

**CHURCH OF ST. PETER AND ST.
SIMON-THE-APOSTLE**

Financial Statements

December 31, 2023

CHURCH OF ST. PETER AND ST. SIMON-THE-APOSTLE

Index to Financial Statements

Year Ended December 31, 2023

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10

INDEPENDENT AUDITORS' REPORT

To the Members of Church of St. Peter and St. Simon-The-Apostle,

Qualified Opinion

We have audited the accompanying financial statements of Church of St. Peter and St. Simon-The-Apostle which comprise the statement of financial position as at December 31, 2023 and the statements of operations and changes in net assets and its 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 effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of church 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

In common with many charitable organizations, Church of St. Peter and St. Simon-The-Apostle derives revenue from donations and fund-raising the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of church. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess (deficit of) revenue over expenses, cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, net assets as at January 1 and December 31 both 2023 and 2022 years.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of church 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 of our qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of the 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 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 church or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing church's financial reporting process

Auditors' 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 auditors' 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 misstatements 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 through out the audit. We also:

- Identify and assess the risk 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 church's internal control.*
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.*
- 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 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 auditors' 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 auditors' report. However, future events or conditions may cause 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..

Senathi & Associates

Senathi & Associates
professional corporation

CHARTERED PROFESSIONAL ACCOUNTANTS

(Authorized to practise public accounting by the Chartered Professional Accountants of Ontario)

Toronto, Ontario
January 22, 2025

CHURCH OF ST. PETER AND ST. SIMON-THE-APOSTLE

Statement of Financial Position

December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 75,717	\$ 69,098
Accounts receivable	-	144
HST rebate receivable	17,659	52,503
Prepaid expenses	8,130	4,231
	101,506	125,976
CAPITAL ASSETS <i>(Net of accumulated amortization)</i> (Note 2)	1,275,003	529,552
INVESTMENTS (Note 3)	9,630	771,308
DEFERRED BROKERAGE FEE	65,808	-
	\$ 1,451,947	\$ 1,426,836
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 122,524	\$ 322,743
Diocese loan (Note 4)	20,000	-
Employee deductions payable	5,198	-
Deferred income (Note 5)	77,362	75,772
	225,084	398,515
RENT DEPOSIT	91,363	-
	316,447	398,515
NET ASSETS		
Net assets invested in capital assets	1,275,003	529,552
Unrestricted net assets (deficit)	(139,503)	498,769
	1,135,500	1,028,321
	\$ 1,451,947	\$ 1,426,836

APPROVED ON BEHALF OF THE CHURCH

_____ Warden

_____ Warden

See accompanying notes to financial statements.

CHURCH OF ST. PETER AND ST. SIMON-THE-APOSTLE

Statement of Operations and Changes in Net Assets

Year Ended December 31, 2023

	2023	2022
REVENUE		
Donations	\$ 286,145	\$ 245,407
Bequests	215,735	2,500
Use of facilities	123,047	72,539
Grant income	50,401	6,082
Designated donations	28,150	11,833
Investment income	8,153	39,566
Other income	8,400	6,142
York rectory	6,800	6,419
	726,831	390,488
EXPENSES		
Clergy	\$ 174,692	\$ 119,464
Staff cost	108,058	95,836
Repairs and maintenance	87,136	50,262
Diocesan allotment	70,657	72,986
Music	68,755	59,112
Utilities	48,497	47,845
Insurance	36,561	34,304
office expenses	27,333	18,196
Amortization	19,653	11,485
Professional fees	5,300	6,900
Legal fees	2,905	(1,914)
	649,547	514,476
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENSES	77,284	(123,988)
Unrealized gain (loss) on investments	29,895	(104,701)
EXCESS (DEFICIT OF) REVENUE OVER EXPENSES	107,179	(228,689)
NET ASSETS - BEGINNING OF YEAR	1,028,321	1,257,010
NET ASSETS - END OF YEAR	\$ 1,135,500	\$ 1,028,321

See accompanying notes to financial statements.

