

WINDSOR PARK UNITED CHURCH

Financial Statements

Year Ended December 31, 2018

(Unaudited)

WINDSOR PARK UNITED CHURCH
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Year Ended December 31, 2018
(Unaudited)

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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members of Windsor Park United Church

We have reviewed the accompanying financial statements of Windsor Park United Church which comprise the statement of financial position as at December 31, 2018 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, 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 for the Financial Statements

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

The Church has recorded historical capital assets and had previously recorded amortization on these assets. However, the Church has since ceased amortizing these assets. We were not able to obtain satisfactory evidence to support the value of assets recorded in the statement of financial position and therefore were unable to determine whether any further amortization or other impairment in value should be recorded.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Windsor Park United Church as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements for the year ended December 31, 2017, which were neither audited nor reviewed, are presented as corresponding information only.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
February 28, 2019

1-554 St. Mary's Road, Winnipeg, MB R2M 3L5
Telephone: (204) 943-4584 Fax: (204) 957-5195
E-mail: info@exg.ca Website: www.exg.ca

WINDSOR PARK UNITED CHURCH
Statement of Financial Position
December 31, 2018
(Unaudited)

	Unrestricted Fund	Investment in Capital Assets	Capital Fund	Vision Fund	Internally Restricted
ASSETS					
CURRENT					
Cash	84,154	-	-	-	-
Term deposits	61,427	-	-	-	-
Goods and services tax recoverable	588	-	-	-	-
	146,169	-	-	-	-
CAPITAL ASSETS (Notes 2, 4)					
	-	551,308	-	-	-
DUE FROM UNRESTRICTED FUND			41,987	66,497	55,400
	<u>\$ 146,169</u>	<u>\$ 551,308</u>	<u>\$ 41,987</u>	<u>\$ 66,497</u>	<u>\$ 55,400</u>
LIABILITIES					
CURRENT					
Wages payable	4,872	-	-	-	-
DEFERRED INCOME (Notes 2, 5)					
DUE TO RESTRICTED FUNDS					
	55,357	-	-	-	-
	163,884	-	-	-	-
	224,113	-	-	-	-
	(77,944)	551,308	41,987	66,497	55,400
NET ASSETS (DEBT)	<u>\$ 146,169</u>	<u>\$ 551,308</u>	<u>\$ 41,987</u>	<u>\$ 66,497</u>	<u>\$ 55,400</u>

ON BEHALF OF THE BOARD

_____ *Treasurer*

_____ *Chair of Trustees*

See notes to financial statements

WINDSOR PARK UNITED CHURCH
Statement of Revenues and Expenditures
Year Ended December 31, 2018
(Unaudited)

	2018	2017
REVENUES		
Donations	\$ 173,596	\$ 196,162
Program revenue <i>(Note 5)</i>	39,515	47,310
Interest income	2,407	645
Special donation	-	55,400
	215,518	299,517
EXPENSES		
Christian development council	490	509
Congregational involvement	102	(279)
Finance council	25,715	24,151
Membership and pastoral care	408	303
Ministry and personnel	127,287	124,027
Outreach council	1,089	1,494
Program expenses <i>(Note 5)</i>	39,515	47,310
Property council	23,513	25,183
Worship council	2,322	2,259
	220,441	224,957
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (4,923)	\$ 74,560

See notes to financial statements

WINDSOR PARK UNITED CHURCH
Statement of Changes in Net Assets
Year Ended December 31, 2018
(Unaudited)

	Unrestricted Fund	Investment in Capital Assets	Capital Fund	Vision Fund	Internally Restricted
NET ASSETS (DEBT) - BEGINNING OF YEAR	\$ (73,021)	\$ 551,308	\$ 41,987	\$ 66,497	\$ 55,400
Excess (deficiency) of revenues over expenses	(4,923)	-	-	-	-
NET ASSETS (DEBT) - END OF YEAR	<u>\$ (77,944)</u>	<u>\$ 551,308</u>	<u>\$ 41,987</u>	<u>\$ 66,497</u>	<u>\$ 55,400</u>

See notes to financial statements

WINDSOR PARK UNITED CHURCH
Statement of Cash Flows
Year Ended December 31, 2018
(Unaudited)

