

THE UNITARIAN CHURCH OF VANCOUVER

FINANCIAL STATEMENTS

30 JUNE 2022

THE UNITARIAN CHURCH OF VANCOUVER

Financial Statements

For the year ended 30 June 2022

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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Shareholder,
The Unitarian Church of Vancouver

We have reviewed the accompanying financial statements of The Unitarian Church of Vancouver that comprise the statement of financial position as at 30 June 2022, and the statements of operations and changes in fund balances, changes in reserve and other fund balances 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioners' 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 practitioners perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate 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.

Basis for Qualified Conclusion

In common with other organizations of this kind, The Unitarian Church of Vancouver derives revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory review procedures. Accordingly, our review of this revenue was limited to the amounts recorded in the records of the Church and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses and fund balances for the years ended 30 June 2022 and 2021, current assets as at 30 June 2022 and 2021 and fund balances as at 1 July and 30 June for both the 2022 and 2021 years. Our review conclusion on the financial statements for the year ended 30 June 2022 was modified accordingly because of the possible effects of this limitation in space.

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

Note 2(d) describes the amortization policy with respect to the Church's tangible capital assets indicating the Church does not amortize buildings and exterior improvements. In this respect, the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations. The effect of this departure from Canadian accounting standards for not-for-profit organizations has not been determined.

Note 2(c) describes the Church's accounting policy with respect to its investments (Note 3). In accordance with CPA Canada Handbook Section 3856 Financial Instruments Recognition and Measurement, the Church is required to measure and report these investments at fair value. In this respect, the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations. If investments were carried at fair value, the investments and fund balances at 30 June 2022 would decrease by \$142,303, fund balances at 1 July 2021 would increase by \$314,892, and the excess of revenue over expense for the year ended 30 June 2022 would decrease by \$457,195.

Qualified Conclusion

Based on our review, except for the effects of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of The Unitarian Church of Vancouver as at 30 June 2022, 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.



CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
19 October 2022

THE UNITARIAN CHURCH OF VANCOUVER
Statement of Financial Position
30 June 2022

	General Fund		Restricted Funds		Designated Funds		Totals	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Current								
Cash	483,523	74,867	-	-	-	-	483,523	74,867
Prepaid expenses and deposits	9,971	75,958	-	-	-	-	9,971	75,958
Accounts receivable	5,367	1,545	-	-	-	-	5,367	1,545
GST receivable	2,522	7,569	-	-	-	-	2,522	7,569
Investments (Note 3)	1,547,595	2,108,159	455,315	460,944	1,023,202	546,924	3,026,112	3,116,027
	2,048,978	2,268,098	455,315	460,944	1,023,202	546,924	3,527,495	3,275,966
Tangible capital assets (Note 4)	833,798	625,103		-	-	-	833,798	625,103
	2,882,776	2,893,201	455,315	460,944	1,023,202	546,924	4,361,293	3,901,069
Liabilities								
Current								
Accounts payable and accrued liabilities	27,624	42,648	-	-	-	-	27,624	42,648
Deferred revenue	36,175	67,262	-	-	-	-	36,175	67,262
Other funds - deferred contributions	21,645	24,572	-	-	-	-	21,645	24,572
	85,444	134,482	-	-	-	-	85,444	134,482
Commitments (Note 5)								
Fund Balances								
Invested in tangible capital assets	833,798	625,103	-	-	-	-	833,798	625,103
Permanent endowments (Note 2 (a)(ii), (c) & (d))	-	-	155,000	155,000	-	-	155,000	155,000
Externally restricted (Note 6)	-	-	300,315	305,944	-	-	300,315	305,944
Internally restricted (Note 7)	-	-	-	-	1,023,202	546,924	1,023,202	546,924
Unrestricted	1,963,534	2,133,616	-	-	-	-	1,963,534	2,133,616
	2,797,332	2,758,719	455,315	460,944	1,023,202	546,924	4,275,849	3,766,587
	2,882,776	2,893,201	455,315	460,944	1,023,202	546,924	4,361,293	3,901,069

ON BEHALF OF THE TRUSTEES:

..... Trustee

..... Trustee

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

THE UNITARIAN CHURCH OF VANCOUVER
Statement of Operations and Changes in Fund Balances
For the year ended 30 June 2022

