
SHARON VILLAGE BIBLE CHURCH
FINANCIAL STATEMENTS
DECEMBER 31, 2022

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members
Sharon Village Bible Church
SHARON
Ontario

We have reviewed the accompanying financial statements of Sharon Village Bible Church that comprise the statements of financial position as at December 31, 2022, December 31, 2021 and November 5, 2021 and the statements of operations - general fund, changes in fund balances, and cash flows for the years ended December 31, 2022 and December 31, 2021, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our reviews. We conducted our reviews 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 practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates 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.

Conclusion

Based on our reviews, 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 Sharon Village Bible Church as at December 31, 2022, December 31, 2021 and November 5, 2021 and the results of its operations and its cash flows for the years ended December 31, 2022 and December 31, 2021 in accordance with Canadian accounting standards for not-for-profit organizations.



NORTON McMULLEN LLP
Chartered Professional Accountants
Licensed Public Accountants

MARKHAM, Canada
May 9, 2023

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SHARON VILLAGE BIBLE CHURCH**STATEMENT OF FINANCIAL POSITION**

As at	December 31, 2022	December 31, 2021	November 5, 2021
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ASSETS**Current**

Cash	\$ 87,979	\$ 11,000	\$ -
PSB rebate recoverable	174	-	-
Deposits	150	-	-
	<u>\$ 88,303</u>	<u>\$ 11,000</u>	<u>\$ -</u>

DUCA Credit Union Membership Share - at cost

1	-	-
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Capital Assets (Note 3)

977	1,221	-
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<u>\$ 89,281</u>	<u>\$ 12,221</u>	<u>\$ -</u>
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LIABILITIES**Current**

Accounts payable and accrued liabilities	\$ 3,000	\$ 2,588	\$ -
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FUND BALANCES

Unrestricted	\$ 28,281	\$ 9,633	\$ -
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Internally restricted	58,000	-	-
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<u>\$ 86,281</u>	<u>\$ 9,633</u>	<u>\$ -</u>
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<u>\$ 89,281</u>	<u>\$ 12,221</u>	<u>\$ -</u>
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Approved by the Board:

_____ Director

_____ Director

SHARON VILLAGE BIBLE CHURCH
STATEMENT OF CHANGES IN FUND BALANCES

For the year ended December 31, 2022

	Balance - Beginning	Revenues	Expenses	Transfers (Note 4)	Balance - Ending
Unrestricted					
General Fund (Page 5)	<u>\$ 9,633</u>	<u>\$ 151,562</u>	<u>\$ 74,914</u>	<u>\$ (58,000)</u>	<u>\$ 28,281</u>
Internally Restricted					
Facilities & Contingency Fund	\$ -	\$ -	\$ -	\$ 49,000	\$ 49,000
Missions Contingency & Disaster Relief Fund	-	-	-	3,000	3,000
Missions Trips Fund	-	-	-	3,000	3,000
Local Evangelism Fund	-	-	-	3,000	3,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,000</u>	<u>\$ 58,000</u>
TOTAL	<u>\$ 9,633</u>	<u>\$ 151,562</u>	<u>\$ 74,914</u>	<u>\$ -</u>	<u>\$ 86,281</u>
PRIOR YEAR TOTAL	<u>\$ -</u>	<u>\$ 11,000</u>	<u>\$ 1,367</u>	<u>\$ -</u>	<u>\$ 9,633</u>

SHARON VILLAGE BIBLE CHURCH
STATEMENT OF OPERATIONS - GENERAL FUND

For the year ended December 31,	2022	2021
REVENUES		
Contributions	\$ 149,815	\$ 11,000
Interest	1,247	-
Benevolence	500	-
	<u>\$ 151,562</u>	<u>\$ 11,000</u>
EXPENSES		
Missions and parachurch support	\$ 41,160	\$ -
Rent	18,110	1,000
Ministry	7,723	162
Professional fees	3,000	-
Office and general	2,059	205
Insurance	1,041	-
Travel	909	-
Benevolence	500	-
Amortization	244	-
Repairs and maintenance	157	-
Bank charges	11	-
	<u>\$ 74,914</u>	<u>\$ 1,367</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ 76,648</u></u>	<u><u>\$ 9,633</u></u>

SHARON VILLAGE BIBLE CHURCH

STATEMENT OF CASH FLOWS

For the year ended December 31,

2022

2021

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess of revenues over expenses:

