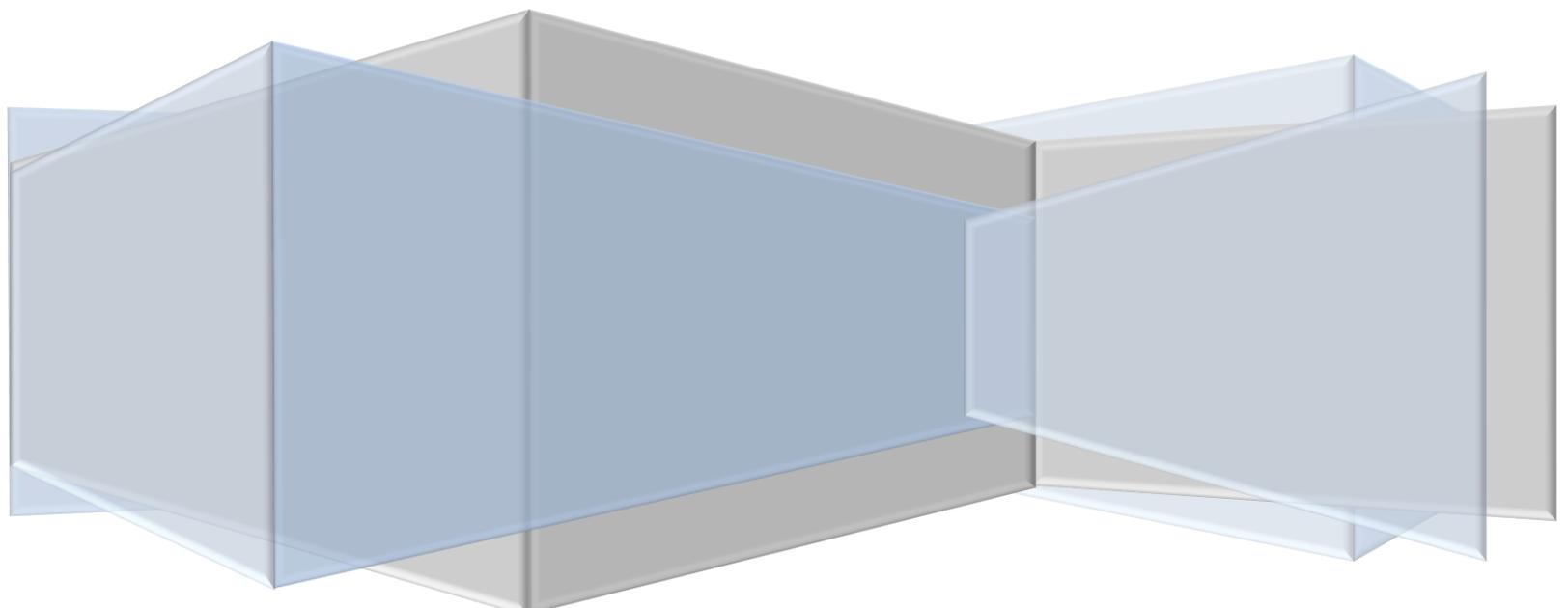


**St. John's Church, East Orangeville**  
**Annual Financial Statements**  
**For the Year Ended December 31, 2021**

Sharon Deaves C.G.A., C.P.A.



St John's Church, East Orangeville  
Year Ending December 31, 2021

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**St. John's Church, East Orangeville**

**Annual Financial Statements  
Contents of Report  
For the Year Ended December 31, 2021**

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-  **Notes to the Financial Statements**

St John's Church, East Orangeville  
Year Ending December 31, 2021

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St John's Church, East Orangeville  
Balance Sheet  
As at December 31, 2021

	2021	2020
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 51,548	\$ 48,524
Investments (note 7)	49,333	46,851
Accounts Receivable	6,284	3,967
	<u>\$ 107,165</u>	<u>\$ 99,342</u>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payables & liabilities	\$ 4,271	\$ 4,116
	<u>\$ 4,271</u>	<u>\$ 4,116</u>
<b>FUND BALANCES</b>		
Unrestricted	\$ 102,894	\$ 95,226
	<u>\$ 102,894</u>	<u>\$ 95,226</u>
<b>TOTAL FUNDS &amp; LIABILITIES</b>	<u>\$ 107,165</u>	<u>\$ 99,342</u>

