

**LIVING WATERS ANGLICAN FELLOWSHIP KINGSTON
ANNUAL VESTRY MEETING**

SUNDAY, FEBRUARY 27, 2022



“Looking Forward & Pressing On”

RECTOR & LEAD PASTOR’S REPORT

ANNUAL VESTRY MINUTES 2021

**ACCOUNTANT’S REPORT
FINANCIAL STATEMENTS 2021
GENERAL/OPERATING BUDGET 2022**

**LIVING WATERS ANGLICAN FELLOWSHIP KINGSTON
MINISTRY TEAM 2021**



DIOCESAN BISHOP

The Rt. Rev. Charles Masters

RECTOR & LEAD PASTOR

The Rev. Canon Christopher R. Doering

PRIEST ASSOCIATE

The Rev. Manasse Maniragaba

ASSOCIATE PASTOR

Kathy Doering

INTERN

Simon Teague

OFFICERS OF PARISH COUNCIL

RECTOR'S WARDEN

Yolande Chan

CHAIR & CEO

Canon Christopher Doering

PEOPLE'S WARDEN

Ross Underhill

TREASURER

John Telgmann

VESTRY CLERK

Kathleen Young

PARISH COUNCIL

Yolande Chan
M. J. Dove
Ross Underhill

Chris Doering
Simon Teague
Kathleen Young
Jerry Zabel

Judy Donevan
John Telgmann
Scott Young

Rector's Report to Vestry 2022

... but this one thing I do: forgetting what lies behind and straining forward to what lies ahead, I press on toward the goal for the prize of the heavenly call of God in Christ Jesus.”
(Philippians 3:13-14)

As I write this report, we are in year two of a global pandemic that has had a profound impact on us as individuals and as a church community. Traditionally, the Rector's report to Vestry is an opportunity to reflect on, and give thanks for, the year that has passed, and to set out plans and priorities for the year ahead. However, once again, our ministry at Living Waters was limited in 2021 and sadly, there is not as much to report on as I would like.

Although COVID is quickly becoming the “new normal” and we are growing accustomed to living our lives against this backdrop, 2021 was still a difficult year on so many levels. Our regular pattern of corporate worship on Sunday mornings and our ministry and discipleship to each other and the community around us was constantly interrupted, and, at times, suspended all together. Of the 56 worship services held in 2021, 35 were in person and 21 were live streamed only, including Easter Sunday and Christmas Eve. If that wasn't hard enough, 2021 saw a greater polarization in our country, resulting in controversy and unrest over the COVID vaccine, vaccination policies and passports, and government mandates. With the arrival of the highly contagious Omicron variant, many of us know people who have personally been touched by COVID-19. If you didn't contract the disease, like Kathy and I did over Christmas; you were likely touched by at least one of its many side effects, such as the loss of employment, loneliness, and mental health issues. However, as I've said to you many times since this pandemic began, in the midst of all of the uncertainty and fear, one thought continues to bring me comfort: God wasn't surprised or taken aback by the events of 2021, and no matter how difficult things have been or how difficult they get, our lives rest securely in His hands! We can be confident that no matter what happens in the days ahead, the Lamb is on the throne, and we can have hope even in our darkest moments.

Although it felt like everything in 2021 was working against us, there is so much that we can be thankful for. We can give thanks to God for His ongoing faithfulness to us and our church over the past twelve months. We can give thanks for the times we were able to worship in person and for the technology to allow us to be together virtually when in person gatherings were not possible. We can give thanks that the gospel continued to be proclaimed at Living Waters, as the focus of our shared life together. We can give thanks for the many ways that each of you persevered and continued to reflect the gospel, often at great cost, raising children and grandchildren, supporting parents, neighbours, or adult children. We can give thanks for the ongoing ministry and witness of the Anglican Network in Canada across this country, and for the election of our new Co-Adjutor Bishop, The Rt. Rev. Dan Gifford. Clearly, we shouldn't let the negative aspects of this season distract us from the many blessings!

Although we have no idea what 2022 will bring, and whether or not we will see the end of this pandemic and all of the restrictions that have hindered our worship and ministry, the above words from the Apostle Paul's letter to the Philippians provide us with some good advice. In this passage, the Apostle Paul is laser-focussed on the race, the goal, and the finish line of his journey of faith. Like an olympian runner, he doesn't turn back to dwell on the past. Instead, forgetting what is

behind, he looks forward resolutely toward the final victory lap when he will see the Lord Jesus face to face. We shouldn't forget that even though Paul is responsible for writing much of the New Testament, as Saul, he was a violent persecutor of the church, playing a part in the stoning of the first Christian martyr, Stephen. Paul could have let guilt and shame cripple him for that, however, he forgot what was in the past. He didn't let it haunt him or trip him up in the present. Neither did he dwell on his sufferings, beatings, shipwrecks, and imprisonment. He forgot the disappointments and challenges of rebellious church members, false teachers, and persecutions. Instead, he trained his eyes on a vision of his Master waiting for him at the finish line.

Although Christians are called to be like Christ, we continue to make mistakes. Like Paul, we haven't "arrived" yet. As we run the race of faith, we stumble and fall, we get side tracked, take wrong turns, and encounter many different kinds of roadblocks. In fact, we'll never obtain complete sanctification until we stand before the Lord. However, God uses our imperfections to help us "grow up" in faith. We all have a common problem that we struggle with called "the flesh," that pulls us toward sin and away from the prize of the upward call. Thankfully, our flesh also keeps us painfully aware of our need to diligently press on toward the goal. For this reason, Paul exerted an all-out, single-minded effort to keep looking forward and pressing on to obtain Christian maturity. Paul also calls the Philippians, and us, to diligently strive with every spiritual muscle to pursue forward momentum in our Christian lives. The author of the Book of Hebrews echoes Paul's words with this similar encouragement in Hebrews 12:1-2: **"Therefore, since we are surrounded by such a great cloud of witnesses, let us throw off everything that hinders and the sin that so easily entangles. And let us run with perseverance the race marked out for us, fixing our eyes on Jesus, the pioneer and perfecter of faith."** God alone is the source of our salvation as well as the supplier of our spiritual growth. The closer we get to completing the race, the more we realize how much further we have to go to become like Christ. However, we cannot look back. If we do, we'll get burdened down under the weight of the past.