General fund	\$ 76,648	\$ 9,633
Internally restricted funds	-	-

Items not affecting cash:

Amortization	244	-
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Net change in non-cash working capital balances:

PSB rebate recoverable	(174)	-
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Deposits	(150)	-
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Accounts payable and accrued liabilities	412	2,588
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<u>\$ 76,980</u>	<u>\$ 12,221</u>
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INVESTING ACTIVITIES

Purchase of capital assets	\$ -	\$ (1,221)
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Purchase of DUCA Credit Union membership share	(1)	-
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<u>\$ (1)</u>	<u>\$ (1,221)</u>
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INCREASE IN CASH

\$ 76,979	\$ 11,000
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CASH - Beginning

<u>11,000</u>	<u>-</u>
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CASH - Ending

<u>\$ 87,979</u>	<u>\$ 11,000</u>
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SHARON VILLAGE BIBLE CHURCH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NATURE OF OPERATIONS

Sharon Village Bible Church (the "Church") is incorporated under the Canada Not-for-profit Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act. The purpose and work of Sharon Village Bible Church is to glorify God by obedience to His commands and for the spreading of the Gospel, and the spiritual growth of its members. Worship, prayer, teaching, fellowship, and Christian education are important to its total program."

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies:

a) 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 based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used. Significant estimates include the estimated useful life of capital assets.

b) Fund Accounting

Resources are classified into funds according to the activities or objectives specified as follows:

The General Fund reports the assets, liabilities, revenues and expenses for the operating activities of the Church. Unrestricted contributions and restricted contributions to be used for operations are reported in this fund.

Internally Restricted Funds represent funds set aside by the Church for future expenditures within the scope and mandate of each respective fund, as follows:

Facilities & Contingency Fund - for current and future facility and equipment needs, and for contingencies

Missions Contingency & Disaster Relief Fund - to respond to urgent or unexpected mission needs and/or disaster relief needs

Mission Trips Fund - for use on missions trips

Local Evangelism Fund - for use on evangelism within Canada

c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in bank accounts.

SHARON VILLAGE BIBLE CHURCH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

d) Capital Assets

Capital assets are recorded at cost. Amortization is being provided over the estimated useful life of the assets using the following annual rates and methods:

	<u>Rate</u>	<u>Method</u>
Furniture and equipment	5 years	straight-line

e) Revenue Recognition

The Church follows the restricted fund method whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which there is no fund are recorded in accordance with the deferral method. Unrestricted contributions are recognized as revenues in the General Fund.

Interest is recognized when earned.

f) Contributed Services

Volunteers and members contribute a significant number of hours per year to assist the Church in carrying out its activities. Because of the difficulty in determining their fair market value, contributed services are not recognized in the financial statements.

g) Financial Instruments

Initial Measurement

The Church initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value.

Subsequent Measurement

The Church subsequently measures all its financial assets and liabilities at amortized cost.

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

2. CHANGE IN BASIS OF ACCOUNTING

These financial statements are the first financial statements for which the Church applied Canadian accounting standards for not-for-profit organizations. First-time adoption of this new basis of accounting had no impact on the Church's previously reported financial position as at December 31, 2021 or November 5, 2021, or on the Church's previously reported excess of revenues over expenses for the period ended December 31, 2021.

SHARON VILLAGE BIBLE CHURCH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

3. CAPITAL ASSETS

Capital assets consist of the following:

	2022		2021
	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	<u>\$ 1,221</u>	<u>\$ 244</u>	<u>\$ 977</u>
			<u>\$ 1,221</u>

4. INTER-FUND TRANSFERS

Amounts of \$49,000, \$3,000, \$3,000, and \$3,000 were transferred from the General Fund to the Facilities & Contingency Fund, Missions Contingency & Disaster Relief Fund, Missions Trips Fund, and Local Evangelism Fund, respectively, in order to set aside funds for future expenditure. These internally restricted amounts are not available for any other purpose without approval of the board of directors.

5. FINANCIAL INSTRUMENTS

The Church is exposed to various risks through its financial instruments. The following analysis provides a summary of the Church's exposure to and concentrations of risk at December 31, 2022:

a) **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Church is not exposed to significant credit risk.

b) **Liquidity Risk**

Liquidity risk is the risk that the Church will encounter difficulty in meeting obligations associated with financial liabilities. The Church is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Church manages this risk by managing its working capital and by generating sufficient cash flow from operations.

c) **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 price risk. The Church is not exposed to significant market risk.