

**ST. PAUL'S ANGLICAN CHURCH
(UXBRIDGE, ONTARIO)**

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Members of
St. Paul's Anglican Church

Qualified Opinion

I have audited the financial statements of **St. Paul's Anglican Church**, which comprise the statement of financial position as at December 31, 2021, and the statements of changes in net assets and operations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2021 and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

St. Paul's Anglican Church derives a material amount of revenue from donations. I was not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for donation revenue, revenue in excess of expenditure and changes to net assets because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, I was unable to determine whether any adjustments to these amounts were necessary.

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities 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 organization. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. My audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in

INDEPENDENT AUDITOR'S REPORT, continued

scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 ASNPO, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain

INDEPENDENT AUDITOR'S REPORT, continued

professional skepticism throughout the audit. I 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 my 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 organization'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 organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the organization 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.

I 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 I identify during my audit.

INDEPENDENT AUDITOR'S REPORT, continued

A handwritten signature in black ink that reads "J. Michael Mulholland". The signature is written in a cursive style with a large initial "J" and "M".

Uxbridge Ontario Canada
February 10, 2022

**CHARTERED PROFESSIONAL
ACCOUNTANT
LICENSED PUBLIC ACCOUNTANT**

ST. PAUL'S ANGLICAN CHURCH
UXBRIDGE, ONTARIO
Statement of Financial Position
December 31, 2021

	2021	2020
ASSETS		
Cash	\$ 19,819	\$ 15,011
HST receivable	2,630	2,727
Investments	<u>980,935</u>	<u>935,513</u>
	\$ 1,003,384	\$ 953,251
LIABILITY		
Accrued liability	<u>\$ 2,825</u>	<u>\$ 2,825</u>
FUND BALANCES		
Operating fund	999,138	949,015
Building fund	488	528
Memorial fund	<u>933</u>	<u>883</u>
	<u>1,000,559</u>	<u>950,426</u>
	\$ 1,003,384	\$ 953,251

APPROVED ON BEHALF OF THE BOARD

Warden		Warden
Date		

**ST. PAUL'S ANGLICAN CHURCH
UXBRIDGE, ONTARIO**

Statement of Changes in Net Assets
Year ended December 31, 2021

	2021			
	Total	Operating fund	Building fund	Memorial fund
Balance - beginning of year	\$ 950,426	\$ 949,015	\$ 528	\$ 883
Excess (deficiency) of revenues over expenditures	<u>50,133</u>	<u>50,123</u>	<u>(40)</u>	<u>50</u>
Balance - end of year	<u>\$ 1,000,559</u>	<u>\$ 999,138</u>	<u>\$ 488</u>	<u>\$ 933</u>
	2020			
	Total	Operating fund	Building fund	Memorial fund
Balance - beginning of year	\$ 966,091	\$ 954,870	\$ 10,338	\$ 883
Deficiency of revenues over expenditures	<u>(15,665)</u>	<u>(5,855)</u>	<u>(9,810)</u>	<u>-</u>
Balance - end of year	<u>\$ 950,426</u>	<u>\$ 949,015</u>	<u>\$ 528</u>	<u>\$ 883</u>

**ST. PAUL'S ANGLICAN CHURCH
UXBRIDGE, ONTARIO**

Statement of Operations
Year ended December 31, 2021

	2021	2020
Revenues		
Offerings	\$ 113,510	\$ 112,336
Investment income	28,666	30,180
Grants	22,522	27,926
Other income	2,630	14,303
Use of church facilities	670	3,185
Offerings - building fund	340	1,900
	168,338	189,830
Expenditures		
Stipend and salaries	99,970	105,719
Employee benefits	25,623	20,413
Diocesan allotment	21,488	20,565
Outreach	10,803	7,773
Insurance	10,028	8,671
Utilities	9,696	7,640
Heating fuel	9,086	8,576
Office expenses	7,151	9,933
Maintenance	5,914	7,462
Church expenses	5,707	6,215
Professional fees	4,838	4,764
Municipal taxes	1,960	1,916
Telephone	879	1,494
Professional development	900	750
Travel allowance	717	804
Supply clergy	261	727
Piano maintenance	141	237
Christian education	57	67
	215,219	213,726
Deficiency of revenues over expenditures before the undernoted items	(46,881)	(23,896)
Market value change in investments, capital expenditures		
Increase in market value of investments plus gains or losses on foreign currency	102,852	20,401
Painting church exterior	(5,838)	(12,170)
	97,014	8,231
Excess (deficiency) of revenues over expenditures	\$ 50,133	\$ (15,665)

