

St. Helen's Anglican Church
Financial Statements
For the year ended December 31, 2020
(Unaudited)

Contents

Review Engagement Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations - General Fund	6
Statement of Operations - Internally Restricted Funds	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 12
Supplementary Information	
Schedule 1 - Revenues	13
Schedule 2 - Expenses	14 - 15

Independent Practitioner's Review Engagement Report

To the members of St. Helen's Anglican Church

We have reviewed the accompanying financial statements of St. Helen's Anglican Church that comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in fund balances 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, 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 St. Helen's Anglican Church as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
REPORT DATE

Draft - Subject to change

**St. Helen's Anglican Church
Statement of Financial Position
(Unaudited)**

December 31	2020	2019
Assets		
Current		
Cash	\$ 288,340	\$ 242,461
Short-term investments (Note 2)	337,559	321,659
Other receivables	2,802	3,967
Prepaid expenses	134	4,535
	\$ 628,835	\$ 572,622
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 14,480	\$ 16,186
Current portion of long-term debt (Note 6)	45,357	35,115
	59,837	51,301
Deferred contributions (Note 4)	47,196	49,297
Long-term debt (Note 6)	1,024,600	1,071,497
	1,131,633	1,172,095
Uncertainty due to COVID-19 (Note 7)		
Net Assets		
General fund	(795,903)	(877,570)
Building fund	22,759	22,759
Cash reserve fund	36,989	36,989
Trust fund	233,357	218,349
	(502,798)	(599,473)
	\$ 628,835	\$ 572,622

On behalf of the Parish:

_____ Incumbent

_____ Warden

_____ Warden

**St. Helen's Anglican Church
Statement of Changes in Net Assets
(Unaudited)**

For the year ended December 31, 2020	General Fund	Building Fund	Cash Reserve Fund	Trust Fund	Total
Balance, beginning of the year	\$ (877,570)	\$ 22,759	\$ 36,989	\$ 218,349	\$ (599,473)
Excess of revenues over expenses	<u>81,667</u>	-	-	15,008	<u>96,675</u>
Balance, end of the year	\$ (795,903)	\$ 22,759	\$ 36,989	\$ 233,357	\$ (502,798)

For the year ended December 31, 2019	General Fund	Building Fund	Cash Reserve Fund	Trust Fund	Total
Balance, beginning of the year	\$ (904,044)	\$ 22,759	\$ 36,989	\$ 198,872	\$ (645,424)
Excess (deficiency) of revenues over expenses	<u>26,474</u>	-	-	19,477	<u>45,951</u>
Balance, end of the year	\$ (877,570)	\$ 22,759	\$ 36,989	\$ 218,349	\$ (599,473)

The notes are an integral part of these financial statements.

St. Helen's Anglican Church
Statement of Operations - General Fund
(Unaudited)

For the year ended December 31	2020	2019
Revenues		
Operating	\$ 408,685	\$ 430,977
Other revenue	3,176	8,598
Community net revenue	4,545	24,498
Contributions from designated funds - (Note 5)	4,543	8,518
	<u>420,949</u>	<u>472,591</u>
Expenses		
Governance	287,177	343,407
Stewardship	35,046	59,333
Worship	15,225	22,324
Outreach	-	18,600
Community	1,402	782
Discipleship	432	1,671
	<u>339,282</u>	<u>446,117</u>
Excess of revenues over expenses	\$ 81,667	\$ 26,474

St. Helen's Anglican Church
Statement of Operations - Internally Restricted Funds
(Unaudited)

For the year ended December 31	Trust Fund	
	2020	2019
Revenues		
Dividend income	\$ 7,056	\$ 6,673
Increase in unrealized gain on trust fund investment	7,952	12,804
	15,008	19,477
Expenses		
Decrease in unrealized loss on trust fund investment	-	-
Maintenance	-	-
	-	-
Excess of revenues over expenses	\$ 15,008	\$ 19,477

The notes are an integral part of these financial statements.

