

**Lambrick Park Church
Financial Statements
Year Ended August 31, 2018**





CHARTERED
PROFESSIONAL
ACCOUNTANTS

Independent Auditor's Report

To the Members of Lambrick Park Church

Report on the Financial Statements

We have audited the accompanying financial statements of Lambrick Park Church, which comprise the statement of financial position as at August 31, 2018 and the statements of changes in net assets, operations 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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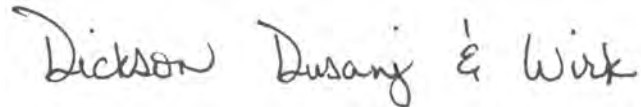
Independent Auditor's Report to the Members of Lambrick Park Church *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lambrick Park Church as at August 31, 2018, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the Society's financial statements have been prepared on a basis consistent with that of the preceding year following Canadian accounting standards for not-for-profit organizations.



Victoria, British Columbia
November 26, 2018

Chartered Professional Accountants

Lambrick Park Church
Statement of Financial Position
August 31, 2018

	2018	2017
	\$	\$
Assets		
Current		
Cash	127,286	199,271
Accounts receivable	1,742	4,455
Government remittances receivable	4,238	2,712
Prepays	4,509	13,619
	<u>137,775</u>	<u>220,057</u>
Property and equipment (Note 3)	<u>780,897</u>	<u>750,331</u>
Total assets	<u>918,672</u>	<u>970,388</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	28,166	11,581
Government remittances payable	811	207
Deferred revenue	49,982	22,944
	<u>78,959</u>	<u>34,732</u>
Deferred capital contributions (Note 4)	<u>29,337</u>	<u>5,355</u>
Total liabilities	<u>108,296</u>	<u>40,087</u>
Net Assets		
Invested in property and equipment (Note 5)	751,560	744,977
Internally restricted	200,000	241,356
Unrestricted	<u>(141,184)</u>	<u>(56,032)</u>
	<u>810,376</u>	<u>930,301</u>
Total liabilities and net assets	<u>918,672</u>	<u>970,388</u>

On behalf of the Elders

_____ Elder

_____ Elder

Lambrick Park Church
Statement of Changes in Net Assets
Year Ended August 31, 2018

	Invested in Property and Equipment \$	Internally Restricted \$	Unrestricted \$	2018 \$	2017 \$
Net assets - beginning of year	744,977	241,356	(56,032)	930,301	956,172
Deficiency of revenue over expenses	(59,404)	-	(34,301)	(93,705)	(25,871)
Interfund transfers	-	(15,136)	15,136	-	-
Investment in property and equipment	65,987	(26,220)	(65,987)	(26,220)	-
Net assets - end of year	751,560	200,000	(141,184)	810,376	930,301

Lambrick Park Church
Statement of Operations
Year Ended August 31, 2018

	2018	2017
	\$	\$
Revenue		
Donations	443,421	412,485
Wiseways revenue	341,121	361,406
Amortization of deferred capital contributions <i>(Note 4)</i>	2,238	412
Other revenue	98,966	195,765
	<u>885,746</u>	<u>970,068</u>
Expenses		
Amortization of property and equipment	61,641	52,431
Facility operations	114,297	121,321
Children's ministry	3,936	2,324
Community Life Ministry	19,358	23,001
Refugee Sponsorship	-	25,887
Senior leadership	1,457	1,383
Sunday AM	3,917	6,325
Wiseways Preschool	15,620	61,624
Youth ministry	9,483	10,137
Missions	78,762	67,570
Office and administration	22,727	25,134
Professional fees	7,572	8,556
Vehicle operating	880	894
Wages and benefits	639,801	589,352
	<u>979,451</u>	<u>995,939</u>
Deficiency of revenue over expenses for the year	<u>(93,705)</u>	<u>(25,871)</u>