As we continue to journey through, and eventually come out of, this pandemic, we need to do so looking forward and pressing on. We need to fix our eyes on the prize—on Jesus, the pioneer and perfecter of our faith. We need to seek His will for us and for Living Waters, and how He would have us move forward as a congregation. Even before COVID began, I felt like we were often spinning our wheels instead of moving forward. One of the reasons for this is we don't have our own building, not just as a place to worship, but as a ministry centre, through which we reach out to the wider community. Not having our own space makes it easier to focus our fellowship on Sunday morning only, and as you know, the ministry of the church is about so much more than just what we do on Sunday morning. To address this, I hope to have an open discussion at our Vestry meeting this year about how we can move forward and press on in this area. Following the Lord's leading, I hope to strike a Building Task Force to begin to pray about and explore this issue and to create a long-term plan that can help guide us as we move forward in God's will for us.

Having said that, any prize we might seek and obtain here on earth will not last. Only what is eternal will last forever. Paul told the believers in Corinth that he was working for "a crown that will last forever." To win the eternal crown, we need to exercise self-discipline. Again, Paul uses the imagery of a runner in a race: **"Do you not know that in a race all the runners run, but only one gets the prize? Run in such a way as to get the prize. Everyone who competes in the games goes into strict training. They do it to get a crown that will not last, but we do it to get a crown that will last forever. Therefore I do not run like someone running aimlessly; I do not fight like a boxer beating the air. No, I strike a blow to my body and make it my slave so that after I have preached to others, I myself will not be disqualified for the prize."** (1 Cor 9:24–27)

Let us be encouraged by Paul's emphasis here on forgetting the past—what is behind—and straining forward to what lies ahead. Not letting yesterday's failures distract us from the goal of the upward call of God in Christ. Not letting the challenges of the past two years keep us from running the race that God has set before us as individuals and as a community of faith. Let us press on together for the gold medal prize until we meet the Lord Jesus at the finish line!

I am very grateful to all of you who have helped the body of Christ at Living Water's and beyond in so many ways this past year. I am also thankful for the dedicated work of our Parish Council and Executive: Yolande Chan, Ross Underhill, Kathleen Young, and John Telgmann; for Simon Teague, our intern; those who helped with screening protocols and Sunday morning worship when we were able to meet in person; our worship team; Life Group leaders; our Missions Committee; and all those who have given their time and talents to the work and ministry of Living Waters over the past year. I would also like to thank the members of the congregation and our other supporters for their faithful stewardship and generous giving to the work of God in and through Living Waters these past 12 months. Because of your tithes and offerings, and reduced spending due to COVID-19, we were more than able to meet our ministry and financial obligations for 2021. In addition, we were also able to give 7.5% of our 2021 Operating Budget to our mission partners through the work of our Missions Committee and 10% to the work and ministry of our Diocese. Praise God!

It has been a real gift for me to live out my ministry among so many faithful and committed people and to share in the work of the Kingdom with you this past year. I am confident that God will continue to bless us in our mission and ministry in 2022, as we look forward and press on in the work He has for us.

Respectfully Submitted,

The Rev. Canon Christopher R. Doering
Rector & Lead Pastor

**MINUTES OF THE ANNUAL VESTRY MEETING
LIVING WATERS ANGLICAN FELLOWSHIP KINGSTON**

**Held at 56 Francis Street, Kingston, Ontario on Sunday, February 28, 2021
As a result of the ongoing COVID-19 Pandemic some members joined via Zoom**

Present: See the Vestry Register.

Regrets:

Welcome & Opening Devotions

The Rector

2 Timothy 2:1-18

Report of the Vestry Clerk

Kathleen Young

As of today, Sunday, February 28, 2021, membership at *Living Waters Anglican Fellowship Kingston* is as follows:

62 Households

27 Members present at Vestry

117 Souls

27 Voting members present at Vestry

63 Voting Members

By-Law #1. Article XV: Quorum to Govern at Vestry Meetings reads; "A quorum at any Vestry Meeting shall be twenty (20) percent of members. If a quorum is present at the opening of a Vestry meeting, the members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting."

We require 20% of voting members for quorum, and we have 42% of voting members present today.

"In accordance with by-law #1 Article XV I am happy to report that we do have a quorum of voting members present."

Approval of the Agenda

The Rector

Moved By: Kyle Joudry

Seconded By: Tucker Carrington

BE IT RESOLVED THAT the Agenda for the 2021 Annual Vestry Meeting of *Living Waters Anglican Fellowship Kingston* be approved.

CARRIED

Minutes of the 2020 Annual Vestry Meeting

The minutes of the 2020 annual Vestry were distributed in the Vestry package.

Moved by: Kathleen Young

Seconded by: Judy Donevan

BE IT RESOLVED THAT the Minutes of the Annual Vestry Meeting of *Living Waters Anglican Fellowship Kingston* held Sunday, February 23, 2020 be approved.

CARRIED

Report of the Nominating Committee

The Rector

Moved by: Gracie Doering

Seconded by: Annie Edwards

BE IT RESOLVED THAT the 2021 Report of the Nominations Committee be received.

CARRIED

Election of Parish Council members (6 to elect)

Rector class elections

As the only member of the Rector class Rev Chris Doering elected himself and Yolande Chan (Rector's Warden) to Parish Council.

Parishioner class elections

The Nominations Committee is submitting four names for election to Parish Council: MJ Dove, Simon Teague, Kathleen Young, and Jerry Zabel.

Kathleen Young is an officer of the board, vestry clerk our by-laws do not require that officers be board members but there is a benefit recognized to having them serve as a member.

MJ Dove is a returning member.

