

CHALMERS COMMUNITY SERVICES CENTRE  
OF THE UNITED CHURCH OF CANADA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

(with comparative figures  
for the year ended December 31, 2013)

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**INDEPENDENT AUDIT REPORT**

To: The Directors of Chalmers Community Services Centre of the United Church of Canada:

**Report on the Financial Statements**

I have audited the accompanying financial statements of Chalmers Community Services Centre of the United Church of Canada., which comprise the statement of financial position as at December 31, 2014 and the statements of changes in net assets, operations 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.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 judgement, 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 and fair presentation 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 overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audit is sufficient and appropriate to provide a basis for my audit opinion.

**Basis for Qualified Opinion**

As is common with many charitable organizations, the entity derives revenue from cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the entity and I was not able to determine whether any adjustments might be necessary to revenues, revenues over expenditures for the year, assets and net assets. Also the organization does not capitalize or amortize any capital assets purchased through funding received.

**Qualified Opinion**

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the statement of financial position of Chalmers Community Services Centre of the United Church of Canada. as at December 31, 2014 and the results of operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Guelph, Ontario.  
April 4, 2015



B. D. Hawkins, CPA, CA  
Licenced Public Accountant.

CHALMERS COMMUNITY SERVICES CENTRE  
 OF THE UNITED CHURCH OF CANADA  
 STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2014

		Assets	
		2014	2013
Current			
	Cash	\$ 75,820	\$ 85,249
	Term deposit (note 3)	102,200	100,000
	HST recoverable	3,477	3,104
		<u>181,497</u>	<u>188,353</u>
		<u>\$ 181,497</u>	<u>\$ 188,353</u>
		Liabilities	
Current			
	Accounts payable and accrued liabilities	\$ 415	\$ 585
	Deferred revenue	125,450	125,450
		<u>125,865</u>	<u>126,035</u>
		Net assets	
Net assets		55,632	62,318
		<u>181,497</u>	<u>188,353</u>
		<u>\$ 181,497</u>	<u>\$ 188,353</u>

Approved on behalf of the board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

(See accompanying notes to financial statements)  
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CHALMERS COMMUNITY SERVICES CENTRE  
OF THE UNITED CHURCH OF CANADA  
STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
Net assets, beginning of year	\$ 62,318	\$ 43,002
	(6,686)	19,316
Excess of revenue over expenditures	-----	-----
	\$ 55,632	\$ 62,318
Net assets, end of year	=====	=====

(See accompanying notes to financial statements)  
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CHALMERS COMMUNITY SERVICES CENTRE  
OF THE UNITED CHURCH OF CANADA  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
Revenue		
Foundation grants	\$ 53,673	\$ 31,500
Government and other grants	1,000	—
Gifts from Churches	23,642	33,905
Charitable donations	32,969	36,527
Other revenue		
Fundraising and sponsorships	9,638	18,863
Interest and other income	6,902	6,599
	-----	-----
	127,824	127,394
Direct program and project costs	-----	-----
Food	60,103	38,436
Supplies	2,994	1,911
Other	1,276	424
Fundraising	4,763	2,447
	-----	-----
	69,136	43,218
	-----	-----
	58,688	84,176
	-----	-----
Administrative expenditures		
Equipment purchase and lease	4,709	4,493
Insurance	2,935	2,935
Office and administration	4,245	3,201
Professional fees	1,247	1,273
Rent	20,420	20,420
Salaries and benefits	26,681	24,650
Telecommunications	1,538	1,318
Utilities, repairs etc.	2,428	5,185
Volunteer appreciation	1,171	1,385
	-----	-----
	65,374	64,860
	-----	-----
Excess of revenue over expenditures for the year	\$ (6,686)	\$ 19,316
	=====	=====

(See accompanying notes to financial statements)

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CHALMERS COMMUNITY SERVICES CENTRE  
OF THE UNITED CHURCH OF CANADA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ (6,686)	\$ 19,316
Changes in non-cash working capital		
(Increase) in HST recoverable	(373)	(415)
(Decrease) in accounts payable and accrued liabilities	(170)	(64)
Increase in deferred revenue	---	125,450
Cash flow from operations	(7,229)	144,287
(DECREASE) INCREASE IN CASH FLOW	(7,229)	144,287
Cash - beginning of year	185,249	40,962
CASH - END OF YEAR	\$ 178,020	\$ 185,249
MADE UP OF:		
Cash	\$ 75,820	\$ 85,249
Term deposit	102,200	100,000
	\$ 178,020	\$ 185,249

(See accompanying notes to financial statements)

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CHALMERS COMMUNITY SERVICES CENTRE  
OF THE UNITED CHURCH OF CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2014

1. Purpose of the organization

Chalmers Community Services Centre of the United Church of Canada is a registered charity, incorporated without share capital.

Chalmers Community Services Centre has a vision of community, where people find compassion, encouragement and respect in an environment of sincerity and hope.

It is an organization called to care, have compassion and promote social justice. It is an organization to provide food, referral, and support that enables those in need to become more self-reliant and socially connected.

2. Significant accounting policies

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Capital assets and amortization

Capital assets are expensed in the year purchased to agree with funding provided to purchase furniture and fixtures and computer hardware and software.

(b) Contributed services and materials

Contributed services by volunteers are not recognized in the financial statements.

(c) Income taxes

The corporation has registered with Canada Revenue Agency as a charitable organization and is therefore exempt for income tax purposes under Section 149(l)(f) of the Income Tax Act.

(d) Fund accounting

Chalmers Community Services Centre of the United Church of Canada follows the restricted fund method of accounting for contributions. The directors are aware of the funds available for use.



CHALMERS COMMUNITY SERVICES CENTRE  
OF THE UNITED CHURCH OF CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2014

(e) Revenue recognition

Restricted contributions are recognized as revenue of the appropriate program/project fund when received. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collectibility is reasonably assured.

(f) Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net surplus.

Financial assets measured at amortized cost include cash, term deposits, HST recoverable.

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

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not 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 net surplus.

Transaction costs

The organization recognizes its transaction costs in net income 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.

CHALMERS COMMUNITY SERVICES CENTRE  
OF THE UNITED CHURCH OF CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2014

(g) Use of estimate

The preparation of these financial statements, in conformity with Canadian generally accepted accounting principles, has required management to make estimates and assumptions that affect the reported amounts of the assets and liabilities as at December 31, 2014, and the revenue and expenditures reported for the year then ended. Actual results may differ from these estimates.

3. Term deposits

The organization is involved in a microfinancing project and has pledged \$20,000 of the term deposits for the projects to occur in the future.