**St. Helen's Anglican Church
Statement of Cash Flows
(Unaudited)**

For the year ended December 31	2020	2019
Cash flows from operating activities		
Excess of revenues over expenses	\$ 81,667	\$ 26,474
- general fund		
Excess of revenues over expenses		
- internally restricted funds	15,008	19,477
Items not affecting cash:		
Increase in unrealized gain on investments	(7,952)	(12,804)
Net change from non-cash working capital balances		
Other receivables	1,165	(1,441)
Prepaid expenses	4,400	(4,360)
Accounts payable and accrued liabilities	(1,706)	(2,736)
Deferred contributions	(2,101)	(3,148)
	<u>90,481</u>	<u>21,462</u>
Cash flows from investing activities		
Purchase of short-term investments	<u>(7,947)</u>	<u>(8,056)</u>
Cash flows from financing activities		
Repayment of long-term debt	<u>(36,655)</u>	<u>(36,213)</u>
Net increase (decrease) in cash	45,879	(22,807)
Cash, beginning of the year	<u>242,461</u>	<u>265,268</u>
Cash, end of the year	<u>\$ 288,340</u>	<u>\$ 242,461</u>

St. Helen's Anglican Church Notes to Financial Statements (Unaudited)

December 31, 2020

1. Accounting Policies

Status and Purpose of Organization	<p>St. Helen's Anglican Church ("the Church") is a non-profit organization, a member of the Incorporated Synod of the Diocese of Ottawa, which was incorporated by a special act of the Ontario legislature. The Church is a Christian family called by God and led by the Holy Spirit. It proclaims the good news of Jesus Christ by worshipping in community; nurturing and growing in faith; witnessing in daily life and serving others through ministry.</p> <p>The Church is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.</p>
Basis of Accounting	<p>The Church applies the Canadian accounting standards for not-for-profit organizations.</p>
Internally Restricted Net Assets	<p>The general fund accounts for day-to-day operations and maintenance of the property grounds. Unrestricted contributions (donations) are reported in this fund.</p> <p>The building fund consists of the funds internally restricted by the Church for major repairs and maintenance to the building.</p> <p>The cash reserve fund consists of funds internally restricted by the Church for emergency situations.</p> <p>The trust fund consists of an investment held in trust by the Anglican Diocese.</p>
Revenue Recognition	<p>The 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.</p> <p>Investment income is recognized as revenue when earned.</p> <p>Deferred revenue relates to restricted contributions where the related expenses are expected to occur in a future year.</p>
Recognition of Pledges	<p>Because of the uncertainty surrounding the collectibility of pledges, the Church recognizes only those pledges for which amounts have been received at the date of completion of the financial statements.</p>

St. Helen's Anglican Church
Notes to Financial Statements
(Unaudited)

December 31, 2020

1. Accounting Policies (continued)

Financial Instruments

Initial and subsequent measurement

The Church initially measures its financial assets and liabilities at fair value. The Church subsequently measures all its financial assets and liabilities at amortized cost, except for the short-term investment in the Anglican Diocese Consolidated Trust Fund which it chose to measure at fair value. Changes in fair value are recognized in the statement of operations in the year incurred.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the year incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

Tangible Capital Assets

Tangible capital assets held by the Church are recorded as expenses in the year they are acquired.

Contributed Services

The Church would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

2. Short-term Investments

	2020	2019
Measured at fair value		
Anglican Diocese Consolidated Trust Fund	\$ 233,356	\$ 218,348
Measured at amortized cost		
TD Canada Trust GIC at 0.15%, maturing March 07, 2021	\$ 104,203	\$ -
TD Canada Trust GIC at 1.35%, maturing during the year	-	103,311
	\$ 337,559	\$ 321,659

**St. Helen's Anglican Church
Notes to Financial Statements
(Unaudited)**

December 31, 2020

3. Tangible Capital Assets

All significant tangible capital assets held by the Church are owned by the Incorporated Synod of the Diocese of Ottawa ("the Diocese of Ottawa"), therefore, no recognition of these tangible capital assets has been included in the financial statements.

4. Deferred Contributions

Deferred contributions represent externally restricted donations received for projects that will take place in future years. The balance of deferred contributions for each project is as follows:

	2020	2019
GIFT	\$ 20,458	\$ 24,238
Memorial Garden	20,054	19,779
Altar guild	2,869	1,972
CLAY	2,614	2,149
Special fund	-	1,159
Memorial flower offering	1,201	-
	\$ 47,196	\$ 49,297
Balance, end of the year	\$ 47,196	\$ 49,297

5. Capital Contributions

During 2020, \$459 was spent on various tangible capital assets for use in the Church. Of this total, \$263 was offset against contributions from designated funds.

During 2019, \$17,236 was spent on various tangible capital assets for use in the Church. Of this total, \$5,458 was offset against contributions from designated funds.

**St. Helen's Anglican Church
Notes to Financial Statements
(Unaudited)**

December 31, 2020

6. Long-term Debt

	2020	2019
Loan from the Diocese of Ottawa, 2.0%, renewable December 2025, payable by semi-annual installments of \$33,265, principal and interest.	\$ 1,069,957	\$ 1,106,612
Less: principal portion due within one year	45,357	35,115
	\$ 1,024,600	\$ 1,071,497

The principal payments for the next five years amount to: 2021, \$36,546; 2022, \$38,034; 2023, \$39,584; 2024, \$41,197; 2025, \$42,875. These payments have been calculated under the assumption that the repayment plan will be successfully renewed, based on the present payment terms and interest rates.

