

KNOX PRESBYTERIAN CHURCH

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31 2018

(Unaudited - See Review Engagement Report)

A. E. McINNIS C. A. PROFESSIONAL CORPORATION

CHARTERED ACCOUNTANTS

P.O. Box 692, Tottenham, Ont. L0G 1W0 (905) 936-3063 Fax: (905) 936-4076

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KNOX PRESBYTERIAN CHURCH

December 31, 2018

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Review Engagement Report

To **The Members of:**

Knox Presbyterian Church

We have reviewed the accompanying financial statements of Knox Presbyterian Church that comprise the statement of financial position assets as at December 31, 2018, and the statements of operations, 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

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

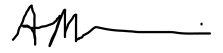
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Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Knox Presbyterian Church as at December 31 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.



Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Tottenham, Ontario

February 27 2019

A. E. McINNIS C. A. PROFESSIONAL CORPORATION
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KNOX PRESBYTERIAN CHURCH

Statement of Financial Position

As at December 31, 2018

(Unaudited - See Review Engagement Report)

	Note	2018	2017
ASSETS			
CURRENT			
Cash in bank accounts	1	\$ 103,873.08	\$ 98,002.93
Term deposits maturing in current year	2	276,868.11	218,807.57
Accounts receivable		139.63	156.66
Interest earned not received		4,243.91	2,442.94
Employer remittance prepaid		<u>2,007.47</u>	<u> </u>
TOTAL CURRENT ASSETS		387,132.20	319,410.10
LONG TERM			
Term deposits maturing after current year	2	-	75,000.00
Solar Project	6	<u>29,830.67</u>	<u>31,695.08</u>
TOTAL ASSETS		<u>\$ 416,962.87</u>	<u>\$ 426,105.18</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Source deductions payable		\$ -	\$ 1,937.10
Accounts payable		<u>888.46</u>	<u>1,158.03</u>
TOTAL CURRENT LIABILITIES		888.46	3,095.13
NET ASSETS			
Net Assets		<u>416,074.41</u>	<u>423,010.05</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 416,962.87</u>	<u>\$ 426,105.18</u>

KNOX PRESBYTERIAN CHURCH
Statement of Changes in Net Assets
For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

	2018	2017
Net Assets, beginning of year	\$ 423,010.05	\$ 414,213.51
Excess of Revenues over Expenses	<u>(6,935.64)</u>	<u>8,796.54</u>
Net Assets, end of year	<u>\$ 416,074.41</u>	<u>\$ 423,010.05</u>

KNOX PRESBYTERIAN CHURCH
Summary Statement of Operations

For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

	Note	2018	2017
Revenues			
Trustees' Fund	\$	9,215.83	\$ 8,637.37
General Fund		168,447.86	143,098.56
Presbyterians' Sharing Fund		21,000.00	22,848.00
Friendship Circle Fund		6,385.45	8,113.86
Senior Choir Fund		1,065.00	1,772.01
Relief Fund		2,960.00	2,495.00
Charities Fund		6,371.40	7,251.55
Memorial Fund		95.00	2,682.17
Project Fund		24,246.35	2,863.70
Youth Fund		<u>4,889.67</u>	<u>5,397.14</u>
		244,676.56	205,159.36
Expenses			
Trustees' Fund		32,412.77	9,791.31
General Fund		166,410.76	145,192.17
Presbyterians' Sharing Fund		21,000.00	22,848.00
Friendship Circle Fund		2,698.37	1,320.87
Senior Choir Fund		1,190.82	1,985.51
Relief Fund		1,622.00	2,530.50
Charities Fund		8,403.21	7,251.55
Memorial Fund		-	451.93
Project Fund		11,727.80	1,131.05
Youth Fund		<u>6,146.47</u>	<u>3,859.93</u>
		<u>251,612.20</u>	<u>196,362.82</u>
Excess of Revenues over Expenses		<u>\$ (6,935.64)</u>	<u>\$ 8,796.54</u>