	General Fund		Restricted Funds		Designated Funds		Totals	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Pledges	345,408	322,431	-	-	-	-	345,408	322,431
Open collections	23,404	33,160	-	-	7,625	8,290	31,029	41,450
Other donations	1,293	875	13,225	13,143	593,098	193,233	607,616	207,251
Fundraising	-	-	-	-	-	397	-	397
Investment income	61,544	78,985	5,508	9,021	4,902	15,771	71,954	103,777
Bequests	254,075	294,292	-	-	-	-	254,075	294,292
Miscellaneous - Schedule 1	185,845	203,839	-	-	-	-	185,845	203,839
Revenue - other funds	96,735	32,965	-	-	-	-	96,735	32,965
	968,304	966,547	18,733	22,164	605,625	217,691	1,592,662	1,206,402
Expenses								
Parish ministry - Schedule 2	146,887	139,730	-	-	-	-	146,887	139,730
Religious education - Schedule 2	94,436	66,261	-	-	-	-	94,436	66,261
Lay chaplains services	3,549	735	-	-	-	-	3,549	735
Music program - Schedule 2	53,415	51,124	-	-	-	-	53,415	51,124
Buildings and grounds - Schedule 2	136,833	211,776	-	-	-	-	136,833	211,776
Administrative - Schedule 2	327,075	230,224	-	-	-	-	327,075	230,224
Committees and other	9,729	6,286	-	-	-	-	9,729	6,286
Congregational services	33,794	40,210	-	-	-	-	33,794	40,210
Expenses - other funds	3,735	1,666	-	-	-	-	3,735	1,666
Fund operating expenses	-	-	24,362	40,848	249,585	54,543	273,947	95,391
	809,453	748,012	24,362	40,848	249,585	54,543	1,083,400	843,403
Excess (deficiency) of revenue over expenses	158,851	218,535	(5,629)	(18,684)	356,040	163,148	509,262	362,999
Fund balance - beginning of year	2,758,719	2,506,464	460,944	454,206	546,924	442,918	3,766,587	3,403,588
Transfers from (to) other funds	(120,238)	33,720	-	25,422	120,238	(59,142)	-	-
Fund balance - end of year	2,797,332	2,758,719	455,315	460,944	1,023,202	546,924	4,275,849	3,766,587

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

THE UNITARIAN CHURCH OF VANCOUVER
Statement of Changes in Reserve and Other Fund Balances
For the year ended 30 June 2022