7. Uncertainty due to COVID-19

The global pandemic, COVID-19, has disrupted economic activities and supply chains. Although, the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Church's ability to continue to service debt and meet obligations as they come due is dependent on the continued ability to generate earnings and cash flows.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Church's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers and industry. COVID-19 has resulted in cancellation of programming. Furthermore, due to COVID-19 the number of offerings have increased as well as contributions from Canada Helps and the Diocese had provided financial assistance for 2 months in fiscal year 2020.

8. Financial Instruments

Interest rate risk

The Church is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed interest instruments subject the Church to a fair value risk since fair value fluctuates inversely to changes in market interest rates. The Church is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its mortgage payable.

Other price risk

The Church is exposed to other price risk through its investments in the Anglican Diocese Consolidated Trust Fund.

The risks have not changed in the current year.

**St. Helen's Anglican Church
Schedule 1 - Revenues
(Unaudited)**

For the year ended December 31	2020	2019
Operating		
Preauthorized donations	\$ 247,738	\$ 245,796
General envelopes	119,672	168,141
Open offering	725	6,819
Non-designated mission and outreach	4,620	4,400
Canada Helps donations	34,638	5,420
United Way donations	292	401
Card reader receipted	1,000	-
	<u>\$ 408,685</u>	<u>\$ 430,977</u>
Community Net Revenue		
Bazaar, net	\$ 2,497	\$ 22,234
Community events revenue	1,903	3,234
CLAY Non Receipt	693	-
Less: Community events expenses	(548)	(970)
	<u>\$ 4,545</u>	<u>\$ 24,498</u>
Other Revenue		
Quiet Garden	\$ -	\$ 400
Rental	1,796	3,963
Memorial offerings	204	3,430
Miscellaneous	284	2,083
Investment revenue	892	1,383
Memorial Garden transfer	-	(2,661)
	<u>\$ 3,176</u>	<u>\$ 8,598</u>

St. Helen's Anglican Church
Schedule 2 - Expenses
(Unaudited)

For the year ended December 31	2020	2019
Governance		
Cost of priestly services	\$ 138,578	\$ 165,973
Diocesan fair share	63,237	72,054
Interest - long-term	32,993	45,363
Housing	35,755	41,888
Office	9,043	11,545
Insurance	4,139	4,782
Vacation coverage	-	1,095
Communication	252	707
Training (from GIFT)	3,180	-
	\$ 287,177	\$ 343,407
Stewardship		
Quiet Garden	\$ -	\$ 643
Capital contributions to the Diocese of Ottawa (Note 5)	459	17,236
Hydro	4,055	5,006
Professional fees	6,060	5,784
Winter maintenance	5,478	7,302
Telephone	4,860	4,685
Gas	4,001	4,442
Heating/Cooling maintenance	1,948	1,945
Photocopier	2,834	3,476
Property maintenance	430	1,721
Internet	2,406	2,333
Alarm	911	895
Floor and professional cleaning	-	2,526
Water	1,604	1,339
	\$ 35,046	\$ 59,333
Worship		
Honoraria	\$ 14,056	\$ 18,778
Liturgical supplies	435	1,926
Music supplies	-	1,053
License fees	734	567
	\$ 15,225	\$ 22,324

St. Helen's Anglican Church
Schedule 2 - Expenses (Continued)
(Unaudited)

For the year ended December 31	2020	2019
Outreach		
Cornerstone	\$ -	\$ 2,000
Centre 454	-	2,000
Cumberland Resource Centre	-	2,000
Gloucester Food Cupboard	-	2,000
Hope for the Future	-	2,000
St. Luke's Lunch	-	2,000
The Well	-	2,000
Bales for the North	-	500
Grandmothers for Grandmothers	-	500
Interval House	-	500
Kids Help Phone	-	500
Other community outreach	-	2,500
Youth ministry outreach	-	100
	\$ -	\$ 18,600
Discipleship		
Church school	\$ 368	\$ 350
Youth ministry	40	493
Adult education	-	305
Sacramental preparation	24	23
School for Parish Developmentg	-	500
	\$ 432	\$ 1,671
Community		
CLAY	\$ 693	\$ -
Men's group-valentine breakfast	461	375
Hospitality	-	170
Seniors lunch	-	137
Art fair expenses	248	-
Pastoral care	-	100
	\$ 1,402	\$ 782