KNOX PRESBYTERIAN CHURCH

Statement of Operations

For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

TRUSTEES' FUND

	Note	2018	2017
Revenues			
Interest income current year		\$ 4,417.73	\$ 3,220.84
Interest on long term GICs		-	703.87
Solar project income		4,798.10	4,712.66
		9,215.83	8,637.37
Expenses			
Transfer to General		22,658.76	
Supplies		-	14.71
Solar Project impairment		1,864.41	1,864.41
Bank charges-trustees		0.20	22.79
Insurance		7,889.40	7,889.40
Total Expenses		32,412.77	9,791.31
(Expenses) over Revenues		(23,196.94)	(1,153.94)
Net Assets-beginning of year		343,930.53	345,084.47
Net Assets - end of year		\$ 320,733.59	\$ 343,930.53
Net Assets consist of:			
Bank		\$ 9,651.27	\$ 15,828.28
Short term investments		276,868.11	218,807.57
Long term investments		-	75,000.00
Interest earned not received		4,243.91	2,442.94
Solar Project		29,830.67	31,695.08
Receivable from solar power		139.63	156.66
		\$ 320,733.59	\$ 343,930.53

The Trustees' Fund manages cash and investments.

KNOX PRESBYTERIAN CHURCH

Statement of Operations For the Year Ended December 31, 2018 (Unaudited - See Review Engagement Report)

GENERAL FUND			
	Note	2018	2017
Revenues			
Tithes & offerings - envelopes	3	\$ 121,979.04	\$ 119,151.16
Collections without receipts -Gen		3,438.60	3,668.60
Fundraising General- net		9,946.01	10,236.35
Harmonizes sales tax refund		3,590.45	4,276.25
Rental income		6,835.00	5,766.20
		-	-
Transfer from Trustees' Fund		<u>22,658.76</u>	<u>-</u>
		168,447.86	143,098.56
Expenses			
Minister's stipend and related costs		54,841.18	54,764.12
Accounting fees		1,992.75	1,988.80
Congregational Assessments		8,983.44	9,867.00
Supplies- General		2,885.75	4,836.79
Organist		10,869.55	11,182.57
Caretaker		8,757.58	8,941.56
Honoraria		1,200.00	1,200.00
Communications		3,080.44	3,425.82
Church repairs and maintenance		8,385.18	9,338.28
Church utilities		10,037.14	10,308.88
Church snow removal and landscaping		4,694.47	3,084.90
Secretary		8,270.52	9,221.69
Advertising		2,263.19	2,332.50
Gifts General		50.00	163.73
Guest speakers and organists		1,638.40	2,588.40
Presbytery dues		3,174.81	3,729.73
Licence and fees		1,320.30	1,258.80
Photocopier	5	3,985.20	4,231.22
Bank charges		424.44	412.21
Outreach		-	1,436.05
Youth Co-ordinator		6,141.95	-
Transfers to Presbyterian Sharing		187.31	-
Transfer to Charity		20.00	-
Conferences, meetings		150.00	200.00
Transfer to Project Fund		<u>23,057.16</u>	<u>679.12</u>
		<u>166,410.76</u>	<u>145,192.17</u>
Revenues over (Expenses)		2,037.10	(2,093.61)
Balance - beginning of year		<u>26,901.43</u>	<u>28,995.04</u>
Balance - end of year		<u>\$ 28,938.53</u>	<u>\$ 26,901.43</u>

The General Fund manages the operations of the Church.

KNOX PRESBYTERIAN CHURCH

Statement of Operations

For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

PRESBYTERIANS' SHARING FUND

	Note	2018	2017
Revenues			
Offerings with receipts-Presbyterians' Sharing	3	\$ 20,559.55	\$ 22,848.00
Transfer from Friendship Circle		<u>440.45</u>	<u>-</u>
		21,000.00	22,848.00
Expenses			
Contributions to Presbyterian Church		<u>21,000.00</u>	<u>22,848.00</u>
		<u>21,000.00</u>	<u>22,848.00</u>
Revenues over (Expenses)		-	-
Bank - beginning of year		<u>-</u>	<u>-</u>
Bank/payables - end of year		<u>\$ -</u>	<u>\$ -</u>

The Presbyterians' Sharing Fund receives and disburses donations for Missions and purposes specified by church members.