	30 June 2021	Transfers	Collections, Donations and Bequests	Fundraising and Other Income	Investment Income	Expenses	30 June 2022
	\$	\$	\$	\$	\$	\$	\$
Restricted Funds (Note 6)							
Catharina Fortune Trust Fund	35,850	-	-	-	757	(2,212)	34,395
Endowment Fund	172,673	-	-	-	-	-	172,673
Robert & Anna Koerner Foundation							-
Community Fund	100,137	-	13,225	-	2,128	(18,100)	97,390
Reverend Phillip Hewett Fund	-	-	-	-	-	-	-
Robert Koerner Fund	118,338	-	-	-	2,534	(4,050)	116,822
Thompson Fund	4,085	-	-	-	89	-	4,174
UCV Service Fund	29,861	-	-	-	-	-	29,861
	460,944	-	13,225	-	5,508	(24,362)	455,315
Designated Funds (Note 7)							
Outreach Opportunity Fund	4,206	-	1,290	5,851	-	(7,086)	4,261
Campus Ministry Fund	155	-	-	-	-	-	155
Muriel Cunliffe Seniors RE Fund	19,395	(9,697)	-	-	211	-	9,909
Muriel Cunliffe Seniors Social Justice Team Fund	-	9,697	-	-	212	-	9,909
Dorothy Paschal Fund	5,630	-	-	-	123	-	5,753
Elizabeth Campbell Food Security Fund	18,773	-	-	-	376	(3,000)	16,149
Green Fund	7,928	-	3,272	-	-	(981)	10,219
Brasov Fund	1,101	(1,101)	-	-	-	-	-
Publicity Fund	1,261	-	-	-	27	-	1,288
Faithful Fool's Vancouver	6,077	-	-	-	-	-	6,077
Emergency Relief Fund	46	-	-	-	-	(3,000)	(2,954)
Memorial Garden Fund	1,317	-	900	-	-	(653)	1,564
Youth Graduation Fund	3,940	-	-	-	-	(80)	3,860
Property Maintenance Fund	77,728	120,356	8,400	-	-	-	206,484
Sheila Thompson Refugee Fund	151,532	-	85,570	1,774	3,730	(48,075)	194,531
Other Refugee Funds	174,490	-	459,270	-	-	(124,571)	509,189
Stewart Fund	1,009	-	-	-	-	-	1,009
Alhumaid Refugee Fund	31,253	-	6,000	-	-	(29,680)	7,573
Ted Anderson DTES Fund	3,530	(118)	-	-	-	(3,412)	-
Issa and Roaa Refugee Fund	8,745	-	3,545	-	-	-	12,290
Mohammad "Ali" Allan Refugee Fund	7,817	-	7,908	-	-	(16,000)	(275)
Partner Church Fund	143	1,101	9,642	-	24	(8,817)	2,093
Reverend Phillip Hewett Fund	9,133	-	-	-	199	-	9,332
United Hands Refugee Fund	11,715	-	7,300	-	-	(4,230)	14,785
	546,924	120,238	593,097	7,625	4,902	(249,585)	1,023,201
Other Funds							
Musical Instrument Fund	3,305	-	-	-	-	(393)	2,912
Epperson Sermon Book Fund	3,081	-	-	200	-	(3,081)	200
Choral Spectrum Fund	10,711	-	-	509	-	-	11,220
Women's Retreat Fund	1,110	-	100	-	-	(262)	948
Library Fund	68	-	-	-	-	-	68
Peace Fund	2,104	-	-	-	-	-	2,104
Archives Fund	4,193	-	-	-	-	-	4,193
Sanctuary for the Arts Fund	-	(93,000)	93,000	-	-	-	-
	24,572	(93,000)	93,100	709	-	(3,736)	21,645

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

THE UNITARIAN CHURCH OF VANCOUVER

Statement of Cash Flows
For the year ended 30 June 2022

	General Fund		Restricted Funds		Designated Funds		Totals	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
Cash provided for (used in):								
Operating activities								
Excess (deficiency) of revenues over expenses	158,851	218,535	(5,629)	(18,684)	356,040	163,148	509,262	362,999
Add back: Non-cash items								
Amortization	16,446	4,075	-	-	-	-	16,446	4,075
Disposal of tangible capital assets	-	109,208	-	-	-	-	-	109,208
	175,297	331,818	(5,629)	(18,684)	356,040	163,148	525,708	476,282
Changes in non-cash working capital balances								
GST receivable	5,047	(5,702)	-	-	-	-	5,047	(5,702)
Prepaid expenses	65,987	(68,232)	-	-	-	-	65,987	(68,232)
Accounts receivable	(3,822)	3,478	-	-	-	-	(3,822)	3,478
Accounts payable and accrued liabilities	(15,025)	24,570	-	-	-	-	(15,025)	24,570
Deferred revenue	(31,087)	34,538	-	-	-	-	(31,087)	34,538
Other funds	(2,927)	(31,934)	-	-	-	-	(2,927)	(31,934)
	193,470	288,536	(5,629)	(18,684)	356,040	163,148	543,881	433,000
Investing activities								
Purchase and sale of investments (net)	560,565	(1,672,793)	5,629	(6,738)	(476,278)	(104,006)	89,916	(1,783,537)
Purchase of tangible capital assets	(225,141)	(98,709)	-	-	-	-	(225,141)	(98,709)
	335,424	(1,771,502)	5,629	(6,738)	(476,278)	(104,006)	(135,225)	(1,882,246)
Financing activities								
Deferred capital contributions - net	-	(75,000)	-	-	-	-	-	(75,000)
	-	(75,000)	-	-	-	-	-	(75,000)
Net increase (decrease) in cash	528,894	(1,557,966)	-	(25,422)	(120,238)	59,142	408,656	(1,524,246)
Cash - beginning of year	74,867	1,599,113	-	-	-	-	74,867	1,599,113
Interfund transfers	(120,238)	33,720	-	25,422	120,238	(59,142)	-	-
Cash - end of year	483,523	74,867	-	-	-	-	483,523	74,867

