

ST. JAMES UNITED CHURCH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
Unaudited

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of the Church Council and Congregation of St. James United Church

I have reviewed the accompanying financial statements of St. James United Church that comprise the balance sheet as at 31 December 2021 and the statements of receipts and expenditures for the general fund, music fund, building fund, window fund, memorial fund, capital project fund and the Mission and Service fund and the net assets of the funds for the year then ended, and a summary of 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

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me 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, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects, the financial position of St. James United Church as at 31 December 2021 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

J MacInnis

BALANCE SHEET, ALL FUNDS

AS AT 31 DECEMBER 2021

Unaudited

2021

2020

	General	Restricted Funds	Music	Building	Window	Memorial	TOTAL	TOTAL
ASSETS								
Current Assets								
Funds on deposit	\$ 142,197						\$ 142,197	\$ 123,385
Other receivable							4,940	4,201
Prepaid expense	4,940						4,940	4,201
HST receivable	2,505						2,505	1,859
	149,642						149,642	129,445
Interfund Receivables								
Due from General Fund			1,381	33,860	59,159	2,485	96,885	100,961
	0		1,381	33,860	59,159	2,485	96,885	100,961
Investments								
Cash and marketable securities	177,155	151,871					329,026	317,608
	177,155	151,871					329,026	317,608
Real Property & Equipment								
Land	11,800						11,800	11,800
Building, at insured value	2,977,700						2,977,700	2,863,100
Equipment, at insured value	250,000						250,000	250,000
	3,239,500						3,239,500	3,124,900
TOTAL ASSETS	\$ 3,566,297	151,871	1,381	33,860	59,159	2,485	\$ 3,815,053	\$ 3,672,914
LIABILITIES								
Current Liabilities								
Payables and accruals	\$ 21,204						\$ 21,204	\$ 19,205
Interfund payables								
Due to Music Fund	1,381						1,381	675
Due to Building Fund	33,860						33,860	38,722
Due to Window Fund	59,159						59,159	59,159
Due to Memorial Fund	2,485						2,485	2,405
	96,885						96,885	100,961
SURPLUS								
General Fund	98,981						98,981	84,970
Music Fund			1,381				1,381	675
Building Fund				33,860			33,860	38,722
Window Fund					59,159		59,159	59,159
Memorial Fund						2,485	2,485	2,405
Other Funds (note 3)	26,138						26,138	17,875
Equity in Investments	83,589	151,871					235,460	224,042
Equity in Real Property	3,239,500						3,239,500	3,124,900
	3,448,208	151,871	1,381	33,860	59,159	2,485	3,696,964	3,552,748
TOTAL LIABILITIES AND SURPLUS	\$ 3,566,297	151,871	1,381	33,860	59,159	2,485	\$ 3,815,053	\$ 3,672,914

STATEMENT OF RECEIPTS AND EXPENDITURES - GENERAL FUND

FOR THE YEAR ENDED 31 DECEMBER 2021

Unaudited

2021

2020

	<u>2021</u> <u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>RECEIPTS</u>			
Offerings	\$ 219,436	\$ 220,001	\$ 203,673
Donations	5,000	2,465	4,478
Investment Income		4	866
Fundraising, net	1,000		158
Men's Club	1,000		2,000
UCW			
Restorative Care Plan		6,495	
Canada Emergency Wage Subsidy		6,295	29,026
	<u>226,436</u>	<u>235,260</u>	<u>240,201</u>
<u>EXPENDITURES</u>			
Ministry	82,261	80,753	78,540
Christian Life	6,323	5,932	5,460
Music Ministry	24,662	23,087	23,183
Administration	69,572	65,829	62,864
Church operations and maintenance	44,568	38,445	36,959
Congregational Life & Hospitality	300		
Outreach & Communication	3,000	6,701	1,300
Finance and stewardship	750	502	547
	<u>231,436</u>	<u>221,249</u>	<u>208,853</u>
Excess (Deficiency) of Receipts over Expenditures before other items	(5,000)	14,011	31,348
<u>Other item:</u>			
Transfer from investment fund	<u>5,000</u>		
EXCESS OF RECEIPTS OVER EXPENDITURES FOR THE YEAR	<u>\$ 0</u>	<u>\$ 14,011</u>	<u>\$ 31,348</u>

