

ST. OLAVE'S ANGLICAN CHURCH

FINANCIAL STATEMENTS

DECEMBER 31, 2024



WALSH & COMPANY
Professional Corporation
Chartered Professional Accountants

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DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Members of St. Olave's Anglican Church

Qualified Opinion

We have audited the financial statements of St. Olave's Anglican Church (the "Church"), which comprise the statement of financial position as at December 31, 2024, and the statement of operations, changes in fund balances 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 effects of the matter described in the Basis for Qualified Opinion section, the accompanying financial statements present fairly, in all material respects, the financial position of the Church as at December 31, 2024, and its results of 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 not-for-profit organizations, the Church derives part of its revenue from the public in the form of donations, 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 the Church. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of (expenses over revenue) revenue over expenses, and cash flows from operations for the years ended December 31, 2024 and December 31, 2023, current assets as at December 31, 2024 and December 31, 2023, and net assets as at January 1, 2024 and January 1, 2023 and December 31, 2024. As discussed in Note 2 to the financial statements, capital assets were not capitalized, which constitutes a departure from Canadian accounting standards for not-for-profit organizations. We were not able to determine whether any adjustments might be necessary to expenses, excess of (expenses over revenues) revenues over expenses, and cash flows from investing for the years ended December 31, 2024 and December 31, 2023, capital assets as at December 31, 2024 and December 31, 2023, and net assets as at January 1, 2024 and January 1, 2023 and December 31, 2024. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 the 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 for our qualified 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 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 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.

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.
- ♦ 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.

Walsh & Company Professional Corporation

Toronto, Ontario
February 22, 2025

Chartered Professional Accountants
Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario



WALSH & COMPANY
Professional Corporation
Chartered Professional Accountants

ST. OLAVE'S ANGLICAN CHURCH
STATEMENT OF FINANCIAL POSITION
As at December 31,

	2024	2023 (Note 7)
ASSETS		
Current assets		
Cash	\$ 44,811	\$ 127,481
HST receivable	6,361	5,294
Investments - Capital investment fund (Note 3)	611,105	611,414
Investments - Second century fund (Note 3)	288,843	266,940
Investments - Consolidated trust fund (Note 3)	157,933	183,144
	<u>\$ 1,109,053</u>	<u>\$ 1,194,273</u>
LIABILITY		
Current liability		
Accounts payable and accrued liabilities	\$ 4,000	\$ 3,999
FUND BALANCES		
Operating fund	47,171	43,896
Consolidated trust fund - externally restricted	157,934	183,145
Capital investment fund - internally restricted	611,105	611,414
Second century fund - internally restricted	288,843	266,939
Romania account - internally restricted	-	84,880
	<u>1,105,053</u>	<u>1,190,274</u>
	<u>\$ 1,109,053</u>	<u>\$ 1,194,273</u>

Approved on behalf of the board

People's Warden

Rector's Warden

ST. OLAVE'S ANGLICAN CHURCH
STATEMENT OF OPERATIONS
For the year ended December 31,

	Operating fund	Consolidated trust fund	Capital investment fund	Second century fund	Romania fund	Total 2024	Total 2023 (Note 7)
Revenue							
Givings - designated	\$ 25,335	\$ -	\$ -	\$ 866	\$ 34,232	\$ 60,433	\$ 131,692
Givings - undesignated	236,382	-	-	-	-	236,382	217,416
Interest income	6,694	-	11,627	16,672	-	34,993	36,544
Memorials and legacies	1,000	-	-	-	-	1,000	29,028
Other	6,237	-	-	-	-	6,237	4,159
Parking	18,073	-	-	-	-	18,073	16,997
Rental	44,084	-	-	-	-	44,084	38,100
Unrealized gain (losses)	-	13,721	47,733	15,232	-	76,686	17,741
	337,805	13,721	59,360	32,770	34,232	477,888	491,677
Expenses							
A.C.W. expense	2,222	-	-	-	-	2,222	1,872
Church building	87,656	-	20,370	-	-	108,026	104,235
Diocese (Note 4)	35,790	-	-	-	-	35,790	35,021
Growth fellowship	5,534	-	-	-	-	5,534	2,254
Junior church/nursery	10,350	-	-	-	-	10,350	10,234
Ministry	92,691	-	-	-	-	92,691	89,710
Office	85,927	-	-	-	-	85,927	73,937
Outreach	2,865	-	-	9,400	115,315	127,580	109,458
Rectory	47,083	-	-	-	-	47,083	11,982
Worship	47,734	-	-	-	-	47,734	51,723
Youth	172	-	-	-	-	172	480
	418,024	-	20,370	9,400	115,315	563,109	490,906
Excess of (expenses over revenue) revenue over expenses	\$ (80,219)	\$ 13,721	\$ 38,990	\$ 23,370	\$ (81,083)	\$ (85,221)	\$ 771

