority of the Trustees Committee are held, the Caring and Bereavement Committee and the Ready? Get Set...Work! Mission. In addition, when specifically designated funds pass through the General Funds account for accounting purposes but are not to be disbursed immediately (although usually committed to a specific purpose), they are designated as "segregated funds" so as not to confuse the monies with normal operating income and have it reflect incorrectly in current operating results. The process also serves to eliminate the need for individual groups to maintain bank accounts of their own when small amounts and/or temporary situations are involved (maintaining separate bank accounts in any event requires special approval of the Executive Committee). The various segregated funds include those associated with the operation of the congregation (see Schedule 3) and those held in trust on behalf of the Trustees (see Schedule 2)
2. Valuations were placed on the Church Building and Manse properties in 1978 when a revised format for Revenue Canada reporting was instituted. Since that time all capital outlays for building improvements and/or equipment and new furnishings have been charged directly to operating expenses during the year in which such expenditures were made. That includes major renovations made to the Church Building in 2002/3 and in 2004/5. For accounting purposes the statement valuations on fixed assets therefore remain constant and do not pretend to reflect current market value.
3. A grant received in 2007 from Hamilton Conference for Vision projects was placed in funds administered by the Trustees (Schedule 2) Interest earned on investments was transferred to the general account for operating expenses. Expenditures from the principal amount are in Schedule 8
4. Under the terms of the Maintenance Trust Reserve, interest is to be held in reserve for unexpected emergency maintenance or repairs expenses relating to the Church Building, which are not foreseen and therefore not provided for in budgets set by the Congregation. Any uncommitted portion of these funds at the end of the following year is to be returned to the Trust as capital.