STATEMENT OF CHANGES IN GENERAL FUND SURPLUS

FOR THE YEAR ENDED 31 DECEMBER 2021

Unaudited

2021

2020

GENERAL FUND SURPLUS AT BEGINNING OF YEAR	\$	84,970	\$	53,622
Excess of receipts over expenditures for the year		<u>14,011</u>		<u>31,348</u>
GENERAL FUND SURPLUS AT END OF YEAR	\$	<u>98,981</u>	\$	<u>84,970</u>
EQUITY IN INVESTMENTS AT BEGINNING OF YEAR	\$	224,042	\$	207,075
Investment income		11,418		10,967
Donation bequest, unrestricted				6,000
Transfer to general fund				
EQUITY IN INVESTMENTS AT END OF YEAR	\$	<u>235,460</u>	\$	<u>224,042</u>
EQUITY IN REAL PROPERTY & EQUIPMENT AT BEGINNING OF YEAR	\$	3,124,900	\$	3,014,700
Increase in insured values		<u>114,600</u>		<u>110,200</u>
EQUITY IN REAL PROPERTY & EQUIPMENT AT END OF YEAR	\$	<u>3,239,500</u>	\$	<u>3,124,900</u>

STATEMENT OF CASH FLOW - GENERAL FUND

FOR THE YEAR ENDED 31 DECEMBER 2021

Unaudited

2021

2020

OPERATING ACTIVITIES

Cash from Operations:

Cash received from congregation	\$ 220,001	\$ 203,673
Cash received from donations	2,465	6,478
Cash received from fundraising	0	158
Cash received from other funds (note 3)	8,263	2,410
Cash received from Government of Canada	6,295	29,026
Cash received from United Church of Canada Benefits Centre	6,495	
Investment income received	4	866
Cash paid to suppliers	(74,175)	(68,708)
Cash paid to and on behalf of employees	(146,460)	(140,591)
	<u>22,888</u>	<u>33,312</u>

INVESTING ACTIVITIES

Inter-fund transfers

	<u>(4,076)</u>	<u>5,390</u>
	<u>(4,076)</u>	<u>5,390</u>

Change in cash during the year

18,812 38,702

Cash at beginning of year

123,385 84,683**CASH AT END OF YEAR****\$ 142,197 \$ 123,385**

SCHEDULE OF EXPENDITURES - GENERAL FUND

FOR THE YEAR ENDED 31 DECEMBER 2021

Unaudited

2021

2020

	<u>2021</u> <u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>MINISTRY</u>			
Salary	\$ 56,653	\$ 56,653	\$ 55,397
Travel allowance	500	534	505
Housing allowance	14,400	14,400	14,400
Presbytery	7,106	7,106	7,106
Pulpit supply	2,160	1,512	648
Continuing Education	1,442	548	484
	<u>\$ 82,261</u>	<u>\$ 80,753</u>	<u>\$ 78,540</u>
<u>CHRISTIAN LIFE & GROWTH</u>			
Wages - Director	\$ 5,923	\$ 5,932	\$ 5,460
Materials	400		
	<u>\$ 6,323</u>	<u>\$ 5,932</u>	<u>\$ 5,460</u>
<u>MUSIC MINISTRY</u>			
Salary, Organist	\$ 21,462	\$ 21,462	\$ 20,610
Organist supply and Musical Guests	800	720	120
Instrument maintenance	400	150	
Transfer to music fund	250	250	250
Worship	1,750	505	2,203
	<u>\$ 24,662</u>	<u>\$ 23,087</u>	<u>\$ 23,183</u>
<u>ADMINISTRATION</u>			
Salary, secretary	\$ 14,405	\$ 14,071	\$ 14,385
Employee benefits - CPP & EI	8,300	8,147	7,613
Pension and group insurance	21,700	21,262	19,068
Sabbatical employee benefit	1,500	1,500	1,500
Salary accrual	500	500	500
Treasurer Honorarium	4,004	4,004	3,920
Insurance - property	7,188	6,888	6,986
Photocopier maintenance	2,000	192	290
Office supplies	800	1,027	445
Postage	700	774	632
Telephone	3,950	3,659	3,854
Bank charges	2,200	2,046	1,931
Gifts	650	600	634
Payroll costs	925	914	887
Fire Levy	250	245	219
Staff Education	500		
Miscellaneous			
	<u>\$ 69,572</u>	<u>\$ 65,829</u>	<u>\$ 62,864</u>

