

CHURCH OF THE REDEEMER

FINANCIAL STATEMENTS

DECEMBER 31, 2022

CHURCH OF THE REDEEMER

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the Members of the
Church of the Redeemer

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Church of the Redeemer, which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Church of the Redeemer as at December 31, 2022, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

Note 1 describes the Church's accounting policy with respect to equipment. It indicates that the Church expenses capital improvements and purchases of equipment in the year of acquisition. Canadian accounting standards for not-for-profit organizations require that equipment and improvements be recorded at cost when acquired and amortization be recognized for assets with limited useful lives as an expense over the useful lives of the assets. Equipment includes furniture and fixtures and equipment. The effects of this departure from Canadian accounting standards for not-for-profit organizations on the audited financial statements have not been determined for the years ended December 31, 2022 and December 31, 2021.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Church of the Redeemer in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Information

Management is responsible for the other information. The other information comprises the summarized financial statements in the Church's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Church's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Church's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Church's financial reporting process.

INDEPENDENT AUDITORS' REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Church's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Church to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KRIENS~LAROSE, LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
February 23, 2023

CHURCH OF THE REDEEMER
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	General Fund 2022 \$	Common Table Fund 2022 \$	Accumulation Fund 2022 \$	Maintenance Reserve Fund 2022 \$	Refugee Settlement Committee Fund 2022 \$	Total 2022 \$	Total 2021 \$
ASSETS							
CURRENT ASSETS							
Cash	(15,510)	-	249,635	7,692	67,235	309,052	584,344
Account receivable	53,681	-	-	-	-	53,681	6,197
Government assistance receivable (Note 9)	-	-	-	-	-	-	1,979
Prepaid expenses	1,829	-	-	-	-	1,829	1,476
HST recoverable	11,913	-	-	-	-	11,913	16,727
Funds held in trust (Note 6)	126,339	-	-	-	-	126,339	-
Due from other funds	117,867	-	-	-	-	117,867	12,655
	296,119	-	249,635	7,692	67,235	620,681	623,378
INVESTMENT (Note 2)							
Rectory fund	666,780	-	-	-	-	666,780	734,384
Church controlled investment fund	979,378	-	-	-	-	979,378	1,005,052
Guaranteed investment certificate	150,000	-	-	-	-	150,000	-
	1,796,158	-	-	-	-	1,796,158	1,739,436
CHURCH PROPERTY (Note 1)							
	1	-	-	-	-	1	1
	2,092,278	-	249,635	7,692	67,235	2,416,840	2,362,815

APPROVED ON BEHALF OF THE BOARD:

_____, Chairperson

_____, Treasurer

CHURCH OF THE REDEEMER
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	General Fund	Common Table Fund	Accumulation Fund	Maintenance Reserve Fund	Refugee Settlement Committee Fund	Total 2022	Total 2021
	2022	2022	2022	2022	2022	2022	2021
	\$	\$	\$	\$	\$	\$	\$
(Note 15)							
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable and accrued liabilities	52,905	-	60,000	-	-	112,905	33,839
Deferred revenue (Note 4)	50,024	-	-	-	-	50,024	50,024
Deferred designated contributions (Note 5)	42,756	-	-	-	-	42,756	45,736
Funds held in trust (Note 6)	126,339	-	-	-	-	126,339	-
Due to capital accumulation fund	-	-	-	-	-	-	12,655
Due to general fund	-	68,793	49,074	-	-	117,867	-
	272,024	68,793	109,074	-	-	449,891	142,254
NET ASSETS							
NET ASSETS	1,820,254	(68,793)	140,561	7,692	67,235	1,966,949	2,220,561
	2,092,278	-	249,635	7,692	67,235	2,416,840	2,362,815

CHURCH OF THE REDEEMER
STATEMENT OF OPERATIONS - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$ (Note 15)
REVENUES (Schedule)		
Donations and space rental	856,287	763,939
Subsidies	6,800	6,800
Government assistance (Note 9)	200	77,744
Investment income	(66,264)	272,586
Forgiveness of deferred Diocesan assessment (Note 3)	-	487,817
	797,023	1,608,886
EXPENSES (Schedule)		
Personnel	626,848	647,943
Diocesan assessment	135,287	141,316
Property	67,719	57,381
General office	59,345	66,364
FaithWorks	31,035	30,000
Church program	27,257	15,274
	947,491	958,278
Excess (deficiency) of revenues over expenses from operations	(150,468)	650,608