Jerry Zabel is a returning member.

Moved by: Gail Sulpher

Seconded by: Barb Lutz

BE IT RESOLVED THAT the nominees for Parish Council be elected by acclamation for a two-year term.

CARRIED

Thanks for outgoing members of Parish Council Ann Edwards and Barbara Almonor

Financial Reports

2020 Year-End Financial Statements

John Telgmann

John Telgmann, the treasurer presented to the meeting the financial statements of the Church for the financial year ended December 31, 2020 (with comparative figures for 2019). A copy of the financial statements was available to each member in advance of the meeting.

Highlights:

- Revenues were down, but as a result of the Pandemic we paid far less rent (and other expenses) than we would have in a typical year.
- We finished the year with a surplus.
- We received additional revenue from the Canada Emergency wage subsidy.

Question Tucker Carrington: When stocks were purchased?

Answer: Mostly in September, it took a long time to get the investing account set up with TD.

Independent: Public Practitioners Report for 2020

Yolande Chan

A portion of the report was read to the meeting, the entire report was included in the vestry package.

Moved by: Ross Underhill

Seconded by: Kyle Joudry

BE IT RESOLVED THAT the Financial Statements for *Living Waters Anglican Fellowship Kingston* for the year ended December 31, 2020 and the Independent Public Practitioner's Review Engagement Report thereon be adopted.

CARRIED

Independent Public Practitioner's Report for 2021

Yolande Chan

Yolande Chan, the rector's warden reminded the members that at the last AGM the members resolved to appoint the firm MNP LLP (Formerly Baker Tilly SEO LLP) as a public accountant to perform a 'review engagement' of the financial statements.

Special Resolution re: Review Engagement for 2021

Yolande Chan

Yolande Chan, the rector's warden reminded the members that under the Canadian Not-for-Profit Corporations Act a soliciting corporation like Living Waters with gross annual revenues more than \$50,000 and up to \$250,000 must engage a licensed public accountant to conduct an audit, but with consent, given annually, of all the members of the Corporation voting at an annual meeting may dispense with the requirement of appointing an auditor, and members can pass a special resolution, by 2/3 majority, to require a review engagement instead. The cost of an audit would be up to five times as costly as a review engagement.

Mover: Yolande Chan

Secunder: rachel teague

BE IT RESOLVED THAT the Church not appoint an Independent Public Practitioner to conduct an audit of the financial statements for 2021, but rather require a review engagement instead.

CARRIED Unanimously

Appointment of the Independent Public Practitioner for 2021

Yolande Chan

Mover: Yolande Chan

Secunder: MJ Dove

BE IT RESOLVED THAT the Church appoint MNP LLP as the Church's Independent Public Practitioner for 2021, to undertake a review engagement of the financial statements for 2021.

CARRIED

Prayer of thanksgiving for our financial situation in 2020.

Presentation of the 2021 Operating Fund Budget

John Telgmann

John Telgmann, the treasurer presented to the meeting the Operating Fund Budget of the Corporation for the financial year 2021 (with comparative figures for 2017, 2018, 2019, and 2020). A copy of the 2021 Operating Fund Budget was provided to each member in advance of the meeting.

Highlights:

- We will do a more formal forecast in September of 2021 as the situation may change greatly as a result of the ongoing Pandemic.
- Conservative budget as we are still in the midst of recovering from the Pandemic.
- We are presenting a deficit budget as we have balances to cover in the case where it is required, and the actual situation is rapidly evolving. It is difficult to predict how the financial situation will be impacted by the evolving pandemic situation.

Question: Ann Edwards:

Answer: Kathy's new position as SLC is a FT tri-campus position that starts in April.

Question: MJ Dove: John's analogy of Joseph in Egypt was prophetic as our past faithful stewardship has prepared us for the coming times of uncertainty.

Moved by: Ross Underhill

Seconded by: simon teague

BE IT RESOLVED THAT the Budget General/Operating Fund for 2021 for *Living Waters Anglican Fellowship Kingston* be adopted.

CARRIED

Ministry Reports

Rector's Report

The Rector

The Rector's report was distributed in the Vestry package.

Moved by: barb lutz

Seconded by: mj dove

BE IT RESOLVED THAT the 2021 Ministry Report for Living Waters Anglican Fellowship Kingston be received.

CARRIED

Member's Comments

Anke Carington: Thanks to the Doesings for all of the work they did online.

Yolande Chan: Grateful to the Rector and those who have worked to ensure we are strong moving out of COVID.

Adjournment

Moved by: John Telgamnn

Seconded by: Kyle Joudry

BE IT RESOLVED THAT the 2021 Annual Vestry Meeting of Living Waters Anglican Fellowship Kingston be adjourned at 12:44PM.

CARRIED

Closing Prayer

The Rector

Living Waters Anglican Fellowship Kingston

Financial Statements

For the year ended December 31, 2021

(Unaudited)

Living Waters Anglican Fellowship Kingston

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For the year ended December 31, 2021

(unaudited)

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Accountant's Report

for the year ended December 31, 2021

(unaudited)

To the Members of Living Waters Anglican Fellowship Kingston:

With the Covid-19 pandemic continuing in 2021 the financial picture was similar to 2020. Please see following the formal fund accounting financial statements in accordance with Canadian Accounting standards for not-for-profit organizations.