SCHEDULE OF EXPENDITURES - GENERAL FUND (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Unaudited

2021

2020

	<u>2021</u> <u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>CHURCH MAINTENANCE & OPERATION</u>			
Salary, Custodian	\$ 19,032	\$ 18,933	\$ 18,058
Custodian supply	450		461
Heating Oil	13,000	10,246	8,732
Electricity	6,000	5,429	5,787
Repairs and maintenance	2,000	2,704	1,846
Water and sewer	486	373	416
Supplies	1,200	423	962
Garbage and snow removal	1,400	337	697
Elevator maintenance	1,000		
	<u>\$ 44,568</u>	<u>\$ 38,445</u>	<u>\$ 36,959</u>
<u>CONGREGATIONAL LIFE & HOSPITALITY</u>			
Miscellaneous	<u>\$ 300</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>OUTREACH & COMMUNICATIONS</u>			
Miscellaneous	\$ 500	\$ 201	\$
Charitable donations	2,000	500	500
St. David's Project	500	6,000	800
	<u>\$ 3,000</u>	<u>\$ 6,701</u>	<u>\$ 1,300</u>
<u>FINANCE & STEWARDSHIP</u>			
Envelopes	\$ 550	\$ 502	\$ 547
Mission & Service Sunday	200		
	<u>\$ 750</u>	<u>\$ 502</u>	<u>\$ 547</u>

STATEMENT OF RECEIPTS, EXPENDITURES AND SURPLUS - CAPITAL FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2021

Unaudited

2021

2020

	<u>Music</u> <u>Fund</u>	<u>Building</u> <u>Fund</u>	<u>Window</u> <u>Fund</u>	<u>Memorial</u> <u>Fund</u>	<u>Total</u>	<u>Total</u>
RECEIPTS						
Offerings	\$ 640	8,382		80	\$ 9,102	\$ 5,386
Transfer from General fund	250				250	250
	<u>890</u>	<u>8,382</u>		<u>80</u>	<u>9,352</u>	<u>5,636</u>
EXPENDITURES						
Music fund expenses	184				184	245
Re-shingle roof		10,234				
New deck and ramp		3,010				
	<u>184</u>	<u>13,244</u>			<u>13,428</u>	<u>245</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES FOR THE YEAR						
	706	(4,862)		80	(4,076)	5,391
Fund Surplus at beginning of year	675	38,722	59,159	2,405	100,961	95,570
FUND SURPLUS AT END OF YEAR						
	<u>\$ 1,381</u>	<u>33,860</u>	<u>59,159</u>	<u>2,485</u>	<u>\$ 96,885</u>	<u>\$ 100,961</u>

STATEMENT OF RECEIPTS AND EXPENDITURES - MISSION & SERVICE FUND

FOR THE YEAR ENDED 31 DECEMBER 2021

Unaudited

2021

2020

	<u>2021</u> <u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>RECEIPTS</u>			
<u>Offerings received:</u>			
Congregation	\$ 25,000	\$ 19,829	\$ 19,534
United Church Women			1,000
	<u>25,000</u>	<u>19,829</u>	<u>20,534</u>
<u>EXPENDITURES</u>			
United Church of Canada Mission & Service Fund	25,000	19,829	20,534
	<u>25,000</u>	<u>19,829</u>	<u>20,534</u>
SURPLUS FOR THE YEAR	Nil	Nil	Nil
Surplus at beginning of year	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
SURPLUS AT END OF YEAR	\$ <u>Nil</u>	\$ <u>Nil</u>	\$ <u>Nil</u>

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

Unaudited

1. GENERAL

St. James United Church, established in 1804, is a congregation of the United Church of Canada, located in Antigonish, Nova Scotia.