CHURCH OF ST. PETER AND ST. SIMON-THE-APOSTLE

Statement of Cash Flows

Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficit of) revenue over expenses	\$ 107,179	\$(228,689)
Items not affecting cash:		
Amortization	19,653	11,485
Unrealized gain on investments	(29,895)	104,701
	96,937	(112,503)
Changes in non-cash working capital items:		
Accounts receivable	142	356
Prepaid expenses	(3,899)	756
HST rebate receivable	34,844	(44,132)
Accounts payable	(200,216)	309,000
Deferred income	1,590	2,514
Employee deductions payable	5,198	-
Rent deposit	91,363	-
Deferred brokerage fee	(65,808)	-
	(136,786)	268,494
Cash flow from (used by) operating activities	(39,849)	155,991
INVESTING ACTIVITIES		
Building improvements	-	(52,486)
Daycare building improvements	(765,105)	(410,934)
Investments	791,573	254,845
Cash flow from (used by) investing activities	26,468	(208,575)
FINANCING ACTIVITY		
Diocese loan(Net after repayment)	20,000	-
INCREASE (DECREASE) IN CASH FLOW	6,619	(52,584)
CASH - Beginning of year	69,098	121,682
CASH - End of year	\$ 75,717	\$ 69,098

See accompanying notes to financial statements.

CHURCH OF ST. PETER AND ST. SIMON-THE-APOSTLE

Notes to Financial Statements

December 31, 2023

DESCRIPTION OF OPERATIONS

The Church of St. Peter and St. Simon-The-Apostle ("church") is organized as a parish Church of the Incorporated Synod of the Diocese of Toronto (the "Diocese"), part of the Anglican Church of Canada. The church is a registered charity under the Income Tax Act (Canada), which is exempt from income taxes.

The church offers weekly worship services, ongoing community outreach and pastoral services to the community.

Effective October 31, 2016, the Diocese approved the combination of the operations of the Church of St. Simon-the-Apostle ("St. Simon's") with those of St. Peter's Anglican Church ("St. Peter's"). The operations of the two Churches were combined as of that date, and these financial statements reflect the activities of the combined church. The Diocese changed the name of the combined church to the Church of St. Peter and St. Simon-The-Apostle, and this name is reflected on the financial statements for the ensuing fiscal years after December 31, 2016.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following policies:

Fund accounting

To recognize the limitations and restrictions placed on the use of available resources, the church maintain its accounts in accordance with the principles of fund accounting. Under fund accounting, resources are segregated into account groups according to the activity or specified objectives to which resources are applied.

Revenue recognition

The church follows the deferral method of accounting for contributions.

- i) Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- ii) Contributions received for restricted or designated purposes are recognized into revenue in the year when the related expense is incurred.
- iii) Contributions restricted for the purchase of capital assets are deferred and amortized into revenue as the related costs and capital amortization are recorded as expenditures.
- iv) Use of facilities and other income are recorded when services have been performed or goods have been delivered.
- v) Investment income is recognized as revenue on the accrual basis as earned.

(continues)

CHURCH OF ST. PETER AND ST. SIMON-THE-APOSTLE

Notes to Financial Statements

December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Donations-in-kind and pledges to donate

Recognition is given to donations-in-kind that are used in the normal course of business, when a reasonable estimate of value can be made. Donations-in-kind for fund raising purposes are not recognized.

Financial instruments

The church initially measures its financial assets and financial liabilities at fair value. The church subsequently measures all its financial assets and liabilities at amortized cost, except for its investments, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations, and transaction costs associated with the acquisition of these investments are recognized in the Statement of Operations in the period incurred. Transaction costs and financial fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument or shorter, dependent upon the expected period of cash flow.

Financial instruments consists of cash, accounts receivable, and accounts payable and accrued liabilities.

The church's financial assets measured at fair value include its investments in the Diocese of Toronto Consolidated Trust Fund.

Capital assets

Capital assets are recorded at cost. Amortization of capital assets are provided at rates designed to write-off the capital assets over their estimated useful lives as follows:

Daycare building improvements	20 years	straight-line method
Building improvements	12 years	straight-line method
Signage	10%	declining balance method
Church Organ	10%	declining balance method

Contributed services

Contributions of material and services are recognized as revenue at fair value at the date of contribution if fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased. Churchwardens, committee members and parish members volunteer their time to assist in the church's activities. While their services benefit the Church considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, any value of these contributed services are not recognized in these financial statements.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization and accrued liabilities. Actual results could differ from these estimates.