Highlights:

- 1 Contributions from parishioners and a few visitors to the Operating Fund in 2021 at \$155,267 were 1% more than 2020 at \$154,167. For perspective 2020, the first year of the effect of Covid-19 saw a drop of \$9,135 or 6% from 2019 levels.
- 2 Methods of Giving to the Operating Fund:

	2021	2020
Pre-authorized Giving (PAG)	\$87,621	\$84,125
Cheques & Cash	40,912	45,388
Interac e-Transfers	24,561	20,339
Canada Helps	240	317
Cash – Unidentified	528	444
All methods for Lent, Easter, Thanksgiving, Advent & Christmas	1,405	3,499
Total	\$155,267	\$154,112

- 3 Expenses in 2021 at \$150,832 in 2021 where almost the same as 2020 at \$151,265. As was the case in 2020 in person worship was shut down at times due to Covid-19. Fortunately, the Senior's Centre does not charge when not using the gymnasium. Rent cost \$7,320 in 2021 and \$15,166 in 2019.
- 4 Primarily due to the low rent there is an Operating Fund surplus of \$4,435 for 2021 (i.e., total revenues of \$155,267 less expenditures of \$150,832). If you deduct the Transfer of \$520 from the General Fund to the Capital Asset Fund for the purchase of a printer the surplus is \$3,915.
- 5 So, the Operating Fund has a December 31, 2021 cumulative balance of \$20,261 (i.e., beginning balance of \$16,346 + surplus of \$4,4435 – \$520 transfers)
- 6 The Capital Asset Fund balance of \$18,371 is composed of cash \$1,194 and investments (i.e, marketable securities) valued at \$17,177 which earned 17% vs say a guaranteed investment certificates (GICs) of less that 1%. Not every year in the market will be like 2021!
- 7 Combining all the separate accounting Funds there is \$33,287 of cash plus \$17,177 of investments at the end of the year.
- 8 See Schedule 3 for the list of mission partner organizations / missionaries and the amounts allocated to them in 2021 amounting to \$11,480 and in 2020 \$11,687.

Note: The Independent Practitioner's Review Engagement Report will be handed out and read at the Vestry Meeting

Living Waters Anglican Fellowship Kingston
Statement of Financial Position
for the year ended December 31, 2021
(unaudited)

	UNRESTRICTED FUNDS		RESTRICTED FUNDS		ALL FUNDS		ALL FUNDS	
	GENERAL OPERATING FUND	CAPITAL ASSET FUND	CAPITAL / BUILDING FUNDS	SPECIAL PURPOSE FUNDS	TOTAL 2021	TOTAL 2020		
			Schedule 1	Schedule 2				
ASSETS								
CURRENT								
Cash (Note 3)	\$ 26,238		\$ 1,194	\$ 5,855	\$ 33,287	\$ 25,577		
Accounts receivable (Note 4)	1,357				1,357	4,375		
Prepaid expenses & deposits (Note 5)	2,072				2,072	1,998		
	<u>29,667</u>		<u>1,194</u>	<u>5,855</u>	<u>36,716</u>	<u>31,950</u>		
LONG-TERM								
Investments (Note 6)	-	-	17,177	-	17,177	12,716		
Tangible capital assets (Note 7)	-	970	-	-	970	607		
	<u>-</u>	<u>970</u>	<u>17,177</u>	<u>-</u>	<u>18,147</u>	<u>13,323</u>		
	<u>29,667</u>	<u>970</u>	<u>18,371</u>	<u>5,855</u>	<u>54,863</u>	<u>45,273</u>		
LIABILITIES & FUND BALANCES								
LIABILITIES								
Accounts payable & accruals (Note 8)	9,406	-	-	-	9,406	7,478		
FUND BALANCES (page 2)								
Unrestricted	20,261	970	-	-	21,231	19,953		
Internally restricted (Schedule 1)	-	-	16,878	-	16,878	14,228		
Externally restricted (Schedule 1 and Schedule 2)	-	-	1,493	5,855	7,348	3,614		
	<u>20,261</u>	<u>970</u>	<u>18,371</u>	<u>5,855</u>	<u>45,457</u>	<u>37,795</u>		
	<u>\$ 29,667</u>	<u>\$ 970</u>	<u>\$ 18,371</u>	<u>\$ 5,855</u>	<u>\$ 54,863</u>	<u>\$ 45,273</u>		

Approved on behalf of Parish Council (Board of Directors)

Rector's Warden (Director)

People's Warden (Director)

Living Waters Anglican Fellowship Kingston
Statement of Operations and Fund Balances

For the Year Ended December 31, 2021
(unaudited)

	UNRESTRICTED FUNDS		RESTRICTED FUNDS		ALL FUNDS	
	GENERAL OPERATING FUND	CAPITAL ASSET FUND	CAPITAL & BUILDING FUND	SPECIAL PURPOSE FUNDS	TOTAL 2021	TOTAL 2020
			Schedule 1	Schedule 2		
REVENUE						
Offerings	\$ 155,267			4,377	\$ 155,267	\$ 154,112
Restricted donations	-				4,377	813
Ministry program and event fees	-				-	55
Investment income (Note 9)	-		2,884		2,884	300
Canada emergency wage subsidy	-				-	3,506
	155,267	-	2,884	4,377	162,528	158,786
EXPENSES						
<i>Church Operations</i>						
Worship (Note 10)	1,221			-	1,221	3,380
Ministry program costs (Note 11)	1,256			-	1,256	1,468
Salaries, benefits, and allowances	104,802			-	104,802	103,675
Facilities and property (Note 12)	8,643			-	8,643	9,285
Office and administration (Note 13)	7,871			-	7,871	6,368
Amortization of capital assets	-	157		-	157	620
	123,793	157	-	-	123,950	124,796
<i>Missions & Outreach</i>						
Missions (Schedule 3)	11,480			3,877	15,357	11,784
Diocese related mission, synod (Note 14)	15,559			3,877	15,559	15,411
	27,039	-	-	3,877	30,916	27,195
	150,832	157	-	3,877	154,866	151,991
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	4,435	(157)	2,884	500	7,662	6,795
FUND BALANCES - beginning of year	16,346	607	15,487	5,355	37,795	31,000
Transfers between Funds (Note 15)	(520)	520	-	-	-	-
FUND BALANCES - end of year	\$ 20,261	\$ 970	\$ 18,371	\$ 5,855	\$ 45,457	\$ 37,795

The accompanying notes are an integral part of these financial statements

Living Waters Anglican Fellowship Kingston**Statement of Cash Flows**

For the Year Ended December 31, 2021

(unaudited)