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (4,923)	\$ 74,560
Item not affecting cash:		
Non-monetary investment donation	(1,427)	-
	<u>(6,350)</u>	<u>74,560</u>
Changes in non-cash working capital:		
Goods and services tax payable	(228)	16
Deferred income	7,742	3,358
Wages payable	3,367	1,505
	<u>10,881</u>	<u>4,879</u>
Cash flow from operating activities	<u>4,531</u>	<u>79,439</u>
INVESTING ACTIVITIES		
Purchase of term deposit	(60,000)	(67,000)
Redemption of term deposit	67,000	-
Cash flow from (used by) investing activities	<u>7,000</u>	<u>(67,000)</u>
INCREASE IN CASH	11,531	12,439
CASH - BEGINNING OF YEAR	<u>72,623</u>	<u>60,184</u>
CASH - END OF YEAR	\$ 84,154	\$ 72,623

See notes to financial statements

WINDSOR PARK UNITED CHURCH

Notes to Financial Statements

Year Ended December 31, 2018

(Unaudited)

1. DESCRIPTION OF OPERATIONS

The Church is a registered charity under the Income Tax Act of Canada. As a registered charity, the Church is exempt from income tax under Section 149(1).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other 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.

Fund accounting

Windsor Park United Church follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Unrestricted Fund.

The Invested in Capital Asset Fund reports the assets, liabilities, revenues, and expenses related to Windsor Park United Church's capital assets.

The Capital Fund was established from the sale of the manse and is under the board's control for how funds will be spent.

The Vision Fund was established from the Marjorie Condon bequest and is under the board's control for how funds will be spent.

The Internally Restricted Fund was established upon the collection of a large one-time donation and is under the board's control for how funds will be spent.

Revenue recognition

The Church recognizes revenues from donations as received, in accordance with the specific method of accounting for the fund the donation was designated. Undesignated contributions are treated as revenue in the unrestricted fund.

Grant revenue is recognized using the deferred contribution method of accounting.

WINDSOR PARK UNITED CHURCH

Notes to Financial Statements

Year Ended December 31, 2018

(Unaudited)

3. 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, 2018.

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 Church manages exposure through its normal operating and financing activities. The Church is exposed to interest rate risk primarily through its floating interest rate bank indebtedness.

4. CAPITAL ASSETS

	2018		2017	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 11,284	\$ -	\$ 11,284	\$ -
Buildings	540,306	85,131	540,306	85,131
Furniture and equipment	84,849	-	84,849	-
	<u>\$ 636,439</u>	<u>\$ 85,131</u>	<u>\$ 636,439</u>	<u>\$ 85,131</u>
Net book value	<u>\$ 551,308</u>		<u>\$ 551,308</u>	

WINDSOR PARK UNITED CHURCH

Notes to Financial Statements

Year Ended December 31, 2018

(Unaudited)

5. DEFERRED REVENUE

The Church has received funds, that have been restricted for specific purposes. These funds are deferred and recognized when expenses are incurred. The amount of the original restricted donations, and the receipts and disbursements to date are as follows:

	<u>Opening balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending balance</u>
M & S Fund	\$ -	\$ 19,970	\$ 19,970	\$ -
Choir donations	843	60	-	903
Youth group donations	463	-	-	463
Outreach donations	2,028	-	700	1,328
Memorial windows	-	10,736	10,387	349
Miscellaneous projects	-	1,029	810	219
Memorial garden	11,362	1,545	86	12,821
Garden fence	6,181	-	-	6,181
Sunday school	881	276	-	1,157
Building upgrade	12,574	9,228	4,981	16,821
D. Robinson memorial library	213	450	541	122
Memorial fund	6,923	650	-	7,573
Welfare fund	5,068	352	300	5,120
Donations in kind	-	1,295	1,295	-
Piano fund	1,079	1,666	445	2,300
	<u>\$ 47,615</u>	<u>\$ 47,257</u>	<u>\$ 39,515</u>	<u>\$ 55,357</u>

6. BANK INDEBTEDNESS

The Church has access to a line of credit up to a maximum of \$5,000, which bears interest at 4.6%. As at December 2018, the full amount remained available for use.
