

ALL SAINTS ANGLICAN CHURCH
Financial Statements
Year Ended December 31, 2020
(Unaudited)

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of All Saints Anglican Church

We have reviewed the accompanying financial statements of All Saints Anglican Church (the Church) that comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net assets and cash flow 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.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Church derives revenue from offerings the completeness of which is not susceptible to satisfactory verification. Accordingly, our verification of these revenues were limited to the amounts recorded in the records of the Church and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses and net assets.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, 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 All Saints 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 (ASNPO).

Cochrane, Alberta
March 4, 2021


HBM PROFESSIONAL CORPORATION
Chartered Professional Accountants

ALL SAINTS ANGLICAN CHURCH
Statement of Financial Position
December 31, 2020
(Unaudited)

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 74,601	\$ 52,805
Term deposits	88,760	96,486
Marketable securities held in trust	28,158	25,092
Accounts receivable	13,406	4,398
	204,925	178,781
CAPITAL ASSETS (Note 3)	173,189	82,537
	\$ 378,114	\$ 261,318
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 26,057	\$ 13,263
Short term debt (Note 5)	45,000	-
Designated funds (Schedule 1)	83,697	91,762
	154,754	105,025
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS <i>(Note 6)</i>	50,566	40,004
	205,320	145,029
NET ASSETS		
Unrestricted	50,171	73,756
Invested in capital assets	122,623	42,533
	172,794	116,289
	\$ 378,114	\$ 261,318

ON BEHALF OF THE MEMBERS

_____ *Incumbent*

_____ *Warden*

See notes to financial statements

ALL SAINTS ANGLICAN CHURCH

Statement of Operations

Year Ended December 31, 2020

(Unaudited)

	2020	2019
REVENUES		
Offerings	\$ 250,718	\$ 246,564
Columbarium	39,289	-
Investment	4,552	1,574
Rent	2,300	400
Fundraising	1,961	8,568
	298,820	257,106
EXPENSES		
Ministry	108,143	115,919
Office and general	39,219	39,592
Church buildings	34,861	33,784
Outreach and community	31,969	22,689
Operating	5,822	4,028
Diocesan commitments	5,784	14,064
Professional fees	4,500	4,350
Worship	2,792	5,083
Congregation	2,052	2,700
	235,142	242,209
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	63,678	14,897
OTHER REVENUES (EXPENSES)		
Amortization of deferred contributions	2,640	879
Amortization	(9,813)	(7,518)
	(7,173)	(6,639)
EXCESS OF REVENUES OVER EXPENSES	\$ 56,505	\$ 8,258

ALL SAINTS ANGLICAN CHURCH
Statement of Changes in Net Assets
Year Ended December 31, 2020
(Unaudited)

	Unrestricted	Invested in Capital Assets	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 73,756	\$ 42,533	\$ 116,289	\$ 108,031
Excess of revenues over expenses	56,505	-	56,505	8,258
Investment in capital assets - amortization expense	9,813	(9,813)	-	-
Investment in capital assets - amortization of deferred contributions	(2,640)	2,640	-	-
Investment in capital assets - purchases	(100,465)	100,465	-	-
Investment in capital assets - deferred contributions	13,202	(13,202)	-	-
NET ASSETS - END OF YEAR	\$ 50,171	\$ 122,623	\$ 172,794	\$ 116,289

ALL SAINTS ANGLICAN CHURCH
Statement of Cash Flow
Year Ended December 31, 2020
(Unaudited)

