

**ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON**

**Financial Statements**

(Unaudited)

December 31, 2023

## **ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON**

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## INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

### To the Members of St. Matthew's Anglican Church, Islington

We have reviewed the accompanying financial statements of St. Matthew's Anglican Church, Islington (the "Church") that comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for each of the following funds – Operating Fund, Legacy Funds, Out of the Cold Fund and Restricted Funds - for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Churchwardens' Responsibility for the Financial statements*

The Churchwardens are 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 the Churchwardens determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Practitioners' Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of St. Matthew's Anglican Church, Islington 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.

*Tummon Wallington Chong* LLP

Toronto, Ontario  
February 21, 2024

Chartered Professional Accountants  
Licensed Public Accountants

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# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Statement of Financial Position (Unaudited)

AS AT DECEMBER 31, 2023

### ASSETS

	Operating Fund	Legacy Funds	Out of the Cold Fund	Restricted Funds	Total 2023	Total 2022
<b>CURRENT</b>						
Cash and deposits (note 3)	\$ -	\$ 76,728	\$ 542	\$ 79,768	\$ 157,038	\$ 174,955
HST rebate	13,588	-	-	-	13,588	13,787
Investments (note 4)	-	373,741	-	-	373,741	339,738
	<u>\$ 13,588</u>	<u>\$ 450,469</u>	<u>\$ 542</u>	<u>\$ 79,768</u>	<u>\$ 544,367</u>	<u>\$ 528,480</u>

### LIABILITIES AND NET ASSETS

<b>CURRENT</b>						
Accounts payable and accrued liabilities	\$ 8,792	\$ -	\$ -	\$ -	\$ 8,792	\$ 5,304
Interfund balances	38,106	(37,683)	-	(423)	-	-
	<u>46,898</u>	<u>(37,683)</u>	<u>-</u>	<u>(423)</u>	<u>8,792</u>	<u>5,304</u>
<b>EQUITY</b>	<u>(33,310)</u>	<u>488,152</u>	<u>542</u>	<u>80,191</u>	<u>535,575</u>	<u>523,176</u>
	<u>\$ 13,588</u>	<u>\$ 450,469</u>	<u>\$ 542</u>	<u>\$ 79,768</u>	<u>\$ 544,367</u>	<u>\$ 528,480</u>

APPROVED:

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(See accompanying notes)

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Statement of Changes in Net Assets (Unaudited)

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FOR THE YEAR ENDED DECEMBER 31, 2023

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	Operating <u>Fund</u>	Legacy <u>Funds</u>	Out of the Cold <u>Funds</u>	Restricted <u>Funds</u>	Total <u>2023</u>	Total <u>2022</u>
Net assets, beginning of year	\$ (25,661)	\$ 476,605	\$ 13,592	\$ 58,641	\$ 523,177	\$ 579,939
Net operations for the year	(7,226)	11,547	(13,050)	21,127	12,398	(56,762)
Transfers between funds	<u>(423)</u>	-	-	423	-	-
Net assets, end of year	<u>\$ (33,310)</u>	<u>\$ 488,152</u>	<u>\$ 542</u>	<u>\$ 80,191</u>	<u>\$ 535,575</u>	<u>\$ 523,177</u>

(See accompanying notes)

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Statement of Operations (Unaudited)

