

**CHURCH OF THE REDEEMER**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**CHURCH OF THE REDEEMER**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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## INDEPENDENT AUDITORS' REPORT

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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, 2023, 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, 2023, 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, 2023 and December 31, 2022.

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)

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### *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)

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### *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)

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- 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**

**KRIENS~LAROSE, LLP**

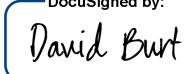
**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
February 15, 2024

**CHURCH OF THE REDEEMER  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023**

|                                   | General Fund<br>2023<br>\$ | Common<br>Table<br>Fund<br>2023<br>\$ | Accumulation<br>Fund<br>2023<br>\$ | Maintenance<br>Reserve<br>Fund<br>2023<br>\$ | Refugee<br>Settlement<br>Committee<br>Fund<br>2023<br>\$ | Total<br>2023<br>\$ | Total<br>2022<br>\$ |
|-----------------------------------|----------------------------|---------------------------------------|------------------------------------|--|--|---------------------|---------------------|
| <b>ASSETS</b>                     |                            |                                       |                                    |  |  |                     |                     |
| <b>CURRENT ASSETS</b>             |                            |                                       |                                    |  |  |                     |                     |
| Cash                              | 19,616                     | -                                     | 137,996                            | 5,055  | 23,862   | 186,529             | 309,052             |
| Account receivable                | 82,363                     | -                                     | -                                  | -  | -  | 82,363              | 53,681              |
| Prepaid expenses                  | 5,000                      | -                                     | -                                  | -  | -  | 5,000               | 1,829               |
| HST recoverable                   | 31,310                     | -                                     | -                                  | -  | -  | 31,310              | 11,913              |
| Funds held in trust (Note 5)      | 80,871                     | -                                     | -                                  | -  | -  | 80,871              | 126,339             |
| Due from general fund             |                            |                                       | 157,974                            |  |  | 157,974             | -                   |
| Due from other funds              | 213,269                    | -                                     | -                                  | -  | -  | 213,269             | 117,867             |
|                                   | 432,429                    | -                                     | 295,970                            | 5,055  | 23,862   | 757,316             | 620,681             |
| <b>INVESTMENT (Note 2)</b>        |                            |                                       |                                    |  |  |                     |                     |
| Rectory fund                      | 733,517                    | -                                     | -                                  | -  | -  | 733,517             | 666,780             |
| Church controlled investment fund | 1,077,418                  | -                                     | -                                  | -  | -  | 1,077,418           | 979,378             |
| Guaranteed investment certificate | 50,000                     | -                                     | -                                  | -  | -  | 50,000              | 150,000             |
|                                   | 1,860,935                  | -                                     | -                                  | -  | -  | 1,860,935           | 1,796,158           |
| <b>CHURCH PROPERTY (Note 1)</b>   |                            |                                       |                                    |  |  |                     |                     |
|                                   | 1                          | -                                     | -                                  | -  | -  | 1                   | 1                   |
|                                   | 2,293,365                  | -                                     | 295,970                            | 5,055  | 23,862   | 2,618,252           | 2,416,840           |

APPROVED ON BEHALF OF THE BOARD:

DocuSigned by:  
  
A53A83DB54DD4BA, Chairperson

2024-02-23

David Burt

DocuSigned by:  
  
048054AE400D40D..., Treasurer

2024-02-23

John Selles

CHURCH OF THE REDEEMER  
**STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2023