	2020	2019
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 56,505	\$ 8,258
Items not affecting cash:		
Amortization expense	9,813	7,518
Amortization of deferred contributions	(2,640)	(879)
	63,678	14,897
Changes in non-cash working capital:		
Accounts receivable	(9,008)	(2,504)
Accounts payable and accrued liabilities	12,794	6,070
Designated funds	(8,065)	(9,616)
	(4,279)	(6,050)
Cash flow from operating activities	59,399	8,847
INVESTING ACTIVITIES		
Purchase of capital assets	(100,465)	(34,465)
Increase in marketable securities	(3,066)	(19)
Cash flow used by investing activities	(103,531)	(34,484)
FINANCING ACTIVITIES		
Advances to related party	-	(2,928)
Deferred contributions related to capital assets	13,202	28,080
Proceeds from short term debt	45,000	-
Cash flow from financing activities	58,202	25,152
INCREASE (DECREASE) IN CASH	14,070	(485)
Cash - beginning of year	149,291	149,776
CASH - END OF YEAR	\$ 163,361	\$ 149,291
CASH CONSISTS OF:		
Cash	\$ 74,601	\$ 52,805
Term deposits	88,760	96,486
	\$ 163,361	\$ 149,291

ALL SAINTS ANGLICAN CHURCH

Notes to Financial Statements

Year Ended December 31, 2020

(Unaudited)

1. DESCRIPTION OF BUSINESS

All Saints Anglican Church (the "Church") is a registered charitable organization and is therefore not subject to income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Cash and cash equivalents

Cash and cash equivalents consists of cash on deposit, cheques issued and outstanding, cash held in a securities trading account and retail gift cards held for resale. Cash equivalents are highly liquid instruments readily convertible to known amounts of cash and are not subject to significant risk of change in value.

Term deposits

Term deposits consist of four guaranteed investment certificates with maturity dates of one year or less. Three of these investments are cashable and bear interest at an annual rate of 0.40%, 0.20% and 0.20% respectively and the fourth is non-redeemable and bears interest at an annual rate of 0.25%. These investments are denominated in Canadian dollars and are held with the Church's financial institution.

Marketable securities held in trust

These funds are recorded at fair market value and are held in trust for the Church by The Anglican Diocese of Calgary.

Revenue recognition

All Saints Anglican 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.

Columbarium niche sales are recognized as revenue at the time of purchase.

Donated shares

The Church accepts donations of equity shares and other marketable securities. The valuation of the donated security is determined at the market close on the day of receipt and the donor receives a tax receipt for this amount. Donated securities are liquidated as quickly as possible without causing undue disruption to the value of the security.

Investment revenue and costs

Investment revenue includes interest income and realized gains or losses on the sale of marketable securities which are recognized as revenue or an expense in the period in which they are realized.

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ALL SAINTS ANGLICAN CHURCH

Notes to Financial Statements

Year Ended December 31, 2020

(Unaudited)

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

Use of estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-For-Profit Organizations 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. Such estimates include providing for amortization of capital assets and allowance for doubtful accounts. Actual results could differ from these estimates.

Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided based on the estimated useful lives at the following rates and methods:

Leasehold improvements	15 years	straight-line method
Columbarium	40 years	straight-line method
Furniture and equipment	5 years	straight-line method

Contributed services

Volunteers contribute their labour each year to assist the Church in delivering its services. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments policy

The Church's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to the financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

For financial assets measured at amortized cost, the Church regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Church determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of revenue and expenses. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

3. **CAPITAL ASSETS**

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Leasehold improvements	\$ 154,804	\$ 84,172	\$ 70,632	\$ 66,152
Columbarium	99,760	312	99,448	12,498
Furniture and equipment	32,848	29,739	3,109	3,887
	\$ 287,412	\$ 114,223	\$ 173,189	\$ 82,537

ALL SAINTS ANGLICAN CHURCH

Notes to Financial Statements

Year Ended December 31, 2020

(Unaudited)

4. CREDIT FACILITY

The Church has a \$50,000 revolving line of credit available of which \$Nil (2019 - \$Nil) was used as at December 31, 2020. Advances on the line of credit are due on demand and bear interest at a rate of prime plus 2.55% per annum.

5. SHORT TERM DEBT

During the year, the Church received a \$45,000 bridge loan from the Diocese. The loan is non-interest bearing and is due in full June 30, 2021. See note 7.

