



Financial Statements

(Unaudited)

St. John's United Church

December 31, 2016

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St. John's United Church

Statement of Operations

(Unaudited)

Year ended December 31

	2016	2015
Revenues		
Envelopes	\$ 165,273	\$ 174,372
Missions income	31,104	30,680
Miscellaneous income	11,899	51,936
Interest income	3,724	-
	<u>212,000</u>	<u>256,988</u>
Expenditures		
Building expenses (Schedule 1)	36,754	29,923
Choir expenses (Schedule 2)	4,446	3,203
Christian development expenses (Schedule 3)	1,543	1,045
Conference and presbytery	8,640	8,170
Conference meetings	1,039	424
House expenses (Schedule 4)	2,163	11,716
Loan interest	1,288	3,411
Missions expenses (Schedule 5)	31,104	30,680
Office expenses (Schedule 6)	10,904	11,093
Outreach lead team	1,500	1,190
Personnel expenses (Schedule 7)	138,284	132,250
Sundry expenses (Schedule 8)	4,923	5,521
Worship and music expenses (Schedule 9)	4,938	3,873
	<u>247,526</u>	<u>242,499</u>
(Deficiency) excess of revenues over expenditures before other items	<u>(35,526)</u>	<u>14,489</u>
Other items		
Loss on sale of property and equipment	(1,954,027)	-
Write-off of insurance receivable	(5,436)	-
Unrealized gain on investments	7,099	-
	<u>(1,952,364)</u>	<u>-</u>
(Deficiency) excess of revenues over expenditures	<u>\$ (1,987,890)</u>	<u>\$ 14,489</u>

St. John's United Church
Statement of Changes in Net Assets

(Unaudited)
Year ended December 31

	General fund	Internally restricted fund	Total 2016	Total 2015
Balance, beginning of year	\$ 2,914,791	\$ 223,398	\$ 3,138,189	\$ 3,123,700
(Deficiency) excess of revenues over expenditures	(1,987,469)	(421)	(1,987,890)	14,489
Interfund transfers	<u>138,039</u>	<u>(138,039)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 1,065,361</u>	<u>\$ 84,938</u>	<u>\$ 1,150,299</u>	<u>\$ 3,138,189</u>

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St. John's United Church

Statement of Financial Position

(Unaudited)
December 31

January 1,
2015

	2016	2015	2015
Assets			
Current			
Cash	\$ -	\$ -	\$ 9,728
Restricted cash (Note 2)	84,938	223,398	195,197
Short term investment	-	3,741	3,741
Receivables	-	6,834	-
Harmonized sales tax receivable	2,438	816	-
	<u>87,376</u>	<u>234,789</u>	<u>208,666</u>
Long term investments	1,079,267	-	-
Property and equipment (Note 3)	-	3,146,393	3,256,398
	<u>\$ 1,166,643</u>	<u>\$ 3,381,182</u>	<u>\$ 3,465,064</u>
Liabilities			
Current			
Bank indebtedness	\$ 16,344	\$ 27,717	\$ -
Payables and accruals	-	111,000	124,000
Harmonized sales tax payable	-	-	217
	<u>16,344</u>	<u>138,717</u>	<u>124,217</u>
Loan payable	-	104,276	217,147
	<u>16,344</u>	<u>242,993</u>	<u>341,364</u>
Fund balances			
General fund	1,065,361	2,914,791	2,928,503
Internally restricted fund	84,938	223,398	195,197
	<u>1,150,299</u>	<u>3,138,189</u>	<u>3,123,700</u>
	<u>\$ 1,166,643</u>	<u>\$ 3,381,182</u>	<u>\$ 3,465,064</u>

On behalf of the Trustees

_____ Trustee

_____ Trustee

St. John's United Church

Statement of Cash Flows

(Unaudited)

Year ended December 31

2016

2015

Increase (decrease) in cash

Operating

(Deficiency) excess of revenues over expenditures	\$ (1,987,890)	\$ 14,489
Items not affecting cash		
Loss on sale of property and equipment	1,954,027	-
Unrealized gain on investments	(7,099)	-
	<u>(40,962)</u>	<u>14,489</u>
Change in non-cash working capital items		
Short term investment	3,741	-
Receivables	6,834	(6,834)
Harmonized sales tax	(1,622)	(1,033)
Payables and accruals	(111,000)	(13,000)
	<u>(143,009)</u>	<u>(6,378)</u>

