

MANAGEMENT COMMITTEE REPORT

Members of the Kirk Management Committee for the year ending December 2021 were Philip Champion (chair), David Harrison (secretary and Session representative), Alan Watts (property subcommittee), Rob Burnett (property subcommittee), Roy Main, and Rodney Dekker. Ex-officio members were Wayne McMillan (treasurer), and Rev. Amanda Henderson-Bolton.

The committee met in person or by Zoom as COVID conditions permitted. I appreciated everyone's efforts in getting work done during changing conditions.

The work of the committee is detailed in accompanying reports on finance, property, and the redevelopment. The pledges to capital campaign have been honored remarkably well considering the unexpected hardships of the pandemic. Finding tradespeople to do the work continues to be frustrating and we have fallen far behind our plans for the church renovations. Province House continues to pre-occupy most of the skilled trades people needed to work on our stonework and stained-glass windows. We were able to shingle the main roof and restore woodwork around the upper windows, which was overdue and critical to stopping further water damage. Rain gutters and shingles on the hall remain. The Redevelopment Committee led by Wayne McMillan have made a great effort to our project consultants Coles Associates, to keep our project on their priority list.

The proposal for renovation of the upstairs kitchen and bathrooms has been delayed. The price estimates from Coles Associates, approved at last year's Annual Meeting, were far too low, and contractors have been busy with other projects. Coles has assigned another engineer to revise the plan at year's end, and we hope to report to the congregation in the coming months. The Capital Campaign fundraising was only enough to restore the external and structural integrity of the sanctuary. Kitchen, bathrooms, and painting are additional steps to making the church more functional but will likely require some additional fundraising.

MRSB reviewed the financial records, and their report is attached. We greatly appreciate Wayne McMillan's ongoing financial leadership. The committee is still seeking someone to assist with the treasurer's role.

Despite the restrictions on in-person events due to COVID, the online Ceilidh was a remarkably successful fundraising event. Thank you and congratulations to all those who donated and worked to make it happen.

Managing the finances was made easier by the dedication of members who continued their financial support of the church operating expenses as well as the Capital Campaign, even during the lockdown and limited attendance at Sunday services.

Renovation of the manse kitchen was completed. Special thanks to Alan Watts and Rob Burnett who volunteered time doing the dirtiest part of the demolition and prep work along with the hired workers. We appreciated the patience of Rev. Amanda, Chad and family when dust got out of control, and they had no kitchen.

Rentals of the church kitchen and hall have been successful bringing in reasonable income.

Thank you to our administrator, Amy Holloway, and our cleaner Kathy, for their dedication to keeping the Church running smoothly.

I would like to thank the members of the Management Committee and many other volunteers who help with the maintenance and day-to-day operation of the church.

Respectfully submitted,



Philip Champion, Chair

PROPERTY COMMITTEE REPORT

The Property Committee had a busy year in 2021. We worked on a number of projects in the Church interior, on the exterior, and in the Manse.

Church interior

We received a request from the Session to expand the area for wheelchair seating in the sanctuary. We identified the most favourable location as directly across the main aisle from the existing wheelchair area. The work was completed under the direction of Josh Silver, head of the heritage carpentry program at Holland College.

The cleaning of the Church is being done by Kathy Moreside. We are very pleased with Kathy's work.

We continue to replace light bulbs in the sanctuary and other parts of the building with LED lights where possible. As we noted in last year's report, the existing lights in the Hall are problematic in that the bulbs are expensive and difficult to fix or replace. They are also not energy efficient nor environmentally friendly, so we hope that the fixtures can be replaced or modified to take LED lights in any future renovation of the Hall.

We are on the waiting list with a local flooring company to have repairs made to some of the tile flooring in the basement.

Exterior

We carried out the usual snow removal and grounds-keeping activities in 2021 and made some repairs to the driveway near the office entrance. With our growing list of community groups and businesses that use our premises, we are required to keep our various entrances and sidewalks free of snow and ice through the week, as well as on Sunday mornings.

This year we hope to accomplish some improvements to the Manse front step and the walkway to the street. We are grateful to our members and adherents who help with gardening and yard maintenance.

The Manse kitchen

In 2020, we began planning for renovations to the Manse kitchen with the aim of completing that work in 2021. In the late winter and early spring, we engaged J & C Carpentry and replaced the cupboards, flooring and appliances and made some required upgrades to the interior walls and the electrical wiring. The Church had earlier received a bequest directed to making improvements to the Manse. That money was used to cover some of the costs of the kitchen renovations.

The Church heating system

The heating in the Church building is provided by the Charlottetown District Energy System. The System is operated by Enwave Energy Corporation, which is now owned by the Ontario Teachers' Pension Plan and IFM Investors, a large global investment management firm. Our heating costs are determined by a complex formula related to global oil prices, which means that our heating costs rise or fall in relation to oil prices. Even with low oil prices over the last several years, our heating costs for the Church building have been about \$32,000 a year. We have alerted our consultants on the Redevelopment Project, Coles Associates, to the matter of energy costs so that we do not miss any opportunities to reduce our heating expenditures.

Rentals

We are currently renting our various spaces – the Hall, the basement, the kitchen – to a growing list of local community organizations and businesses, which include: Shorehill Gentle Yoga, Maritime Sword School, Fearless Fido, Lady Baker's Tea, Island Thyme Grazing Co., Nurturing Essence Chocolate, the Jr. Singing Strings and Narcotics Anonymous. We are continuing to house several groups in the Sanctuary including: Regazze, Bruce Lochhead's Quartet, Forte Men's Choir, Luminos, and Island Choral Society.

Thanks to all who helped with our property matters in 2021.