	<u>ALL FUNDS</u>	<u>ALL FUNDS</u>
	<u>2021</u>	<u>2020</u>
Cash provided by (used for) the following:		
Operating Activities		
Excess of revenue over expenses	\$ 7,662	\$ 6,795
Adjustment for items which do not affect cash		
Unrealized gain on investments	(2,077)	(110)
Amortization of tangible capital assets	157	620
	<u>5,742</u>	<u>7,305</u>
Changes in working capital accounts		
Accounts receivable	3,018	(2,423)
Prepaid expenses and deposits	(74)	2,073
Accounts payable and accrued liabilities	1,928	(5,706)
	<u>10,614</u>	<u>1,249</u>
Cash Flows provided for (used by) Operating Activities		
	<u>10,614</u>	<u>1,249</u>
Investing Activities		
Purchase of tangible capital assets	(520)	(759)
Purchase of long-term investments	(2,384)	(12,606)
	<u>(2,904)</u>	<u>(13,365)</u>
Cash Flows (used in) Investing Activities		
	<u>(2,904)</u>	<u>(13,365)</u>
Net increase (decrease) in cash for the year	7,710	(12,116)
Cash - beginning of year	25,577	37,693
Cash - end of year	33,287	25,577
Cash resources are composed of:		
Cash (Note 3)	\$ 33,287	\$ 25,577

Living Waters Anglican Fellowship Kingston

Notes to Financial Statements

For the year ended December 31, 2021

(unaudited)

1. Incorporation and nature of the organization

Living Waters Anglican Fellowship Kingston (the "Church") was incorporated on September 3, 2015 under the *Not-For-Profit Corporations Act of Canada*, and is a registered charity under the *Income Tax Act*.

The purpose of the Church is as a community of faith to praise God, to follow Jesus Christ, make disciples, and share the gospel faithfully to the nations.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles and include the following significant accounting policies:

(b) Fund accounting

The Church follows the restricted fund method of accounting for contributions. Amounts received or expended by the Church on behalf of specific funds have been separated and are reported in the statement of the applicable fund.

The *General Fund* accounts for the Church's program delivery and administrative activities. This fund reports all unrestricted expendable resources.

The *Capital Asset Fund* accounts for tangible capital assets (now unexpendable) of the Church and amortization thereon. In current year, these funds were reclassified from restricted to unrestricted.

The *Internally Restricted Capital (Building) Fund* accounts for the internally restricted expendable assets and investment income.

The *Externally Restricted Capital (Building) Fund* accounts for the externally restricted expendable assets, and investment income, and expenses related to funding the purchase of a building for the Church.

The *Special Purpose Restricted Fund* reports various restricted funds that have been set up for various purposes outside the scope of other funds. Currently, there is a Youth Event Fund, the Grace Fund (a benevolent fund at the discretion of the Rector), Special Missions Fund, and Memorial Fund to the end of 2020.

Living Waters Anglican Fellowship Kingston

Notes to Financial Statements

For the year ended December 31, 2021

(unaudited)

2. Significant accounting policies (continued)

(c) Revenue recognition

Externally restricted contributions can only be used for purposes designated by the donor and are recognized as revenue of the appropriate restricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue of the General Fund when received or receivable on an accrual basis.

Investment income is recognized as revenue of the Capital & Building Funds on a prorated basis when earned, and on an accrual basis.

Program revenue (e.g. retreat, dinner, book costs recovered) are recognized as revenue of the General Fund when the various programs are held.

(d) Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to purpose or time restrictions are included in restricted cash.

(e) Investments

Investments are initially recorded at their acquisition cost, including related transaction costs, on the date of the trade. Investments are subsequently adjusted to fair market value as at the year end date, and the corresponding unrealized gains and losses are recorded in investment income.

(f) Tangible capital assets and amortization

Purchased tangible assets greater than or equal to \$500 are recorded as an asset at cost. If the cost of tangible assets are less than \$500 they are recorded as an operating expenditure (small tools & equipment). Contributed (in-kind) capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using methods and rates intended to amortize the cost of tangible assets over their estimated useful lives. Amortization is recorded in the Unrestricted Capital Asset Fund. The amortization rate is as follows:

	<u>Method</u>	<u>Rate</u>
Furniture, fixtures, office, audio and music equipment	straight-line	5 years

Living Waters Anglican Fellowship Kingston

Notes to Financial Statements

For the year ended December 31, 2021

(unaudited)

2. Significant accounting policies (continued)

(g) Contributed services

Volunteers assist the Church in carrying out its ministry. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Contributed goods or gifts-in-kind are only recognized when their fair value is reasonably determinable and significant, with such items recorded at fair value on the date of the contribution (for example, shares of publicly traded companies). During the years 2021 and 2020 the Church did not receive any material gifts in-kind.

(h) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires the coordinating council to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates have been made by the coordinating council within these financial statements primarily in relation to capitalization and amortization of tangible capital assets, and accrued liabilities.

(i) Taxes

The Church is exempt from paying income taxes, as it is a registered charitable organization. The Church initially pays GST/HST on purchases but receives back a portion (after filing the rebate return) entitled by charitable organizations.

The Church, as an employer, pays payroll taxes including Canada Pension Plan and Employment Insurance.

Living Waters Anglican Fellowship Kingston

Notes to Financial Statements

3. Cash *for the year ended December 31, 2021* (unaudited)

The Church's bank accounts are held at two chartered banks.

