

FIRST-ST. ANDREW'S UNITED CHURCH
INDEX TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017

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REVIEW ENGAGEMENT REPORT

TO THE MEMBERS OF FIRST-ST. ANDREW'S UNITED CHURCH

I have reviewed the statement of financial position of First-St. Andrew's United Church as at December 31, 2017 and the statements of operations and changes in fund balances and cash flows for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to me by management.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Note 3 to the financial statements indicates that capital assets, including land and buildings, have been recorded at a nominal value of \$1 and that the purchase of capital assets are expensed in the year of acquisition. Canadian generally accepted accounting principles require not-for-profit organizations with revenue greater than \$500,000 to capitalize and amortize capital assets. The effects of this departure from Canadian generally accepted accounting principles on the financial statements have not been determined by management.

Except for the policy as described in the preceding paragraph, not to record and amortize capital assets, based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.



London, Ontario
May 14, 2018

Mark A Wales Professional Corporation CPA
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

FIRST-ST. ANDREW'S UNITED CHURCH
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017
WITH 2016 COMPARATIVES
"UNAUDITED"

ASSETS

	<u>2017</u>	<u>2016</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 37,425	\$ 1,761
Guaranteed Investment Certificates	-0-	25,026
Amounts Receivable	9,050	14,718
Due from Trust Funds (Note 4)	14,448	39,718
Prepaid Expenses	8,844	8,257
Inventory	<u>13,783</u>	<u>5,475</u>
	<u>83,550</u>	<u>94,955</u>
 <u>RESTRICTED ASSETS</u>		
Cash	39,843	26,662
Due from Trust Funds (Note 4)	<u>1,564</u>	<u>8,797</u>
	<u>41,407</u>	<u>35,459</u>
 <u>CAPITAL ASSETS</u> (Note 3)	<u>1</u>	<u>1</u>
 <u>TOTAL ASSETS</u>	 \$ <u>124,958</u>	 \$ <u>130,415</u>

LIABILITIES AND FUND BALANCES

<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 29,699	\$ 48,745
Due to UCW	5,150	3,225
Deposits	-0-	1,155
Due to Trust Funds (Note 4)	<u>397</u>	<u>-0-</u>
	<u>35,246</u>	<u>53,125</u>
 <u>FUND BALANCES</u> (Note 2)		
Restricted Funds		
Music	29,774	23,365
Other	<u>11,633</u>	<u>12,094</u>
	41,407	35,459
Operating Fund	<u>48,305</u>	<u>41,831</u>
	<u>89,712</u>	<u>77,290</u>
 <u>TOTAL LIABILITIES & FUND BALANCES</u>	 \$ <u>124,958</u>	 \$ <u>130,415</u>

See accompanying notes to the financial statements.

FIRST-ST. ANDREW'S UNITED CHURCH
STATEMENT OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH 2016 COMPARATIVES
"UNAUDITED"

	<u>2017</u>	<u>2016</u>
<u>REVENUE</u>		
Envelope Givings	\$ 409,586	\$ 433,140
Rental Income - Farquhar House	31,410	30,810
- Other	57,783	56,271
Designated Income	27,176	39,283
Miscellaneous Donations & Income	20,621	30,219
Special Projects	23,258	22,480
Gift Cards	<u>83,371</u>	<u>112,060</u>
	<u>653,205</u>	<u>724,263</u>
 <u>EXPENDITURES</u>		
Staffing - Ministry & Personnel	381,379	381,136
Program Services		
- Christian Development	2,137	553
- Jean Brown CD Sub-committee	5,640	11,984
- Marketing & Communications	3,105	3,824
- Membership & Nurture	638	1,939
- Music	18,301	18,404
- Special Projects	16,195	11,894
- Worship	2,948	6,091
- Gift Cards	80,714	106,112
Outreach		
- M & S Fund Commitment	41,175	49,789
- Mission, Outreach & the Environment	423	317
- Stewardship & Capital Campaign	495	937
- Designated Expense	27,282	38,858
Operations		
- Office & Administration	63,644	60,568
- Presbytery Fees	9,972	9,080
- Property Repairs, Maintenance & Security	87,574	82,738
- Property Insurance	20,638	20,007
- Farquhar House	32,588	11,344
- Utilities & Taxes	<u>34,309</u>	<u>30,117</u>
	<u>829,157</u>	<u>845,692</u>
 <u>SURPLUS (DEFICIT) FROM OPERATIONS</u>	 (175,952)	 (121,429)
 <u>FUND BALANCE</u> - Beginning of the Year	 41,831	 38,542
 <u>TRANSFERS FROM TRUST FUNDS</u> (Note 4)	 <u>182,426</u>	 <u>124,718</u>
 <u>FUND BALANCE</u> - End of the Year	 \$ <u>48,305</u>	 \$ <u>41,831</u>

See accompanying notes to the financial statements.