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On behalf of the Church

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See Accompanying Notes to the Financial Statements

St John's Church, East Orangeville  
Year Ending December 31, 2021

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St. John's Church, East Orangeville  
Statement of Net Assets  
For the Years Ended December 31, 2021

	2021	2020
<b>Net assets, beginning of the year</b>	\$ 95,226	\$ 92,182
Excess (deficiency) of revenues over expenses	7,668	\$ 3,044
Prior year adjustment		
<b>Net assets, end of the year</b>	<u>\$ 102,894</u>	<u>\$ 95,226</u>

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# St John's Church, East Orangeville

## Year Ending December 31, 2021

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**St John's Church, East Orangeville**  
**Statement of Income and Deficiency**  
**For the Year Ended December 31, 2021**

		2021		2020
<b><u>REVENUE</u></b>				
Catering / Special Events / Outreach (note 9)	\$	11,851	\$	640
Grants (note 3)		8,750		9,435
Investment Income		16,007		12,459
Offerings		79,382		79,300
Rental		27,616		29,300
Other revenue		18,022		13,131
<b>TOTAL REVENUE</b>		<b>161,628</b>		<b>144,265</b>
<b><u>EXPENSES</u></b>				
Priest Stipend	\$	45,197	\$	41,737
Director of music		18,300		18,471
Administrator		12,158		14,802
Staff Benefits		3,478		2,262
Communications		1,754		1,883
Advertising and Promotion		399		591
Office Supplies		1,814		1,335
Bank Fees and Interest		729		1,010
Professional Fees		2,488		2,641
Flowers / Worship		1,312		847
Rectory Costs (note 5)		8,661		9,596
Church Costs (note 6)		31,813		34,184
Other Expenses		4,131		836
Outreach (note 9)		11,544		2,020
Diocesan Assessment		10,182		9,006
Synod Expenses				
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>153,960</b>	<b>\$</b>	<b>141,221</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$</b>	<b>7,668</b>	<b>\$</b>	<b>3,044</b>

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**See Accompanying Notes to the Financial Statements**

# St John's Church, East Orangeville

## Year Ending December 31, 2021

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St. John's Church, East Orangeville  
Statement of Cash Flow  
For the Year Ended December 31, 2021

	<b>2021</b>	<b>2020</b>
<b>SOURCES OF CASH</b>		
<b>Operations</b>		
Excess (deficiency) of revenues over expenses	7,668	3,044
Change in net assets and other	- 4,644	- 4,625
	3,024	1,581
<b>INCREASE (DECREASE) IN CASH</b>	<b>3,024</b>	<b>1,581</b>
<b>Cash - January 1</b>	<b>48,524</b>	<b>50,115</b>
<b>Cash - December 31</b>	<b>51,548</b>	<b>48,524</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>3,024</b>	<b>1,591</b>

# St John's Church, East Orangeville

## Year Ending December 31, 2021

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Effective January 1, 2011, St. John's Church, East Orangeville, ("the church") adopted the requirement of the Canadian Institute of Chartered Accountants (CICA) Handbook – Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit organizations. (NFPO)

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### **NOTE 1**

#### **Purpose**

The Church operates within the Incorporated Synod of the Diocese of Toronto ("the Diocese"). The Church was incorporated by "An Act to Incorporate the Synod of the Diocese of Toronto". The Church provides to the spiritual and administrative needs of the congregation, such as Christian worship, pastoral counseling, baptisms, marriages, funerals, and outreach in the local community.

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### **Note 2**

#### **Summary of significant accounting policies**

##### **Fund Accounting**

The Church has adopted the accounting policies for non-for-profit organization and is in accordance with generally accepted accounting principles (GAAP). The Church is also following the restricted fund method of accounting for designated contributions.

The daily operational and administrative expenses of the Church are paid for with the Unrestricted Fund. The Unrestricted Fund reports all unrestrictive offerings and all unrestrictive expenses. The Restricted Fund is used to report all revenues and expenditures that have been restricted for a particular purpose either externally by the contributor or internally by the Churchwardens. On occasion, there may be a need to transfer funds, and this is done only when all restrictions on the funds are met.