|   | General Fund<br>2023<br>\$ | Common<br>Table<br>Fund<br>2023<br>\$ | Accumulation<br>Fund<br>2023<br>\$ | Maintenance<br>Reserve<br>Fund<br>2023<br>\$ | Refugee<br>Settlement<br>Committee<br>Fund<br>2023<br>\$ | Total<br>2023<br>\$ | Total<br>2022<br>\$ |
|---|----------------------------|---------------------------------------|------------------------------------|--|--|---------------------|---------------------|
| <b>LIABILITIES</b>                            |                            |                                       |                                    |  |  |                     |                     |
| <b>CURRENT LIABILITIES</b>                    |                            |                                       |                                    |  |  |                     |                     |
| Accounts payable and<br>accrued liabilities   | 38,063                     | -                                     | 31,294                             | -  | -  | 69,357              | 112,905             |
| Deferred revenue (Note 3)                     | 50,024                     | -                                     | -                                  | -  | -  | 50,024              | 50,024              |
| Deferred designated<br>contributions (Note 4) | 42,756                     | -                                     | -                                  | -  | -  | 42,756              | 42,756              |
| Funds held in trust (Note 5)                  | 80,871                     | -                                     | -                                  | -  | -  | 80,871              | 126,339             |
| Due to capital accumulation fund              | 157,974                    | -                                     | -                                  | -  | -  | 157,974             | -                   |
| Due to general fund                           | -                          | 213,269                               | -                                  | -  | -  | 213,269             | 117,867             |
|   | 369,688                    | 213,269                               | 31,294                             | -  | -  | 614,251             | 449,891             |
| <b>NET ASSETS</b>                             |                            |                                       |                                    |  |  |                     |                     |
| <b>NET ASSETS</b>                             | 1,923,677                  | (213,269)                             | 264,676                            | 5,055  | 23,862   | 2,004,001           | 1,966,949           |
|   | 2,293,365                  | -                                     | 295,970                            | 5,055  | 23,862   | 2,618,252           | 2,416,840           |



CHURCH OF THE REDEEMER  
**STATEMENT OF OPERATIONS - GENERAL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2023

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|   | 2023      | 2022      |
|---|-----------|-----------|
|   | \$        | \$        |
| <b>REVENUES (Schedule)</b>                                    |           |           |
| Donations and space rental                                    | 816,291   | 856,287   |
| Investment income   | 192,053   | (66,264)  |
| Subsidies   | 6,800     | 6,800     |
| Government assistance   | -         | 200       |
|   | 1,015,144 | 797,023   |
| <b>EXPENSES (Schedule)</b>                                    |           |           |
| Personnel   | 568,955   | 626,848   |
| Diocesan assessment   | 128,330   | 135,287   |
| Property  | 96,778    | 67,719    |
| General office  | 62,067    | 59,345    |
| Church program  | 31,410    | 27,257    |
| FaithWorks  | 24,181    | 31,035    |
|   | 911,721   | 947,491   |
| Excess (deficiency) of revenues over expenses from operations | 103,423   | (150,468) |

CHURCH OF THE REDEEMER  
**STATEMENT OF OPERATIONS - RESTRICTED FUND -**  
**COMMON TABLE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2023

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|   | 2023      | 2022    |
|---|-----------|---------|
|   | \$        | \$      |
| <b>REVENUES</b>   |           |         |
| Grant and major donor   | 118,868   | 316,229 |
| Donations   | 264,856   | 210,135 |
| Investment income   | 2,750     | -       |
|   | 386,474   | 526,364 |
| <b>EXPENSES</b>   |           |         |
| Personnel   | 329,575   | 310,346 |
| Program expense   | 85,693    | 74,497  |
| Maintenance contracts   | 42,854    | 13,596  |
| Utilities   | 21,673    | 22,601  |
| Office expense  | 20,327    | 19,557  |
| Insurance   | 18,084    | 16,581  |
| Church maintenance  | 4,921     | 8,275   |
| Major repair  | 4,094     | 4,575   |
| Legal and accounting  | 3,729     | 2,860   |
|   | 530,950   | 472,888 |
| Excess (deficiency) of revenues<br>over expenses for the year | (144,476) | 53,476  |

CHURCH OF THE REDEEMER  
STATEMENT OF OPERATIONS - RESTRICTED FUND -  
CAPITAL ACCUMULATION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

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|   | 2023    | 2022      |
|---|---------|-----------|
|   | \$      | \$        |
| <b>REVENUES</b>   |         |           |
| Donations   | 468,952 | 30,809    |
|   | 468,952 | 30,809    |
| <b>EXPENSES</b>   |         |           |
| Capital expenditures  | 344,555 | 205,202   |
| Bank and investment fees                                      | 282     | 132       |
|   | 344,837 | 205,334   |
| Excess (deficiency) of revenues<br>over expenses for the year | 124,115 | (174,525) |