Respectfully submitted,

Rob Burnett and Alan Watts

STEWARDSHIP COMMITTEE REPORT

Stewardship

Before getting to this year's report, let's think briefly about the concept of stewardship and exactly what it means for each us. We are blessed to have inherited a truly beautiful sanctuary from those hard working dedicated Presbyterians of yesteryear. As stewards we are each called to "manage everything God brings into the believer's life in a manner that honors God and impacts eternity"; or, as expressed in more secular and vernacular terms to: "leave the church in better shape for our successor than it was handed over to us by our predecessor". That's what good stewards do!

Due largely to COVID -19 and its many ripple effects throughout our individual and collective psychological, social and economic lives, like 2020, 2021 has been a memorable year which none of us will soon forget. There have been more closures, circuit breakers and assembly limits that we'd all prefer not to have needed. On the plus side the vaccine roll out in PEI was among Canada's most effective. It has certainly been very challenging to maintain our worship service with some degree of normality. That said and despite COVID 2.0, I am pleased to report that thanks to the amazing vigilance and good stewardship of our congregation the Kirk's operating finances are in good shape as can be seen below.

Financial Information

Annual Operating Accounts*

	2020	Budget 2021	Actual 2021
Envelope Offerings	\$81,102	\$80,000	\$82,511
Loose Offerings	\$3,685	\$3,500	\$3,138
Christmas Offering	\$26,035	\$20,000	\$24,705
PAR Offerings	\$111,702	\$113,500	\$109,587

*Information obtained from our Church Treasurer, Wayne McMillan

These results for our regular offerings are on par with 2020, - despite COVID 2.0. While revenue from sources other than offerings such as special fund raising events was significantly down due mainly to COVID, fortunately a number of expenses were also down such that the Kirk came out of the year with a modest operating surplus of \$14,174.

In closing, I should cross reference Wayne McMillan's Report on behalf of the Redevelopment Committee as well as Wayne's Treasures Report. These reports include a high level summary of the results three (3) years into our 5 year capital campaign and an update on the challenges we've faced in getting on with the much needed capital works in the midst of a record breaking PEI construction boom when availability of contractors and skilled workers coupled with escalating prices present major challenges.

Finally, a special word of thanks to our Active Clerk of Session, David Robinson; to our much respected and always hard working treasurer, Wayne McMillan and also to Amy for her extra admin work associated with the Renewing Hope Capital Campaign and the ongoing work with managing the pledges. All these folks are exemplary examples of the good steward who has devoted his/her time, talent and/or money to support this important work.

Respectfully submitted,

David Hooley on behalf of the Stewardship Committee.

TREASURER'S REPORT

In some ways 2021 turned about to be much like 2020, although there was a bit more flexibility in terms of restrictions imposed on the congregation in terms of meeting COVID-19 guidelines. Restrictions on gatherings and requirements on social distancing as well as wearing masks fluctuated during the year with the result that planning for events and conducting what has been regarded as normal services of worship certainly had an impact on regular attendance.

Up until the end of November there was some doubt if the revenue budget adopted by the congregation for 2021 would be realized, however, as with many years in the past, the response by the congregation during the month of December not only resulted in the budget for most income accounts being realized but some being surpassed. Envelope Offerings, Christmas Offerings, Rental Income, Designated Envelope Offerings (that are offset by unbudgeted expenses for the same amount) and interest Income contributed to offsetting shortfalls in the PAR Offerings and Recovery - Minister's Salary & Benefits.

With regards to expenditures, for the most part spending stayed within the amounts allocated with a few exceptions. Changes in the compensation package for the Interim Minister approved by Session after the annual meeting, an adjustment to the vacation pay for the Administrator were largely offset by the under expenditure for Fundraising Events as the decision was made to not have the lobster dinner take out. As a result, the Operational Accounts ended the year with a surplus of \$14,174.

With regards to the Restoration and Improvement Projects, the work to replace shingles, flashing, etc. on the Church roof and repair the upper wall woodwork finally got underway in late August. All the work has not been fully completed as the roof on the hall and office area has not been replaced and the painting of the upper exterior walls and installation of gutters could not be completed owing to the inclement fall weather. The renovation of the kitchen at the Manse was carried out at a cost of \$30,377, just slightly over the budget of \$30,000. Other work that had been budgeted for was not undertaken owing to a lack of qualified tradespersons being available. Total capital expenditures for the year were \$175,076 .

The revenue for the Restoration and Improvement Fund for the year was \$175,081 and the balance in the Fund is \$622,543. Pledges remaining to be received in 2022 and 2023 total \$211,016.

Appreciation and a sincere thank you is extended to Rev. Dr. Kay Diviney, Rev. Amanda Henderson-Bolton, the Session, the Management Committee, the staff and above all to the Congregation for its continued support and dedication to ensuring that the finances and operations of the Kirk are adequately maintained.

Respectfully submitted,

Wayne McMillan
Treasurer

ST. JAMES PRESBYTERIAN CHURCH INC.
Financial Statements
December 31, 2021

ST. JAMES PRESBYTERIAN CHURCH INC.
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December 31, 2021

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Congregations of St. James Presbyterian Church Inc.

We have reviewed the accompanying financial statements of St. James Presbyterian Church Inc. that comprise the statement of financial position as at December 31, 2021, 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 (ASNPO), 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 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 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 review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of St. James Presbyterian Church Inc. as at December 31, 2021, 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.

MRSB Chartered Professional Accountants Inc.

MRSB CHARTERED PROFESSIONAL ACCOUNTANTS INC.

Charlottetown, PE

February 8, 2022

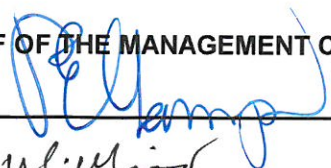
ST. JAMES PRESBYTERIAN CHURCH INC.