CHURCH OF THE REDEEMER
STATEMENT OF OPERATIONS - RESTRICTED FUND -
COMMON TABLE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$ (Note 15)
REVENUES		
Grant and major donor	316,229	194,130
Donations	210,135	177,190
	526,364	371,320
EXPENSES		
Personnel	310,346	358,861
Program expense	74,497	47,611
Utilities	22,601	21,276
Office expense	19,557	19,307
Insurance	16,581	14,718
Maintenance contracts	13,596	5,290
Church maintenance	8,275	7,606
Major repair	4,575	5,051
Legal and accounting	2,860	3,327
	472,888	483,047
Excess (deficiency) of revenues over expenses for the year	53,476	(111,727)

CHURCH OF THE REDEEMER
STATEMENT OF OPERATIONS - RESTRICTED FUND -
CAPITAL ACCUMULATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
REVENUES		
Donations	30,809	58,710
Bequest	-	88,064
Grant (Note 12)	-	10,000
	30,809	156,774
EXPENSES		
Capital expenditures	205,202	136,139
Bank and investment fees	132	171
	205,334	136,310
Excess (deficiency) of revenues over expenses for the year	(174,525)	20,464

CHURCH OF THE REDEEMER
STATEMENT OF OPERATIONS - RESTRICTED FUND -
MAINTENANCE RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
REVENUES		
Donations	9,000	-
EXPENSES		
Repairs and improvements	8,844	-
Excess of revenues over expenses for the year	156	-

CHURCH OF THE REDEEMER
**STATEMENT OF OPERATIONS - RESTRICTED FUND -
REFUGEE SETTLEMENT COMMITTEE FUND**
FOR THE YEAR ENDED DECEMBER 31, 2022

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	2022	2021
	\$	\$
REVENUES		
Donations	17,749	4,880
EXPENSES		
Settlement support	-	-
Excess of revenues over expenses for the year	17,749	4,880

CHURCH OF THE REDEEMER
SCHEDULE TO STATEMENT OF OPERATIONS - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
UNDESIGNATED DONATIONS		
Envelopes	764,781	698,787
DESIGNATED DONATIONS		
Grants (Note 12)	46,278	16,140
FaithWorks	22,111	27,110
Other	14,267	18,730
	82,656	61,980
Space rental/weddings/funerals	8,850	3,172
	856,287	763,939
SUBSIDIES		
Diocesan subsidies	6,800	6,800
GOVERNMENT ASSISTANCE		
Government assistance (Note 9)	200	77,744
INVESTMENT INCOME		
Capital gain on redemption	-	176,139
Unrealized gain on investments (Note 10)	(145,580)	70,485
Diocesan Consolidated Trust fund	27,013	25,962
Reinvested distributions	52,303	-
	(66,264)	272,586

CHURCH OF THE REDEEMER
SCHEDULE TO STATEMENT OF OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
		(Note 15)
PERSONNEL		
Clergy	273,423	218,891
Support staff	178,860	244,548
Musicians	168,679	183,479
Honoraria	5,886	1,025
	626,848	647,943
PROPERTY		
Utilities	22,601	21,276
Insurance	16,581	14,718
Contracts	13,596	5,290
Church maintenance and supplies	10,366	11,046
Major repairs	4,575	5,051
	67,719	57,381

CHURCH OF THE REDEEMER
SCHEDULE TO STATEMENT OF OPERATIONS - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$ (Note 15)
GENERAL		
Office expenses	52,612	58,601
Legal and accounting	6,673	7,763
Clergy	60	-
	59,345	66,364
CHURCH PROGRAM		
Adult learning	16,670	7,258
Hospitality	3,809	1,276
Pastoral care	2,935	1,857
Worship and spirituality	1,900	1,424
Music	1,041	2,211
Redeemer rainbow	600	97
Stewardship Committee	302	839
Church school	-	250
Outreach	-	62
	27,257	15,274