FOR THE YEAR ENDED DECEMBER 31, 2023

	Operating Fund	Legacy Funds	Out of the Cold Fund	Restricted Funds	Total 2023	Total 2022
<b>Revenue</b>						
<b>Congregation</b>						
Envelopes	\$ 179,435	\$ 12,164	\$ -	\$ 39,351	\$ 230,950	\$ 224,846
Festival and Special Events	26,420	-	-	-	26,420	18,537
Bequests and memorials	5,385	-	-	-	5,385	100
Open and non-receipted	1,958	-	-	-	1,958	1,138
	<u>213,198</u>	<u>12,164</u>	<u>-</u>	<u>39,351</u>	<u>264,713</u>	<u>244,621</u>
<b>Other</b>						
Fundraising	10,456	-	-	-	10,456	2,361
Use of facilities	85,893	-	-	-	85,893	82,892
Diocese Grant	-	-	-	29,000	29,000	59
Covid-19 Grants	-	-	-	-	-	3,192
Investment income	-	13,913	-	-	13,913	13,808
Investment gains (losses)	-	34,004	-	-	34,004	(34,445)
Miscellaneous	1,022	-	-	-	1,022	1,007
	<u>97,371</u>	<u>47,917</u>	<u>-</u>	<u>29,000</u>	<u>174,288</u>	<u>68,874</u>
<b>Total Revenue</b>	<u>310,569</u>	<u>60,081</u>	<u>-</u>	<u>68,351</u>	<u>439,001</u>	<u>313,495</u>
<b>Expenses</b>						
Salaries and wages	148,063	18,795	-	400	167,258	163,454
<b>Church Building Costs</b>						
Utilities	38,112	-	-	-	38,112	30,232
Janitorial, services and supplies	13,800	-	-	-	13,800	26,472
Repairs and maintenance	27,100	28,558	-	2,045	57,703	34,025
Insurance	12,069	-	-	-	12,069	11,992
	<u>91,081</u>	<u>28,558</u>	<u>-</u>	<u>2,045</u>	<u>121,684</u>	<u>102,721</u>
<b>Rectory Costs</b>						
Utilities	6,226	-	-	-	6,226	5,778
Property taxes	5,930	-	-	-	5,930	5,624
Repairs and maintenance	-	-	-	-	-	940
	<u>12,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,156</u>	<u>12,342</u>
<b>Parish Programs</b>	<u>11,349</u>	<u>-</u>	<u>-</u>	<u>44,779</u>	<u>56,128</u>	<u>28,249</u>
<b>Office and Administration</b>						
Postage, office supplies and computer	12,685	-	-	-	12,685	8,752
Telephone, internet and website	1,855	-	-	-	1,855	1,979
Miscellaneous	-	1,181	13,000	-	14,181	8,688
Bank charges	-	-	50	-	50	1,271
	<u>14,540</u>	<u>1,181</u>	<u>13,050</u>	<u>-</u>	<u>28,771</u>	<u>20,690</u>
<b>Other Expenses</b>						
Audit and legal fees	4,242	-	-	-	4,242	4,500
Diocesan Allotment	36,364	-	-	-	36,364	38,301
	<u>40,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,606</u>	<u>42,801</u>
<b>Total Expenses</b>	<u>317,795</u>	<u>48,534</u>	<u>13,050</u>	<u>47,224</u>	<u>420,603</u>	<u>370,257</u>
<b>Net Operations for the year</b>	<u>\$ (7,226)</u>	<u>\$ 11,547</u>	<u>\$ (13,050)</u>	<u>\$ 21,127</u>	<u>\$ 12,398</u>	<u>\$ (56,762)</u>

(See accompanying notes)

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Statement of Cash Flows (Unaudited)

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Operating Fund</u>	<u>Legacy Funds</u>	<u>Out of the Cold Fund</u>	<u>Restricted Funds</u>	<u>Total 2023</u>	<u>Total 2022</u>
<b>Operating activities</b>						
Net operations for the year						
Operations	\$ (7,226)	\$ (2,365)	\$ (13,050)	\$ 21,127	\$ (1,514)	\$ (70,570)
Investment income	-	13,913	-	-	13,913	13,808
Items not requiring a current cash flow:						
Unrealized gains (losses)	-	(34,004)	-	-	(34,004)	34,445
Change in non-cash working capital components	3,265	-	-	423	3,688	(3,839)
	(3,961)	(22,456)	(13,050)	21,550	(17,917)	(26,156)
<b>Financing activities</b>						
Interfund transfers	38,106	(37,683)	-	(423)	-	-
<b>Net change in cash</b>	34,145	(60,139)	(13,050)	21,127	(17,917)	(26,156)
<b>Cash - beginning of year</b>	(34,145)	136,867	13,592	58,641	174,955	201,111
<b>Cash, end of year</b>	\$ -	\$ 76,728	\$ 542	\$ 79,768	\$ 157,038	\$ 174,955

(See accompanying notes)

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

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FOR THE YEAR ENDED DECEMBER 31, 2023

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### **1. ORGANIZATION**

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St. Matthew's Anglican Church (the "Church") is a member of the *Anglican Church* and is a parish of *The Incorporated Synod of the Diocese of Toronto* (the "Diocese"). The Churchwardens, in essence the administrative officers for the Parish, represent the Church and its members, and in these financial statements are referred to collectively as the "Corporation".

The mission of the Church is to *Share Jesus' Love* and to strive to share that message in worship, children and youth programs, music and community activities.

The Church is registered as a charitable organization and is exempt from income tax.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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#### **Basis of accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Canadian accounting standards for not-for-profit organizations are part of Canadian generally accepted accounting principles.

Canadian accounting standards for not-for-profit organizations require entities to select policies appropriate to their circumstances from policies provided in these standards. The following policies have been selected by the Corporation and applied in these financial statements.

#### **Financial statements**

The financial statements include the accounts of the Church and all related parish organizations.

