

ALL SAINTS' KINGSWAY ANGLICAN CHURCH

FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2011

UNAUDITED

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All Saints' Kingsway Anglican Church
Statement of Financial Position
As at December 31, 2011

	2011					Total	2010 Total
	Unrestricted	Capital	Future	Restricted			
	Operating	Asset	Income	Out of the	Dedication	Our Faith	
	Fund	Fund	Fund	Cold	Fund	Our Hope	
	Fund	Fund	Fund	Fund	Fund	Fund	
Assets							
Current Assets							
Cash	\$154,561	\$44,244	\$75,663	\$58,565	\$13,181		\$346,215
Amounts receivable	11,169	3,546	2,300	888	295		18,199
Due from Columbarium fund	3,000						3,000
Prepaid expenses	2,958				449		3,407
Investments (note 3)		63,249	303,418		35,303		401,970
Inter-fund balances (note 4)							
Due from (to) Our Faith Our Hope Fund	(59,680)					\$59,680	
Due from (to) Capital Fund	(30,850)	30,850					
Due from (to) Dedication Fund	723				(723)		
Due from (to) Future Income Fund	12,216		(12,216)				
Due from (to) Out of the Cold Fund	(14,073)			14,073			
	<u>80,026</u>	<u>141,890</u>	<u>369,163</u>	<u>73,526</u>	<u>48,506</u>	<u>59,680</u>	<u>832,470</u>
Capital Assets (note 5)		1,527,062		37,653	722		1,565,437
Telecom progress payments (note 5)		15,718					
		<u>1,542,780</u>		<u>37,653</u>	<u>722</u>		
	<u>\$80,026</u>	<u>\$1,684,670</u>	<u>\$369,163</u>	<u>\$111,179</u>	<u>\$49,227</u>	<u>\$59,680</u>	<u>\$2,353,947</u>
Liabilities and Net Assets							
Current Liabilities							
Accounts payable and accrued liabilities	\$65,697			\$3,037			\$68,734
Other deferred revenue (note 6)	3,800						3,800
	<u>69,497</u>	<u>-</u>	<u>-</u>	<u>3,037</u>	<u>-</u>	<u>-</u>	<u>72,534</u>
Net Assets							
Invested in capital assets		\$1,527,062		37,653	\$722		1,565,437
Restricted		157,608	\$369,163	70,489	48,505	\$59,680	705,445
Unrestricted	10,529						10,529
	<u>10,529</u>	<u>1,684,670</u>	<u>369,163</u>	<u>108,142</u>	<u>49,227</u>	<u>59,680</u>	<u>2,281,412</u>
	<u>\$80,026</u>	<u>\$1,684,670</u>	<u>\$369,163</u>	<u>\$111,179</u>	<u>\$49,227</u>	<u>\$59,680</u>	<u>\$2,353,947</u>

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**All Saints' Kingsway Anglican Church
Statement of Operations
For the year ended December 31, 2011**

	2011						2010
	Unrestricted	Restricted				Total	Total
	Operating Fund	Capital Asset Fund	Future Income Fund	Out of the Cold Fund	Dedication Fund	Our Faith Our Hope Fund	
Revenue							
Donations							
Envelope and open givings	\$359,975		\$180		\$135		\$374,656
Contributions designated for outreach	42,066			\$31,090			115,834
Capital givings		\$31,848					25,352
Memorials and bequests	20,812						37,630
Church organizations	31,963						28,202
Other designated contributions	910					\$59,680	2,740
	<u>455,726</u>	<u>31,848</u>	<u>180</u>	<u>31,090</u>	<u>135</u>	<u>59,680</u>	<u>584,416</u>
Rent	61,148						53,315
Investment income	-	1,901	12,571		1,291		19,588
Fundraising	24,000						30,254
Other	9,944	17,821					13,382
Total revenue	<u>550,818</u>	<u>51,569</u>	<u>12,751</u>	<u>31,090</u>	<u>1,426</u>	<u>59,680</u>	<u>700,954</u>
Expenses							
Personnel costs							
Clergy	106,580						82,868
Staff and contract costs	188,465						181,342
Facilities							
Rectory	16,665						16,987
Church	73,295	7,134					98,070
Worship and Christian education	46,818						44,703
Administration	15,667	5,210					18,563
Wider church/outreach	121,337			18,138			183,327
Amortization of capital assets		193,986		3,557	289		192,730
Total expenses	<u>568,826</u>	<u>206,331</u>		<u>21,695</u>	<u>289</u>	<u>-</u>	<u>818,591</u>
Excess of revenue over expenses (expenses over revenue) for the year	<u>\$(18,008)</u>	<u>\$(154,762)</u>	<u>\$12,751</u>	<u>\$9,394</u>	<u>\$1,137</u>	<u>\$59,680</u>	<u>\$(117,636)</u>