KNOX PRESBYTERIAN CHURCH

Statement of Operations

For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

FRIENDSHIP CIRCLE FUND

	Note	2018	2017
Revenues			
Donations with receipts- Friendship	3	\$ 100.00	\$ 190.00
Fundraising Friendship (net)		6,285.45	7,773.86
Transfer from Senior Choir		<u>-</u>	<u>150.00</u>
		6,385.45	8,113.86
Expenses			
Transfer to Presbyterian Sharing		440.45	-
Gifts- Friendship		145.20	50.00
Supplies Friendship		758.57	146.57
Transfer to Charity		<u>1,354.15</u>	<u>1,124.30</u>
		2,698.37	1,320.87
Revenues over (Expenses)		3,687.08	6,792.99
Bank - beginning of year		<u>18,806.95</u>	<u>12,013.96</u>
Bank - end of year		<u>\$ 22,494.03</u>	<u>\$ 18,806.95</u>

The Friendship Circle Fund is a group which raises funds to contribute to Church projects.

KNOX PRESBYTERIAN CHURCH

Statement of Operations

For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

SENIOR CHOIR FUND

	Note	2018	2017
Revenues			
Donations with receipts -Choir	3	\$ 250.00	\$ 220.00
Fundraising Choir		<u>815.00</u>	<u>1,552.01</u>
		1,065.00	1,772.01
Expenses			
Licence and fees		187.00	-
Music supplies and licences		-	260.51
Supplies- choir		399.52	-
Choir Director		400.00	900.00
Transfer to charity		-	675.00
Transfer to Friendship		-	150.00
Repairs - Choir		<u>204.30</u>	<u>-</u>
		<u>1,190.82</u>	<u>1,985.51</u>
(Expenses) over Revenues		(125.82)	(213.50)
Bank - beginning of year		<u>2,488.00</u>	<u>2,701.50</u>
Bank - end of year		<u>\$ 2,362.18</u>	<u>\$ 2,488.00</u>

The Senior Choir fund manages the finances of the Choir.

KNOX PRESBYTERIAN CHURCH

Statement of Operations

For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

RELIEF FUND

	Note	2018	2017
Revenues			
Donations with receipts-Relief	3	\$ 2,960.00	\$ 2,495.00
		<u>2,960.00</u>	<u>2,495.00</u>
Expenses			
Financial Assistance		<u>1,622.00</u>	<u>2,530.50</u>
Revenues over (Expenses)		1,338.00	(35.50)
Bank - beginning of year		<u>3,181.33</u>	<u>3,216.83</u>
Bank - end of year		<u>\$ 4,519.33</u>	<u>\$ 3,181.33</u>

The Relief Fund provides financial assistance to those in need.

KNOX PRESBYTERIAN CHURCH

Statement of Operations

For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

CHARITIES FUND

	Note	2018	2017
		-	
Transfer from Friendship Circle		\$ 1,354.15	\$ 1,124.30
Fundraising Charity		205.00	\$
Donations without receipts			494.25
Transfer from General		20.00	-
Transfer from Choir			675.00
Donations with receipts -Charity	3	4,717.25	3,665.00
Transfer from Youth		<u>75.00</u>	<u>1,293.00</u>
		6,371.40	7,251.55
Donation to Highlands Youth		-	200.00
Donations to My Sisters Place		470.00	100.00
Donations to Good Shepherd Food Bank		1,161.00	1,030.00
Donation to The Door		50.00	1,293.00
Donations to Out of the cold		1,943.40	1,645.55
PWS&D		2,365.00	1,250.00
Donation to World Vision		888.00	888.00
Refugee assistance		1,320.81	845.00
Donation to Mathews House		<u>205.00</u>	<u>-</u>
		<u>8,403.21</u>	<u>7,251.55</u>
Excess of (Expenses) over Revenues		(2,031.81)	-
Bank - beginning of year		<u>2,031.81</u>	<u>2,031.81</u>
Bank - end of year		<u>\$ -</u>	<u>\$ 2,031.81</u>

This Fund collects money for charities.