CHURCH OF THE REDEEMER  
**STATEMENT OF OPERATIONS - RESTRICTED FUND -  
MAINTENANCE RESERVE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2023

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|   | 2023    | 2022  |
|---|---------|-------|
|   | \$      | \$    |
| <b>REVENUES</b>   |         |       |
| Donations   | 3,000   | 9,000 |
| <b>EXPENSES</b>   |         |       |
| Repairs and improvements                                      | 5,637   | 8,844 |
| Excess (deficiency) of revenues<br>over expenses for the year | (2,637) | 156   |

CHURCH OF THE REDEEMER  
STATEMENT OF OPERATIONS - RESTRICTED FUND -  
REFUGEE SETTLEMENT COMMITTEE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

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|   | 2023     | 2022   |
|---|----------|--------|
|   | \$       | \$     |
| <b>REVENUES</b>   |          |        |
| Donations   | 26,391   | 17,749 |
| <b>EXPENSES</b>   |          |        |
| Settlement support  | 69,764   | -      |
| Excess (deficiency) of revenues over<br>expenses for the year | (43,373) | 17,749 |

CHURCH OF THE REDEEMER  
**SCHEDULE TO STATEMENT OF OPERATIONS - GENERAL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2023

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|   | 2023    | 2022      |
|---|---------|-----------|
|   | \$      | \$        |
| <b>UNDESIGNATED DONATIONS</b>           |         |           |
| Envelopes                               | 660,416 | 764,781   |
| Bequests                                | 20,000  | -         |
|   | 680,416 | 764,781   |
| <b>DESIGNATED DONATIONS</b>             |         |           |
| Grants (Note 10)                        | 41,969  | 46,278    |
| FaithWorks                              | 24,181  | 22,111    |
| Other                                   | 6,428   | 14,267    |
|   | 72,578  | 82,656    |
| Space rental/weddings/funerals          | 63,297  | 8,850     |
|   | 816,291 | 856,287   |
| <b>SUBSIDIES</b>                        |         |           |
| Diocesan subsidies                      | 6,800   | 6,800     |
| <b>GOVERNMENT ASSISTANCE</b>            |         |           |
| Government assistance                   | -       | 200       |
| <b>INVESTMENT INCOME</b>                |         |           |
| Unrealized gain on investments (Note 8) | 129,087 | (145,580) |
| Diocesan Consolidated Trust fund        | 27,276  | 27,013    |
| Reinvested distributions                | 35,690  | 52,303    |
|   | 192,053 | (66,264)  |

CHURCH OF THE REDEEMER  
**SCHEDULE TO STATEMENT OF OPERATIONS - GENERAL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2023

Page 13

|                                 | 2023    | 2022    |
|---------------------------------|---------|---------|
|                                 | \$      | \$      |
| <b>PERSONNEL</b>                |         |         |
| Clergy                          | 244,686 | 273,423 |
| Support staff                   | 159,322 | 178,860 |
| Musicians                       | 156,147 | 168,679 |
| Honoraria                       | 8,800   | 5,886   |
|                                 | 568,955 | 626,848 |
| <b>PROPERTY</b>                 |         |         |
| Contracts                       | 42,854  | 13,596  |
| Utilities                       | 21,673  | 22,601  |
| Insurance                       | 18,084  | 16,581  |
| Church maintenance and supplies | 10,073  | 10,366  |
| Major repairs                   | 4,094   | 4,575   |
|                                 | 96,778  | 67,719  |

CHURCH OF THE REDEEMER  
**SCHEDULE TO STATEMENT OF OPERATIONS - GENERAL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2023