ST. OLAVE'S ANGLICAN CHURCH
STATEMENT OF CHANGES IN FUND BALANCES
For the year ended December 31,

	Operating fund	Consolidated trust fund	Capital investment fund	Second century fund	Romania fund	Total 2024	Total 2023 (Note 7)
Balance, beginning of year	\$ 43,896	\$ 183,145	\$ 611,414	\$ 266,939	\$ 84,880	\$ 1,190,274	\$ 1,189,503
Excess of (expenses over revenue) revenue over expenses	(80,219)	13,721	38,990	23,370	(81,083)	(85,221)	771
Interfund transfers	83,494	(38,932)	(39,299)	(1,466)	(3,797)	-	-
Balance, ending of year	\$ 47,171	\$ 157,934	\$ 611,105	\$ 288,843	\$ -	\$ 1,105,053	\$ 1,190,274

ST. OLAVE'S ANGLICAN CHURCH
STATEMENT OF CASH FLOW
For the year ended December 31,

	2024	2023 (Note 7)
Operating activities		
Excess of (expenses over revenue) revenue over expenses	\$ (85,221)	\$ 771
Add item not affecting cash:		
Unrealized (gains) losses	76,686	(17,741)
	(8,535)	(16,970)
Change in non-cash working capital items:		
HST receivable	(1,067)	(375)
	(9,602)	(17,345)
Investing activities		
Purchase of investments	(73,068)	-
Disposal of investments	-	34,668
	(73,068)	34,668
(Decrease) increase in cash	(82,670)	17,323
Cash, beginning of year	127,481	110,158
Cash, end of year	\$ 44,811	\$ 127,481

ST. OLAVE'S ANGLICAN CHURCH

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

1. Purpose and legal form of the Organization

St. Olave's Anglican Church ("the Church") is established and operates under the Constitution and Canons of the Incorporated Synod of the Diocese of Toronto. The Church derives its corporate form from the Church Temporalities Act of 1841. It is a tax-exempt registered charity under Section 149(1)(f) of the Income Tax Act (Canada) and as such is exempt from income taxes and is able to issue tax-deductible receipts to donors.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Fund accounting

The Church adopts the principles of fund accounting, under which resources, obligations and transactions for particular purposes are classified into funds corresponding to these purposes.

The operating fund accounts for revenues, expenses, assets and liabilities related to the operations and the Church's mission in the local area and beyond.

The capital fund reports the assets, liabilities, revenues and expenses related to the capital repairs, replacements, and enhancements that the Wardens may deem necessary.

The second century fund provides funds on a regular basis to those mission organization/activities (local, national and international deemed worthy from time to time by the Second century fund (committee).

The romania mission fund reports the assets, liabilities, revenues and expenses related to the Church's mission to needy orphaned children in Romania.

The consolidated trust fund refers to surplus funds from the sale of the old rectory held in trust by the Diocese. Funds are released upon approval by the Diocese of St. Olave's application for assistance with specific expenses (based on motions passed at special vestry). Quarterly dividends are transferred to the Church without spending restrictions.

Revenue recognition

The Church follows the restricted fund method of accounting for contributions.

Donations are recorded as revenue when received, or when they may be reasonably estimated and collection is reasonably assured.

Rentals of the Church's facilities, including parking spaces, are recognized when related services are provided.