Statement of Financial Position

December 31, 2021

	2021	2020
ASSETS		
Current		
Cash	\$ 74,519	\$ 61,687
Accounts receivable (Note 4)	<u>16,227</u>	<u>5,545</u>
	90,746	67,232
Restricted cash		
Session	653,896	654,613
Memorial	1,324	1,224
Restricted investments (Note 5)	<u>257,570</u>	<u>235,419</u>
	<u>\$ 1,003,536</u>	<u>\$ 958,488</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 11,210	\$ 8,715
Government remittances payable	<u>9,041</u>	<u>2,196</u>
	20,251	10,911
NET ASSETS		
Restricted session funds (Statement 3)	653,896	654,613
Endowment funds (Statement 3)	257,570	235,419
Internally restricted funds (Statement 3)	1,324	1,224
Unrestricted funds (Statement 3)	<u>70,495</u>	<u>56,321</u>
	983,285	947,577
	<u>\$ 1,003,536</u>	<u>\$ 958,488</u>

ON BEHALF OF THE MANAGEMENT COMMITTEE:


 _____ Chair


 _____ Treasurer

See notes to financial statements
 Prepared without audit

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ST. JAMES PRESBYTERIAN CHURCH INC.

Statement of Changes in Net Assets

Year Ended December 31, 2021

	2020 Balance	Excess of revenue over expenditures	Restricted session fund net revenue	FMV adjustment	2021 Balance
Restricted session funds (Note 10)	\$ 654,613	\$ -	\$ (717)	\$ -	\$ 653,896
Endowment funds	235,419	-	-	22,151	257,570
Internally restricted	1,224	-	100	-	1,324
Unrestricted (Statement 4)	56,321	14,174	-	-	70,495
	<u>\$ 947,577</u>	<u>\$ 14,174</u>	<u>\$ (617)</u>	<u>\$ 22,151</u>	<u>\$ 983,285</u>

	2019 Balance	Excess of revenue over expenditures	Restricted session fund net revenue	Transfers and FMV adjustment	2020 Balance
Restricted session funds (Note 10)	\$ 460,435	\$ -	\$ 164,178	\$ 30,000	\$ 654,613
Endowment funds	217,226	-	-	18,193	235,419
Internally restricted	1,224	-	-	-	1,224
Unrestricted (Statement 4)	66,804	19,517	-	(30,000)	56,321
	<u>\$ 745,689</u>	<u>\$ 19,517</u>	<u>\$ 164,178</u>	<u>\$ 18,193</u>	<u>\$ 947,577</u>

ST. JAMES PRESBYTERIAN CHURCH INC.

Statement of Operations

Year Ended December 31, 2021

	2021	2020
Revenue		
Offerings	\$ 220,337	\$ 224,675
Other rental	23,000	16,655
Gifts and miscellaneous	17,823	7,273
Fundraising events	12,999	6,904
Recovery of minister salary and benefits	11,799	-
Interest	7,925	4,706
Choral Scholarship Fund	5,599	4,515
Presbyterian Sharing	2,625	2,220
Helping Hampers	1,290	1,980
Presbyterian World Service and Development	480	263
Memorials	-	25
	<u>303,877</u>	<u>269,216</u>
Expenditures		
Bank charges	867	1,293
Bulletins and worship	1,775	2,517
Church utilities	38,509	37,018
Donations	1,290	2,080
Fundraising	128	750
HST - non-recoverable	6,364	5,298
Insurance	9,948	9,741
Manse property	13,488	10,637
Miscellaneous	3,671	4,401
Office	11,647	10,971
Presbyterian Sharing	12,500	11,000
Presbyterian World Service and Development	480	263
Presbytery and Synod	8,342	7,632
Professional fees	2,990	2,945
Repairs and maintenance	11,956	11,710
Scholarship	5,600	4,150
Session	574	908
Unbudgeted expenditures	12,597	4,865
Wages and benefits (Note 6)	146,977	121,520
	<u>289,703</u>	<u>249,699</u>
Excess of revenue over expenditures	<u>\$ 14,174</u>	<u>\$ 19,517</u>

ST. JAMES PRESBYTERIAN CHURCH INC.

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
Cash flows from operating activities		
Excess of revenue over expenditures	\$ 14,174	\$ 19,517
Changes in non-cash working capital:		
Accounts receivable	(10,682)	9,543
Accounts payable and accrued liabilities	2,495	(3,261)
Government remittances payable	6,845	(109)
Restricted investments	22,151	18,193
	<u>20,809</u>	<u>24,366</u>
	<u>34,983</u>	<u>43,883</u>
Cash flows from financing activities		
Net (decrease) increase in restricted session funds	(717)	164,178
Net increase in internally restricted funds	100	-
	<u>(617)</u>	<u>164,178</u>
Increase in cash	34,366	208,061
Cash - beginning of year	952,943	744,882
Cash - end of year	\$ 987,309	\$ 952,943
Cash consists of:		
Cash	\$ 74,519	\$ 61,687
Restricted cash	655,220	655,837
Restricted investments	257,570	235,419
	<u>\$ 987,309</u>	<u>\$ 952,943</u>

ST. JAMES PRESBYTERIAN CHURCH INC.

Notes to Financial Statements

Year Ended December 31, 2021

1. DESCRIPTION OF THE BUSINESS

St. James Presbyterian Church Inc. (the "Church") is a registered charity for federal income tax purposes. Incorporating in the manner exempts the Church from income taxes providing ongoing compliance requirements are met. The objective and purpose of the Church is to hold worship services weekly, provide pastoral care, and to support missionary activities in Canada and overseas.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

St. James Presbyterian Church Inc. follows the restricted fund method of accounting for contributions.

