

COCHRANE STREET UNITED CHURCH
Financial Statements
Year Ended December 31, 2018

Draft for discussion purposes only

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COCHRANE STREET UNITED CHURCH
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Year Ended December 31, 2018

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Cochrane Street United Church

We have reviewed the accompanying financial statements of Cochrane Street 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.

Conclusion

Based on our review, 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 Cochrane Street 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 Canadian accounting standards for not-for-profit organizations.

Mount Pearl, NL
March 15, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS

COCHRANE STREET UNITED CHURCH
Statement of Revenues and Expenditures
Year Ended December 31, 2018

	2018	2017
REVENUES		
Regular offerings	\$ 113,894	\$ 123,290
Special purpose collections	26,243	18,447
Fundraising	9,477	-
Other revenue	-	7,118
	149,614	148,855
EXPENSES		
Assessment	7,266	6,714
Contribution to Cochrane Centre	5,975	-
Contribution to General Protestant Cemetery	125	-
Employee related expenses	79,468	86,093
General operating expenditures	32,389	26,143
Insurance	441	204
Interest and bank charges	2,961	1,469
Office expenses	12,269	7,756
Professional fees	6,950	10,880
Training	1,341	1,138
Travel	90	1,113
	149,275	141,510
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ 339	\$ 7,345

See notes to financial statements

COCHRANE STREET UNITED CHURCH
Statement of Changes in Net Assets
Year Ended December 31, 2018

	General Fund	Restricted Fund	Peter's Organ Fund	2018	2017
NET ASSETS - BEGINNING OF YEAR					
As previously reported	\$ (12,907)	\$ 11,063	\$ 51,253	\$ 49,409	\$ (986)
Correction of an error	-	-	-	-	(5,815)
As restated	(12,907)	11,063	51,253	49,409	(6,801)
EXCESS OF REVENUES OVER EXPENSES	339	-	-	339	7,345
Restricted funds contributions	-	-	-	-	50,231
Investment income	-	-	-	-	1,499
Decrease in Market Value of Investments	-	-	(2,691)	(2,691)	-
Restricted funds expenditures	-	-	-	-	(2,865)
NET ASSETS - END OF YEAR					
	\$ (12,568)	\$ 11,063	\$ 48,562	\$ 47,057	\$ 49,409

See notes to financial statements

COCHRANE STREET UNITED CHURCH
Statement of Financial Position
December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 23,478	\$ 29,479
Marketable securities <i>(at cost)</i>	48,562	51,253
Harmonized sales tax recoverable	1,241	356
	\$ 73,281	\$ 81,088
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 3,624	\$ 4,489
Deferred revenue	5,000	-
Short term debt <i>(Note 3)</i>	17,600	20,000
Employee deductions payable	-	536
Due to Mission and Service	-	5,099
Due to Bridges to Hope	-	480
Due to Cochrane Centre	-	1,075
	26,224	31,679
NET ASSETS		
General fund	(12,568)	(12,907)
Restricted fund	11,063	11,063
Peter's organ fund	48,562	51,253
	47,057	49,409
	\$ 73,281	\$ 81,088

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

COCHRANE STREET UNITED CHURCH**Statement of Cash Flows****Year Ended December 31, 2018**

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 339	\$ 7,345
Items not affecting cash:		
Restricted Fund Contributions	-	50,231
Restricted Fund Expenditure	-	(2,865)
	339	54,711
Changes in non-cash working capital:		
Accounts payable	(865)	(9,944)
Harmonized sales tax payable	(885)	1,108
Employee deductions payable	(536)	536
Deferred revenue	5,000	-
Due to Mission and Service	(5,099)	2,780
Due to Bridges to Hope	(480)	230
Due to Cochrane Centre	(1,075)	1,075
	(3,940)	(4,215)
Cash flow from (used by) operating activities	(3,601)	50,496
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	-	246
Purchase of marketable securities	-	(50,000)
Cash flow used by investing activities	-	(49,754)
FINANCING ACTIVITY		
Short term debt	(2,400)	-
INCREASE (DECREASE) IN CASH FLOW	(6,001)	742
Cash - beginning of year	29,479	28,737
CASH - END OF YEAR	\$ 23,478	\$ 29,479

See notes to financial statements

COCHRANE STREET UNITED CHURCH

Notes to Financial Statements

Year Ended December 31, 2018

1. PURPOSE OF THE CHURCH

Cochrane Street United Church (the "church") is a not-for-profit organization incorporated provincially under the Corporations Act of Newfoundland and Labrador. As a registered charity the church is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The church is a congregation of the United Church of Canada and performs sacraments and pastoral care locally.

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 is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques and outstanding at the reporting date.

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the church's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of property, plant and equipment;
- the estimated useful lives of assets;
- the allowance for doubtful accounts;
- the recoverability of long-term investments;

Fund accounting

Cochrane Street United Church follows the restricted fund method of accounting for contributions except for funds in the general fund where the deferral method is used.

The General Fund accounts for the church's program delivery and administrative activities. This fund reports unrestricted resources as they are received or become receivable and restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

The Restoration Fund reports only contributions and the related expenditures for the physical restoration of the building.

The Organ Fund reports only contributions and the related expenditures for the repair of the organ.

Both the restoration and organ funds are externally restricted.

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COCHRANE STREET UNITED CHURCH

Notes to Financial Statements

Year Ended December 31, 2018

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

Other investments

Marketable securities have quoted prices in an active market and are carried at fair value. Unrealized gains or losses are reported as part of net income.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

3. SHORT TERM DEBT

	2018	2017
United Church of Canada unsecured, non interest bearing line of credit	\$ 17,600	\$ 20,000
	\$ 17,600	\$ 20,000

4. 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.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The church is exposed to this risk mainly in respect of its receipt of funds from its donors and other related sources.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The church is mainly exposed to other price risk.

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COCHRANE STREET UNITED CHURCH
Notes to Financial Statements
Year Ended December 31, 2018

4. FINANCIAL INSTRUMENTS (continued)

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The church is exposed to other price risk through its investment in quoted shares.

5. Contributions to Partners

During 2018 the following contributions were made to the partners mentioned below:

Partners	Donations	Operating Fund	Total Givings
Cemetery Fund	875	125	1,000
M & S	6,497	-	6,497
Cochrane Centre	38,025	5,975	44,000
Bridges to Hope	176	-	176
St. John's Native Friendship Cent	170	-	170
East District Chaplaincy	100	-	100
Total	\$ 45,843	\$ 6,100	\$ 51,943

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