ST. OLAVE'S ANGLICAN CHURCH
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

2. Significant accounting policies, continued**Revenue recognition, continued**

Investments are recorded at fair market value. Unrealized gains and losses arising from the change in value of investments are recorded in the statement of operations and changes in net assets. Realized capital gains and losses are recognized on the transaction date. Interest income is recognized on the accrual basis.

Use of estimates

The preparation of these financial statements in accordance 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Such estimates include useful lives of capital assets. On an ongoing basis, management reviews its estimates, and, as adjustments become necessary, they are reported in statement of operations in the period in which they become known. Actual results could differ from those estimates.

Financial instruments**Measurement**

The Church initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. Transaction costs related to financial assets are recognized in the statement of operations in the year in which they are incurred. The Church subsequently measures its financial assets and financial liabilities at amortized cost. Investments are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial asset measured at amortized cost includes HST receivable. Financial liability measured at amortized cost includes accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. Any previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

ST. OLAVE'S ANGLICAN CHURCH
NOTES TO FINANCIAL STATEMENTSDecember 31, 2024

2. Significant accounting policies, continued**Capital assets**

The Church follows Canadian accounting standards for not-for-profit organizations with the exception of accounting for capital assets. Recommendations issued by the Chartered Professional Accountants of Canada ("CPA Canada") require that capital improvements on the Church, organ, furniture and equipment be capitalized and amortized over their estimated useful lives. The wardens of the Church considered that the adoption of the CPA Canada recommendations would not enhance their decision-making process and would unnecessarily complicate the financial statements and have therefore made the decision not to adopt the recommendations. Accordingly, these amounts are presented under Church building expenditures on the statement of revenues and expenditures. Therefore, with respect to the capitalization of assets, these financial statements, while consistent with prior years, are not in accordance with Canadian accounting standards for not-for profit organizations.

Contributed services

Volunteers contribute significant time to assist the Church in carrying out its mandate. Because these services are not normally purchased by the Church and due to the difficulty in determining their fair value, donated services are not recognized in these statements.

Employee future benefits

The clergy and full-time lay employees are eligible to become members of the pension and benefits plans sponsored and administered by the Pension Office of the Anglican Church of Canada, and receive long-term disability and health plan benefits from it. Contributions to these plans are made by the Church and by the employees.

3. Investments

	2024	2023
Capital investment fund		
Cash	\$ 37,065	\$ 49,020
Fixed income	3,311	3,155
Equities	570,729	559,239
Total Capital investment fund	611,105	611,414
Second century fund		
Cash	36,547	29,875
Fixed income	30,270	28,184
Equities	222,026	208,881
Total Second century fund	288,843	266,940
Total	\$ 899,948	\$ 878,354

The Church invests in the Consolidated Trust Funds ("CTF") held by the Diocese of Toronto. The Diocese holds certain financial assets that belong to the Church in the CTF. During the year, the Church recognized \$13,720 (2023 - \$16,663 unrealized gains) in unrealized gains on the fund.

ST. OLAVE'S ANGLICAN CHURCH
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

4. Related party transactions

The Church is a parish of the Diocese of Toronto. During the year, the Church paid an annual allotment of \$35,790 (2023 - \$34,271), payable monthly in advance. The Church also paid a Synod fee of \$nil (2023 - \$750) to the Diocese. These payments are recorded at the exchange amount, which is the amount of consideration established and agreed upon by the related parties. At year end, the balance owed to the Diocese in respect of these amounts was nil (2023 - nil).

5. Capital management

The Church defines capital as its unrestricted net assets and internally restricted net assets. The capital fund is restricted to providing an operating revenue source as well as improvements and major repairs to the Church.

The Church's objective of managing the unrestricted net assets is to balance the need for stability of operating as a going concern with a desire to maximize services to its members.

The Church manages the unrestricted net assets in a way to meet its objectives. The Church endeavours to stabilize its revenue and places control over the efficient use of revenue.

6. Financial instruments

Risks and concentrations

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 the statement of financial position date.

Liquidity risk

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The Church is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

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. It is the wardens' opinion that the Church is not exposed to these risks.

7. Comparative figures

The comparative figures have been reclassified to conform with the current year's presentation.