
SPRING PARK UNITED CHURCH

FINANCIAL STATEMENTS

DECEMBER 31, 2016

(UNAUDITED)

REVIEW ENGAGEMENT REPORT

To the Members of
Spring Park United Church

We have reviewed the balance sheet of **Spring Park United Church** as at December 31, 2016, and the statements of revenue and expenses, surplus and cash flows for the year then ended. Our 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 us by the Church.

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

In common with many churches, **Spring Park United Church** derives revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory review. Accordingly, our review of this revenue was 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 revenues, assets or surplus.

Based on our review, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

MacPherson Roche Smith

Chartered Professional Accountants

SPRING PARK UNITED CHURCH
STATEMENT OF REVENUE AND EXPENSES
 YEAR ENDED DECEMBER 31, 2016
 (UNAUDITED)

	Proposed Budget 2017	Budget 2016	Actual 2016	Actual 2015
Revenue				
Donations (PAR and envelopes)	\$ 172,500	\$ 174,500	\$ 165,983	\$ 176,594
Special offerings	6,025	7,625	6,496	9,743
Rentals	77,039	77,545	78,968	61,339
Fundraising	15,000	16,200	14,517	14,386
Other revenue	1,500	1,500	1,954	72,810
Memorials	500	500	1,010	2,041
Tenant property expense reimbursement	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,712</u>
	<u>272,564</u>	<u>277,870</u>	<u>268,928</u>	<u>349,625</u>
Expenses				
Worship	5,600	6,300	5,623	5,301
Pastoral and outreach	4,000	13,500	1,308	1,344
Christian education	1,800	3,225	1,437	1,256
Operations	22,940	22,580	23,218	22,766
Payroll	163,527	165,315	165,204	157,549
Church property (Note 8)	<u>79,650</u>	<u>80,950</u>	<u>72,937</u>	<u>101,667</u>
	<u>277,517</u>	<u>291,870</u>	<u>269,727</u>	<u>289,883</u>
Excess (deficiency) of revenue over expenses	<u>\$ (4,953)</u>	<u>\$ (14,000)</u>	<u>\$ (799)</u>	<u>\$ 59,742</u>

SPRING PARK UNITED CHURCH
STATEMENT OF SURPLUS
YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

	2016	2015
Surplus, beginning of year	\$ 1,136,388	\$ 1,076,646
Excess of (expenses over revenue) revenue over expenses	<u>(799)</u>	<u>59,742</u>
Surplus, end of year	<u>\$ 1,135,589</u>	<u>\$ 1,136,388</u>

**SPRING PARK UNITED CHURCH
BALANCE SHEET**

AS AT DECEMBER 31, 2016
(UNAUDITED)

	2016	2015
ASSETS		
Current		
Cash and marketable securities	\$ 23,614	\$ 35,272
Accounts receivable	14,063	435
Prepaid expense	<u>2,573</u>	<u>3,058</u>
	40,250	38,765
Trust fund assets (Note 3)	48,741	42,451
Property and equipment (Note 4)	<u>1,104,953</u>	<u>1,104,953</u>
	<u>\$ 1,193,944</u>	<u>\$ 1,186,169</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ <u>9,614</u>	\$ <u>7,330</u>
	9,614	7,330
Trust fund liabilities (Note 3)	<u>48,741</u>	<u>42,451</u>
	<u>58,355</u>	<u>49,781</u>
SURPLUS		
Surplus	<u>1,135,589</u>	<u>1,136,388</u>
	<u>\$ 1,193,944</u>	<u>\$ 1,186,169</u>
 Approved by the Board		

SPRING PARK UNITED CHURCH
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

	2016	2015
Net inflow (outflow) of cash related to the following activities:		
Operating		
Excess of revenue over expenses	\$ <u>(799)</u>	\$ <u>59,742</u>
Changes in non-cash operating working capital items		
Accounts receivable	(13,628)	11,566
Prepaid expense	485	7,716
Accounts payable and accrued liabilities	<u>2,284</u>	<u>(23,099)</u>
	<u>(10,859)</u>	<u>(3,817)</u>
Investing		
Disposal of capital assets	<u>-</u>	<u>2,000</u>
Net cash inflow (outflow)	(11,658)	57,925
Cash position (bank indebtedness), beginning of year	<u>35,272</u>	<u>(22,653)</u>
Cash position, end of year	\$ <u>23,614</u>	\$ <u>35,272</u>

SPRING PARK UNITED CHURCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

1. DESCRIPTION OF ENTITY

Spring Park United Church ("the Church") is a member of the United Church of Canada and is a registered charitable organization and therefore, is not subject to income taxes.

The Church provides financial, emotional and spiritual support to all individuals and organizations in need.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Donated Goods and Services

Donated goods and services are recorded at fair value based on equivalent costs for similar goods and services which would otherwise be purchased by the Church.

b) Revenue Recognition

Contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. If the contributions are specified for a use in a future period, they are deferred and recognized in the future period.

Revenues relating to rent and interest are recognized as revenue once received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured.

c) Property and Equipment

Property and equipment are recorded at cost. The Church does not record amortization on its property and equipment.

3. TRUST FUNDS

The Church is the beneficiary under various Will and Trust agreements. The Board of Trustees administer these funds on behalf of the Church and report annually to the congregation on their status.

SPRING PARK UNITED CHURCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

4. PROPERTY AND EQUIPMENT

	<u>Original Cost</u>	
	<u>2016</u>	<u>2015</u>
Land	\$ 23,000	\$ 23,000
Building	822,962	822,962
Parking area	21,698	21,698
Furniture and equipment	233,620	233,620
Signage	<u>3,673</u>	<u>3,673</u>
	<u>\$ 1,104,953</u>	<u>\$ 1,104,953</u>

5. BANK INDEBTEDNESS

The Church has a credit line with a limit of \$35,000 available as at December 31, 2016. The line of credit bears interest at a rate of prime + 2.5%.

6. CAPITAL DISCLOSURES

The Church defines capital managed as the aggregate of net assets and debt. The Church's objectives when managing capital are to ensure that the Church will continue as a going concern, will sustain current and future operations and growth and will preserve the long term value of the Church. The Church manages its capital structure with objectives to achieve long term stability and the continued capacity to grow in order to further the Church's mission. At December 31, 2016, the Church has continued to meet all externally imposed capital requirements.

7. CONTRACTUAL OBLIGATIONS

The Church leases a photocopier under a lease expiring in 2017. Future minimum lease payments total \$2,394.

8. CHURCH PROPERTY EXPENSES

	<u>2016</u>	<u>2015</u>
Cleaning	\$ 1,669	\$ 2,024
Electricity	9,470	9,128
Fuel	12,639	14,004
Insurance	6,537	6,573
Repairs and maintenance	31,792	59,779
Snow removal and grass cutting	9,939	9,278
Water	<u>891</u>	<u>881</u>
	<u>\$ 72,937</u>	<u>\$ 101,667</u>