

St. Augustine's Church
Notes to the Financial Statements
For the Year Ending December 31, 2023
(Unaudited – See Notice to Reader)

St. Augustine's Church (the Church) operates from a premises located at 340 Dominion Street, Moncton, NB, and an office located at 113 Norwood Avenue, Suite 12, Moncton, NB. The financial statements cover the activities of the Church. The Church is a registered charity.

These statements were prepared by church staff, with the assistance of a volunteer chartered professional accountant and the Church Finance Council. They have not been audited, reviewed or compiled by a public accounting firm.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements were prepared in accordance with Canadian Accounting Standards for Canadian not-for-profit organizations (ASCNFPO) and include the following significant accounting policies.

(b) Fund Accounting

The Operating Fund summarizes those activities relating to the overall operations of the Church. The Building Fund summarizes the Church's efforts to raise funds for capital expenditures to maintain and improve the Church building and property.

(c) Financial Instruments

The financial assets and liabilities are initially recorded at fair value. The Church subsequently measures all its financial assets and liabilities at cost or amortized cost. Changes in fair value are recorded in net income.

(d) Income Taxes

The Church is a registered charity under the Canadian Income Tax Act. The Church issues charitable donation receipts for parishioners using envelopes and pre-authorized debit. The Church's income from operations is exempt from income taxes.

(e) Revenue Recognition

Revenue is recognized under the accrual method of accounting. Donations are recorded in the period they are received. Some external donations are restricted:

- (i) Donations designated to the Building Fund go to the fund in a separate bank account.
- (ii) Special Collections donations are handled by the Church and forwarded in the same amount to the designated entity as soon as possible after receiving the funds. These in-and-out transactions are revenue neutral to the Church. See Schedule 1 for a summary of this activity for 2023.
- (iii) The Church assists two social justice organizations -- Beaverbrook School Lunch Program and International Outreach -- by allowing them to deposit funds in the Church's bank account. For Beaverbrook, this saves them the cost and time of operating their own account, and for International Outreach, it provides an account for new arrivals' funds separate from their main operating account. International Outreach coordinates refugee processing, arrival, and settlement.

The deposited amounts for these two organizations do not form part of the Church's operations. In the Church's Statement of Financial Position under both assets and liabilities, these social justice organizations' funds are shown as 'held in trust for other organizations'.

ACCOUNTING POLICIES (continued)

(f) Contributed Services

Contributed services by Church volunteers towards operations and activities have not been reflected in the financial statements due to the difficulty in quantifying them. The Church is very grateful for the many volunteer hours contributed.

(g) Capital Assets

The Church land, buildings and all its contents belong to the Archdiocese of Moncton and therefore are its assets. The Church does not pay rent but does pay diocesan taxes, property taxes, and insurance. Church and office equipment and leasehold improvements are recorded at cost. The Church capitalizes equipment and leasehold improvements with a cost exceeding \$2,000.

No value for capital assets is reflected in the financial statements prior to 2021. The impact of this is unknown on these financial statements, but given the Church is over 60 years old and many of the assets were purchased some time ago, they most likely are fully depreciated and hence have a very small impact on the overall financial position. Depreciation is recorded utilizing the straight line method at a rate of 20% for equipment and 4.0% for building leasehold improvements such as the geothermal system. No depreciation is allocated until the asset has been in operation for at least one year.

2. ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Accounts Receivable (regular)	4,273	10,979
HST Receivable	<u>5,323</u>	<u>3,134</u>
	9,596	14,113

3. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Total 2023</u>	<u>Total 2022</u>
Geothermal heating system	409,607	--	409,607	409,607
Geothermal Rebate – NB Power	<u>92,576</u>	--	<u>92,576</u>	<u>92,576</u>
Geothermal heating system	317,031	--	317,031	317,031
Financed by Operations	317,031	7,926	309,105	317,031
Financed by Building Fund	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	317,031	7,926	309,105	317,031

4. PRIOR PERIOD ADJUSTMENTS

A deposit in December 2019 of \$7,317 in regular church donations destined for the operating fund account was mistakenly put in the building fund account. The error was discovered, and adjustments were made in the 2022 financial statements to the opening balances of the 2021 financial results. The actual funds were later transferred back to the operating fund account. This resulted in a double correction. The financial statements of 2022 have been restated to correct this error. The bank balance of the building fund account, previously reported at \$79,728, has been increased by \$7,317 to \$87,045. The building fund surplus in the Statement of Net Assets, previously reported at \$79,728 has also been increased by \$7,317 to \$ 87,045. There is no effect on the excess of revenue over expense figures for either 2022 or 2023.

St. Augustine's Church
Schedule 1 – Special Collections: Receipts and Disbursements (note 1(e))
For the Year Ending December 31, 2023
(Unaudited – See Notice to Reader)

	<u>2023</u>	<u>2022</u>
Share Lent	1,654	1,280
Holy Thursday		270
Good Friday – Chaplains	1,053	1,278
Pope's Pastoral Works'	580	910
Need of the Canadian Church	635	742
World Mission Sunday	625	677
Holy Land	2,148	1,240
St. Vincent de Paul	4,324	3,851
Needy at Christmas for St. Vincent	2,203	2,729
Ray of Hope	4,256	6,060
All Souls	703	830
Indigenous Reconciliation	784	5,808
Ukraine	--	12,630
TOTAL	<u>18,965</u>	<u>38,305</u>

As outlined in note 1 (e), the amount received and disbursed for special collections net to zero during the year, and therefore, do not form part of the revenue and expenses in the Statement of Operations.