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

THE UNITARIAN CHURCH OF VANCOUVER
Notes to the Financial Statements
For the year ended 30 June 2022

1. Purpose of the organization

The Unitarian Church (the "Church") is a liberal religious body dedicated to providing an inclusive place of worship and to promoting programs and social action that develop the social well-being, worth and dignity of all people. The Church is also a registered charity under the Income Tax Act and is therefore not subject to federal or provincial taxes providing that certain requirements are met.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations

(a) Fund accounting

The Church follows the restricted fund method of accounting for contributions.

(i) General Fund

The General Fund reports the Church's program delivery and administrative activities. The General Fund includes unrestricted funds and Gifts & Bequests Fund, which is internally restricted.

(ii) Restricted funds

- (a) UCV Service Fund** - this fund is used to enable to the Church to be a truly compassionate community through the role that the service committee currently plays. Investment income earned is reported as revenue in the general fund.
- (b) Robert Koerner Fund** - the purpose of this fund is to add new dimensions to the life and thought of the Church, and through it of the wider community, by means of educational and artistic projects. Preference is given to those projects, which are of an innovative nature. Such projects may be directed to the specific needs of children, youth adults of all ages together and, should extend beyond what can normally be expected to be financed through the regular Church budget.
- (c) Catharina Fortune Trust Fund** - this fund consists of capital contributions which donors wish to leave intact in perpetuity while allowing revenues earned to be disbursed to support direct action and education for one or more of global peace, social justice and environmental sustainability or promoting development programs for one or more such purposes in less developed countries.
- (d) Endowment Fund** - this fund consists of capital contributions, which donors wish to leave intact in perpetuity while allowing revenues earned to be disbursed for Church purposes or transferred to other funds. Interest earned is reported as revenue in the general fund.

THE UNITARIAN CHURCH OF VANCOUVER
Notes to the Financial Statements
For the year ended 30 June 2022

2. Summary of significant accounting policies - Continued

(a) Fund accounting - Continued

- (e) Thompson Fund - this fund and its income is used to assist in the promotion of training for religious educators, working as Ministers and/or with youth and children, including continuing education.
- (f) Robert and Anna Koerner Foundation Community Fund - this fund is used for a project that follows any of the following purposes:
 - (i) furthering an understanding amongst young people of all nations;
 - (ii) strengthening the cultural and other ties between young people residing respectively in French Canada and in English Canada, whether by means of student exchanges or otherwise;
 - (iii) support and assist young people of ethnic groups other than French and English living in Canada, particularly those living in British Columbia;
 - (iv) support and assist refugees coming to Canada regardless of race, creed and colour;
 - (v) support and assist causes which are humanistic and liberal in character in the educations and cultural fields with emphasis upon the needs of young people.

(iii) Designated funds

- (a) Alhumaid Refugee Fund - the fund and its income is used to assist refugees of any status, including claimants, church-sponsored, or jointly assisted (JAS), with medical, educational or other needs in accordance with the majority decision of the Refugee Committee in each case.
- (b) Brasov Fund - this fund and its income is used to assist the partner church in Brasov, Romania. The Fund has been merged to Partner Church Fund.
- (c) Campus Ministry Fund - this fund is used to support Unitarian ministry at B.C. post-secondary institution campuses. Interest earned is reported as revenue in the general fund.
- (d) Dorothy Paschal Fund - this fund and its income is used to promote the inclusion of creative arts in the lives of Church members.
- (e) Elizabeth Campbell Food Security Fund - this fund is used to provide support for the work of the Unitarian Church of Vancouver Community Kitchen Committee Community Cooks program.
- (f) Emergency Relief Fund - this fund is intended to provide emergency humanitarian or environmental relief anywhere in the world. Interest earned is reported as revenue in the general fund.

