

**Communities in Faith Pastoral Charge**

**FINANCIAL STATEMENTS**

**(Unaudited)**

**December 31, 2021**

## Table of Contents

	<b><u>Page</u></b>
Independent Practitioner's Review Engagement Report	1
Statement of Financial Position	2
Statement of Operations	3
Statement Changes in Net Assets	4
Statement of Cash Flow	5
Notes to the Financial Statements	6-8

# CHILDS CHANTON

CHARTERED PROFESSIONAL ACCOUNTANTS\*

\* Denotes Professional Corporation

Jeremy J. Childs, CPA, CA

Marie C. Chanton, CPA, CA

241 Columbia Avenue, Castlegar, BC V1N 1G3 Phone: (250) 365-7287 Fax: (250) 365-6066

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors  
Communities in Faith Pastoral Charge

We have reviewed the accompanying financial statements of Communities in Faith Pastoral Charge that comprise the statement of financial position as at December 31, 2021 and the statements of operations and 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 private enterprises, 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.

### *Conclusion,*

Based on our review, 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 Communities in Faith Pastoral Charge as at December 31, 2021, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for private enterprises.



February 25, 2022

CHILDS CHANTON  
CHARTERED PROFESSIONAL ACCOUNTANTS

# Communities in Faith Pastoral Charge

## STATEMENT OF FINANCIAL POSITION

(Unaudited - See Independent Practitioner's Review Engagement Report)

As at December 31, 2021

	2021	2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 114,315	\$ 271,573
Short term investments	592,767	466,314
Accounts receivable and prepaid deposit	1,958	1,000
Goods and services tax refundable	4,312	6,539
	<b>713,352</b>	<b>745,426</b>
Tangible capital assets (Note 2)	2,083,344	2,041,508
	<b>\$ 2,796,696</b>	<b>\$ 2,786,934</b>

## LIABILITIES AND NET ASSETS

### Current liabilities

Accounts payable and accrued liabilities	\$ 11,380	\$ 32,319
Deferred revenue (Note 3)	195,897	189,023
	<b>207,277</b>	<b>221,342</b>
Deferred capital contributions (Note 4)	388,529	334,950
Long-term debt (Note 7)	40,000	-
	<b>635,806</b>	<b>556,292</b>

### Net Assets

Restricted net assets	232,774	246,049
Net assets invested in tangible capital assets	1,694,807	1,706,549
Unrestricted net assets	233,309	278,044
	<b>2,160,890</b>	<b>2,230,642</b>
	<b>\$ 2,796,696</b>	<b>\$ 2,786,934</b>

On behalf of the Board

\_\_\_\_\_ Chair

\_\_\_\_\_ Treasurer

The attached notes are an integral part of these financial statements.

# Communities in Faith Pastoral Charge

## STATEMENT OF OPERATIONS

(Unaudited) - See Independent Practitioner's Review Engagement Report  
For the Year Ended December 31, 2021

	2021	2020
<b>Revenues</b>		
Facilities usage	\$ 24,990	\$ 28,892
Income in trust	7,577	6,983
Church groups and other	75,100	3,074
SAU facilities	24,249	-
Wedding and funeral	440	350
Grant revenue	23,424	13,681
Tithes and offerings	114,450	100,999
Investment	7,601	24,498
Recoveries	53	2,167
S&O income in trust	99,553	121,989
Thrift store revenues	25,663	13,625
Amortization of deferred capital contributions	5,070	2,400
	<b>408,170</b>	<b>318,658</b>
<b>Salaries and benefits</b>	131,616	65,046
<b>S&amp;O expenses (Note 6)</b>	91,414	102,556
<b>Project expenses</b>		
Church operations	5,883	8,626
Committee	2,962	10,881
Insurance	15,432	14,107
Business support efforts	7,627	7,983
Donations	11,000	3,000
Miscellaneous and other	5,348	7,711
Facilities fee	113,124	2,060
Supplies	7,009	11,775
Office administration	5,431	5,998
Amortization of tangible capital assets	56,752	57,793
Professional fees	4,975	7,000
Utilities	19,349	16,314
	<b>477,922</b>	<b>320,850</b>
<b>Deficiency of revenues over expenditures</b>	<b>(69,752)</b>	<b>(2,192)</b>

The attached notes are an integral part of these financial statements.