**All Saints' Kingsway Anglican Church
Statement of Changes in Net Assets
For the year ended December 31, 2011**

	2011						2010	
	Unrestricted	Restricted				Total	Total	
	Operating Fund	Capital Asset Fund	Future Income Fund	Out of the Cold Fund	Dedication Fund	Our Faith Our Hope Fund		
Net assets, beginning of year	\$15,966	\$1,839,432	\$368,983	\$98,748	\$48,090	\$-	\$2,371,219	\$2,488,856
Excess of revenue over expenses (expenses over revenue) for the year	(18,008)	(154,762)	12,751	9,394	1,137	59,680	(89,807)	(117,636)
Transfer from Future Income Fund to Operating Fund	12,571		(12,571)					
Net assets, end of year	<u>\$10,529</u>	<u>\$1,684,670</u>	<u>\$369,163</u>	<u>\$108,142</u>	<u>\$49,227</u>	<u>\$59,680</u>	<u>\$2,281,412</u>	<u>\$2,371,219</u>

All Saints' Kingsway Anglican Church
Statement of Cash Flows
For the year ended December 31, 2011

	2011						2010	
	Unrestricted	Restricted				Total	Total	
	Operating Fund	Capital Asset Fund	Future Income Fund	Out of the Cold Fund	Dedication Fund	Our Faith Our Hope Fund		
Operating activities								
Excess of revenue over expenses (expenses over revenue) for the year	\$(18,008)	\$(154,762)	\$12,751	\$9,394	\$1,137	\$59,680	\$(89,806)	\$(117,635)
Transfer from Future Income Fund to Operating Fund	12,571		(12,571)				-	
Items not affecting cash								
Investment income		701	1,062		58		1,821	(370)
Amortization of capital assets		193,986		3,557	289		197,832	192,730
Decrease (increase) in amounts receivable	(5,403)	1,645	705	(38)	120		(2,971)	7,109
(Increase) in due from Columbarium fund							-	(31)
Decrease (increase) in prepaid expenses	12						12	8,174
Increase (decrease) in accounts payable and accrued liabilities	31,278	(2,211)		2,769			31,836	(20,751)
Decrease (increase) in inter-fund accounts	62,369	(6,599)	12,391	(8,346)	(135)	(59,680)	-	-
Net cash flow from operating activities	82,819	32,761	14,339	7,336	1,468	-	138,723	70,969
Investment activities								
Advances for assets under construction		(15,718)					(15,718)	-
Purchase of capital assets								
Purchase of furniture and equipment		(27,820)					(27,820)	(18,407)
Purchase of computer equipment		(829)		(333)			(1,162)	(2,106)
Purchase of building improvements							-	(2,460)
Sales (purchases) of investments, net		50,576	59,793		9,904		120,273	(7,241)
Net cash flow from investing activities	-	6,210	59,793	(333)	9,904	-	75,574	(30,215)
Increase (decrease) in cash for the year	82,819	38,971	74,131	7,003	11,372	-	214,297	40,754
Cash, beginning of year	71,742	5,274	1,532	51,562	1,809	-	131,918	92,267
Cash, end of year	\$154,561	\$44,244	\$75,663	\$58,565	\$13,181	\$-	\$346,215	\$133,020

ALL SAINTS' KINGSWAY ANGLICAN CHURCH

Notes to financial statements

December 31, 2011

1. Nature of the Organization

All Saints' Kingsway is a parish in the Anglican Diocese of Toronto. It derives its corporate form from The Church Temporalities Act of 1841. It is a registered charity within the provisions of the Income Tax Act (Canada).

These financial statements are the accounts of the Church Wardens, which, under canons of the Diocese, are required to be presented to vestry at its annual meeting.

2. Significant Accounting Policies

(a) Fund Accounting

The Church follows the restricted fund method of accounting for contributions. Resources are classified for accounting and reporting purposes into funds according to activity or objective specified.

The Operating Fund accounts for the operating activities of the church.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the acquisition and maintenance of the capital assets of the church.

The Future Income Fund accounts for contributions which are restricted to investment. The annual income from this Fund may be transferred to the Operating Fund to fund operations under prescribed conditions.

The Out of the Cold Fund reports the assets, liabilities, revenues and expenses related to an outreach program the church operates to support the homeless.

The Dedication Fund is to be used for purposes specified by donors.

The Our faith Our Hope Fund reports the assets, liabilities, revenues and expenses resulting related to funds received from the Diocese. In 2011 the Anglican Diocese of Toronto initiated a multi-year fundraising campaign. The Church receives a portion of donations made by church parishoners to this campaign. The funds are restricted to use in accordance with the Our Faith Our Hope mandate.

