

AUGUSTINE UNITED CHURCH
Financial Statements
Year Ended December 31, 2022

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Year Ended December 31, 2022

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Augustine United Church

We have reviewed the accompanying financial statements of Augustine United Church (the organization) that comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures, 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 (ASNPO), 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.

Conclusion

Based on our review, 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 Augustine United Church as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Winnipeg, MB
April 10, 2023

Thornton & Co.

CHARTERED PROFESSIONAL ACCOUNTANTS

AUGUSTINE UNITED CHURCH
Statement of Financial Position
December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 27,255	\$ 34,471
Term deposits (Note 5)	152,408	-
Accounts receivable	10,289	7,065
Prepaid expenses	425	-
	<u>190,377</u>	41,536
TANGIBLE CAPITAL ASSETS (Note 4)	<u>142,506</u>	153,499
	<u>\$ 332,883</u>	<u>\$ 195,035</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 19,094	\$ 2,802
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	<u>80,914</u>	89,741
	<u>100,008</u>	92,543
NET ASSETS		
Unrestricted net assets	(21,288)	(21,288)
Restricted net assets	192,571	60,023
Invested in capital assets	<u>61,592</u>	<u>63,757</u>
	<u>232,875</u>	102,492
	<u>\$ 332,883</u>	<u>\$ 195,035</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

AUGUSTINE UNITED CHURCH
Statement of Revenues and Expenditures
Year Ended December 31, 2022

	Total 2022	Total 2021
REVENUES		
Endowment Income (via UCC)	\$ 3,156	\$ 2,451
Fundraising revenue	2,866	410
Givings	110,814	108,971
Insurance proceeds (Note 7)	5,798	-
Investment revenue	2,417	-
OTI contribution	-	1,750
Operating Grants	-	15,000
Other revenues	2,681	825
Rental revenue	-	4,940
Wage subsidy	-	289
	<u>127,732</u>	<u>134,636</u>
EXPENSES		
Administrative expenses	8,210	4,654
Amortization	13,004	12,451
Building Costs	15,782	83,387
Employment costs	61,535	86,118
Fundraising Expenses	2,339	331
Insurance	9,402	17,411
Presbytery assessment	8,546	8,500
Professional fees	15,352	13,500
Program Project Costs	927	3,812
Property taxes	1,065	1,626
Rental	40,064	-
Travel	360	360
	<u>176,586</u>	<u>232,150</u>
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	(48,854)	(97,514)
OTHER INCOME		
Insurance proceeds related to deferred contributions	8,827	7,356
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (40,027)	\$ (90,158)

AUGUSTINE UNITED CHURCH
Statement of Changes in Net Assets
Year Ended December 31, 2022

	Unrestricted Net Assets	Restricted Net Assets	Invested in Capital Assets	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ (21,288)	\$ 60,023	\$ 63,757	\$ 102,492	\$ 145,827
Deficiency of revenues over expenses	(35,850)	-	(4,177)	(40,027)	(90,158)
Contributions during the year	-	209,100	-	209,100	5,536
Other Flow through fund activity	-	(38,690)	-	(38,690)	41,287
Capital Asset purchase	(2,012)	-	2,012	-	-
Memorial Fund	37,862	(37,862)	-	-	-
NET ASSETS - END OF YEAR	\$ (21,288)	\$ 192,571	\$ 61,592	\$ 232,875	\$ 102,492

See notes to financial statements

AUGUSTINE UNITED CHURCH
Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (40,027)	\$ (90,158)
Items not affecting cash:		
Amortization of tangible capital assets	13,004	12,451
Restricted Net Assets	<u>170,410</u>	<u>46,823</u>
	<u>143,387</u>	<u>(30,884)</u>
Changes in non-cash working capital:		
Accounts receivable	(3,224)	(4,644)
Accounts payable	16,292	(4,786)
Prepaid expenses	(425)	-
Security deposits	-	(410)
Deferred contributions related to Capital Assets	<u>(8,827)</u>	<u>(7,356)</u>
	<u>3,816</u>	<u>(17,196)</u>
Cash flow from (used by) operating activities	<u>147,203</u>	<u>(48,080)</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>(2,011)</u>	-
Cash flow from (used by) investing activity	<u>(2,011)</u>	-
INCREASE (DECREASE) IN CASH FLOW	145,192	(48,080)
Cash - beginning of year	<u>34,471</u>	<u>82,551</u>
CASH - END OF YEAR	\$ 179,663	\$ 34,471