KNOX PRESBYTERIAN CHURCH

Statement of Operations

For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

MEMORIAL FUND

	Note	2018	2017
Revenues			
Donations without receipts- Memorial		\$ -	\$ 717.17
Donations with receipts- Memorial	3	95.00	1,965.00
Transfer from Friendship		<u> </u>	<u> </u>
		95.00	2,682.17
Expenses			
Transfer to Project Fund		<u> </u>	<u> </u>
		-	451.93
Total Expenses		<u> </u>	<u> </u>
		-	451.93
Revenues over Expenses		95.00	2,230.24
Bank - beginning of year		<u>15,811.00</u>	<u>13,580.76</u>
Bank - end of year		\$ <u>15,906.00</u>	\$ <u>15,811.00</u>

The Memorial Fund accepts contributions made in memory. The Fund is used for special projects.

KNOX PRESBYTERIAN CHURCH

Statement of Operations

For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

PROJECT FUND

	Note	2018	2017
Revenues			
Fundraising Project- net		\$ 399.17	\$ 1,232.65
Donations with receipts- Project	3	790.00	500.00
Transfer from General Fund		23,057.18	679.12
Transfer from Memorial Fund		<u>-</u>	<u>451.93</u>
		24,246.35	2,863.70
Expenses			
Keyboard		200.00	-
Doors down payment		11,329.38	-
Grill		198.42	-
Laptop		-	679.12
Cordless Mic		<u>-</u>	<u>451.93</u>
		<u>11,727.80</u>	<u>1,131.05</u>
Revenues over (Expenses)		12,518.55	1,732.65
Bank and deposits- beginning of year		<u>3,479.11</u>	<u>1,746.46</u>
Bank and deposits - end of year		<u>\$ 15,997.66</u>	<u>\$ 3,479.11</u>

The Project Fund manages the special projects and capital acquisitions.

KNOX PRESBYTERIAN CHURCH

Statement of Operations

For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

YOUTH FUND

	Note	2018	2017
Revenues			
Fundraising net of expenses		\$ 599.67	\$ 127.14
Donations with receipts- Youth	3	2,690.00	5,270.00
Donations with receipts- Youth camp		<u>1,600.00</u>	<u> </u>
		4,889.67	5,397.14
Expenses			
Supplies- Youth		2,641.47	766.93
Program		3,430.00	1,800.00
Transfer to Charity		<u>75.00</u>	<u>1,293.00</u>
		<u>6,146.47</u>	<u>3,859.93</u>
Excess of (Expenses) over Revenues		(1,256.80)	1,537.21
Bank - beginning of year		<u>8,295.97</u>	<u>6,758.76</u>
Bank and cash - end of year		\$ <u><u>7,039.17</u></u>	\$ <u><u>8,295.97</u></u>