Restricted fund - Session funds consist of restricted donations to the Church. The principal is required to be maintained intact for some donations, and the investment income generated must be used in accordance with the various purposes established by the donors. For other donations, the principal may be used. Church policy has been established with the objective of protecting the real value of the donations by limiting the amount of income expended and reinvesting unexpended income.

Endowment funds consist of restricted donations to the Church, the principal of which is required to be maintained intact. The investment income generated from the externally restricted net assets is available for operating purposes.

Internally restricted funds consist of unrestricted donations to the Church with no restrictions on expending the principal of the fund which are restricted by the management committee for a specified purpose. Unrestricted donations are available for use at the discretion of the management committee.

Cash

Cash is comprised of cash in banks, restricted cash in banks and restricted investments.

Accounts receivable

Accounts receivable arise from interest receivable, offerings receivable and Harmonized Sales Tax receivable. An allowance for bad debts has been calculated through discussions with management, assessment of the other circumstances influencing the collectibility of amounts, and using historical loss experience. Amounts deemed uncollectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

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ST. JAMES PRESBYTERIAN CHURCH INC.

Notes to Financial Statements

Year Ended December 31, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

In accordance with CPA Handbook Section 4433, Tangible Capital Assets Held by Not-for-Profit Organizations, the Church expenses its capital acquisitions in the year of purchase. Contributed capital assets are not recognized in the financial statements.

Major assets owned by the Church but not reflected on the financial statements include land and buildings (church, hall and manse), organ, piano, computer, equipment and furniture and fixtures.

During the year, the Church purchased camera equipment in the amount of \$1,274 which was included in office expense, a computer in the amount of \$1,079 which was included in unbudgeted expenses and a wheelchair in the amount of \$235 which was included in unbudgeted expenses.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of excess of revenues over expenditures. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of excess of revenues over expenditures.

Impairment of long lived assets

The Church tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Financial instruments

The Church initially measures its financial assets and financial liabilities at fair value.

The Church subsequently measures all of its financial assets and financial liabilities at cost or 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 of these financial instruments are recognized in excess or revenues over expenditures.

Financial assets measured at amortized cost on a straight-line basis include cash, restricted cash and accounts receivable.

Restricted investments are measured at fair value.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities.

Transaction costs on the acquisition, sale, or issue of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument.

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ST. JAMES PRESBYTERIAN CHURCH INC.

Notes to Financial Statements

Year Ended December 31, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Church follows the deferral method of accounting for revenues. Restricted contributions are recognized as revenue in the year in which the related expenditures 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.

Rental revenue is recognized when the tenant begins to occupy the space and rent is due. Rental revenue that has been received in advance is recorded as deferred revenue until the Church discharges the obligations that led to the collection of funds. Damage deposits received from tenants are deferred until the obligations of the tenant have been fulfilled and the tenant ceases to occupy the space which was rented.

The Church records collections when amounts are received.

Bequests

The Church is the beneficiary under various wills and trust agreements, the total realizable amounts of which are not at present readily determinable. The Church records such bequests when proceeds are received.

Contributed services

The operations of the Church 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.

Measurement uncertainty

When preparing financial statements according to Canadian ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenditures
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the Church may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as revenues, allowance for doubtful accounts, asset impairments, and legal contingencies.

4. ACCOUNTS RECEIVABLE

	2021	2020
HST receivable	\$ 14,002	\$ 4,475
Offerings receivable	1,225	70
Interest receivable	1,000	1,000
	<u>\$ 16,227</u>	<u>\$ 5,545</u>

ST. JAMES PRESBYTERIAN CHURCH INC.**Notes to Financial Statements****Year Ended December 31, 2021****5. RESTRICTED INVESTMENTS**

	2021	2020
<u>Endowment investments</u>		
The Presbyterian Church in Canada	\$ 196,570	\$ 174,419
 <u>Session endowment investments</u>		
The Presbyterian Church in Canada:		
D.A. MacKinnon Fund	25,000	25,000
E.E. MacKinnon Fund	11,500	11,500
MacLure Memorial Bursary Fund	10,000	10,000
P. Prowse Fund	10,000	10,000
Session Benevolent Fund	4,500	4,500
	<u>61,000</u>	<u>61,000</u>
 Grand total	 \$ 257,570	 \$ 235,419

6. WAGES AND BENEFITS

	2021	2020
Interim minister	\$ 39,797	\$ -
Minister - stipend	29,920	49,000
Administrator	25,145	22,602
Organist	23,500	23,000
Congregation pension (Note 7)	14,250	12,636
Levies and benefits	5,163	5,283
Minister - health insurance	4,592	4,502
Custodial services	4,384	4,296
Workers compensation	226	201
	<u>\$ 146,977</u>	<u>\$ 121,520</u>

7. PENSION COSTS AND OBLIGATION

The Church has a defined contribution plan providing retirement benefits to its employees. Pension costs represent the Church's portion of contributions required under the plan. During the year, \$14,250 (2020 - \$12,636) was expensed as pension costs.

8. FINANCIAL INSTRUMENTS

The Church's financial instruments consist of cash and restricted cash, investments, accounts receivable, and accounts payable and accrued liabilities.

The Church 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 Church's risk exposure and concentration as of December 31, 2021.

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ST. JAMES PRESBYTERIAN CHURCH INC.

Notes to Financial Statements

Year Ended December 31, 2021

8. FINANCIAL INSTRUMENTS *(continued)*

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Church is exposed to credit risk from customers. The Church maintains its cash in bank deposit accounts which, at time, may exceed federally insured limits.

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. In seeking to minimize the risks from interest rate fluctuations, the Church manages exposure through its normal operating and financing activities. The Church is exposed to interest rate risk primarily through its fixed income denominated investments.