FIRST-ST. ANDREW'S UNITED CHURCH
STATEMENTS OF OPERATIONS AND CHANGES IN RESTRICTED FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH 2016 COMPARATIVES
"UNAUDITED"

	<u>2017</u>	<u>2016</u>
<u>RESTRICTED FUNDS – MUSIC (Note 2)</u>		
Bray Fund		
Balance - Beginning of the Year	\$ 1,264	\$ 1,730
Expenditures - Music & Other	<u>-0-</u>	<u>(466)</u>
Balance - End of the Year	\$ <u>1,264</u>	\$ <u>1,264</u>
Eberhard Memorial Music Scholarship Fund - Principal		
Balance - Beginning of the Year	\$ 4,460	\$ 4,610
Revenue - Donations	4,660	4,460
Transfer to Trust Funds (Note 4)	<u>(4,460)</u>	<u>(4,610)</u>
Balance - End of the Year	\$ <u>4,660</u>	\$ <u>4,460</u>
Eberhard Memorial Music Scholarship Fund - Interest		
Balance - Beginning of the Year	\$ 671	\$ 752
Expenditures - Music Apprentice	(326)	(1,081)
Transfer from Trust Funds (Note 4)	<u>326</u>	<u>1,000</u>
Balance - End of the Year	\$ <u>671</u>	\$ <u>671</u>
C. Wilson Trust Fund - Interest		
Balance - Beginning of the Year	\$ <u>203</u>	\$ <u>203</u>
Balance - End of the Year	\$ <u>203</u>	\$ <u>203</u>
C. Wilson Trust Fund - Principal		
Balance - Beginning of the Year	\$ -0-	\$ 1,000
Transfer to Trust Funds	<u>-0-</u>	<u>(1,000)</u>
Balance - End of the Year	\$ <u>-0-</u>	\$ <u>-0-</u>

See accompanying notes to the financial statements.

FIRST-ST. ANDREW'S UNITED CHURCH
STATEMENTS OF OPERATIONS AND CHANGES IN RESTRICTED FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH 2016 COMPARATIVES
"UNAUDITED"

	<u>2017</u>	<u>2016</u>
<u>MUSIC - CONTINUED</u>		
Friends of Music Fund		
Balance - Beginning of the Year	\$ 15,636	\$ 9,557
Revenue - Concert Series Sales	20,048	18,516
- Donations	8,918	3,485
- Interest	-0-	111
Expenditures - Concert Series	<u>(25,096)</u>	<u>(16,033)</u>
Balance - End of the Year	\$ <u>19,506</u>	\$ <u>15,636</u>
Wm. & I. McKane Bursary Fund		
Balance - Beginning of the Year	\$ 556	\$ 1,132
Revenue - Donations	2,339	300
Expenditures - Music	<u>-0-</u>	<u>(876)</u>
Balance - End of the Year	\$ <u>2,895</u>	\$ <u>556</u>
Jean Comfort Choir Fund		
Balance - Beginning of the Year	\$ 575	\$ -0-
Revenue - Donations	<u>-0-</u>	<u>575</u>
Balance - End of the Year	\$ <u>575</u>	\$ <u>575</u>
 <u>TOTAL - MUSIC FUNDS</u>	 \$ <u>29,774</u>	 \$ <u>23,365</u>

See accompanying notes to the financial statements.