## Communities in Faith Pastoral Charge

### STATEMENT OF CHANGES IN NET ASSETS

(Unaudited) - See Independent Practitioner's Review Engagement Report  
For the Year Ended December 31, 2021

	2021 Restricted	Invested in Capital Assets	Unrestricted
Net assets, beginning of year	\$ 246,049	\$ 1,706,549	\$ 278,044
Excess (deficiency) of revenues over expenses	-	-	(69,752)
Transfer of net assets	(13,275)	-	13,275
Additions to tangible capital assets	-	98,587	(98,587)
Amortization of tangible capital assets	-	(56,751)	56,751
Addition to deferred capital contributions	-	(58,648)	58,648
Amortization of deferred capital contributions	-	5,070	(5,070)
<b>Net assets, end of year</b>	<b>\$ 232,774</b>	<b>\$ 1,694,807</b>	<b>\$ 233,309</b>

	2020 Restricted	Invested In Capital Assets	Unrestricted
Net assets, beginning of year	\$ 250,379	\$ 1,760,571	\$ 221,884
Excess of revenues over expenses	-	-	(2,192)
Transfer of net assets	(4,330)	-	4,330
Additions to tangible capital assets	-	322,971	(322,971)
Amortization of tangible capital assets	-	(57,793)	57,793
Addition to deferred capital contributions	-	(321,600)	321,600
Amortization of deferred capital contributions	-	2,400	(2,400)
<b>Net assets, end of year</b>	<b>\$ 246,049</b>	<b>\$ 1,706,549</b>	<b>\$ 278,044</b>

The attached notes are an integral part of these financial statements.

# Communities in Faith Pastoral Charge

## STATEMENT OF CASH FLOW

(Unaudited) - See Independent Practitioner's Review Engagement Report  
For the Year Ended December 31, 2021

	2021	2020
<b>Operating activities</b>		
Cash receipts	\$ 468,164	\$ 778,069
Cash paid to suppliers	(314,443)	(176,215)
Cash paid to employees, including benefits	(128,455)	(63,921)
	<b>25,266</b>	<b>537,933</b>
<b>Investing activities</b>		
Investment in non-redeemable term deposit	(125,000)	(125,000)
Purchase of tangible capital assets	(97,524)	(322,971)
	<b>(222,524)</b>	<b>(447,971)</b>
<b>Financing activities</b>		
Increase in bank loan	40,000	-
<b>Change in cash and cash equivalents</b>	<b>(157,258)</b>	<b>89,962</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>271,573</b>	<b>181,611</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 114,315</b>	<b>\$ 271,573</b>
<b>Cash and cash equivalents consist of</b>		
Cash	<b>\$ 114,315</b>	<b>\$ 271,573</b>

The attached notes are an integral part of these financial statements.

# Communities in Faith Pastoral Charge

## NOTES TO THE FINANCIAL STATEMENTS

(Unaudited) - See Independent Practitioner's Review Engagement Report  
December 31, 2021

---

### PURPOSE OF THE ORGANIZATION

The Communities in Faith Pastoral Charge (The Charge) was created on September 21, 2003 as a Pastoral Charge under the United Church of Canada Act, and act of the Government of Canada. Its purpose is to Nurture and empower spiritual growth and outreach in the communities of Rossland, Warfield, Trail, Montrose, Fruitvale, Salmo and surrounding areas.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (Part III of the CPA Canada Handbook).

#### Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Significant areas of estimation include allowance for doubtful accounts, estimated useful lives of tangible capital assets, impairment of long-lived assets, completeness of accrued liabilities, deferred contributions and disclosure of contingencies.

#### Revenue recognition

The Charge follows the deferral method of accounting for contributions.

The Charge recognizes restricted contract revenues when received or receivable and the terms of the funding agreement are met.

Investment income is recorded in the periods in which it is earned.

General tithes and offerings are recorded as revenue when received.

#### Cash and cash equivalents

Cash equivalents are comprised of highly liquid investments with maturities of three months or less from the date of acquisition.

#### Tangible capital assets

Tangible capital assets were recognized at fair value on initial adoption of Accounting Standards for Not for Profit Organizations and subsequently recorded net of amortization. Amortization is provided annually at rates and methods over their estimated useful lives as follows.