Financing

Repayments of loan payable	<u>(104,276)</u>	<u>(112,871)</u>
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Investing

Purchase of long term investments	(1,072,168)	-
Proceeds on disposal of property and equipment	1,192,366	-
Loan forgiveness on CMHC property advance	-	110,005
	<u>120,198</u>	<u>110,005</u>

Decrease in cash (127,087) (9,244)

Cash

Beginning of year	<u>195,681</u>	<u>204,925</u>
End of year	<u>\$ 68,594</u>	<u>\$ 195,681</u>

Cash consists of:

Restricted cash	\$ 84,938	\$ 223,398
Bank indebtedness	<u>(16,344)</u>	<u>(27,717)</u>
	<u>\$ 68,594</u>	<u>\$ 195,681</u>

St. John's United Church

Notes to the Financial Statements

(Unaudited)
December 31, 2016

1. Nature of operations

St. John's United Church of the United Church of Canada was organized to provide religious programs to its congregation and the advancement of Christianity in the community. The Church is a registered charity and is exempt from income tax under the provisions of the Income Tax Act.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles using Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Handbook.

Cash

The Church's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

Restricted cash

Balances included in restricted cash represent funds to be used as designated.

Investments

Investments are carried at quoted market value. All investments are measured at fair value with changes in fair value recognized in net income in the period they arise.

Realized income is income earned from dividends and interest that has been collected or accrued in the current fiscal period along with gains or losses from the disposal of investments.

Unrealized income is income that is recorded reflecting the change in market value over the book value of the investments currently being held by the Church at year end.

Fund accounting

The Church follows the restricted fund method of accounting for contributions.

The general fund accounts for unrestricted contributions available to provide funds for ongoing operations and programs.

The internally restricted fund accounts for contributions that have been restricted for a specific purpose by the Board of Trustees.

St. John's United Church

Notes to the Financial Statements

(Unaudited)
December 31, 2016

2. Significant accounting policies (continued)

Revenue recognition

Unrestricted contributions are recognized as revenue of the general fund when received.

Restricted contributions are recognized as revenue of the internally restricted fund when received and allocated by the Board of Trustees.

Investment income earned during the year on the Church's investments is recognized in the general fund.

Financial instruments

The Church considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Church accounts for the following as financial instruments:

- receivables
- investments
- bank indebtedness

A financial asset or liability is recognized when the Church becomes party to contractual provisions of the instrument.

The Church initially measures its financial assets and financial liabilities at fair value. The Church subsequently measures all of its financial assets and financial liabilities at amortized cost. The Church removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

The Church subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

The Church removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

It is management's opinion that the Church is not exposed to significant interest, currency, or credit risks arising from financial instruments. The fair values if these instruments approximate their carrying values, unless otherwise noted.

St. John's United Church

Notes to the Financial Statements

(Unaudited)
December 31, 2016

2. Significant accounting policies (continued)

Contributed services

Volunteers contributed time to assist the Church in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statements of financial position and the reported amounts of revenue and expenditures during the fiscal year. Certain of these estimates require subjective judgements by management that may be uncertain. Actual results could differ from those estimates.

3. Property and equipment

	<u>2016</u>	<u>2015</u>	<u>January 1, 2015</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ -	\$ -	\$ -	\$ 182,000	\$ 182,000
Buildings	-	-	-	2,525,228	2,525,228
Equipment	-	-	-	299,665	409,670
Furniture and fixtures	-	-	-	139,500	139,500
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,146,393</u>	<u>\$ 3,256,398</u>

St. John's United Church

Notes to the Financial Statements

(Unaudited)
December 31, 2016

4. Impact of the change in the basis of accounting

The Church has elected to apply the standards in Part III of the CICA Accounting Handbook for not-for-profit organizations in accordance with Canadian accounting standards for non-profit organizations.

These financial statements are the first financial statements for which the entity has applied Canadian accounting standards for not-for-profit organizations hereafter referred to as "ASNPO".

The financial statements for the year ended December 31, 2016 were prepared in accordance with the accounting principles and provisions set out in FIRST-TIME ADOPTION BY NOT-FOR-PROFIT ORGANIZATIONS, Section 1501, for first-time adopters of this basis of accounting.