Income Tax Status

St. James United Church, a not-for-profit organization for income tax purposes, is registered with Canada Revenue Agency as a charity and, as such, is not subject to income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements include the assets, liabilities, revenues and expenses under the administration of the Church.

These financial statements have been prepared in accordance with accounting standards for not-for-profit organizations established by the Chartered Professional Accountants of Canada using the restricted fund method of reporting restricted donations. Investments in capital assets are related to the land, building and equipment of the Church.

a) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments which are readily convertible into cash.

b) Financial instruments

Financial instruments are recorded at fair value when acquired or issued. Financial instruments are reported at amortized cost and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

c) Capital assets

The Church's land, building and equipment are recorded at insured values. It is the policy of the Church not to record amortization of capital assets.

d) Revenue Recognition

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. The Church follows the deferral method of accounting for contributions generally consisting of government, institutional or private grants. Restricted contributions are recognized as revenue in the fiscal year in which the related expenses are recognized.

e) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates and assumptions.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

Unaudited

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Fund Accounting

Funds within the financial statements consist of the general operating fund, restricted capital fund, building fund, window fund, memorial fund and capital projects fund and the Mission and Service Trust fund. Transfers between funds are recorded as adjustments to the appropriate fund balance.

3. OTHER FUNDS	<u>2021</u>	<u>2020</u>
Hot Meal Program	\$ 23,624	\$ 15,361
Youth Program	1,651	1,651
History Book Fund	<u>863</u>	<u>863</u>
	<u>\$ 26,138</u>	<u>\$ 17,875</u>

4. FINANCIAL INSTRUMENTS

The Church's financial instruments consist of cash, investment certificates, accounts receivable and accounts payable and accruals. In management's opinion, the Church is not exposed to significant interest rate risk, currency rate exchange risk or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

5. OTHER MATTER

On March 11, 2020, the World Health Organization recognized a world-wide pandemic that would have an eventual effect on the health and economic conditions in Canada.

Management of the Church believes that such economic conditions may have a future negative effect on the operations of the organization in the upcoming months, although not measurable at the completion date of these financial statements. Management states that the statement of receipts and disbursements for all funds and balance sheet for the fiscal year have been impacted by the effects of this pandemic due mainly to changes in activities and congregational gatherings.

During the year, the Church applied for and received \$6,295 (2020 - \$29,026) under the Federal Government Canada Emergency Wage Subsidy (CEWS) program based on the best information available to management at the time of applications. Without confirmation from the Federal Government that the Church's applications met all the required conditions of the CEWS program, possible downward adjustment to the recorded receipts may result in a repayment of some or all of the receipts.

The receipts have been recorded in the Church's accounts as a separate line item under receipts in the statement of receipts and expenditures – general fund.

SCHEDULE OF INVESTMENTS

YEAR ENDED 31 DECEMBER 2021

Unaudited

2021

2020

	<u>Market Value</u>		
Manulife Financial, 900 preferred shares 2.1%	\$ 16,470	\$ 22,500	\$ 22,500
Emera Inc., common shares, at cost	15,805	7,682	7,682
Canadian Utilities, common shares, at cost	23,115	22,378	22,378
Bank of Nova Scotia, common shares, at cost	78,267	49,658	49,658
Toronto Dominion Bank, common shares, at cost	72,929	48,467	46,327
Royal Bank, common shares, at cost	64,440	45,019	45,019
BCE Inc, common shares at cost	32,905	31,912	29,075
Scotia iTrade, cash	<u>101,408</u>	<u>101,408</u>	<u>94,969</u>
	<u>\$ 405,339</u>	<u>\$ 329,026</u>	<u>\$ 317,608</u>