THE UNITARIAN CHURCH OF VANCOUVER
Notes to the Financial Statements
For the year ended 30 June 2022

2. Summary of significant accounting policies - Continued

(a) Fund accounting - Continued

- (g) Green Fund - this fund is used to provide additional funding for innovative projects, which seek to implement the Unitarian Church of Vancouver Mission Statement, specifically "environmental sustainability through worship, ethical action, education and artistic expression". Interest earned is reported as revenue in the general fund.
- (h) Issa and Roaa Refugee Fund - the fund and its income is used to assist refugees of any status, including claimants, church-sponsored, or jointly assisted (JAS), with medical, educational or other needs in accordance with the majority decision of the Refugee Committee in each case.
- (i) Memorial Garden Fund - this fund is used to support the development, operation and maintenance of the Church Memorial Gardens for the purpose of honouring deceased Church members, their families and friends of the Church. Interest earned is reported as revenue in the general fund.
- (j) Mohammad "Ali" Allan Refugee Fund - the fund and its income is used to assist refugees of any status, including claimants, church-sponsored, or jointly assisted (JAS), with medical, educational or other needs in accordance with the majority decision of the Refugee Committee in each case.
- (k) Muriel Cunliffe Seniors RE Team Fund- this fund and its income is used to promote programs benefiting senior citizens.
- (l) Muriel Cunliffe Social Justice Team Fund - this fund and its income is used to promote programs benefiting senior citizens.
- (m) Outreach Opportunities Fund - this fund was established to involve the congregation in active outreach and support to community projects, both those that are independent of the Church and those that have some connection to the work of the Church committees. The fund has been created to support organizations undertaking social justice, refugee support and settlement and/or environmental sustainability work with a focus on vulnerable or other marginalized communities. Preference for funding is given to groups whose work is focused primarily in Vancouver and the Lower Mainland. Interest earned is reported as revenue in the general fund.
- (n) Partner Church Fund (formerly Burundi Covid-19 Fund) - this fund and its income is used to assist refugees from Burundi living in Rwanda.
- (o) Property Maintenance Fund - this fund and its income are used to support maintenance of Church buildings and grounds.

THE UNITARIAN CHURCH OF VANCOUVER
Notes to the Financial Statements
For the year ended 30 June 2022

2. Summary of significant accounting policies - Continued

(a) Fund accounting - Continued

- (p) Publicity Fund - this fund and its income is used to generally increase awareness of Unitarianism and Unitarian activities and specifically to increase membership in the Church.
- (q) Reverend Phillip Hewett Fund - This fund and its income helps to offset the costs of having intern ministers perform services for the church.
- (r) Sheilah Thompson Refugee Fund - the fund and its income is used to assist refugees of any status, including claimants, church-sponsored, government-sponsored, or jointly assisted (JAS), with medical, educational or other needs in accordance with the majority decision of the Refugee Committee in each case.
- (s) Stewart Fund - this fund was established to support youth to attend Denominational events. Interest earned is reported as revenue in the general fund.
- (t) Ted Anderson DTES Fund - this fund is used to support community development work in Vancouver's Downtown Eastside or other Vancouver communities as approved by the Board. The fund has been closed in 2022.
- (u) United Hands Refugee Fund - the fund and its income is used to provide emergency response to refugee families.
- (v) Youth Graduation Fund - this fund was established to purchase hymnals and other appropriate gifts for graduates of the Church's Youth Program. Interest earned is reported as revenue in the general fund.
- (w) In addition to above, the church has various refugee funds. The funds and its income is used to assist refugees of any status, including claimants, church-sponsored, or jointly assisted (JAS), with medical, educational or other needs in accordance with the majority decision of the Refugee Committee in each case.

THE UNITARIAN CHURCH OF VANCOUVER
Notes to the Financial Statements
For the year ended 30 June 2022

2. Summary of significant accounting policies - Continued

(a) Fund accounting - Continued

(iv) Other funds

- (a) Musical Instrument Fund - this fund is used to purchase or repair musical instruments used for Church activities and to support the purchase of new music. Interest earned is reported as revenue in the general fund.
- (b) Choral Spectrum Fund - this fund is used to provide a fund which the Music committee can use to manage cash flow for concerts, and disburse toward special musical needs of the Church. Interest earned is reported as revenue in the general fund.
- (c) Women's Retreat Fund - this fund is used to contribute toward the cost of retreat activities for women associated with the Church. Interest earned is reported as revenue in the general fund.
- (d) Library Fund - this fund is used to contribute toward the work of the Church library. Interest earned is reported as revenue in the general fund.
- (e) Peace Fund - this fund is used to promote peace in the congregation, the community and the world by supporting the development of peace-making processes, attitudes, knowledge and skills. Interest earned is reported as revenue in the general fund.
- (f) Archives Fund - this fund is used to support the management of Church archives. Interest earned is reported as revenue in the general fund.
- (g) Epperson Sermon Book Fund - this fund was established to publish a book of Reverend Epperson's sermons. Investment income earned is reported as revenue in the general fund.