The Youth Fund collects and earns funds for youth activities

KNOX PRESBYTERIAN CHURCH

Statement of Cash Flows

For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

	Note	2018	2017
Cash provided by operations:			
Excess of Revenues over Expenses		\$ (6,935.66)	\$ 8,796.54
Items not requiring an outlay of cash:			
Solar project impairment		<u>1,864.41</u>	<u>1,864.41</u>
		(5,071.25)	10,660.95
Changes in non-cash working capital:			
Account receivable		17.03	67.73
Employer remittance prepaid		(2,007.47)	-
Accrued investment income		(1,800.97)	336.75
Accounts payable and accrued charges		<u>(2,206.67)</u>	<u>(28.86)</u>
		<u>(5,998.08)</u>	<u>375.62</u>
Net cash provided by operating activities		(11,069.33)	11,036.57
Cash flow from investing activities			
Purchase of investments		(276,868.11)	(173,807.57)
Proceeds on maturity of investments		<u>293,807.57</u>	<u>176,703.62</u>
Cash flows used in investing activities		<u>16,939.46</u>	<u>2,896.05</u>
Net increase in cash and cash equivalents		5,870.13	13,932.62
Net cash and cash equivalents, beginning of period		<u>98,002.93</u>	<u>84,070.31</u>
Net cash and cash equivalents, end of period		\$ <u>103,873.06</u>	\$ <u>98,002.93</u>
Cash and equivalents consist of:			
Bank balances		\$ <u>103,873.08</u>	\$ <u>98,002.93</u>

KNOX PRESBYTERIAN CHURCH

Notes to the Financial Statements For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose and Charitable Status

The Church is a charity organization registered under the laws of Canada. Knox Presbyterian Church opened in Alliston in 1862. The annual report required by registered charities will be filed with Canada Revenue Agency.

Capital Assets

The cost of tangible capital assets with a useful life greater than one year are charged to the project fund in the year of acquisition. For 2017 \$11,727.80 was spent on acquisition of tangible capital assets.

The Trustees hold title to the land, building, furniture and fixtures located in Alliston, Ontario but these are not reported on the financial statements in accordance with the accounting standards for not-for-profit organizations.

Revenue Recognition

Contributions are recognized when received in accordance with the deferral method. Interest income is recognized when earned. Fundraising revenues are recognized when received.

2. INVESTMENTS

Investments consist of the following term deposits:

		2018	2017
Short term investments			
1.4 %	due April 27,2018	-	\$ 70,000.00
		-	-
1.40 %	due April 11,2019	30,392.31	-
1.40 %	due April 27,2019	\$ 71,475.80	-
1.5 %	due Feb 15,2018		50,000.00
1.50 %	due Mar 8,2019	50,000.00	-
1.55 %	due May 25,2019	75,000.00	-
2.0 %	due April 26 2019	50,000.00	-
	cash and savings accelerator	<u>-</u>	<u>98,807.57</u>
		<u>\$ 276,868.11</u>	<u>\$ 218,807.57</u>
Long term investments			
1.55 %	due May 25 2019	-	75,000.00
1.50 %	due February 15, 2018	-	-
		-	-
		-	-
		<u>\$ -</u>	<u>\$ 75,000.00</u>

KNOX PRESBYTERIAN CHURCH

Notes to the Financial Statements

For the Year Ended December 31, 2018

(Unaudited - See Review Engagement Report)

3. OFFICIAL RECEIPTS FOR TAX PURPOSES

	2018	2017
Sunday Schools Fund	\$ -	\$ -
General Fund	121,979.04	119,151.16
Charities Fund	4,235.00	3,665.00
Youth Fund	4,290.00	5,270.00
Relief Fund	2,960.00	2,495.00
Senior Choir Fund	250.00	220.00
Friendship Circle Fund	100.00	100.00
Memorial Fund	95.00	1,965.00
Project Fund	790.00	790.00
Presbyterian Sharing Fund	<u>20,372.24</u>	<u>22,848.00</u>
	4\$ <u>155,071.28</u>	\$ <u>156,304.16</u>

5. LEASES

A lease for a photocopier was entered into with the following terms:

\$508.50 per quarter .

5. ASSET IMPAIRMENT

The solar project asset is estimated to be declining in value over its estimated useful life of 20 years. A charge to the Trustees fund of \$1,864.41 has been recorded.

6.COMPARATIVE FIGURES

For 2018 accounts payable for goods and services incurred in 2018 but not paid were recorded. The effect was a decrease in opening unrestricted net assets of \$73.05 and an increase in 2017 revenues over expenses of \$260.36.