CHURCH OF ST. PETER AND ST. SIMON-THE-APOSTLE

Notes to Financial Statements

December 31, 2023

2. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land and building	\$ 1	\$ -	\$ 1	\$ 1
Daycare building improvements	1,176,039	9,190	1,166,849	410,934
Building improvements	97,120	20,201	76,919	83,913
Signage	31,013	13,615	17,398	19,330
Church Organ	46,321	32,485	13,836	15,374
	\$ 1,350,494	75,491	\$ 1,275,003	\$ 529,552

3. INVESTMENTS

The church's investments consists of:

	2023	2022
Units withdrawn during the year	\$ -	\$ 15,758
Units withdrawn during the year	-	746,796
1 unit in the Choir Restricted Fund held by The Incorporated Synod of the Diocese of Toronto, valued at \$279.1426 per unit.	279	254
33.5 units in the Bequest Restricted Fund held by The Incorporated Synod of the Diocese of Toronto, valued at \$279.1426 per unit.	9,351	8,500
	\$ 9,630	\$ 771,308

The church requested approval from the Diocese to withdraw the entire balance of such restricted funds from the sale of the rectory to renovate the basement of the church for use as a daycare and nursery in 2022. In consideration for the approval of the use of designated funds the church has signed a covenant to repay such amounts, including the remaining balance of the funds borrowed in 2014, on a monthly basis, without interest over thirty years, so as to replenish the designated fund in due course. Such monthly repayments from operational funds to the church's designated fund are due to commence in 2024 and conclude in 2053.

CHURCH OF ST. PETER AND ST. SIMON-THE-APOSTLE

Notes to Financial Statements

December 31, 2023

4. DIOCESE LOAN

During the year the church received a loan in the amount of \$100,000 from the Diocese of Toronto and out of this amount \$80,000 is repaid leaving a balance of \$20,000. The remaining balance carries interest at 6% per annum and is due upon receipt of further testamentary bequests expected to be received in 2024. Such expected amounts are not known with reasonable certainty and not reflected in these financial statements.

5. DEFERRED REVENUE

	2023	2022
Food bank	\$ 180	\$ 180
Altar Guild	539	609
Hospitality	2,513	1,803
Townsend Memorial Fund	517	558
Vestment and Altar Guild	2,691	2,691
Rector's Discretionary Fund	10,225	10,528
Scott Memorial Fund	9,971	9,971
Choir Fund	11,735	11,700
After school program	1,645	6,106
Organ Restoration Fund	1,805	3,342
Sanctuary Restoration Fund	16,923	16,923
Deanery Restoration Fund	411	840
Faith works (including Parish share)	1,058	872
Refugee Settlement Fund	2,642	2,592
Miscellaneous special funds	14,007	5,977
Faithworks	500	30
Codrington College	-	1,050
	\$ 77,362	\$ 75,772

6. FINANCIAL INSTRUMENTS RISK EXPOSURE

Liquidity risk

Liquidity risk is the the risk that the church will encounter difficulty in meeting its obligations associated with financial liabilities. Management has a comprehensive plan in place to manage its working capital mainly from cash flow from operations.

Interest rate risk

The church's cash and investments are exposed to interest rate risk. The church manages this risk by monitoring its cash position, and by spreading the maturity dates of its investments.

Credit risk

The church's cash and investments are exposed to credit risk. The church manages this risk by placing its cash and investments with high quality credit institutions. The investments held at the Investment Committee of Synod are not covered by the Canada Deposit and Insurance Corporation ("CDIC") and are subject to market risk.

7. CONTINGENCY

The church is a defendant in two sexual abuse lawsuits arising from the 1960s. During the year, insurance was confirmed by the church's insurance carriers to a designated policy limit. Accordingly, one law suit was settled with no financial consequences to the church. No provision has been made in these financial statements for any potential liability relating to the litigation of the remaining law suit as the outcome is unknown. Any amount ultimately payable, net of insurance coverage, will be charged to the Statement of Operations in the year of payment of settlement.

On December 15 2022, the church signed a sponsorship agreement with four other unrelated parties to sponsor an Afghan family of seven with respect to immigration into Canada. The sponsorship agreement is governed by federal legislative provisions, which provides inter alia, for joint and several liability on the part of the Sponsor Group for the costs of the sponsored refugees for their first year after arrival. To this end, a charitable trust has contributed \$86,400 as an estimate for such costs, and the church agreed to hold such funds in trust, with title retained by the donor, but to disburse same upon receipt of designated instructions from the Anglican United Refugee Association (AURA). The estimate may not be sufficient and as a deemed member of the Sponsor Group, the Church may be liable for further support costs. At the year end, remaining amount to be disbursed from the trust account managed by the Church is \$56,000.