##### **Revenue Recognition**

Offerings are recorded on a cash basis. Offerings that have been specified by the contributor as either a certain receipt or expense are recorded in the Restricted Fund and offerings that are received for general use are recorded in the Unrestricted Fund. All contributions to the church in the form of properties are recorded in the financial statements at the net amount realized on their liquidation.

Investment income is earned from interest on cash balances, interest from fixed income investments, reinvested distributions, realized gains and losses on sale of investment, and / or unrealized appreciation and depreciation in the fair value of equity investments.

Fundraising income is recorded as the income is received and earned. No receivables or expected income is recorded.

##### **Donated Service**

Much of the work of the Church is dependent on the voluntary service of its many members. The fair value of this donated work cannot be calculated or determined and therefore these donated services are not reflected or recognized in these financial statements.

##### **Capital Assets**

The Church has chosen to report capital assets using the exemption in paragraph 4431.03 of the *CICA Handbook*, "Tangible capital assets held by not-for-profit organizations". The annual average revenues reported in the statement of operations for the current and preceding year is less than \$500,000, and therefore the church has chosen to disclose rather than record capital assets held. (See note 9)

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# St John's Church, East Orangeville

## Year Ending December 31, 2021

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### **Income Tax Status**

The Church was established in 1834 - 35 by the Bishop of Quebec, in the Home Mission District under Archdeacon John Strachan. The current running of the Church continues under the authority of the executive committee of The Incorporated Synod of the Dioceses of Toronto.

The Church has been granted tax exemption as a Church without share capital and as a registered charity under Paragraph 149.1(1) of the Income Tax Act.

### **Financial Instruments**

The Church initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Church subsequently measures all its financial assets and financial liabilities at amortized cost except for investments in equity instruments that are quoted in an active market, which are measured at fair value. These changes in fair value are recognized in the statement of operations in the period that the change occurred.

Financial assets measured at amortized cost are cash, accounts receivable and fixed income investments.

Financial assets measured at fair value include investments in equity pooled funds; the fair value of these investments is determined by reference to the latest closing transaction value of each investment. Financial liabilities that are measured at amortized cost include accounts payable and accrued liabilities.

### **Use of Estimates**

The preparation of financial statements in accordance with accounting standards for NFPO require the Churchwardens to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting years. Significant estimates include those used when accounting for contingent assets and liabilities. All estimates are reviewed periodically, and adjustments are made in the statement of operations as required when they become known.

### **Basis of Accounting**

The Church uses the accrual basis of accounting for their records and financial statements rather than the cash basis. This means that expense and or revenue items are recorded in the period that they pertain to.

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### **NOTE 3**

#### **Grants**

During the year, the Church received **\$8,750** (2020 - \$9,425) in grant income, this amount was received from the Pathfinder Foundation.

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### **NOTE 4**

#### **Interfund Transfers**

From time to time the Churchwardens internally designate transfers from one fund to another to meet certain obligations as they arise, as was the case in the previous year, there is no unrestricted funds in the statements of the church.

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# St John's Church, East Orangeville

## Year Ending December 31, 2021

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### NOTE 5

#### Rectory Income and Expenses

The costs incurred in 2021 for the maintenance and care of the rectory were as follows.

Rectory Costs	2021	2020
Utilities	\$ 3,758	\$ 3,871
Taxes	3,632	3,593
Repairs / Maintenance	1,271	2,132
Total	\$ 8,661	\$ 9,596

Income for the rental of the rectory for 2021 was **\$26,976, (2020 - \$26,880)**.

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### NOTE 6

#### Church Expenses

The costs incurred in 2021 for the maintenance and care of the church were as follows:

Church Costs	2021	2020
Utilities	\$ 5,477	\$ 5,520
Cleaning	5,199	4,908
Repairs / Maintenance	12,004	18,010
Alarm	1,338	1,866
Insurance	7,795	3,880
Total	\$ 31,813	\$ 34,184

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### NOTE 7

#### Investments

The Church has two types of Investments, one type recorded on the financial records and one type held by the Diocese and not recorded in the financial records of the church.

#### Investments recorded in the financial statements

These investments are recorded at fair market value. Gains or losses due to market value fluctuations are recorded in the statement of operations for the year.