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|                          | 2023          | 2022          |
|--------------------------|---------------|---------------|
|                          | \$            | \$            |
| <b>GENERAL</b>           |               |               |
| Office expenses          | 53,308        | 52,612        |
| Legal and accounting     | 8,701         | 6,673         |
| Clergy                   | 58            | 60            |
|                          | <b>62,067</b> | <b>59,345</b> |
| <b>CHURCH PROGRAM</b>    |               |               |
| Adult learning           | 14,057        | 16,670        |
| Worship and spirituality | 5,113         | 1,900         |
| Hospitality              | 5,089         | 3,809         |
| Music                    | 3,256         | 1,041         |
| Synod                    | 2,000         | -             |
| Pastoral care            | 927           | 2,935         |
| Redeemer rainbow         | 600           | 600           |
| Board of management      | 368           | -             |
| Stewardship Committee    | -             | 302           |
|                          | <b>31,410</b> | <b>27,257</b> |



CHURCH OF THE REDEEMER  
**STATEMENT OF CHANGES IN NET ASSETS**  
 FOR THE YEAR ENDED DECEMBER 31, 2023

|  | General Fund<br>2023<br>\$ | Common<br>Table<br>Fund<br>2023<br>\$ | Accumulation<br>Fund<br>2023<br>\$ | Maintenance<br>Reserve<br>Fund<br>2023<br>\$ | Refugee<br>Settlement<br>Committee<br>Fund<br>2023<br>\$ | Total<br>2023<br>\$ | Total<br>2022<br>\$<br>(Note ) |
|--|----------------------------|---------------------------------------|------------------------------------|--|--|---------------------|--------------------------------|
| <b>NET ASSETS</b>  |                            |                                       |                                    |  |  |                     |                                |
| Balance, beginning of year                                   | 1,820,254                  | (68,793)                              | 140,561                            | 7,692  | 67,235   | 1,966,949           | 2,220,561                      |
| Excess(deficiency) of revenues<br>over expenses for the year | 103,423                    | (144,476)                             | 124,115                            | (2,637)                                      | (43,373)   | 37,052              | (253,612)                      |
| Balance, end of year   | 1,923,677                  | (213,269)                             | 264,676                            | 5,055  | 23,862   | 2,004,001           | 1,966,949                      |
| Restricted funds   | -                          | (213,269)                             | 264,676                            | 5,055  | 23,862   | 80,324              | 146,695                        |
| Unrestricted funds   | 1,923,677                  | -                                     | -                                  | -  | -  | 1,923,677           | 1,820,254                      |
|  | 1,923,677                  | (213,269)                             | 264,676                            | 5,055  | 23,862   | 2,004,001           | 1,966,949                      |

CHURCH OF THE REDEEMER  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED DECEMBER 31, 2023

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|                                       | Operating<br>2023<br>\$ | Capital<br>Accumulation<br>2023<br>\$ | Total<br>2023<br>\$ | Total<br>2022<br>\$ |
|---------------------------------------|-------------------------|---------------------------------------|---------------------|---------------------|
| <b>CASH FROM OPERATING ACTIVITIES</b> |                         |                                       |                     |                     |
| <b>Contributions received:</b>        |                         |                                       |                     |                     |
| Envelopes                             | 631,733                 | -                                     | 631,733             | 714,318             |
| Other                                 | 6,428                   | -                                     | 6,428               | 14,267              |
| Common table program                  | 383,724                 | -                                     | 383,724             | 526,364             |
| Space use/weddings                    | 63,297                  | -                                     | 63,297              | 8,850               |
| Bequests                              | 20,000                  | -                                     | 20,000              | -                   |
| Diocesan subsidies                    | 6,800                   | -                                     | 6,800               | 6,800               |
| Maintenance                           | 3,000                   | 468,952                               | 471,952             | 39,809              |
| Grants                                | 41,969                  | -                                     | 41,969              | 46,278              |
| Refugees                              | 26,391                  | -                                     | 26,391              | 17,749              |
| Faithworks                            | 24,181                  | -                                     | 24,181              | 22,111              |
| Government assistance                 | -                       | -                                     | -                   | 2,179               |
|                                       | 1,207,523               | 468,952                               | 1,676,475           | 1,398,725           |
| <b>Cash paid for:</b>                 |                         |                                       |                     |                     |
| Suppliers and employees               | (1,427,151)             | (373,543)                             | (1,800,694)         | (1,415,743)         |
| Diocese                               | (128,330)               | -                                     | (128,330)           | (135,287)           |
|                                       | (1,555,481)             | (373,543)                             | (1,929,024)         | (1,551,030)         |
|                                       | (347,958)               | 95,409                                | (252,549)           | (152,305)           |
| <b>CASH FROM INVESTING ACTIVITIES</b> |                         |                                       |                     |                     |
| Proceeds on sale Fiera units          | -                       | -                                     | -                   | -                   |
| Interest and other income             | 30,026                  | -                                     | 30,026              | 27,013              |
| Redemption/(Purchase) of GICs         | 100,000                 | -                                     | 100,000             | (150,000)           |
|                                       | 130,026                 | -                                     | 130,026             | (122,987)           |
| Net change in cash                    | (217,932)               | 95,409                                | (122,523)           | (275,292)           |
| Interfund transfer (Note 7)           | 207,048                 | (207,048)                             | -                   | -                   |
| Cash, beginning of year               | 59,417                  | 249,635                               | 309,052             | 584,344             |
| Cash, end of year                     | 48,533                  | 137,996                               | 186,529             | 309,052             |