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

9. RESTRICTED SESSION FUNDS

Session Benevolent Fund - This fund was established by the Session in the past to provide for the needy of the Church. Only the interest is to be distributed annually. Distribution is the responsibility of the Kirk minister(s) and the details of such distribution are confidential to them.

MacLure Memorial Bursary Fund - This fund was established by the late Miss Lena C. MacLure in memory of her father, Mr. W. Chester S. MacLure to provide an annual bursary to persons who are training for the Presbyterian ministry. Only the interest is to be used for bursaries. Distribution from this fund is the responsibility of the Kirk Session, and is usually based on requests from the trainees themselves. Members of the Kirk families will receive first consideration for bursaries followed by persons from Zion, St. Mark's, New London and Prince Edward Island.

D.A. MacKinnon Fund - Mr. D. A. MacKinnon, a long serving Elder of the Kirk, left the residue of his Estate to the Kirk, with the interest to be used for the missions of the Church. Missions are described as purposes directly related to the spiritual objectives of the Kirk. Some of these purposes include assistance to the uniformed youth groups, the Charlottetown Christian Council, Christian Communications, Board of Trustees in support of home missions and other worthy causes which fall within the terms of reference.

E.E. MacKinnon Benevolent Fund - Miss E.E. MacKinnon left a sum of money to the Session to help the needy of the community. The original principal of \$8,825 was increased by \$2,675 to \$11,500 during 1989 when a small benevolent fund for the relief of teachers which Miss MacKinnon has also established years ago was declared no longer required. The trustees of that fund passed the principal and accumulated interest to the Kirk to be added to this fund, based on their understanding of the wishes of Miss MacKinnon. The interest is distributed by the minister(s) of the Kirk, to whom the details of such distribution are confidential.

P. Prowse Fund - This fund was established by the late Pauline Prowse for the upkeep of the Prowse Memorial Chapel. Only the annual interest of the fund is available; the principal remains intact.

Other funds - From time to time, money is given to or left to the Session with or without a specific purpose. Each donation is held in a separate account within the Session books and used as directed or as determined by the Session until it is gone. Details of specific accounts are available from the minister(s) or from the Chairman of the Session Finance Committee.

ST. JAMES PRESBYTERIAN CHURCH INC.

Notes to Financial Statements

Year Ended December 31, 2021

10. SESSION OPERATIONS AND FUND BALANCES

	Opening balance	Revenue & transfers in	Expenditures & transfers out	Ending Balance 2021
<u>Income/expenditure accounts:</u>				
Session Benevolent Fund	\$ 2,621	\$ 266	\$ -	\$ 2,887
MacLure Memorial Bursary Fund	1,259	591	-	1,850
D.A. MacKinnon Fund	13,723	1,479	(285)	14,917
E.E. MacKinnon Fund	6,430	680	-	7,110
P. Prowse Fund	3,355	592	-	3,947
Miscellaneous	(313)	-	(45)	(358)
	<u>27,075</u>	<u>3,608</u>	<u>(330)</u>	<u>30,353</u>
<u>Designated for special use:</u>				
G & M Stewart account	5,000	-	(5,000)	-
Restoration and Improvement Fund	622,538	175,081	(175,076)	622,543
MacNevin Heritage Fund	-	1,000	-	1,000
	<u>627,538</u>	<u>176,081</u>	<u>(180,076)</u>	<u>623,543</u>
	<u>\$ 654,613</u>	<u>\$ 179,689</u>	<u>\$ (180,406)</u>	<u>\$ 653,896</u>

11. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The overall effect of these events on the Church and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.

St. James Presbyterian Church**2022 Operating Account Budget**

Note:

	Actual 2020	Budget 2021	Actual 2021	Budget 2022	
Revenue:					Revenue:
1 Envelope Offerings	\$ 81,102	\$ 80,000	\$ 82,511	\$ 82,000	Envelope Offerings
2 Envelope Offerings - Designated	4,865	-	13,444	-	Envelope Offerings - Designated
3 Loose Offerings	3,685	3,500	3,138	3,200	Loose Offerings
4 Christmas Offering	26,035	20,000	24,795	25,000	Christmas Offering
5 PAR Offerings	111,702	113,500	109,587	113,500	PAR Offerings
6 Kirk Recitals/Choral Scholarship	4,515	5,600	5,599	6,000	Kirk Recitals /Choral Scholarships
7 Fund Raising Events	6,154	12,000	11,499	12,000	Fund Raising Events
8 Rental Income	16,655	17,000	23,000	22,000	Rental Income
9 PWS&D Received	263	500	480	500	PWS&D Received
10 Presbyterians Sharing Received	2,220	2,500	2,625	2,500	Presbyterians Sharing Received
11 Community Dinner Donations	-	750	-	750	Community Dinner Donations
12 Soup Kitchen Donations	2,150	300	306	300	Soup Kitchen Donations
13 Helping Hampers Campaign	1,980	1,500	1,290	1,500	Helping Hampers Campaign
14 Interest	4,706	4,800	7,925	4,800	Interest
15 Recovery - Minister's Salary & Benefits	-	13,500	11,799	-	Recovery - Minister's Salary & Benefits
16 Promotion and Summer Tours	750	750	1,500	-	Promotion and Summer Tours
17 Miscellaneous	2,409	1,500	4,379	2,500	Miscellaneous
TOTAL ORDINARY REVENUE	\$ 269,191	\$ 277,700	\$ 303,877	276,550	TOTAL ORDINARY REVENUE
Expenses:					
Pastoral					
18 Minister's Salary	\$ 49,000	\$ 31,000	\$ 29,920	\$ 49,000	Minister's Salary
19 Minister's Book Purchases	-	300	-	300	Minister's Book Purchases
20 Minister's Study Leave	-	300	-	400	Minister's Study Leave
21 Interim Minister's Salary	-	19,777	24,567	2,840	Interim Minister's Salary
22 Interim Minister's Housing Allowance	-	9,600	9,900	1,100	Interim Minister's Housing Allowance
23 Interim Minister's Utilities	-	2,679	3,150	350	Interim minister's Utilities
24 Interim Minister's Study Leave	-	300	-	-	Interim Minister's Study Leave
25 Interim Minister's Travel	-	2,600	2,180	242	Interim Minister's Travel
	49,000	66,556	69,717	54,232	
Worship, Music & Christian Education					
26 Christian Education	-	200	-	200	Christian Education
27 Music Scholarships	4,150	5,600	5,600	6,000	Music Scholarships
28 Musicians/Soloists	1,250	1,000	900	1,000	Musicians/Soloists
29 Organist/Choir Dir. Salary	23,000	23,500	23,500	24,200	Organist/Choir Dir. Salary
30 Worship Supplies	-	700	-	500	Worship Supplies
31 Session Expenses	908	1,000	574	750	Session Expenses
32 Dues & Subscriptions	524	650	1,657	700	Dues & Subscriptions
33 Pulpit/Organist Supply	1,267	1,000	1,075	1,100	Pulpit/Organist Supply
34 Travel Expense	750	800	800	850	Travel Expense
35 Youth Group	197	300	-	300	Youth Group
	32,046	34,750	34,106	35,600	
Mission & Outreach					
36 Community Dinner	-	250	128	250	Community Dinner
37 Fundraising Events	-	6,000	-	-	Fundraising Events
38 Presbyterians Sharing Remitted	11,000	12,500	12,500	14,000	Presbyterians Sharing Remitted
39 PWS&D Remitted	263	250	480	300	PWS&D Remitted
40 Missions & Outreach Com.	3,204	3,000	1,922	2,500	Missions & Outreach Com.
41 Promotion & Summer Tours	750	750	-	1,500	Promotion & Summer Tours
42 Helping Hampers Campaign	2,080	1,500	1,290	1,500	Helping Hampers Campaign
	17,297	24,250	16,320	20,050	
Assessments					
43 Minister's Pension Benefits	12,636	14,250	14,250	11,352	Minister's Pension Benefits
44 Minister's Health & Dental Ins.	4,502	4,592	4,592	4,684	Minister's Health & Dental Ins.
45 Administrator's Group Ins.	4,502	4,592	4,592	4,684	Administrator's Group Ins.
46 Presbytery	3,083	4,922	4,922	4,087	Presbytery
47 Synod	4,549	3,033	3,420	4,541	Synod
48 EI Expense	2,090	2,150	2,330	2,120	EI Expense
49 CPP Expense	3,193	3,710	2,833	5,000	CPP Expense
50 WCB Expense	201	222	226	220	WCB Expense
	34,756	37,471	37,165	36,688	

Church Office & Administration					
51 Accounting & Legal	2,945	3,000	2,990	3,200	Accounting & Legal
52 Administrator's Salary	18,100	18,500	20,553	19,100	Administrator's Salary
53 Advertising & Promotion	-	200	-	200	Advertising & Promotion
54 Courier & Postage	1,288	1,300	943	1,000	Courier & Postage
55 Insurance	9,741	9,850	9,948	10,390	Insurance
56 Bank Charges	977	1,100	552	1,100	Bank Charges
57 Office Supplies	5,955	5,800	6,924	6,500	Office Supplies
58 Service Charge - PAR	316	320	315	315	Service Charge - PAR
59 Unbudgeted Expenses	4,865	-	12,597	-	Unbudgeted Expenses
60 HST Expense	5,298	5,500	6,364	6,400	HST Expense
61 Miscellaneous	3,454	2,000	2,871	2,400	Miscellaneous
	52,939	47,570	64,057	50,605	
Property					
62 Custodian - Salary	4,296	4,500	4,384	4,600	Custodian - Salary
63 Electricity - Church	3,207	3,300	3,699	3,900	Electricity - Church
64 Electricity - Manse	1,001	1,035	1,169	1,250	Electricity - Manse
65 Heat - Church	31,335	32,000	31,964	35,000	Heat - Church
66 Heat - Manse	2,980	3,200	3,064	3,400	Heat - Manse
67 Property Taxes - Manse	5,197	5,300	5,597	5,800	Property Taxes
68 Repair & Maintenance - Church	11,710	12,500	11,956	17,000	Repair & Maintenance - Church
69 Repair & Maintenance - Manse	933	2,000	3,108	4,800	Repair & Maintenance - Manse
70 Sewer & Water - Church	469	475	658	725	Sewer & Water - Church
71 Sewer & Water - Manse	526	540	551	600	Sewer & Water - Manse
72 Telephone - Church	2,007	2,200	2,188	2,300	Telephone - Church
	63,661	67,050	68,338	79,375	
TOTAL ORDINARY EXPENSES	\$ 249,699	\$ 277,647	\$ 289,703	\$ 276,550	
SURPLUS/(DEFICIT)	\$ 19,492	\$ 53	\$ 14,174	\$ -	

Capital Account
Total Pledges and Other Income
Estimated at \$1,200,618

Received to 31-Dec-20	Received 2021	Total Received to Dec. 31/21
\$ 808,004	\$ 175,081	\$ 983,085

**Total Estimated Capital Fund Revenues
to be Received**
Yr. 2022 = \$91,208 + Yr. 2023 - \$119,808 = \$1,194,101

Expenditures

Expenses to 31-Dec-20	Actual 2021	Expenses to Dec. 31/21
\$ 185,466	\$ 175,076	\$ 360,542
\$ 622,538	\$ 5	\$ 622,543