FIRST-ST. ANDREW'S UNITED CHURCH
STATEMENTS OF OPERATIONS AND CHANGES IN RESTRICTED FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH 2016 COMPARATIVES
"UNAUDITED"

	<u>2017</u>	<u>2016</u>
<u>RESTRICTED FUNDS – OTHER (Note 2)</u>		
Discretionary Fund		
Balance - Beginning of the Year	\$ <u>508</u>	\$ <u>508</u>
Balance - End of the Year	\$ <u>508</u>	\$ <u>508</u>
Benevolent Fund		
Balance - Beginning of the Year	\$ 800	\$ 400
Revenue - Donations	1,656	400
Expenditures	<u>(1,498)</u>	<u>-0-</u>
Balance - End of the Year	\$ <u>958</u>	\$ <u>800</u>
Clark Fund - Interest		
Balance (Deficit) - Beginning of the Year	\$ (1,273)	\$ 1,540
Revenue - Donations	-0-	75
Expenditures	(1,238)	(3,888)
Transfer from Trust Funds (Note 4)	<u>4,277</u>	<u>1,000</u>
Balance (Deficit) - End of the Year	\$ <u>1,766</u>	\$ <u>(1,273)</u>
Bridges Out Of Poverty Fund		
Balance - Beginning of the Year	\$ 6,773	\$ 8,594
Revenue - Donations	550	320
Expenditures - Meals	<u>(1,690)</u>	<u>(2,141)</u>
Balance - End of the Year	\$ <u>5,633</u>	\$ <u>6,773</u>
Capital Building Fund		
Balance - Beginning of the Year	\$ -0-	\$ 13,436
Revenue - Donations	925	1,000
Expenditures	<u>-0-</u>	<u>(14,436)</u>
Balance - End of the Year	\$ <u>925</u>	\$ <u>-0-</u>
Capital Reserve Fund		
Balance - Beginning of the Year	\$ 5,286	\$ 7,367
Expenditures	(3,443)	(10,878)
Transfer from Trust Funds	<u>-0-</u>	<u>8,797</u>
Balance - End of the Year	\$ <u>1,843</u>	\$ <u>5,286</u>
 <u>TOTAL - OTHER RESTRICTED FUNDS</u>	 \$ <u>11,633</u>	 \$ <u>12,094</u>

See accompanying notes to the financial statements.

FIRST-ST. ANDREW'S UNITED CHURCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH 2016 COMPARATIVES
"UNAUDITED"

	<u>2017</u>	<u>2016</u>
<u>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>		
<u>REVENUES</u>		
Operating Fund	\$ 653,205	\$ 724,263
Music Funds	35,965	27,447
Other Restricted Funds	<u>3,131</u>	<u>1,795</u>
	<u>692,301</u>	<u>753,505</u>
 <u>EXPENDITURES</u>		
Operating Fund	829,157	845,692
Music Funds	25,422	18,456
Other Restricted Funds	<u>7,869</u>	<u>31,343</u>
	<u>862,448</u>	<u>895,491</u>
 Net Deficit from Operating Activities	(170,147)	(141,986)
 Transfers to Trust Funds (Note 4)	(4,460)	(5,610)
 Transfers from Trust Funds (Note 4)	187,029	135,515
 Decrease (Increase) in Amount Due from Trust Funds	32,503	(26,898)
 Decrease in Amounts Receivable	5,668	16,927
 (Increase) Decrease in Prepaid Expenses	(587)	2,180
 Increase in Inventory	(8,308)	(2,975)
 (Decrease) Increase in Current Liabilities	<u>(17,879)</u>	<u>11,962</u>
 INCREASE (DECREASE) IN CASH	23,819	(10,885)
 CASH – Beginning of the Year	<u>53,449</u>	<u>64,334</u>
 CASH – End of the Year	\$ <u>77,268</u>	\$ <u>53,449</u>
 <u>COMPRISED OF</u>		
Current Assets - Cash	\$ 37,425	\$ 13,745
- Guaranteed Investment Certificates	-0-	25,026
Restricted Assets - Cash	<u>39,843</u>	<u>14,678</u>
	\$ <u>77,268</u>	\$ <u>53,449</u>

See accompanying notes to the financial statements.

FIRST-ST. ANDREW'S UNITED CHURCH
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017
"UNAUDITED"

1. **FINANCIAL STATEMENTS**

These financial statements report the activities related to the operations and administration of the Church. They do not report the assets or activities of the Board of Trustees or the UCW.

