

**FINANCIAL STATEMENTS**

**ST. OLAVE'S ANGLICAN CHURCH**

**DECEMBER 31, 2025**

**ST. OLAVE'S ANGLICAN CHURCH**  
**December 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of St. Olave's Anglican Church

### Report on the Audit of the Financial Statements

#### *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, 2025 and the Statements of Operations and Changes in Net Assets, and the Statement of 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 matters 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 the Church as at December 31, 2025 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### *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, our 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, 2025 and December 31, 2024, current assets as at December 31, 2025 and December 31, 2024, and net assets as at January 1, 2025 and January 1, 2024 and December 31, 2025.

As described in Note 2(c) to the financial statements, the Church expenses tangible capital asset acquisitions and improvements in the year incurred. Under Canadian accounting standards for not-for-profit organizations, tangible capital assets are required to be capitalized and amortized over their estimated useful lives. Had the Church capitalized tangible capital assets, property and equipment would have increased and expenses would have decreased by amounts which are not reasonably determinable. Accordingly, the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations in respect of this matter.

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 relating 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 for not-for-profit organizations 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 for not-for-profit organizations, we exercise professional judgement 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.



Mississauga, Ontario  
February 27, 2026

Authorized to practice public accounting  
by CPA Ontario

**ST. OLAVE'S ANGLICAN CHURCH  
STATEMENT OF FINANCIAL POSITION  
As at December 31, 2025**

|   | <u>2025</u>         | <u>2024</u>         |
|---|---------------------|---------------------|
| <b>ASSETS</b>                                   |                     |                     |
| <b>Current:</b>                                 |                     |                     |
| Cash and cash equivalents                       | \$ 136,788          | \$ 44,811           |
| HST rebate recoverable (Note 4)                 | <u>5,101</u>        | <u>6,361</u>        |
|   | <u>141,889</u>      | <u>51,172</u>       |
| <b>Long term:</b>                               |                     |                     |
| Investments - Rectory fund (Note 3)             | 173,150             | 157,933             |
| Investments - Capital investment fund (Note 3)  | 566,052             | 611,105             |
| Investments - Second century fund (Note 3)      | <u>359,085</u>      | <u>288,843</u>      |
|   | <u>1,098,287</u>    | <u>1,057,881</u>    |
|   | <u>\$ 1,240,176</u> | <u>\$ 1,109,053</u> |
| <b>LIABILITIES</b>                              |                     |                     |
| <b>Current:</b>                                 |                     |                     |
| Accounts payable and accrued liabilities        | \$ <u>5,872</u>     | \$ <u>4,000</u>     |
| <b>NET ASSETS</b>                               |                     |                     |
| Operating fund                                  | 136,017             | 47,171              |
| Rectory fund - externally restricted            | 173,150             | 157,934             |
| Capital investment fund - internally restricted | 566,052             | 611,105             |
| Second century fund - internally restricted     | <u>359,085</u>      | <u>288,843</u>      |
|   | <u>1,234,304</u>    | <u>1,105,053</u>    |
|   | <u>\$ 1,240,176</u> | <u>\$ 1,109,053</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, 2025