THE UNITARIAN CHURCH OF VANCOUVER
Notes to the Financial Statements
For the year ended 30 June 2022

2. Summary of significant accounting policies - Continued

(b) Revenue recognition

Restricted contributions related to general operations are deferred and recognized as revenue of the General Fund in the year the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income earned on certain externally and internally restricted fund assets is recognized as revenue in the applicable fund in the period the investment income is earned.

(c) Investments

Investments are recorded at cost. Where there is a decline in the value of the investment which is considered to be other than a temporary decline, the investment is written down to recognize the loss.

(d) Tangible capital assets

Office and other equipment are recorded at cost and amortized over their estimated useful lives using the straight line method:

Furniture and equipment	straight line (2021 - declining balance 20%)
Computer hardware	straight line (2021 - declining balance 30%)

An insurance appraisal of the Church buildings and exterior improvements was conducted in 1989, indicating a replacement cost of \$1,690,000. This replacement cost estimate does not include land. As the appraised replacement cost estimate exceeds cost, amortization has not been provided for in these financial statements and this policy is not in accordance with Canadian accounting standards for not-for-profit organizations.

The Church is unable to quantify this departure as information on acquisition dates is not available.

(e) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingencies at the date of the statement of financial position. Accounts subject to significant estimates include amortization on tangible capital assets and accrued liabilities. Management believes that estimates utilized in preparing its financial statements are prudent and reasonable, however, actual results could differ from those estimates.

THE UNITARIAN CHURCH OF VANCOUVER
Notes to the Financial Statements
For the year ended 30 June 2022

2. Summary of significant accounting policies - Continued

(f) Foreign currency transactions

Transactions denominated in foreign currencies are recorded in Canadian dollars at the exchange rate prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted to Canadian dollars at the exchange rate prevailing at the balance sheet date. Exchange gains or losses are recorded in the statement of operations for the period.

(g) Financial instruments classification

(i) Measurement of financial instruments

The Church initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(iii) Transaction costs

The Church recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

THE UNITARIAN CHURCH OF VANCOUVER
Notes to the Financial Statements
For the year ended 30 June 2022

3. Investments

	2022 Cost	2022 Market Value	2021 Cost	2021 Market Value
Marketable securities	\$ 3,026,112	\$ 2,883,809	\$ 3,116,027	\$ 3,430,919

4. Tangible capital assets

	Cost	Accumulated Amortization	2022 Net	2021 Net
Land	\$ 729,270	\$ -	\$ 729,270	\$ 597,839
Furniture and equipment	328,458	223,930	104,528	23,423
Computer hardware	18,691	18,691	-	3,842
	\$ 1,076,419	\$ 242,621	\$ 833,798	\$ 625,104

The Church tests long-lived assets for impairment when events or circumstances indicate that their carrying amount may not be recoverable. Impairment exists when the carrying value of the asset is greater than the undiscounted future cash flows expected to be provided by the asset. The amount of impairment loss, if any, is the excess of the carrying value over its fair value and the loss is recorded in the period when it is determined. No impairment losses were determined by management to be necessary for the year.

5. Commitments

The Church is committed to minimum lease payments for its equipment over the term of the lease expiring in 2023.

The minimum annual lease payment for the next year is as follows:

2023	\$ <u>744</u>
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6. Externally restricted fund balances

These funds can only be used in accordance with the original donors' intentions. In the Statement of Changes in Reserve and Other Fund Balances, the externally restricted fund balances are recorded as "Restricted Funds".