	<u>2021</u>	<u>2020</u>
Cash on hand (in all Funds)	\$ 33,287	\$ 25,577

4. Accounts receivable

Canada emergency wage subsidy receivable	\$ -	\$ 3,506
Accounts receivable from CanadaHelps	-	240
HST rebates recoverable from Canada Revenue Agency	<u>1,357</u>	<u>629</u>
	<u>\$ 1,357</u>	<u>\$ 4,375</u>

5. Prepaid Expense & Deposits

Deposit for Extended Health with Anglican Network in Canada	\$ 653	653
Prepaid Insurance	<u>1,419</u>	<u>1,345</u>
	<u>\$ 2,072</u>	<u>\$ 1,998</u>

6. Long-term investments

The investments are comprised marketable securities (a few individual companies and exchange traded funds (ETFs))

	<u>shares</u>	<u>cost</u>	<u>market value</u>	
			<u>2021</u>	<u>2020</u>
Algonquin Power & Utilities (AQN)	100	\$ 2,065	\$ 1,827	\$ 2,095
BMO Covered Call Utilities ETF (ZWU)	170	2,017	2,196	2,045
Enbridge Inc. (ENB)	100	4,116	4,941	4,071
Fortis Inc. (FTS)	25	1,386	1,526	1,300
BMO Equal Weight Banks ETF (ZEB)	75	2,383	2,923	-
Horizons Active Canadian Dividend-E ETF (190	<u>3,022</u>	<u>3,764</u>	<u>3,205</u>
		<u>\$ 14,989</u>	<u>\$ 17,177</u>	<u>\$ 12,716</u>

7. Tangible capital assets

<u>2021</u>			<u>2020</u>		
<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net Book Value</u>	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net Book Value</u>
<u>\$ 3,619</u>	<u>\$ 2,649</u>	<u>\$ 970</u>	<u>\$ 3,099</u>	<u>\$ 2,492</u>	<u>\$ 607</u>

During the year, the Church purchased tangible capital assets (a printer) in the amount of \$520 (2000 - \$759) with cash.

Living Waters Anglican Fellowship Kingston

Notes to Financial Statements

For the year ended December 31, 2021

(unaudited)

8. Accounts payable and accrued liabilities

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 4,567	\$ 796
Accrued Liabilities:		
ANiC Diocese - Tithe	1,628	3,107
Senior Centre - rent	511	1,275
MNP - review engagement	2,700	2,300
	<u>\$ 9,406</u>	<u>\$ 7,478</u>

9. Investment income

	<u></u>	<u></u>
Interest from guaranteed investment certificate	\$ -	\$ 84
Dividend income from marketable securities	807	106
Realized capital gain from marketable securities	-	-
Unrealized capital gain from marketable securities	2,077	110
	<u>\$ 2,884</u>	<u>\$ 300</u>
Rate of return (money-weighted over time)	17.09%	1.68%

10. Worship expenses

	<u></u>	<u></u>
Musical instruments	\$ -	\$ 138
Music license	427	383
Supplies (alter, seasonal, sanitary, other)	744	859
Clergy coverage	50	2,000
	<u>\$ 1,221</u>	<u>\$ 3,380</u>

11. Ministry program expenses

	<u></u>	<u></u>
Pastoral care	\$ -	\$ 191
Advertising	174	42
Adult education	357	460
Children and youth	-	26
Young adults	21	340
Special events	20	-
Evangelism and outreach	-	304
Fellowship	684	105
	<u>\$ 1,256</u>	<u>\$ 1,468</u>

Living Waters Anglican Fellowship Kingston

Notes to Financial Statements

For the year ended December 31, 2021

(unaudited)

12. Facilities and property expenses

	<u>2021</u>	<u>2020</u>
Rent	\$ 7,320	\$ 7,035
Kingston House of Prayer	-	720
Insurance (general liability, abuse, directors and officers)	1,323	1,418
Repairs, maintenance and small tools and equipment		112
	<u>\$ 8,643</u>	<u>\$ 9,285</u>

13. Office and administration expenses

	<u>2021</u>	<u>2020</u>
Public and professional accounting	\$ 4,334	\$ 2,400
Printing (photocopying, computer)	91	804
Dues & subscriptions	364	270
Bank, payroll, preauthorized giving services fees	757	558
Postage and delivery	239	210
Office supplies	436	633
Communications (cell phone, internet, & Zoom)	1,350	1,224
Software (Windows, EasyWorship & Quickbooks)	299	269
	<u>\$ 7,870</u>	<u>\$ 6,368</u>

14. Diocese related expenses

	<u>2021</u>	<u>2020</u>
Diocesan Synod	\$ -	\$ -
Tithe to the Diocese	15,559	15,411
	<u>\$ 15,559</u>	<u>\$ 15,411</u>

15. Transfers between funds

In 2021, \$520 was transferred from the General Operating Fund to the Capital Asset Fund for the purchase of a three-in-one printer (printer, copier, scanner).

16. Financial instruments

The Church, as part of its investing activities, carries equity risk associated with the valuation of marketable securities (see Note 6) arising from changes in equity markets but is not exposed to significant currency, credit, liquidity risks arising from these financial instruments.

Living Waters Anglican Fellowship Kingston

Notes to Financial Statements

For the year ended December 31, 2021

(unaudited)

17. Defined contribution pension plan

The Church is a member of the Anglican Network in Canada Group Retirement Program (the "Plan") managed by Standard Life. It is a defined contribution plan and all employees are eligible to participate in the Plan. At this point the rector is participating. The Church contributes 10% of the rector's gross salary to the Plan. The agreement is such that the Church is not responsible for any shortfalls or market performance of the Plan. Therefore no liability is recorded in the Statement of Financial Position (page 1). Employees can contribute the maximum percentage allowed by law of their eligible salary to the Plan. All Church contributions to the Plan are immediately vested by the employee. Contributions by the Church for the year 2021 amounted to \$7,870 (2020 - 7,7745) and are included in expenses on the statement of operations.

18. Subsequent events

The coronavirus disease (Covid-19) continues to have a considerable impact on the operating environment, both globally and locally, which has the potential to create financial stress on the Church due to economic uncertainty affecting actual and potential donors and thus the receipts of donations may continue to be reduced.

19. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

Living Waters Anglican Fellowship Kingston

Schedule 1 Capital (Building) Funds

As at December 31, 2021

(unaudited)

	INTERNALLY RESTRICTED BUILDING FUND <i>expendible</i>	EXTERNALLY RESTRICTED BUILDING FUND <i>expendible</i>	TOTAL 2021	TOTAL 2020
FUND BALANCES - beginning of year	\$ 7,320	\$ 7,035	\$ 14,355	\$ 15,187
Contributions	-	720	720	-
Investment income (Notes 2e and 9)	1,323	1,418	2,884	300
Expenditures		112	-	-
Inter-fund transfers			-	-
	<u>8,643</u>	<u>9,285</u>	<u>-</u>	<u>-</u>
FUND BALANCES - end of year - (page 2)	<u><u>8,643</u></u>	<u><u>9,285</u></u>	<u><u>\$ 17,959</u></u>	<u><u>\$ 15,487</u></u>

4,334	2,400
91	804
364	270
757	558
239	210
436	633
1350	1224
299	269
7870	6368

0	0
15559	15411
15559	15411

Living Waters Anglican Fellowship
Schedule 2 - Special Purpose Restricted Funds
for the year-ended December 31, 2021
(unaudited)

	<u>Beginning Balance</u>	<u>Contributions</u>	<u>Expenditures</u>	<u>Inter-Fund Transfers</u>	<u>Ending Balance</u>
Youth Event Fund	\$ 364	\$ -	\$ -	\$ -	\$ 364
Benevolent Funds:					
Grace Fund	3,981	500			4,481
Special Missions Fund	7	3,877	(3,877)	-	7
Memorial Fund	1,003	-	-	-	1,003
	<u>\$ 5,355</u>	<u>\$ 4,377</u>	<u>\$ (3,877)</u>	<u>\$ -</u>	<u>\$ 5,855</u>

Living Waters Anglican Fellowship Kingston

Schedule 3 - Missions Support

For the year ended December 31, 2021

(unaudited)

From the Operating Fund

Mission Agency / Mission / Missionaries	Geo	2021	2020
Across Missions - pastor stipends in Tanzania	Int'l	\$ 900	\$ 720
Agape Fellowship Int'l Student Ministry	Loc	720	720
All Saints (ANiC) Church Bonavista, NL	Nat	1,050	900
Anglican Relief Dev. Fund Canada (ARDFC)	Int'l	600	600
Cdn. Centre for Christian Charities Legal Defence Fd.	Nat	600	600
Euthanasia Coalition	Loc	-	100
Friends of Koura in Canada - Mali Mission	Int'l	1,200	1,200
Geneva Fellowship / Kathy Doering	Loc	300	1,200
Kingston Pregnancy Care Centre	Loc	500	500
Kingston Youth Shelter	Loc	450	
Madagascar Mission via Anglican Service Committee	Int'l	600	600
Navigators Canada - Sam Alison	Nat	-	300
Power to Change - Christian Embassy Ottawa	Nat	600	600
Samaritan Heart / Rev Naseer David (loc, nat, intn'l)	Allocated	2,200	900
ShareLife Fd. / Horizons / Lebanon Crisis & Evangelism	Int'l	-	638
SIM - Denis & Sarah Pinnerosa	Int'l	900	900
Wycliffe Can. > TAP - Precy Elgincolin who died in 2021	Int'l	-	600
Wycliffe Can. > TAP - > Mountainview Church and Others	Int'l	1,200	600
Total Disbursed and Committed from Operating Fund		\$ 11,820	\$ 11,678

Recap by Geography:

Local	22%	2,580	29%	3,420
National	27%	3,250	21%	2,400
International	51%	6,010	50%	5,858
Total Disbursed & Committed	100%	\$ 11,840	100%	\$ 11,678

Special Missions Fund (donor restricted funds)

Church & other ministry workers in Philippines	\$ 3,650	0
Kingston Youth Shelter	\$ 227	0
	\$ 3,877	\$ -

Living Waters Anglican Fellowship Kingston
Operating Fund
2022 Budget

Account Name	Descriptions / Computations / Notes	2019 Actual	2020 Actual	2021 Budget	2021 Actual	2022 Budget	Change \$ 2022 Budget > 21 Actual	Change % Budget 22 > Actual 21
Contributions & Revenues:								
Contributions:								
Pre-Authorized Giving	(as of Jan 2022 \$7.2K/m) - not much chg.	79,879	84,125	86,400	87,621	90,000	2,379	2.7%
Tithe & Offerings regular	about same but trend down	72,020	65,727	66,000	65,473	69,500	4,027	6.2%
Lent/Easter		1,223	1,715	1,600	505	2,000	1,495	296%
Thansgiving/Harvest		927	144	360	0	500	500	
Advent/Christmas		4,363	1,640	2,400	900	1,200	300	33%
Loose change / unidentifiable (no tax receipt)		3,475	444	1,200	528	500	(28)	-5%
Contributions from charities (CanHelps / Churches)		0	317	0	240	0	(240)	-100%
Total Contributions		161,887	154,112	157,960	155,267	163,700	8,433	5.4%
			-8.0%	2.5%	0.7%	5.4%	4.7%	62.4.7%
Other Revenue:								
Government Grants (CEWS)		0	3,506	0	0	0	0	
Other	(e.g., garage sale)	560	0	0	0	0	0	
Purchases of books		0	55	0	0	0	0	
Special Events	retreat?	2,679	0	0	0	0	0	
Total Contributions & Revenues		165,126	157,673	157,960	155,267	163,700	8,433	5.4%

Expenditures:

Account Name	Descriptions / Computations / Notes	2019 Actual	2020 Actual	2021 Budget	2021 Actual	2022 Budget	Change \$ 2022 Budget > 21 Actual	Change % Budget 22 > Actual 21
Worship								
Music/Instruments	sound system cables, microphones,	120	138	360	0	240	240	
CCII Music License	annual	320	383	390	427	450	23	5.4%
Altar Supplies	wine, wafers, linens, other	694	249	540	166	240	74	44.6%
Clergy Coverage	when Chris away or on vacation	725	2,000	1,000	50	1,000	950	1900.0%
Seasonal & Other Supplies	e.g. decorations for Christmas	159	610	480	578	180	(398)	-68.9%
Total Worship		2,018	3,380	2,770	1,221	2,110	889	72.8%