Bank Balance

73 Capital Expenditure Budget

	Budget - 2021	Actual - 2021	Budget - 2022	
Regrade Courtyard	\$ 5,294	\$ -	\$ 6,388	Regrade Courtyard
Survey & Benchmark for Column Movement	1,705	-	1,992	Survey & Benchmark for Column Movement
Reinforce Sandstone Pier	2,273	-	2,656	Reinforce Sandstone Pier
Replace Asphalt Roof Shingles	94,580	73,273	39,839	Replace Asphalt Roof Shingles
Waterproofing of Coping Stones	12,900	Incl.	-	Waterproofing of Coping Stones
Repair Miscellaneous Flashing	-	incl.	6,640	Repair Miscellaneous Flashing
Gutters and RWL	7,790	-	10,524	Gutters and RWL
Replace Wood Siding Incl. Trim and Flashing	14,046	42,553	-	Replace Wood Siding Incl. Trim and Flashing
Remove, Repair& Reinstall Stained Glass Window (1)	12,057	-	12,740	Remove, Repair& Reinstall Stained Glass Window (1)
Install New Window Protection	4,000	-	4,000	Install New Window Protection
Washrooms	82,810	-	150,000	Washrooms
Renovate Washroom - Lower Level	5,000	-	5,000	Renovate Washroom - Lower Level
Manse Kitchen Renovation	30,000	30,377	-	Manse Kitchen Renovation
Sub - Total	\$ 272,455	\$ 146,203	\$ 239,779	Sub - Total
General Conditions	28,563	-	35,967	General Conditions
Overhead	17,938	-	23,978	Overhead
Profit	14,626	-	23,978	Profit
Contingency	44,920	-	48,555	Contingency
Professional Fees	40,000	15,000	37,500	Professional Fees
Total Estimate	\$ 418,502	\$ 161,203	\$ 409,757	Total Estimate
HST (Net of Rebate)	43,043	13,873	38,927	HST (Net of Rebate)
	\$ 461,545	\$ 175,076	\$ 448,684	

2022 Budget Assumptions

Item

- 1 Envelope Offerings: Projected requirement for 2022 has been set in consideration of 2021 contributions.
- 2 Envelope Offerings - Designated: There is no specific budget for this item as it represents donations received to cover unbudgeted expenditures. Note #59
- 3 Loose Offerings: Projected from an average of yearly actuals.
- 4 Christmas Offering - This estimate is based on the contribution levels from the past few years.
- 5 PAR Revenue: Estimate based on 2021 budget plus a 3% adjustment.
- 6 Kirk Recitals & Choral Scholarships: Estimate is based on an increase in each scholarship to \$1,500.00
- 7 Fund Raising Events: Net amount of fund raising events such as the lobster supper and Ceilidh and silent auction.
- 8 Rental Income: Rent for use of the upstairs and downstairs halls, kitchen and for space occupied by Lady Baker's Tea.
- 9 Presbyterian World Service and Development Received: Any amounts donated are remitted by St. James to the National Office. The amounts donated are offset by the corresponding remittance as found in Note # 39.
- 10 Presbyterians Sharing: Donations received from the Congregation are remitted to the National Office and are included in the amount of \$14,000 to be remitted in 2022. Note # 38. The assessment by the National Office for 2022 is estimated at \$29,000.
- 11 Community Dinner Donations are used to offset the cost of materials and supplies. Note #36.
- 12 Soup Kitchen Donations: To record donations for use by the Soup Kitchen.
- 13 Helping Hampers Campaign: Donations are passed on to the Salvation Army. The expenditure is noted at #42.
- 14 Interest Income: Interest on Endowment Fund Investments and are allocated for general use with a proportion being allocated to Session Accounts on a prorated basis.
- 15 Recovery - Minister's Salary & Benefits: There is no recovery for 2022
- 16 Promotions and Summer Tours: A contribution has been carried over from 2021 to cover the cost of maintaining the web-site and the use of social media along with providing summer tours of the Kirk.
- 17 Miscellaneous Expenses are those which are generally of a one time expense as well as smaller amounts that do not fit any established account.
- 18 Minister's Salary: Provides for an annual salary of \$51,500 that has been adjusted to reflect the period from February 1st to December 31st.
- 19 Minister's Book Purchases: To provide a budget for resource materials.
- 20 Minister's Study Leave: To provide an amount in accordance with ministerial compensation guidelines.
- 21 Interim Minister's Salary: To provide a salary for maternity leave replacement for January.
- 22 Interim Minister's Housing Allowance: To provide a housing allowance for maternity leave replacement for January.
- 23 Interim Minister's Utilities: To provide for utilities for January, 2022.
- 24 Interim Ministers Study Leave: No budget required.
- 25 Interim Minister's Travel: To provide for January travel allowance.
- 26 Christian Education: An amount budgeted for Sunday school expenses.