ST. PAUL'S ANGLICAN CHURCH
UXBRIDGE, ONTARIO

Notes to Financial Statements
December 31, 2021

1. NATURE OF OPERATIONS

St. Paul's Anglican Church is an incorporated not-for-profit organization and is a registered charity under the Income Tax Act. Accordingly it is exempt from income tax provided that it meets certain disbursement requirements. As a registered charity, the church is entitled to recover 69% of the HST paid on expenses incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Investments

Investments are stated at their quoted market value at the year-end date. Fluctuations in the market value of the investments are recorded in the statement of operations under the caption, increase (decrease) in market value of investments.

(b) Fund accounting

The organization follows the deferral method of accounting for offerings and other donations.

Restricted offerings to the building fund designated for capital expenditures are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted offerings to the fund are recognized as revenue when received.

The memorial fund is used to repair or replace items that have been bequeathed to the church.

(c) Capital expenditures

The organization expenses its capital expenditures (major improvements to church buildings and equipment) under Section 4430.03 of the Accounting Handbook of the Canadian Institute of Chartered Accountants because its revenues have averaged less than \$500,000 per year for the last two year period.

According to Canon 6 of the Incorporated Synod of the Diocese of Toronto, all parish real property (land and buildings) is held for the Diocese of Toronto irrespective of the registered owner. The Diocese also imposes restrictions on the purchase, structural alteration, and disposal of parish real property. Consequently, church land and buildings do not appear on the statement of financial position.

(d) Measurement uncertainty

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 amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

**ST. PAUL'S ANGLICAN CHURCH
UXBRIDGE, ONTARIO**

Notes to Financial Statements

December 31, 2021

3. MARKETABLE SECURITIES

	2021	2020
Investments with ScotiaMcLeod - CAD	\$ 790,474	\$ 739,205
Investments with ScotiaMcLeod - in US\$	103,165	112,351
Investments with ScotiaMcLeod - translate US\$ to CAD\$	28,009	30,897
Investments with the Diocese of Toronto	21,905	19,604
Investments with the Diocese of Toronto	23,409	20,950
Investments with the Diocese of Toronto	13,974	12,506
	\$ 980,936	\$ 935,513

4. GRANTS

As a result of the COVID 19 pandemic, the Incorporated Synod of the Diocese of Toronto applied for and received grants from the Government of Canada on behalf of its various member churches. The amount shown under this revenue caption is the share of these grants passed on to St. Paul's Anglican Church, Uxbridge.

5. CONTINUITY SCHEDULE OF MARKETABLE SECURITIES

	2021	2020
Opening balance	\$ 935,513	\$ 938,819
Additions - investment income	28,666	30,180
Other	(2,096)	2,113
Increase (decrease) in market value	102,852	20,401
Transfers to operating bank account	(84,000)	(56,000)
	\$ 980,935	\$ 935,513

6. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES

The organization is exposed to the following risks in respect of certain financial instruments held:

(a) Fair value

The organization's financial instruments include cash, and HST receivable. The carrying value of these instruments approximates their fair value due to their short-term maturities.

**ST. PAUL'S ANGLICAN CHURCH
UXBRIDGE, ONTARIO**

Notes to Financial Statements

December 31, 2021

6. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES, continued

(b) Market and interest rate risk

Financial instruments also include marketable securities, the fair value of which is \$980,935 (2020 - \$931,513). The organization is exposed to market risk which is the risk that future cash flows of marketable securities may fluctuate due to interest rate and stock price changes. These risks are managed by professional investment managers.

7. STATEMENT OF CASH FLOWS

Inclusion of a statement of cash flows would not provide any additional information that is not evident from the financial statements already presented. Therefore, a statement of cash flows has not been presented.