2. **BASIS OF PRESENTATION**

The financial statements have been prepared using Canadian standards for not-for-profit organizations.

The financial statements are presented on a fund basis. The income, expenses and activities of the funds are reported directly within each fund. The funds are restricted to their intended use as described below:

Operating Fund

To be used to operate the general activities and administration of the Church.

Restricted Funds

Music Funds – Administered by the Director of Music

Bray Fund

To provide support for undesignated music programs.

Eberhard Memorial Music Scholarship Funds

To provide support for vocal music scholarships. The Principal Fund must be retained while the Interest Fund may be spent.

C. Wilson Trust Funds

To provide support to organ apprentice music programs.

Friends of Music Fund

To provide support for special music concerts and events.

Wm. & I. McKane Bursary Fund

To provide financial assistance in the form of bursaries to musicians.

Jean Comfort Choir Fund

To provide support for the purchase of sheet music.

FIRST-ST. ANDREW'S UNITED CHURCH
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017
"UNAUDITED"

2. BASIS OF PRESENTATION (continued)

Other Restricted Funds

Discretionary Fund

To provide funding for non budgeted expenditures as directed by the honourees.

Benevolent Fund

To provide support for discretionary benevolent purposes. Administered by Ministerial staff.

Clark Fund – Interest

To provide support for continuing education. The principal of the Fund is maintained by the Trustees and interest is transferred to the Church to provide income for the Fund. Administered by the Ministry & Personnel Committee.

Bridges Out Of Poverty Fund

To support the weekly hospitality meal program under the direction of the Mission, Outreach & Environment Committee.

Capital Building Fund

To be used for infrastructure renewal as outlined in the Avis Report under the direction of Council.

Capital Reserve Fund

To be used for capital expenditures under the direction of Council.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Revenue is recorded in the period to which it relates on an accrual basis.

Capital Assets

Capital assets consisting of land, buildings, furniture and equipment have been recorded at a nominal value of \$1. Current purchases of capital assets including renovations are expensed in the year of acquisition through the Capital Building and Capital Reserve Funds.

Contributed Services

The Church is dependent upon the many hours of volunteer work contributed by its members, the fair value of which cannot be estimated. Contributed services are not recognized in these financial statements.

Use of Estimates

The preparation of the financial statements that are in accordance with Canadian generally accepted accounting principles requires Council to make estimates and assumptions that are based on currently available information. Such estimates and assumptions may affect the reported amounts of assets, liabilities and fund balances as at the reporting date, and the reported amounts of revenue and expenditures during the fiscal period. Actual results could differ from the estimates and the assumptions used.

FIRST-ST. ANDREW'S UNITED CHURCH
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017
"UNAUDITED"

4. RELATED PARTY TRANSACTIONS

Due from Trust Funds represents amounts receivable from the Board of Trustees of First-St. Andrew's United Church.

Due to Trust Funds represents the amount due to the Board of Trustees of First-St. Andrew's United Church.

Transfers from Trust Funds represent amounts received or receivable from the Board of Trustees of First-St. Andrew's United Church.

	<u>2017</u>	<u>2016</u>	
To the Operating Fund	\$ 151,626	\$ 102,734	from the Proudfoot Legacy Fund
	<u>30,800</u>	<u>21,984</u>	from the Wm. & J. Brown Fund
	\$ <u>182,426</u>	\$ <u>124,718</u>	
To the Capital Reserve Fund	\$ <u>-0-</u>	\$ <u>8,797</u>	from the Proudfoot Legacy Fund
To the Eberhard Memorial Scholarship Fund – Interest	\$ <u>326</u>	\$ <u>1,000</u>	from the Eberhard Memorial Music Scholarship Fund
To the Clark Fund – Interest	\$ <u>4,277</u>	\$ <u>1,000</u>	from the Clark Fund

Transfers to Trust Funds represents the amounts paid or payable to the Board of Trustees of First-St. Andrew's United Church for management under the control of the Board of Trustees.

From the Eberhard Memorial Music Scholarship Fund – Principal	\$ <u>4,460</u>	\$ <u>4,610</u>	to the Eberhard Memorial Music Scholarship Fund
From the C. Wilson Trust Fund – Principal	\$ <u>-0-</u>	\$ <u>1,000</u>	to the C. Wilson Fund