#### **a) Fund accounting**

The Church follows the restricted fund method of accounting for contributions, whereby assets, liabilities, revenue and expenses are segregated into specific funds depending on their purpose. Inter-fund transfers from Unrestricted Funds and Externally Restricted Funds are not discretionary. The full amount of income available is transferred to the Operating Fund, provided that all restrictions imposed on the use of a particular fund are met.

#### **Unrestricted funds**

Donations from the congregation and others as well as revenue and expenses for service delivery activities and administration are recorded in the Operating Fund.

Legacies that are received without restriction as to their use are recorded in the Legacy Fund. The Fund is managed over a longer term and is utilized for projects or ministries that cannot be funded from normal operating resources. At the discretion of the Corporation, legacy funds can be used for any purpose.



# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

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FOR THE YEAR ENDED DECEMBER 31, 2023

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### **2. SIGNIFICANT ACCOUNTING POLICIES – continued**

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#### **Externally restricted funds**

##### ***Out of the Cold (“OOTC”)***

This fund consists of contributions received by way of bequests, gifts, special donations or donations from other churches and not-for-profit organizations that are restricted for the exclusive use of the *Out of the Cold* program.

##### ***Other externally restricted funds***

These funds consist of contributions received by way of bequests, gifts or special donations that are received with restrictions for their use.

#### **b) Revenue recognition**

Cash donations are recorded in the period received. Members of the congregation volunteer their time to assist in the church's activities. Because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

#### **c) Investments**

Investments are recorded at fair value. Unrealized gains and losses arising from the change in value of investments are recorded in the Statement of Operations.

Investments are primarily held in externally managed pooled funds and investment income is allocated to each fund on the basis of the average fund asset value proportionate to the total value of funds throughout the period.

Investments that can be realized within one year are classified in the Statement of Financial Position as current assets. All other investments are considered long-term in nature.

#### **d) Use of estimates**

The Corporation reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision of any possibility of impairment. Certain items in the preparation of these financial statements require the Corporation's best estimate. The Corporation determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically, and adjustments are made to assets, liabilities and excess (deficiency) of revenues over expenses as appropriate in the year they become known.

#### **e) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits with the Canadian Imperial Bank of Commerce (“CIBC”).

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

FOR THE YEAR ENDED DECEMBER 31, 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES – continued

#### f) Financial instruments

The Church initially measures its financial assets at fair value, except for certain non-arm's length transactions. Transaction costs related to financial assets are recognized in the Statements Operations in the year in which they are incurred. The Church subsequently measures its financial assets and liabilities at amortized cost unless the Corporation has elected to carry the instruments at fair value. The Church has elected to carry its investments at fair value. Changes in fair value are recognized in the Statement of Operations. Financial assets measured at amortized cost include HST/GST receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

#### g) Capital assets

Since the annual gross revenue for the current and preceding year is less than \$500,000, the Church is exempt under Canadian accounting standards for not-for-profit organizations from the requirement to capitalize and amortize capital assets over their estimated future lives.

### 3. CASH AND CASH EQUIVALENTS

	2023	2022
<b>Operating Fund</b>		
Bank deposit/(Overdraft)	\$ -	\$ (34,145)
<b>Legacy Funds</b>		
Bank deposit	76,728	136,867
<b>Out of the Cold Fund</b>		
Bank deposit	542	13,592
<b>Restricted Funds</b>		
Bank deposit	79,768	58,641
<b>Total cash and equivalents</b>	<u>\$ 157,038</u>	<u>\$ 174,955</u>

### 4. INVESTMENTS - MUSSON FUND

Number of Shares	Security	2023 Market	2022 Market
1,339	The Incorporated Synod of the Diocese of Toronto	\$ 373,741	\$ 339,738

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

FOR THE YEAR ENDED DECEMBER 31, 2023

### 5. LEGACY FUNDS

Legacy funds consist of the following:

	<u>Opening Balance</u>	<u>Donation Receipts</u>	<u>Investment Dividends</u>	<u>Unrealized Gain/(Loss)</u>	<u>Disbursements</u>	<u>Closing Balance</u>
Musson Fund	\$ 428,219	\$ 200	\$ 13,913	\$ 34,004	\$ 37,323	\$ 439,012
Sylvia & Jack Ingram Fund	-	10,000	-	-	-	10,000
Other Legacy Funds	48,386	1,964	-	-	11,211	39,140
	<u>\$ 476,605</u>	<u>\$ 12,164</u>	<u>\$ 13,913</u>	<u>\$ 34,004</u>	<u>\$ 48,534</u>	<u>\$ 488,152</u>