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## 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)

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### 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...

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

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**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**

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**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, 2023, the investment consists of 2,628 units (2022 - 2,628) and has a book value of \$490,882 (2022 - \$490,882).

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**2. INVESTMENTS (Continued)**

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**Church Controlled Investment Fund**

The Church-controlled investment fund currently consists of 1,213 units (2022 - 1,173 units) in Fiera Capital Ltd's Balanced Endowment Foundation Trust (EFT) Fund. In 2023 and 2022 no unit was redeemed.

**Guaranteed Investment Certificate**

The Church also owns non redeemable Guaranteed Investment Certificates bearing interest of 3.0% maturing April 2024 for the total of \$50,000 (2022: 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 REVENUE**

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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.

|                       | 2023   | 2022   |
|-----------------------|--------|--------|
|                       | \$     | \$     |
| Nursing Service Grant | 50,024 | 50,024 |

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Continued...

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**4. DEFERRED DESIGNATED CONTRIBUTIONS**

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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:

|   | 2023   | 2022    |
|---|--------|---------|
|   | \$     | \$      |
| Balance, beginning of year                        | 42,756 | 45,736  |
| Restricted contributions received during the year | -      | 20      |
| Amounts recognized as revenue during the year     | -      | (3,000) |
|   | <hr/>  |         |
| Balance, end of year                              | 42,756 | 42,756  |

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**5. FUNDS HELD IN TRUST**

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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 \$80,871 (2022 - \$126,339).

**6. LINE OF CREDIT**

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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, 2023, the line of credit was nil.

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**7. INTERFUND TRANSFERS**

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

**8. UNREALIZED GAIN ON INVESTMENTS**

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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, 2022 to December 31, 2023.

**9. COMMITMENTS**

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**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 \$8,731 and include the following annual payments.

|      |       |
|------|-------|
|      | \$    |
| 2024 | 6,985 |
| 2025 | 1,746 |

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8,731

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**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...



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**10. GRANTS**

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**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 2023, the Church received a total of \$34,719 (2022 - \$35,004).

**Investing in Neighbourhoods**

The Church entered into a contract with the City of Toronto in January, 2013 to participate in a social assistance program for the purpose of increasing the social capital capacity of local neighbourhoods as well as the employability and skill level of recipients of social assistance. The program reimburses employment costs of the Church for qualified employees. The Church received \$13,279 of assistance related to the 2023 fiscal year (2022 - \$11,105). The Church have receivable balance of \$2,677 as at December 31, 2023 (2022 - \$NIL).

**Jubilee Subsidy**

In fiscal year 2023, the Church received a subsidy of \$0 (2022: 11,274) 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.

## 11. FINANCIAL INSTRUMENTS

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The Church is exposed to various risks through its financial instruments. The following presents the Church's risk exposure and concentration at December 31, 2023

### **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 (2022: \$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.