- 27 Music Scholarships: An amount to provide for four bursaries of \$1,500.
- 28 Musicians/Soloists: A budget to provide for guest musicians and soloists.
- 29 Organist/Choir Director's Salary: 3% increase.
- 30 Worship Supplies: To provide for worship materials and supplies used by the Minister.
- 31 Session Expenses: An amount to cover Session expenses during the year.
- 32 Dues & Subscriptions: To provide for fees and subscription expenses.
- 33 Pulpit & Organist Supply: To provide for replacements for vacation leave.
- 34 Travel Expenses: A budget to cover the Organist's travel costs.
- 35 Youth Group: A budget to support the youth group activities.
- 36 Community Dinner: See Note # 11 above.
- 37 Fund Raising Expenses: See Note # 7 above.
- 38 Presbyterians Sharing: See Note #10 above. Funding is added to the funds received from individuals to remit the budgeted amount.
- 39 PWS&D: See Note #9 above. No specific budget is set.
- 40 Mission & Outreach: A budget for Mission and Outreach Committee activities.
- 41 Promotions and Summer Tours: A contribution has been committed to cover the cost of maintaining the web-site and the use of social media along with providing summer tours of the Kirk. Unspent amount of \$1,500 from 2021 carried over.
- 42 Helping Hampers Campaign: See Note # 13 above.
- 43 Minister's Pension Benefits: An assessment is made by National Office.
- 44 Minister's Group Health and Dental Insurance is established by the National Office and has been pro-rated for the duration of maternity leave.
- 45 Administrator's Health & Dental Insurance: As per National Office assessment.
- 46 Presbytery: Assessment as provided by Presbytery.
- 47 Synod: Assessment as provided by Synod.
- 48 EI Expense: To cover the employer share of EI premiums.
- 49 CPP Expense: To cover the employer share of CPP premiums.
- 50 WCB Expense: To cover the Workers Compensation premiums.
- 51 Accounting and Legal: Provision is made for the fees charged by MRSB.
- 52 Administrator's Salary: 3% increase.
- 53 Advertising and Promotion: To provide for advertising for special events.
- 54 Courier & Postage: To provide for the cost of mail-outs to the congregation.
- 55 Insurance: To cover Property, Liability and Errors & Omissions coverage.
- 56 Bank Charges: To provide for bank service charges on various accounts.
- 57 Office Supplies: To provide for necessary office supplies.
- 58 Service Charges - PAR: To cover the cost of service provided by the United Church.
- 59 Unbudgeted Expenses: This item is to cover expenditure that are not budgeted and that will be recovered by donations.
- 60 HST: This is an estimate of net HST expense after applying the HST rebate.
- 61 Miscellaneous: To cover various item that do not fit established accounts.
- 62 Custodian's Salary: 2% increase.
- 63 Electricity - Church: To cover Maritime Electric charges.
- 64 Electricity - Manse: To cover Maritime Electric charges.
- 65 Heat - Church: To cover district heating charges.
- 66 Heat - Manse: To cover heating oil billings.
- 67 Property Taxes - Manse: To cover City and Provincial property taxes.

- 68 Maintenance and Repair - Church: The budget has been set at \$17,000 to carry out repairs/upgrades to specific areas of the Church property in concert with Capital Campaign projects.
- 69 Repair & Maintenance - Manse: To cover minor repairs at the Manse.
- 70 Sewer & Water - Church: To cover water and sewer bills from the City of Charlottetown.
- 71 Sewer & Water - Manse: To cover water and sewer bills from the City of Charlottetown.
- 72 Telephone - Church; A budget to cover the cost of the telephone system.

73 **Capital Budget - Church - 2022 Estimate**

The Capital Budget estimates are based on cost projections prepared by Coles Associates Inc. and individual components have been selected as potential work to be completed in 2022. Capital Campaign contributions received to-date are more than sufficient to enable this work to be completed. This will relieve some pressure on the scope and funding of work identified to be completed in 2023 and beyond. Quotes have been received and approved for the roof project to be completed this summer.

NOMINATING COMMITTEE REPORT

The Nominating Committee, composed of the Action Clerk of Session and other Session Elders, respectfully submits the following nominations. Terms of service (three years unless otherwise noted) will terminate at the Annual Meeting in the calendar year indicated in brackets.

2021 Annual Meeting

Chair: Daphne Dumont

Secretary: David Robinson

Committees of Session

Christian Education

Ian Scott (2023) (CC)
David Robinson (2023) (CC & Treasurer)
Constance Robinson (2023)
Jennifer Moss (2025)

Pastoral Care

Glenda Montigny (2025) (CC)
Linda Evans (2024) (CC)
Tim Rose (2025)
Ian Scott (2025)
Janet Glass (2023)
Mary Nicholson (2025)

Management

Philip Champion (2025) (C)
Rob Burnett (2023)
Rodney Dekker (2025)
David Harrison (2024)
Roy Main (2025)
Alan Watts (2023)
Wayne McMillan (ex officio)

Committees of Management

Human Resources

Constance Robinson (2023) (C)
Pamela Stewart (2025)
Don MacKenzie (2025)

Stewardship

David Hooley (2023) (C)

Mission and Outreach

Michele Coles (2024) (C)
Georgie Macmichael (2025)
Barbara McPherson (2025)
Sherry Martin (2023)

Worship

Jocelyne Lloyd (2023) (C)
Linda Godfrey (2023)
Kathy Large (2025)
Pamela Stewart (2024)
Jane Walker (2025)
Constance Robinson (2025)
Frances McBurnie (ex officio)

Property

Rob Burnett (2023)
Alan Watts (2023)

Treasurer

Wayne McMillan (2023)
Assistant to the Treasurer
David Harrison (2023)

Other Positions and Committees

Trustees

Don MacKenzie (2023)
Wayne McMillan (2023)
Shauna Sullivan Curley (2023)

Fellowship

Barbara MacNevin (2023)
Michele Coles (2025)
Alan Watts (2025)
Karen Forbes (2023)

Christian Council

Jessie Lees (2023)
Rosalie Darby (2023)

Cradle Roll

Rev. Amanda Henderson-Bolton

Cundall Home Trust

Daphne Dumont

Communications

David Robinson (2025)(C)
Jocelyne Lloyd (2025)
Robert Bartley-Crossley (2025)

Heritage

David Robinson (2023) (C)
David Ashby (2025)
David MacNevin (2025)
James Macnutt (2025)
Simon Lloyd (2025)

Roll Clerk

Constance Robinson

Stamper & Charlotte Residences

Daphne Dumont (2023)
Linda Evans (2025)
Josephine Rose (2025)

Old Protestant Burying Ground

David MacNevin