The funds held by The Investors Group arose from a Parishioner's donation in 1990. The proceeds of the investments are payable to the Church after the death of this parishioner. Since the Church is the owner of this investment and the Church controls the invested funds, the investments are recorded within the financial statements. The market value of this investment on December 31, 2021, was **\$13,222** (2020 - \$14,523).

In 2019, \$30,000 was transferred from the saving bank account of St John's to the Diocese to earn investment income greater than the offering of the bank. The market value at the end of December 31, 2021, was **\$36,111** (2020 - \$32,318).

These amounts are shown on the balance sheet in total.

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# St John's Church, East Orangeville

## Year Ending December 31, 2021

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### Investments held by the Diocese.

Even though these funds belong to the Church, the Incorporated Synod of the Diocese of Toronto ("Diocese") invests and maintains the capital. The Church only has the right to the income from these investments and this income is paid to them quarterly. The Diocese beneficially owns the funds and controls access to the funds under section 1000 of the *CICA Handbook*. The value of these investments on December 31, 2021 was **\$266,894** (2020 - \$238,860).

On December 31, 2012, the investment value of some of the investments was derecognized on the books of the Church and therefore reflected in the 2021 financial statements. The market value of these investments has grown by **\$28,034** from the previous reporting year.

	2021	2020
CFT - Glebe	68,946 ₺	61,704 ₺
CFT - Beardmore	8,384	7,504
CFT - Rawn	20,919	18,721
CFT - Kershaw	168,645	150,931
Total	\$ 266,894	\$ 238,860

In 2017, a large bequest was received from a member of the parish and used to pay all outstanding debt of the church including the mortgage. The remaining funds from this bequest less a holdback was invested and held by the Diocese under the similar conditions and restrictions as the previous investments called the Kershaw fund; the balance on December 31, 2021 was **\$168,645** (2019 - \$150,931).

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### NOTE 8

#### Capital assets

As outlined in the summary of significant accounting policies, the Church applies paragraph 4431.03 of the *CICA Handbook* regarding its capital assets. As such, the Church is required to disclose information about the purchases of major categories of tangible capital assets not recorded on the balance sheet.

Significant capital assets owned by the Church and not recorded include the Church lands, Church building and the Rectory. All other capital assets are expensed in the year that they are acquired.

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### NOTE 9

During the operating year, the church raised \$11,544 for Outreach and shown as income on the Statement of Income; this amount has been given Outreach in the same year and shown as an expense on the Statement of Income.

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### NOTE 10

#### Financial instruments

The Church has a comprehensive risk management framework to monitor and manage the principal risks associated with financial instruments. These instruments include cash, investments, and the building loan. Potential risks associated with these financial instruments are as follows:

#### Fair value

The fair value of cash approximates its carrying value due to its short-term nature. The fair value of the Diocese building loan is not determinable because there is not comparable market data.

#### Interest rate risk

Interest rate risk is the risk that required cash flows will fluctuate as a result of changes in market interest rates. The Church does not use derivative instruments to mitigate interest rate risk.

# St John's Church, East Orangeville

## Year Ending December 31, 2021

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### **Foreign exchange risk**

Certain revenues and expenses of the Church may be incurred in United States ("US") dollars and therefore subject to gains or losses due to fluctuations in the US dollar relative to the Canadian dollar. The Church does not make use of derivative instruments to reduce this foreign exchange risk.

### **Credit risk**

The Church has cash balances with Canadian chartered banks. From time to time, the deposits may exceed the federally insured limits and then exposed to the credit risk from the concentration of cash. The Church limits this risk by transacting with reputable banks.

The Church is exposed to credit risk from non-cash offering received and offerings via pre-authorized payment. The Church is not able to minimize this risk since adopting a process of credit reviews for its members is not feasible. The Church continuously monitors credit risk and collectability from members and the impact of current economic conditions on the liquidity of its members.

### **Liquidity risk**

Liquidity risk is the risk that the Church cannot meet a demand for cash or fund its obligations as they become due. The Church's exposure to liquidity risk is increasing as the amount due to the Diocese continues to increase. Management of the Church is responsible for reviewing the liquid resources to ensure funds are available to meet its financial obligations as they come due. The Church also manages liquidity risk by monitoring cash balances on a daily basis.

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