See notes to financial statements

AUGUSTINE UNITED CHURCH
Notes to Financial Statements
Year Ended December 31, 2022

1. DESCRIPTION OF OPERATIONS

Augustine United Church is a church which operates under the auspices of the United Church of Canada. The church is incorporated as a not-for-profit organization and is a registered charity under the Income Tax Act and is therefore exempt from income taxes under the Income Tax Act (Canada).

The mission of Augustine United Church is to Worship God, care for each other, seek justice, and deepen our faith in an inclusive affirming Christian community

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Some users may require further information as these statements have not been prepared for general purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Revenue recognition

Augustine United Church follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Cash and cash equivalents

Cash consists of cash on hand and balances with banks.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

AUGUSTINE UNITED CHURCH
Notes to Financial Statements
Year Ended December 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible Capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Equipment	14 years	straight-line method
Building improvements	25 years	straight-line method

The Church reviews for impairment of tangible capital assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Equipment	\$ 125,589	\$ 44,688	\$ 80,901	\$ 88,270
Building improvements	90,596	28,991	61,605	65,229
	\$ 216,185	\$ 73,679	\$ 142,506	\$ 153,499

During 2022 a new computer was purchased in the amount of \$2,012.

5. TERM DEPOSITS

	2022	2021
TD GIC - Maturing January 15, 2023, 3.5%	\$ 50,624	\$ -
TD GIC - Maturing June 29, 2023, 3.5%	101,784	-
	\$ 152,408	\$ -

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2022.

(continues)

AUGUSTINE UNITED CHURCH
Notes to Financial Statements
Year Ended December 31, 2022

6. FINANCIAL INSTRUMENTS *(continued)*

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Credit risk arises from two sources: cash and cash equivalents and investment in debt securities. Cash and cash equivalents are deposited with reputable, major financial institutions, to limit the credit risk exposure. The investments include commercial papers and investments issued by high-credit quality corporations and financial institutions, and we consider the risk of non-performance of these instruments to be remote. The church holds no investments in debt securities.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

7. INSURANCE PROCEEDS

Insurance proceeds relates to amounts received from the Insurance company related to the repairs completed due to the water damage sustained in 2021

	<u>2022</u>	<u>2021</u>
<u>Insurance proceeds</u>		
Northbridge Insurance	<u>\$ 5,798</u>	<u>\$ -</u>

AUGUSTINE UNITED CHURCH
Funds

(Schedule 1)

Year Ended December 31, 2022

(Unaudited)

	Candidate Bursary Fund	Organ Restoration Fund	Memorial Trust Fund	Flow Throughs	Total
Balance , Beginning of Year	\$ 1,100	\$ 14,692	\$ -	\$ 44,231	\$ 60,023
Revenues	-	-	209,100	131,764	340,864
Use of Funds	-	-	(37,862)	-	(37,862)
Expenses	-	-	-	(170,454)	(170,454)
	<u>\$ 1,100</u>	<u>\$ 14,692</u>	<u>\$ 171,238</u>	<u>\$ 5,541</u>	<u>\$ 192,571</u>

The Augustine Candidate Bursary Fund is a fund established to provide funding for candidates interested in pursuing a career as a United Church clergy. The fund allows for gifts to Augustine sponsored candidate and to meet Augustine's obligation to the wider church.

The Organ Restoration Fund is from designated donations, to be used only for organ restoration. The fund is held in trust by the church council, until a project plan is devised and approved.

The Memorial Trust Fund represents donations received in memory of the deceased and the funds generally are to be used as directed via wishes of the deceased donors. Funds can be used to fill general church requirements if agreed to by congregational vote. During the current year , it was voted to utilize this fund for the use of the operations of the church to eliminate the operating deficit.

See notes to financial statements