|  | <u>Operating</u><br><u>fund</u> | <u>Rectory</u><br><u>fund</u> | <u>Capital</u><br><u>investment fund</u> | <u>Second</u><br><u>century</u> | <u>2025</u><br><u>Total</u> | <u>2024</u><br><u>Total</u> |
|--|---------------------------------|-------------------------------|--|---------------------------------|-----------------------------|-----------------------------|
| <b>Revenue:</b>                            |                                 |                               |  |                                 |                             |                             |
| Givings - designated                       | \$ 140,552                      | \$ -                          | \$ -                                     | \$ 1,881                        | \$ 142,433                  | \$ 60,433                   |
| Givings - undesignated                     | 228,191                         | -                             | -  | -                               | 228,191                     | 237,382                     |
| Givings - bequested                        | -                               | -                             | 11,500                                   | 50,000                          | 61,500                      | -                           |
| Interest and dividends                     | 477                             | 6,361                         | 28,727                                   | 11,319                          | 46,884                      | 34,993                      |
| Other                                      | 6,513                           | -                             | -  | -                               | 6,513                       | 6,237                       |
| Rentals                                    | 89,744                          | -                             | -  | -                               | 89,744                      | 62,157                      |
| Unrealized gain (losses)                   | -                               | 15,217                        | 5,960                                    | 12,337                          | 33,514                      | 76,685                      |
|  | <u>465,477</u>                  | <u>21,578</u>                 | <u>46,187</u>                            | <u>75,537</u>                   | <u>608,779</u>              | <u>477,887</u>              |
| <b>Expenditures:</b>                       |                                 |                               |  |                                 |                             |                             |
| A.C.W. expense                             | 1,502                           | -                             | -  | -                               | 1,502                       | 2,222                       |
| Church building                            | 96,749                          | -                             | 63,109                                   | -                               | 159,858                     | 108,026                     |
| Diocese                                    | 45,585                          | -                             | -  | -                               | 45,585                      | 35,790                      |
| Growth fellowship                          | 3,378                           | -                             | -  | -                               | 3,378                       | 5,534                       |
| Junior church/nursery                      | 10,735                          | -                             | -  | -                               | 10,735                      | 10,522                      |
| Ministry                                   | 95,045                          | -                             | -  | -                               | 95,045                      | 92,691                      |
| Office                                     | 84,517                          | -                             | -  | -                               | 84,517                      | 85,927                      |
| Outreach                                   | 2,986                           | -                             | -  | 11,937                          | 14,923                      | 127,580                     |
| Rectory                                    | 13,835                          | -                             | -  | -                               | 13,835                      | 47,083                      |
| Worship                                    | 50,150                          | -                             | -  | -                               | 50,150                      | 47,734                      |
|  | <u>404,482</u>                  | <u>-</u>                      | <u>63,109</u>                            | <u>11,937</u>                   | <u>479,528</u>              | <u>563,109</u>              |
| <b>Excess of revenue over expenditures</b> | <u>\$ 60,995</u>                | <u>\$ 21,578</u>              | <u>\$ (16,922)</u>                       | <u>\$ 63,600</u>                | <u>\$ 129,251</u>           | <u>\$ (85,222)</u>          |

**ST. OLAVE'S ANGLICAN CHURCH**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**For the Year Ended December 31, 2025**

|                                     | <b>Operating<br/>fund</b> | <b>Rectory<br/>fund</b> | <b>Capital<br/>investment<br/>fund</b> | <b>Second<br/>century fund</b> | <b>Total<br/><u>2025</u></b> | <b>Total<br/>2024</b> |
|-------------------------------------|---------------------------|-------------------------|--|--------------------------------|------------------------------|-----------------------|
| <b>Balance - beginning of year</b>  | \$ 47,171                 | \$ 157,934              | \$ 611,105                             | \$ 288,843                     | \$ 1,105,053                 | \$ 1,190,275          |
| Excess of revenue over expenditures | <u>60,995</u>             | <u>21,578</u>           | <u>(16,922)</u>                        | <u>63,600</u>                  | <u>129,251</u>               | <u>(85,222)</u>       |
| Internal funds transfer             | <u>27,851</u>             | <u>(6,362)</u>          | <u>(28,131)</u>                        | <u>6,642</u>                   | <u>-</u>                     | <u>-</u>              |
| <b>Balance - end of year</b>        | <u>\$ 136,017</u>         | <u>\$ 173,150</u>       | <u>\$ 566,052</u>                      | <u>\$ 359,085</u>              | <u>\$ 1,234,304</u>          | <u>\$ 1,105,053</u>   |