6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent the unamortized amount of funds received for the purchase of capital assets. These deferred contributions are recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

7. RELATED PARTY TRANSACTIONS

Except as noted elsewhere in these financial statements, the Church was involved in the following related party transactions:

- a) The Calgary Diocese owns the building that the Church uses for its operations and does not charge the Church any rental fees for use of this space.
- b) During the year, the Church paid net apportionment fees of \$5,784 (2019 - \$14,064) to the Calgary Diocese. The total apportionment fee for 2020 was \$37,782 (2019 - \$41,064) less an annual support grant received from the Diocese of \$32,000 (2019 - \$27,000).
- c) During the year, the Diocese advanced a bridge loan to the Church in the amount of \$45,000. See note 5.

8. FINANCIAL INSTRUMENTS

The Church 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 Church's risk exposure and concentration as of December 31, 2020.

Liquidity risk

Liquidity risk is the risk that the Church will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Church not being able to liquidate assets in a timely manner at a reasonable price.

The Church meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and seeking out funding for specific projects.

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ALL SAINTS ANGLICAN CHURCH

Notes to Financial Statements

Year Ended December 31, 2020

(Unaudited)

8. FINANCIAL INSTRUMENTS *(continued)*

Credit risk

The Church is exposed to credit risk to the extent that its donors may experience financial difficulty and would be unable to meet their obligations. However, the Church has a large number of diverse donors, which minimizes concentration of credit risk.

The Church is also exposed to credit risk due to the fact that it maintains 100% of its cash and deposits with a single federally regulated Canadian financial institution. In the event of any unforeseen circumstances, the funds are insured to a maximum of \$100,000 through Canadian Deposit Insurance Corporation.

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. The Church is exposed to interest rate risk with its revolving line of credit which is subject to floating rates as the required cash flows to service the debt will fluctuate as a result of changes in market rates. The Church mitigates this risk through cash management to ensure that the line of credit is used only for emergencies.

The Church is exposed to interest rate risk given that its term deposit has a maturity date of one year. Accordingly, if interest rates decline, the Church may not be able to reinvest the maturing investment at a rate similar to that of the balance maturing.

9. OPERATING LEASE COMMITMENT

The Church entered into an operating lease agreement for the rental of a photocopier, the lease expires November 30, 2022. The estimated lease rental payment obligations are as follows:

2021	\$	1,633
2022		<u>1,498</u>
Total minimum lease payments	\$	<u>3,131</u>

SCHEDULE 1

ALL SAINTS ANGLICAN CHURCH

SCHEDULE OF DESIGNATED FUNDS

Year ended December 31, 2020

(Unaudited)

	Balance December 31, 2019	Revenues	Expenses	Transfers	Balance December 31, 2020
Brendan's Battle	\$ 8,094	\$ -	\$ (625)	-	\$ 7,469
Building Fund	1,756	-	(1,756)	-	-
Flower Fund Gifts	60	160	-	-	220
Gifts for the Altar Guild	-	240	(240)	-	-
Grocery Cards	-	3,931	(3,181)	-	750
Katie Kelly Memorial Fund	670	-	(670)	-	-
Memorial Gifts	71,015	-	(5,100)	-	65,915
Memorial Gifts -Greenfield	1,200	9,713	-	(13,202)	(2,289)
Morley Reconciliation Ministry	-	1,672	(1,250)	-	422
Music Group	20	-	-	-	20
Prayer Shawl Ministry	477	170	(245)	-	402
PWRDF Offerings	-	3,400	(2,940)	-	460
Rectors Discretionary Fund	4,635	6,565	(3,948)	-	7,252
Retreat Centre Admin Position	-	4,294	(3,944)	-	350
Retreat Centre Program	-	2,492	(2,100)	-	392
Small Group Ministry Gifts	634	595	(595)	-	634
Sound & Video System	221	-	-	-	221
Tsui Tina Outreach	1,041	-	-	-	1,041
Youth Ministry Gifts	387	-	-	-	387
Youth Ministry	1,552	-	(1,501)	-	51
	<u>\$ 91,762</u>	<u>\$ 33,232</u>	<u>\$ (28,095)</u>	<u>\$ (13,202)</u>	<u>\$ 83,697</u>