CHURCH OF THE REDEEMER
STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund 2022 \$	Common Table Fund 2022 \$	Accumulation Fund 2022 \$	Maintenance Reserve Fund 2022 \$	Refugee Settlement Committee Fund 2022 \$	Total 2022 \$	Total 2021 \$ (Note 15)
NET ASSETS							
Balance, beginning of year	1,970,722	(122,269)	315,086	7,536	49,486	2,220,561	1,656,336
December 31, 2021 excess of revenues over expenses, as previously stated	-	-	-	-	-	-	443,073
Prior period adjustment (Note 14)	-	-	-	-	-	-	121,152
December 31, 2021 excess of revenues over expenses as restated	-	-	-	-	-	-	564,225
Excess(deficiency) of revenues over expenses for the year	(150,468)	53,476	(174,525)	156	17,749	(253,612)	-
Balance, end of year	1,820,254	(68,793)	140,561	7,692	67,235	1,966,949	2,220,561
Restricted funds	-	(68,793)	140,561	7,692	67,235	146,695	249,839
Unrestricted funds	1,820,254	-	-	-	-	1,820,254	1,970,722
	1,820,254	(68,793)	140,561	7,692	67,235	1,966,949	2,220,561

CHURCH OF THE REDEEMER
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Operating 2022 \$	Capital Accumulation 2022 \$	Total 2022 \$	Total 2021 \$
CASH FROM OPERATING ACTIVITIES				
Contributions received:				
Envelopes	714,318	-	714,318	788,089
Other	14,267	-	14,267	18,730
Common table program	526,364	-	526,364	177,190
Space use/weddings	8,850	-	8,850	3,172
Bequests	-	-	-	88,064
Diocesan subsidies	6,800	-	6,800	6,800
Maintenance	9,000	30,809	39,809	58,710
Grants	46,278	-	46,278	190,481
Refugees	17,749	-	17,749	4,880
Faithworks	22,111	-	22,111	27,110
Government assistance	2,179	-	2,179	102,240
	1,367,916	30,809	1,398,725	1,465,466
Cash paid for:				
Suppliers and employees	(1,270,409)	(145,334)	(1,415,743)	(1,456,462)
Diocese	(135,287)	-	(135,287)	(141,316)
	(1,405,696)	(145,334)	(1,551,030)	(1,597,778)
	(37,780)	(114,525)	(152,305)	(132,312)
CASH FROM INVESTING ACTIVITIES				
Proceeds on sale Fiera units	-	-	-	243,000
Interest and other income	27,013	-	27,013	25,962
Purchase of GIC	(150,000)	-	(150,000)	-
	(122,987)	-	(122,987)	268,962
Net change in cash	(160,767)	(114,525)	(275,292)	136,650
Interfund transfer	(61,729)	61,729	-	-
Cash, beginning of year	281,913	302,431	584,344	447,694
Cash, end of year	59,417	249,635	309,052	584,344

PURPOSE OF THE ORGANIZATION

The Church of the Redeemer (the Church) is established and operates under the Constitution and Canons of the Incorporated Synod of the Diocese of Toronto. The Church is registered as a charitable organization under the Income Tax Act and as such, is exempt from the payment of income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

Financial Instruments

The Church initially measures its financial assets and liabilities at fair value. The Church subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

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

Use of Estimates

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimated. Significant financial statement items that require the use of estimates is the accrual and recognition of government assistance related to COVID-19. These estimates are reviewed regularly, and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

Continued...

1. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Equipment and Property

Equipment and property including capital improvements, furniture and equipment are expensed in the year of acquisition. The Church of the Redeemer is an incorporated parish of the Diocese of Toronto within the Anglican Church of Canada. All real property, regardless of how the title reads, is held in trust for the Synod of the Diocese of Toronto. Improvements to the Church are recorded as expense in the year they are acquired. The Church building at 162 Bloor Street West has been recorded in the accounts at a nominal value of \$1.

Fund Accounting

The Church follows the restricted fund method of accounting.

The General Fund accounts for the Church's religious operations, program delivery, and administrative activities. This fund reports resources for general operations.

The Common Table Fund accounts for the assets, liabilities, revenues and expenses related to the common table program.

The Capital Accumulation Fund accounts for the assets, liabilities, revenues and expenses related to any future development of the Church.

The Maintenance Reserve Fund accounts for the assets, liabilities, revenues and expenses related to the maintenance of the Church.

The Refugee Settlement Committee Fund accounts for the assets, liabilities, revenues and expenses related to assistance provided for refugees.

Revenue Recognition

Donations

Donations are recognized in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted donations are recognized as revenue of the common table fund, capital accumulation fund, maintenance reserve fund and refugee settlement committee fund.

Unrestricted donations are recognized as revenue of the General fund.

Rentals

Rentals of the Church's facilities are recognized as revenue of the General fund when earned.

Continued...

1. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition (continued)

Diocesan Consolidated Trust Fund

Unrestricted investment income of the Diocesan consolidated trust fund is recognized as revenue of the General fund.

Investment income

Investment income is recognized on the accrual basis in accordance with applicable terms of the investments.

Any unrealized gain or loss on investments, which is the difference between the investment book value and fair value of the investments is included in the Statement of Operations - General Fund. Transaction costs are expensed as incurred.

Government Assistance

Government assistance is a restricted contribution and is accounted for using the deferral method based on the assistance provided.

Wage subsidies are recognized as revenue in the year the related wages are incurred.

Donated Services

During the year voluntary services were provided. Because these services are not normally purchased by the Church, and because of the difficulty in determining their fair value, donated services are not recognized in these statements.

2. **INVESTMENTS**

Rectory Fund

The rectory at 225 Glenview Avenue was sold in the 2001 year for \$505,225. As required by Diocesan regulation the net proceeds of \$476,592, after payment of legal fees and real estate commission, were deposited with the Diocese and are invested with the Diocesan Consolidated Trust Fund (D.C.T.F).

The D.C.T.F is managed by the Investment Committee of Synod based on investment principles and guidelines contained in their Investment Policy Statement. The fund uses a number of investment managers. As at December 31, 2022, the investment consists of 2,628 units (2021 - 2,628) and has a book value of \$490,882 (2021 - \$490,882).

Continued...

2. INVESTMENTS (Continued)

Church Controlled Investment Fund

The Church-controlled investment fund currently consists of 1,173 units (2021 - 1,110 units) in Fiera Capital Ltd's Balanced Endowment Foundation Trust (EFT) Fund. In 2022 no unit was redeemed; In 2021, the Church sold 281 units and realized capital gain of \$176,139 on redemptions.

Guaranteed Investment Certificate

The Church also owns non redeemable Guaranteed Investment Certificates bearing interest of 2.75% - 3.00% maturing between April 2023 - April 2024 for the total of \$150,000

The Church's investment policy is:

(a) Safety of Capital

The funds shall be conservatively invested to protect the capital against undue financial and market risk.

(b) Adequate Income

The funds shall be invested so as to generate adequate income for the operation of the Church.

(c) Corporate Responsibility

To the extent that is practical, the Board of Management shall ensure that the funds are invested in companies that are socially responsible.

3. DEFERRED DIOCESAN ASSESSMENT

During the 2021 fiscal year, the Church's Board of Management approached the Diocese of Toronto to propose the removal of deferred diocesan assessment liability from the Church's financial statements. Further to meeting on October 21 and November 11, 2021, The Diocese approved the proposal and confirmed that the unpaid assessment is deemed to be no longer payable to the Diocese. As a result, in fiscal year 2021, the amount was recognized as income in the statement of operations - general fund.

Continued...

4. DEFERRED REVENUE

Deferred revenue represents the following grant and funds for space rental services to be provided in the next fiscal year and unspent grants to be utilized in the next fiscal year.

	2022	2021
	\$	\$
		(Note 15)
Nursing Service Grant	50,024	50,024

5. DEFERRED DESIGNATED CONTRIBUTIONS

Deferred designated contributions represents the restricted contributions related to the Mural Project in which the related expenses will continue to be incurred of future periods. This amount will be recognized as revenue in the period in which the related expenses are incurred.

The change in the deferred designated contributions balance is as follows:

	2022	2021
	\$	\$
Balance, beginning of year	45,736	-
Restricted contributions received during the year	20	45,736
Amounts recognized as revenue during the year	(3,000)	-
Balance, end of year	42,756	45,736

Continued...

6. FUNDS HELD IN TRUST

In the 2022 fiscal year, the Church, Members of the Torkham Pass Sponsor Group, and the Anglican United Refugee Alliance agreed to be partners in program to assist refugee(s) financially to settle in Canada during the sponsorship period. In this partnership, the Church act as a trustee where funds held in trust are administered by the Church but are not available for its general use and are thus classified as a current asset and liability and are not part of the Church's cash flows from operations.

The year end liability is covered by cash in bank account of \$126,339 (2021 - \$-).

7. LINE OF CREDIT

The Church has a revolving line of credit facility from the CIBC of \$40,000. The credit is available at prime rate and is secured by a general security agreement covering all present and after acquired personal property of the Church. On December 31, 2022, the line of credit was nil.

8. INTERFUND TRANSFERS

The interfund transfers represents funds transferred between the funds during the year as approved by the Board of Management.