**ST. OLAVE'S ANGLICAN CHURCH  
STATEMENT OF CASH FLOWS**

**December 31, 2025**

|   | <u><b>2025</b></u> | <u><b>2024</b></u> |
|---|--------------------|--------------------|
| <b>Cash Provided by Operating Activities</b>            |                    |                    |
| Excess of revenue over expenditures                     | \$ 129,251         | \$ (85,222)        |
| <b>Items not requiring an outlay of cash:</b>           |                    |                    |
| Unrealized (gains) losses                               | <u>(33,515)</u>    | <u>76,685</u>      |
|   | <u>95,736</u>      | <u>(8,537)</u>     |
| <b>Changes in Non-Cash Working Capital</b>              |                    |                    |
| Accounts payable and accrued liabilities                | 1,872              | -                  |
| HST recoverable   | <u>1,259</u>       | <u>(1,067)</u>     |
|   | <u>3,131</u>       | <u>(1,067)</u>     |
|   | <u>98,867</u>      | <u>(9,604)</u>     |
| <b>Cash Flows from Investing Activities</b>             |                    |                    |
| Purchase of investments                                 | (1,116,462)        | (73,068)           |
| Disposal of investments                                 | <u>1,109,572</u>   | <u>-</u>           |
|   | <u>(6,890)</u>     | <u>(73,068)</u>    |
| <b>Increase (decrease) in cash and cash equivalents</b> | 91,977             | (82,672)           |
| <b>Cash and cash equivalents, beginning of year</b>     | <u>44,811</u>      | <u>127,483</u>     |
| <b>Cash and cash equivalents, end of year</b>           | <u>\$ 136,788</u>  | <u>\$ 44,811</u>   |

**ST. OLAVE'S ANGLICAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2025**

**1 Nature of business**

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 Summary of significant accounting policies**

The Church has prepared these financial statements in accordance with the Canadian Accounting Standards for not-for-profit organizations.

(a) 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 investment 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 financial support on a periodic basis to mission organizations and activities at the local, national, and international levels, as approved from time to time by the Second Century Fund Committee.

The Rectory 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.

(b) 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.

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.

**ST. OLAVE'S ANGLICAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2025**

(c) Capital assets

The Church follows Canadian accounting standards for not-for-profit organizations, except with respect to the accounting for tangible capital assets.

Under Canadian accounting standards for not-for-profit organizations, tangible capital assets are required to be capitalized and amortized over their estimated useful lives. The Church expenses capital asset acquisitions and improvements, including expenditures relating to building improvements, furniture and equipment, in the year incurred.

Accordingly, these financial statements do not reflect the capitalization and amortization of tangible capital assets and therefore are not in accordance with Canadian accounting standards for not-for-profit organizations with respect to this matter.

(d) 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.

(e) Financial instruments

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

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.

(f) 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.

**ST. OLAVE'S ANGLICAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2025**

(g) 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.

(h) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, 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 net income.

**3 Investments**

Investments are measured at fair value. Fair value is determined based on the market value of pooled investments as reported by the Diocese of Toronto, which holds and administers the funds on behalf of the Church. Unrealized gains and losses arising from changes in fair value are recognized in the statement of operations in the year in which they occur.

At December 31, 2025, investments consist of:

| Fund                    | Fair Value          |
|-------------------------|---------------------|
| Rectory Fund            | \$ 173,150          |
| Capital Investment Fund | 566,052             |
| Second Century Fund     | <u>359,085</u>      |
| Total                   | <u>\$ 1,098,287</u> |

The funds are held and managed by the Diocese of Toronto.

**4 HST recoverable**

The Church is eligible for a partial rebate of HST paid on eligible expenses under the Public Service Bodies' (PSB) rebate program.

As at December 31, 2025, the recoverable amount includes \$5,101 related to the current year, with the remaining balance representing unclaimed rebates from prior years. The full amount is expected to be received from the Canada Revenue Agency.

**5 Donations**

Total donations received during the year were \$430,243, including \$371,556 in receipted donations.

**ST. OLAVE'S ANGLICAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2025**

**6 Related party transactions**

The Church is a parish of the Diocese of Toronto. During the year, the Church paid an annual allotment of \$44,505 (2024 - 35,790), payable monthly in advance. 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 (2024 - nil).

**7 Capital management**

The Church defines capital as its unrestricted net assets and internally restricted net assets. The Capital Investment fund and Second Century fund are internally restricted by the Board, and transfers are approved by the Church.

The Church's objective is to maintain financial stability and support its ministry activities.

All investment funds are held and managed on behalf of the Church by the Diocese of Toronto.

**8 Financial instruments and risk management**

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*

The Church is exposed to market risk in respect of its pooled investments held with the Diocese of Toronto. These investments are subject to fluctuations in market prices. The Church does not use derivative instruments to manage this risk.

**9 Comparative figures**

Where necessary, comparative figures have been reclassified to conform with the current year's financial statements presentation.