Living Waters Anglican Fellowship Kingston
Operating Fund
2022 Budget

Account Name	Descriptions / Computations / Notes	2019 Actual	2020 Actual	2021 Budget	2021 Actual	2022 Budget	Change \$ 22 > 21	Change % 22 > 21
Ministry & Discipleship								
Pastoral care	Bereavement, Sick, get well cards, etc.	206	191	240	0	240	240	
Advertising		291	42	120	174	60	(114)	-65.5%
Adult Education	incl. books for studies	221	460	360	357	360	3	0.8%
Young Adult Ministries		225	340	360	21	180	159	757.1%
Children & Youth Ministries		569	26	300	0	180	180	
Missions & Outreach	2019=6.5%; 2020=7%; 2021=7.5%; 2022=7.5%	10,952	11,678	11,847	11,480	12,278	798	6.9%
Evangelism & Outreach	as of 2022 merged with Missions above	303	304	300	0	0	0	
Fellowship	coffee hour, pastoral meetings, etc.	787	106	360	684	480	(204)	-29.8%
Special Events & Meetings	more if retreat	2,757	0	500	20	0	(20)	-100.0%
Total Ministry & Discipleship		16,311	13,147	14,387	12,736	13,778	1,042	8.2%
Personnel								
Lead Pastor & Rector	Percent increase			1.6%		2.0%		
Salary & housing		75,722	77,457	78,696	78,696	80,270	1,574	2.0%
Benefits - Pension	10% of salary & housing	7,572	7,746	7,870	7,870	8,027	157	2.0%
Benefits - Employer CPP & EI	CPP big bump in 2022 from \$3,166	3,953	4,097	4,200	4,412	4,833	421	9.5%
Benefits - Extended Health	\$235.67/half month x 24	6,081	6,237	6,616	6,270	5,656	(614)	-9.8%
Total Cost		93,328	95,537	97,382	97,248	98,786	1,538	1.6%
Automobile	.52/km	879	443	720	663	600	(63)	-9.5%
Conference/Book Allowance		235	0	360	241	360	119	49.4%
Total Lead Pastor & Rector		94,442	95,980	98,462	98,152	99,746	1,594	1.6%
Other Personnel:								
Salary - Asst./ Student	Kathy Doering till end Feb then Simon Teague	6,120	6,254	6,354	6,354	5,379	(975)	-15.3%
Other	Interns	0	1,125	600	0	0	0	
Benefits - Employer CPP & EI	CPP=5% & EI 5%	272	316	360	296	250	(46)	-15.5%
Total Cost Other Personnel		6,392	7,695	7,314	6,650	5,629	(1,021)	-15.4%
Total Personnel Cost		100,834	103,675	105,776	104,802	105,375	573	0.5%

**Operating Fund
2022 Budget**

Account Name	Descriptions / Computations / Notes	2019 Actual	2020 Actual	2021 Budget	2021 Actual	2022 Budget	Change \$ 22 Budget > 21 Actual	Change % Budget 22 > Actual 21
Facilities & Property								
Rent - Senior's Association	\$255 / Sun worship + \$50/Sun SS room	15,166	7,035	14,000	7,320	12,000	4,680	63.9%
Small tools & Equipment & minor repairs		0	112	120	0	0		
Honoraria - KHOP	no longer using	720	720	360	0	0		
Insurance	general liability, D&O, abuse	1,323	1,418	1,322	1,323	1,429	106	8.0%
Total Facilities & Property		17,209	9,285	15,802	8,643	13,429	4,786	55.4%
Diocese								
Synod	to attend Synod in 2022	2,168	0	3,000	0	3,000	3,000	
ANIC Tithe	10% of Oper Fd Contributions only	16,201	15,411	15,796	15,559	16,370	811	5.2%
Total Diocese		18,369	15,411	18,796	15,559	19,370	3,811	24.5%
Administration								
Public Accounting Service	perform year-end review for P.C.	2,400	2,400	2,400	3,009	2,700	(309)	-10.3%
Accounting & Bookkeeping		0			1,325	3,000	1,675	126.4%
Photocopier Toner		1,285	784	120	14	500	486	3471.4%
Printing - External		54	20	0	77	0	(77)	-100.0%
Dues & Subscriptions	Cdn Ctr for Christian Charities membership	345	270	270	364	0	(364)	-100.0%
Postage & Delivery		30	210	240	239	239	0	0.0%
Bank Charges		232	151	180	42	180	138	328.6%
Office Supplies	envelopes, cheques, paper, etc.	644	633	600	436	480	44	10.1%
Communications	Cell phone/Internet/ Zoom / web hosting	1,100	1,224	1,100	1,350	1,400	50	3.7%
Payroll & PAG Processing Fees	fees from providers (ANIC & Telpay)	424	407	420	715	720	5	0.7%
Other / Miscellaneous		163	0	0	0	0	0	
Software	annual QuickBooks, MS Office, Donarius	410	269	480	300	420	120	40.0%
Total Administration		7,087	6,368	5,810	7,871	9,639	1,768	22.5%
Total Expenditures		161,828	151,266	163,341	150,832	163,700	12,868	8.5%
	% increase / -decrease from prior year actual		-10.3%	8.0%	-7.7%	8.5%	16.2%	
Surplus / Deficit before transfer (\$) to Other Funds		3,298	6,407	(5,381)	4,435	(0)	(4,435)	
Less: Transfer to Capital Fund	2020 mainly to Grace Fd and 2021 all for purch	0	(3,759)	0	(520)	0	520	
Net Surplus / Deficit after transfers		3,298	2,648	(5,381)	3,915	(0)	(3,915)	
Operating Fund Balance - Beginning of Year		10,400	13,697	16,345	16,346	20,261	3,915	
Operating Fund Balance - End of Year		\$13,698	16,345	10,964	20,261	\$20,261	(0)	