(b) Revenue Recognition

Donation revenue of the operating fund, which is unrestricted, or restricted but for which restrictions have been satisfied in the current year, is recorded as revenue in the year in which the donation is received.

Donation revenue having restrictions attached by donors, which restrictions are not satisfied at the year-end date, is included in deferred donation revenue.

Donation revenue designated for church ministries is included in operating fund revenue.

At December 31, 2011, there are no enforceable pledges receivable.

(c) Investments

Investments are stated at cost.

(d) Contributed Services

Volunteers contribute substantial time and talent to assist the church in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

ALL SAINTS' KINGSWAY ANGLICAN CHURCH

Notes to financial statements

December 31, 2011

(e) Capital Assets

Purchased capital assets, other than those acquired prior to 1998, are recorded at cost. Those acquired prior to 1998 are recorded at nominal amounts as their cost cannot be reasonably determined. Contributed capital assets are recorded at fair market value at the date of contribution, except those where fair value cannot be reasonably determined which are recorded at nominal amounts. Amortization is calculated on the straight line basis as follows:

Building improvements	20 years
Furniture and equipment	10 years
Computer equipment and software	5 years

(f) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the notes hereto. Actual results could differ from these estimates.

(g) Financial Instruments

The church's financial instruments include cash, investments, amounts receivable, amount due from Columbarium Fund and accounts payable and accrued liabilities. It is management's opinion that the church is not exposed to significant interest, currency or credit risks arising thereon. The fair value of these financial instruments approximate their carrying values.

3. Investments

	Interest Rate %	Maturity Date	2011			Total	2010 Total	#
			Restricted					
			Capital Asset Fund	Future Income Fund	Dedication Fund			
Scotia McLeod Money Market Fund			\$7,891	\$1,714	\$10,262	\$19,867	\$19,793	
Government of Canada	3.750	Sept. 2011				-	25,412	
Farm Credit Canada	3.800	Apr. 2012	30,222			30,222	30,983	
Bank of Montreal Note	5.180	June 2015		32,176		32,176	32,805	
Bank of Montreal Note	3.490	June 2016		30,238		30,238	30,291	
Government of Canada	1.500	Dec. 2012		30,029		30,029	30,060	
Canada Housing Trust Bond	4.050	Mar. 2011				-	69,988	
CIBC Note	4.400	Mar. 2011				-	25,012	
Toronto Dominion Notes	4.854	Feb. 2013	25,137	25,138	5,048	55,322	55,568	
Bank of Montreal Note	4.550	Aug. 2017		53,758	10,000	63,758	63,536	
Royal Bank Note	4.710	Dec. 2014		64,955	9,993	74,948	74,930	
Province of Ontario Bond	4.750	June 2013		65,411		65,411	65,685	
			<u>\$63,249 #</u>	<u>\$303,418 #</u>	<u>\$35,303</u>	<u>\$401,970</u>	<u>\$524,063</u>	

4. Inter-fund Balances

The inter-fund balances are non-interest bearing and are due on demand.

ALL SAINTS' KINGSWAY ANGLICAN CHURCH

Notes to financial statements

December 31, 2011

5. Capital Assets

	<u>2011</u>	<u>2010</u>
Property and equipment - prior to 1998	\$1	\$1
Building improvements	688,991	688,991
Computer equipment and software	19,875	18,712
Furniture and equipment	<u>1,611,703</u>	<u>1,583,886</u>
	2,320,570	2,291,591
Accumulated amortization	<u>(755,134)</u>	<u>(557,304)</u>
Net book value	<u>\$1,565,437</u>	<u>\$1,734,287</u>

In 2011 the Church initiated a telecommunication improvement project. Progress payments made on account on this project will be transferred to Furniture and equipment when the project is completed in 2012.

6. Deferred Amounts

	<u>2011</u>	<u>2010</u>
Other deferred revenue represents a portion of revenues from the Columbarium Fund to be recognized upon the fulfillment of all conditions of the sales of the niches.	<u>\$3,800</u>	<u>\$3,800</u>

7. Controlled Organizations

The following financial information pertains to the activities of the Theological Education Fund as at, and for the year ended December 31, 2011, which information is not included in the church's financial statements:

	<u>2011</u>	<u>2010</u>
Net assets, beginning of year	\$66,496	\$66,289
Revenues	2,684	2,707
Expenses	<u>2,500</u>	<u>2,500</u>
Net assets, end of year	<u>\$69,180 #</u>	<u>\$66,496</u>

The financial position, results of operations and cash flows of the church's Columbarium Fund are not consolidated nor included in these financial statements as it is immaterial to the church as a whole and accordingly would not add additional meaningful information.