### 6. RESTRICTED FUNDS

Restricted funds consist of the following:

	<u>Opening Balance</u>	<u>Donation Receipts</u>	<u>Grant Income</u>	<u>Transfer from Operating</u>	<u>Disbursements</u>	<u>Closing Balance</u>
Building capital	\$ 2,802	\$ 1,135	\$ -	\$ -	\$ -	\$ 3,937
Organ/music	4,061	4,118	-	-	5,012	3,167
Adult education/Alpha	244	-	-	-	-	244
Memorials	-	100	-	-	100	-
Club Matt	1,412	3,105	-	-	2,317	2,200
Youth	705	5,122	-	-	4,062	1,765
Family Ministry	-	936	-	-	936	-
New Ministry	-	3,541	29,000	-	13,452	19,089
Special projects/Wellness	-	30	-	-	30	-
AV Tech	18,074	-	-	-	857	17,217
Sign	4,372	-	-	-	-	4,372
Honours Gift	200	260	-	-	-	460
Baseball Program	2,955	-	-	-	-	2,955
Messy Church	-	765	-	423	1,188	-
Discretionary Funds – Rector's	988	20	-	-	400	608
Youth Ministry – Dev. Grant	1,795	-	-	-	1,538	257
Reach Grant	91	-	-	-	-	91
Youth Grant YMAP	-	8,520	-	-	6,896	1,624
Food Cupboard	1,084	450	-	-	52	1,482
Cadence	2,543	-	-	-	-	2,543
Greening	6,671	-	-	-	-	6,671
Outreach – regular	4,210	1,809	-	-	944	5,075
Outreach – PWDRF	-	110	-	-	110	-
Outreach – Faithworks	-	9,330	-	-	9,330	-
Prayer books	2,515	-	-	-	-	2,515
Student bursary	3,919	-	-	-	-	3,919
	<u>\$ 58,641</u>	<u>\$ 39,351</u>	<u>\$ 29,000</u>	<u>\$ 423</u>	<u>\$ 47,224</u>	<u>\$ 80,191</u>

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

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FOR THE YEAR ENDED DECEMBER 31, 2023

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### **7. FINANCIAL INSTRUMENTS - RISK MANAGEMENT**

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The Church is exposed to various risks through its financial instruments. The following analysis provides a measure of the Church's risk exposure and concentrations at December 31, 2023.

#### **Credit risk**

The Church is subject to credit risk related to accounts and other amounts receivable. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. In the opinion of the Corporation, credit risk exposure is not significant.

#### **Liquidity risk**

Liquidity risk is the risk that the Church will encounter difficulty in meeting obligations associated with financial liabilities. The Church is exposed to this risk mainly in respect to its accounts payable. The Church maintains sufficient cash resources to maintain liquidity. In the opinion of the Corporation, liquidity risk exposure to the Church is not significant.

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The assets subject to market risk are \$373,741 (2022 - \$339,738).

#### *Currency risk*

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Church's reporting currency, fluctuates due to changes in exchange rates. The Church is subject to currency risk to the extent that any investments held in The Consolidated Trust Fund of the Diocese are denominated in a foreign currency. No assets were subject to currency risk in 2023 or 2022.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates. Cash and short-term investments do not expose the Church to significant amounts of interest rate risk. The Church is subject to interest rate risk to the extent that investments are made in fixed income instruments. No assets were subject to interest rate risk in 2023 or 2022.

#### *Other price risk*

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market values (other than those arising from interest rate risk and currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present risk of capital loss. This risk is managed by careful selection of investments. The Church is subject to other price risk to the extent that its proportionate share of investments held by The Consolidated Trust Fund of the Diocese might be affected by any of the factors referred to above.

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

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FOR THE YEAR ENDED DECEMBER 31, 2023

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### **8. LEASE COMMITMENT**

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The Church leases a photocopier under an operating lease that expires in August 2024. Minimum annual payments are \$5,398.

### **9. CAPITAL ASSETS**

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As explained in Note 2, tangible capital assets are not capitalized and amortized. Major categories of tangible capital assets which have not been recorded include church and rectory furnishings and equipment, electronic organ and speakers, computer hardware and software, projection equipment and screen, and major renovations, additions and improvements to the Church and Rectory buildings and grounds that have occurred since the Church was founded.

The cost of the land and structures pertaining to the Church and Rectory are not recorded because they are owned by the Diocese. All risks insurance coverage for the year 2023 is as follows:

Church buildings and contents	\$ 4,997,680
Rectory buildings and contents	\$ 409,962

The basis of loss settlement is replacement cost. No tangible assets were acquired in 2023 or 2022.