

## Policy: Rental Property funds

Passed by Mount Zion council MAY 28/2026

### Summary:

Mount Zion owns two houses on its property. These houses are congregational assets that support the church's ministry. One property, 237 Dawson, was originally used as a parsonage. The other, 235 Dawson, was purchased in 1985 to secure ownership of the entire block. Both houses are rented to tenants and managed by a property management company on the church's behalf.

In 2014, accounting for the properties was separated from the church's general operations to better track investment-related revenue and expenses. Since then, a separate bank account called the "Rental Property Fund" has been used to record annual net gains and losses from the rental properties. The houses have been renovated and are occupied by responsible tenants. Rental income has exceeded expenses, creating a surplus intended to support the church's ministry.

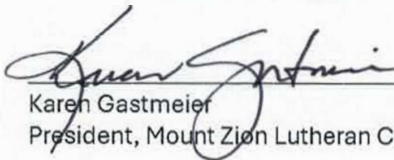
### Purpose:

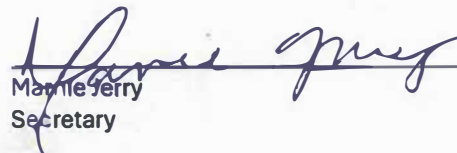
This policy provides guidance on the accumulation and use of surplus funds in the Rental Property Fund.

1. As a responsible landlord, the congregation intends to reserve and accumulate a portion of rental income in a fund sufficient to maintain the properties in a manner consistent with neighbourhood standards.
2. The fund is intended to cover repairs and replacements that will arise over time, such as roof replacement, HVAC repair or replacement, and appliances.

### Policy:

1. A separate account called the "Rental Property Fund" will be maintained to record the activities related to owning and maintaining the two rental properties at 235 Dawson St. and 237 Dawson St.
2. The fund must be sufficient to cover future repairs and replacements to the properties as needed. The Property Committee recommends maintaining a balance of at least \$50,000 as of December 2026.
3. Funds that exceed the amount required under item 2 may be transferred to the congregation's general operations to support ministry. The estimated excess is \$75,000, to be transferred to the congregation's "Contingency Fund" at the end of 2026.
4. Each year, 50% of net rental income, after expenses, will be transferred to the congregation's "Contingency Fund." The remaining 50% will stay in the Rental Property Fund.
5. The Property Committee will review the condition of the properties every two years and recommend an appropriate funding level to the Finance Committee.
6. This policy is intended as a guide and may be changed or amended at the discretion of council as circumstances require.

  
Karen Gastmeier  
President, Mount Zion Lutheran Church

  
Marilee Jerry  
Secretary

Date: May 28 2026

Date: May 26, 2026