The impact of adopting these standards has not resulted in any material changes to the opening financial statements for the current or previous year end.

Effective January 1, 2016, the Church adopted the requirements of the CICA Handbook's Canadian Accounting Standards for Not-for-profit organizations (ASNPO). This framework is in accordance with Canadian GAAP.

These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively. The accounting policies set out below have been applied in preparing the financial statements for the year ended December 31, 2016, the comparative information for the year ended December 31, 2015, and in the preparation of an opening balance sheet as at January 1, 2015, which is the Church's date of transition.

The adoption of ASNPO has had no impact on the previously reported assets, liabilities and net assets of the Church, and accordingly, no adjustments have been recorded in the comparative balance sheet, statement of operations and statement of cash flow. Certain of the Church's presentation and disclosures included in these financial statements reflect the new presentation and disclosure requirements of ASNPO.

5. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2016 financial statements.

St. John's United Church

Schedules to the Financial Statements

(Unaudited)

Year ended December 31

Schedule of building expenses

Schedule 1

	2016	2015
Insurance	\$ 2,859	\$ 7,135
Power	167	508
Rental of worship space	33,548	21,080
Taxes	20	243
Yard maintenance	160	957
	<u>\$ 36,754</u>	<u>\$ 29,923</u>

Schedule of choir expenses

Schedule 2

	2016	2015
Choir - other	\$ 1,946	\$ 1,213
Pianists	2,000	1,540
Soloists	500	450
	<u>\$ 4,446</u>	<u>\$ 3,203</u>

Schedule of christian development expenses

Schedule 3

	2016	2015
Church development - other	\$ 1,061	\$ 812
Sunday school	482	233
	<u>\$ 1,543</u>	<u>\$ 1,045</u>

Schedule of house expenses

Schedule 4

	2016	2015
Cleaning	\$ 300	\$ 2,100
Fuel	969	3,554
Maintenance	-	89
Power	322	1,039
Taxes	346	4,466
Water	226	468
	<u>\$ 2,163</u>	<u>\$ 11,716</u>

St. John's United Church

Schedules to the Financial Statements

(Unaudited)

Year ended December 31

Schedule of missions expenses

Schedule 5

	2016	2015
Local missions	\$ 2,314	\$ 1,660
Mission and service	<u>28,790</u>	<u>29,020</u>
	<u>\$ 31,104</u>	<u>\$ 30,680</u>

Schedule of office expenses

Schedule 6

	2016	2015
Office supplies	\$ 1,613	\$ 2,357
Postage	992	843
Printing	3,606	3,356
Replacement equipment	-	247
Telephone	2,293	1,890
Webmaster	<u>2,400</u>	<u>2,400</u>
	<u>\$ 10,904</u>	<u>\$ 11,093</u>

Schedule of personnel expenses

Schedule 7

	2016	2015
ADP payroll processing	\$ 624	\$ 589
Benefits	18,295	16,049
Continuing education - youth worker	445	500
Minister - education	1,602	1,287
Minister - house	-	15,645
Minister - phone	493	570
Minister - salary	54,417	41,642
Miscellaneous	2,941	286
Part time Pastor	2,500	-
Pianist / choir director	20,147	19,669
Secretary / administrator	26,889	26,251
Treasurer	2,850	2,850
Youth worker	<u>7,081</u>	<u>6,912</u>
	<u>\$ 138,284</u>	<u>\$ 132,250</u>

St. John's United Church
Schedules to the Financial Statements

(Unaudited)
Year ended December 31

Schedule of sundry expenses**Schedule 8**

	2016	2015
Advertising and promotion	\$ 322	\$ 544
Bank charges	420	549
Observer	421	364
Pastoral care team	300	-
Sundry - other	491	715
Transition team	<u>2,969</u>	<u>3,349</u>
	<u>\$ 4,923</u>	<u>\$ 5,521</u>

Schedule of worship and music expenses**Schedule 9**

	2016	2015
Pulpit supply	\$ 1,522	\$ 862
Worship and music - other	<u>3,416</u>	<u>3,011</u>
	<u>\$ 4,938</u>	<u>\$ 3,873</u>

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