THE UNITARIAN CHURCH OF VANCOUVER
Notes to the Financial Statements
For the year ended 30 June 2022

7. Internally restricted fund balances

These amounts are not available for general use without the prior approval of the Board of Trustees. In the Statement of Changes in Reserve and Other Fund Balances, the internally restricted funds are recorded as "Designated Funds".

8. The British Columbia Societies Act

The new British Columbia Societies Act ("the Act") came into effect 28 November 2016. The Act requires a society (other than a society designated as a member-founded society) to include, in its financial statements, the disclosure of any remuneration paid to its directors, and remuneration paid to employees and contractors earning more than \$75,000 during the fiscal year. For the fiscal year ended 30 June 2022, the Church had one employee (2021 - one) with remuneration in excess of \$75,000, and the total amount of his remuneration was \$132,715 (2021 - \$106,349). The Church paid no distributions to any directors for the fiscal year ended 30 June 2022 or 2021.

9. Financial instruments

The Church is exposed to various risks through its financial instruments. The following analysis provides a measure of the Church's risk exposure and concentrations at the statement of financial position date, 30 June 2022.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Church is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Church manages liquidity risk by maintaining adequate cash. There has been no change to the risk exposure from the prior year.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Church is exposed to this risk mainly in respect of its cash and bank accounts denominated in US dollars. There has been no change to the risk exposure from the prior year.

THE UNITARIAN CHURCH OF VANCOUVER
Notes to the Financial Statements
For the year ended 30 June 2022

9. Financial instruments - Continued

(d) 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 Church is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject the Church to a fair value risk. The Church interest-bearing assets include investments in marketable securities; these are held with a financial institution.

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Church is exposed to other price risk through its investments.

10. COVID-19 Impact

In March 2020, the World Health Organization declared the COVID-19 outbreak to be a public health emergency. This pandemic has caused an increase in economic uncertainty that has led to volatility in the global markets and disrupted business operations around the world. The Church's primary sources of revenue are derived from pledges and bequests received in the form of donations. At the date of the Independent Practitioner Review Engagement Report, the Church continued to receive donations regularly. Management does not anticipate the COVID-19 will have a significant impact on future revenues and expenses but the duration of the pandemic and potential impact on future operations are still to be determined.

THE UNITARIAN CHURCH OF VANCOUVER
Schedule 1 - Schedule of Miscellaneous Revenue
For the year ended 30 June 2022

	2022	2021
Miscellaneous		
Use of premises - net	\$ 172,278	\$ 118,961
Workshops and miscellaneous	10,142	-
Special services - net	3,425	2,600
Redevelopment grants - government	-	35,000
Redevelopment grants - other	-	40,000
Wage subsidy	-	7,278
	<u>\$ 185,845</u>	<u>\$ 203,839</u>

THE UNITARIAN CHURCH OF VANCOUVER
Schedule 2 - Schedule of Parish Ministry, Religious Education,
Music Program, Buildings and Grounds and Administrative Costs
For the year ended 30 June 2022

	2022	2021
Parish Ministry		
Salary and benefits	\$ 146,887	\$ 139,730
Religious Education		
Religious education - salaries and benefits	\$ 96,066	\$ 63,419
OWL Program	623	-
Multifaith Calendars revenue	128	-
Children's and child care programs	(536)	1,525
Youth program	(629)	711
Adult program (recovery)	(1,216)	606
	\$ 94,436	\$ 66,261
Music Program		
Salaries and benefits	\$ 32,866	\$ 30,646
Leads	11,352	11,016
Guest musician fees	4,870	4,819
Music purchases and miscellaneous costs	4,327	4,643
	\$ 53,415	\$ 51,124
Buildings and Grounds		
Building and ground maintenance	52,756	26,708
Salaries and benefits	\$ 51,283	\$ 39,493
Utilities	20,202	15,914
Other costs	12,592	19,439
Redevelopment costs	-	110,222
	\$ 136,833	\$ 211,776
Administrative Costs		
Salaries and benefits	\$ 222,477	\$ 137,929
Other costs	35,523	39,164
Insurance	22,045	20,346
Accounting and legal costs	16,816	13,118
Photocopier, postage and meter	4,401	5,144
Office	4,140	4,777
Telephone costs	3,540	3,748
Payroll charges	1,687	1,923
Amortization	16,446	4,075
	\$ 327,075	\$ 230,224