Buildings	4%	declining balance
Furniture and fixtures	20%	declining balance
Instruments and equipment	20%	declining balance

#### Income taxes

The Charge is exempt from income taxes under section 149 of the income tax act



# Communities in Faith Pastoral Charge

## NOTES TO THE FINANCIAL STATEMENTS

(Unaudited) - See Independent Practitioner's Review Engagement Report  
December 31, 2021

### Financial instruments

The Charge considers any contract creating a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. A financial asset is recognized when the Charge becomes party to the contractual provisions of the instrument.

Unless otherwise noted, it is management's opinion that the Charge is not exposed to significant credit, liquidity or market risks from these financial instruments.

### Initial measurement

The Charge'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 or transaction costs, if applicable.

### Subsequent measurement

At each reporting date, the Charge measures its financial asset and liabilities at cost or amortized cost (less impairment in the case of financial assets). The Charge uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments that are measured at amortized cost are cash, short-term investments, accounts receivable, accounts payable, accrued liabilities and government remittances payable/receivable. Due to the short-medium term nature of these financial instruments, their carrying value approximates their amortized cost in all material respects.

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

## 2. TANGIBLE CAPITAL ASSETS

			2021	2020
	Cost (\$)	Accumulated Amortization (\$)	Net Book Value (\$)	
Land	\$ 382,000	\$ -	\$ 382,000	\$ 382,000
Building	1,849,190	164,366	1,684,824	1,638,805
Computer equipment	2,938	1,428	1,510	1,932
Office equipment	22,371	7,361	15,010	18,771
	<b>\$ 2,256,499</b>	<b>\$ 173,155</b>	<b>\$ 2,083,344</b>	<b>\$ 2,041,508</b>

## Communities in Faith Pastoral Charge

### NOTES TO THE FINANCIAL STATEMENTS

(Unaudited) - See Independent Practitioner's Review Engagement Report

December 31, 2021

#### 3. DEFERRED REVENUE

	December 31 2020	Funding 2021	Recognized as Revenue	December 31 2021
Food Services	\$ 116,054	\$ 78,227	\$ 67,409	\$ 126,872
BV Food Bank	72,969	15,048	18,992	69,025
	<b>\$ 189,023</b>	<b>\$ 93,275</b>	<b>\$ 86,401</b>	<b>\$ 195,897</b>

#### 4. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions includes funding specified for the purchase of tangible capital assets and are amortized into income on the same basis as the underlying assets purchased.

	2021	2020
Opening balance	\$ 334,950	\$ 15,750
Contributions in the year	58,649	321,600
Amortized into income	(5,070)	(2,400)
<b>Ending balance</b>	<b>\$ 388,529</b>	<b>\$ 334,950</b>

#### 5. FINANCIAL INSTRUMENTS

The Charge is exposed to the following potentially significant financial risks through its transactions in financial instruments:

Credit risk: Credit risk is the risk that the Charge will be unable to collect on its accounts receivable. The Charge has exposure to credit risk to the extent of its accounts receivable. Management monitors this risk on an ongoing basis. This risk has not changed since the prior period.

Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Charge is exposed to future cash flow risk through its line of credit which bears interest at floating rates. Fluctuations in the variable interest rate will impact the Charge's cost of financing in future years. This risk has decreased since the prior period.

Liquidity risk: Liquidity risk is the risk that the Charge will encounter difficulty in meeting its obligations associated with financial liabilities. The Charge is not exposed to significant liquidity risk as its financial assets are in excess of financial liabilities. This risk has not changed since the prior period.

## Communities in Faith Pastoral Charge

### NOTES TO THE FINANCIAL STATEMENTS

(Unaudited) - See Independent Practitioner's Review Engagement Report  
December 31, 2021

---

#### 6. S&O IN TRUST

	2021	2020
BV FP Payment	\$ 18,992	\$ 26,178
Camp Koolaree	30	-
Downtown dinners	4,167	1,378
Food bank payment	67,409	74,801
Miscellaneous	714	-
Sanctuary snacks	102	199
	<b>\$ 91,414</b>	<b>\$ 102,556</b>

#### 7. LONG TERM DEBT

	2021	2020
(a)The Canada Emergency Benefit Account (CEBA) loan is interest free to December 31, 2023. If the loan is repaid by December 31, 2023, \$20,000 of the loan will be forgiven. If the loan is not repaid by December 31, 2023, the full \$60,000 will be converted to a loan repayable over three years with a 5% interest rate.	\$ 40,000	-

It is the Charge's intention to repay the CEBA loan by December 21, 2023. Therefore, the portion of the loan to be forgiven, \$20,000, has been recognized as grant revenue in the current year.