9. GOVERNMENT ASSISTANCE

During the fiscal year, the Church receives Government assistance in the form of Wage Subsidy in the amount of \$200 (2021: \$77,744). It serves as financial relief for a portion of employee wages. The assistance received is not repayable albeit is subject to audit by the Canada Revenue Agency (CRA).

As at December 31, 2022, \$nil (2021: \$1,979) of the assistance is receivable.

Continued...

10. UNREALIZED GAIN ON INVESTMENTS

The unrealized gain on investments is the total change in the market value of the Rectory fund investment and the Church controlled investment from December 31, 2021 to December 31, 2022.

11. COMMITMENTS

De Lage Landen Financial Services Canada Inc.

The Church entered into a lease for a printer on December 20, 2019, which expires on March 31, 2025. The lease has been accounted for as an operating lease. Future obligations due approximate \$15,716 and include the following annual payments.

	\$
2023	6,985
2024	6,985
2025	1,746

15,716

Xtra Mechanical Limited.

The Church entered into an agreement for a HVAC replacement with the total commitment of \$215,000 plus applicable sales tax. Out of the total commitment, \$130,000 has been paid, and the remaining will be paid upon the installation of the HVAC.

Church of the Holy Trinity.

The Church is committed to transfer \$50,024 of funds to the Church of the Holy Trinity to help paying the salary and benefits for hiring a Street Outreach Nurse which will support both churches for the period of one year. The transfer will be made in full upon the hiring of the Nurse.

Continued...

12. GRANTS

Youth Ministry Apprenticeship Program

The Church entered an agreement dated September 24, 2020 for the Youth Ministry Apprenticeship Program in the amount of \$6,700 from the Incorporated Synod of the Diocese of Toronto. The grant is to be used for wages paid to the Youth Ministry Apprentice. In fiscal year 2022, \$nil (2021: \$4,472) of the funds were used to pay wages for the Youth Apprentice.

Curacy Grant

The Church receives a curacy subsidy from Incorporated Synod of the Diocese of Toronto. The subsidy is to be used for wages paid to the assistant curate. In fiscal year 2022, the Church received a total of \$35,004 (2021 - \$11,668).

Jubilee Subsidy

In fiscal year 2022, the Church received a subsidy of \$11,274 (2021: nil) from the Incorporated Synod of the Diocese of Toronto to provide financial assistance to the Church to relieve the Church of the expense of the clergy payroll expense and allotment.

Daily Bread

In fiscal year 2020, the Church received grant from the Daily Bread Food Bank for \$28,750 to be used for kitchen infrastructure. In fiscal year 2020, \$3,433 was utilized and recognized as revenue. In fiscal year 2021, a \$10,000 transfer to capital accumulation fund was made for the purpose of HVAC replacement and the remaining amount has been recognized as revenue in common table fund (as restated).

Continued...

13. FINANCIAL INSTRUMENTS

The Church is exposed to various risks through its financial instruments. The following presents the Church's risk exposure and concentration at December 31, 2022

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Church's credit risk would occur with their accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$0 (2021: \$0).

Liquidity Risk

Liquidity risk is the risk the Church will encounter difficulties in meeting obligations associated with financial liabilities. The Church is exposed to this risk mainly in respect of its accounts payable. The Church expects to meet these obligations as they come due by generating sufficient cash flow from operations, and from unrestricted net assets. There has been no change in the risk assessment from the prior period.

Market Risk

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

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Church has a moderate interest rate risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Church is not exposed to foreign currency risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Church is exposed to price risk through its investments in mutual funds. The exposure to this risk fluctuates as the Organization's investment market values change from year to year. The risk exposure has increased from previous years due to the instability of the investment market.

Continued...

14. PRIOR PERIOD ADJUSTMENT

During the current fiscal year, a prior period adjustment related to the 2021 fiscal year in the amount of \$121,152 was made. The adjustment of \$121,152 resulted in an increase in grant revenue for common table fund. The adjustment is related to the portion of the grants that was previously deferred in fiscal year 2021.

The prior period adjustment is made due to the creation of Common Table Fund in fiscal year 2022. Revenue related to Common Table was previously recognized in general fund in accordance with the deferral method.

As required by accounting standards for not-for profit organizations, the creation of a new fund is treated as a change in accounting policy and that comparative financial information be provided and retrospectively applied.

15. COMPARATIVE FIGURES

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