Lambrick Park Church
Statement of Cash Flow
Year Ended August 31, 2018

	2018	2017
	\$	\$
Operating activities		
Deficiency of revenue over expenses	(93,705)	(25,871)
Items not affecting cash:		
Amortization of property and equipment	61,641	52,431
Amortization of deferred capital contributions	(2,238)	(412)
	<u>(34,302)</u>	<u>26,148</u>
Changes in non-cash working capital:		
Accounts receivable	2,713	18,341
Accounts payable and accrued liabilities	16,584	1,702
Deferred revenue	27,038	(2,210)
Prepays	9,110	(7,896)
Government remittances receivable	(1,526)	764
Government remittances payable	604	(77)
	<u>54,523</u>	<u>10,624</u>
Cash flow from operating activities	<u>20,221</u>	<u>36,772</u>
Investing activity		
Purchase of property and equipment	(92,206)	(20,109)
Increase (decrease) in cash flow	(71,985)	16,663
Cash - beginning of year	<u>199,271</u>	<u>182,608</u>
Cash - end of year	<u>127,286</u>	<u>199,271</u>

Lambrick Park Church
Notes to Financial Statements
Year Ended August 31, 2018

1. Purpose of the Organization

Lambrick Park Church (the "society") was incorporated provincially under the Society Act of British Columbia on December 8, 1965. The purpose of the Society is to function as a local Church, engaging in all such activities are appropriate thereto such as:

The Worship of God
The Edification of Christians
The Proclamation of the Gospel of the Lord Jesus Christ

These activities and all others related or contributory thereto may be carried out individually, collectively or in co-operation with other bodies or individuals.

As a registered charity the society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

2. Significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO), and include the following significant accounting policies:

Revenue recognition

Lambrick Park Church follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates:

Buildings	20 - 40 years
Equipment	5 years
Furnishings	5 years
Sign	5 years

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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Lambrick Park Church
Notes to Financial Statements
Year Ended August 31, 2018

2. Significant accounting policies (continued)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial instruments measured at amortized cost include government remittances receivable, accounts payable and accrued liabilities, and government remittances payable.

Financial instruments measured at fair value include cash and short-term deposits.

3. Property and equipment

	2018		2017	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Land	123,750	-	123,750	-
Buildings	1,629,327	1,019,922	1,581,459	973,080
Equipment	276,351	252,334	261,668	243,466
Furnishings	107,737	84,585	78,797	78,797
Sign	3,225	2,652	2,509	2,509
	2,140,390	1,359,493	2,048,183	1,297,852
Net book value	780,897		750,331	

Lambrick Park Church
Notes to Financial Statements
Year Ended August 31, 2018

4. Deferred Capital Contributions

Deferred capital contributions represent contributions restricted to acquiring property and equipment. Deferred capital contributions are amortized on the same basis as the related property and equipment and are recorded as revenue in the Statement of Operations.

The changes in the deferred capital contribution balance are as follows:

	2018 \$	2017 \$
Balance, beginning of the year	5,355	5,767
Additions	26,220	-
Amounts amortized to revenue	<u>(2,238)</u>	<u>(412)</u>
Balance, end of the year	<u>29,337</u>	<u>5,355</u>

5. Net Assets Invested in Property and Equipment

Investment in property and equipment is calculated as follows:

	2018 \$	2017 \$
Property and equipment	780,897	750,332
Amount financed by deferred capital contributions	<u>(29,337)</u>	<u>(5,355)</u>
	<u>751,560</u>	<u>744,977</u>

6. Internally Restricted Net Assets

During the 2012 fiscal year the Board of Directors established that there would be an internally restricted amount of \$100,000 as an Operating Reserve and \$100,000 as a Long Term Capital Reserve. The board has stated that they are attempting to re-establish these internally restricted amounts. During the year, the Wiseways Contingency and Enhancement reserves of \$41.356 were utilized for capital additions and operating expenses as approved by the elders.

7. Financial risks and concentration of risks

The society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the society's risk exposure and concentration as of August 31, 2018. There have been no significant changes in the society's risk exposure from the prior year.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The society is exposed to credit risk from its accounts receivable. Accounts receivable involve a government entity, and therefore the Society is not subject to any significant concentration of risk.

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7. Financial risks and concentration of risks (*continued*)

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The society does not face significant currency risk exposure.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The society does not face significant interest rate risk exposure.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The society does not face significant liquidity risk exposure.

Unless otherwise noted, it is management's opinion that the society is not exposed to significant other price risks arising from these financial instruments.

8. Salaries, honoraria and benefits

The Societies Act requires certain information to be reported with regards to remuneration of employees, contractors and Directors. There were no wages paid to employees or honoraria paid to Directors during the year that met the reporting requirements.