

ST. MATTHEW'S ANGLICAN CHURCH

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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PARKER PRINS LEBANO
Chartered Professional Accountants
Professional Corporation

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Vestry,

ST. MATTHEW'S ANGLICAN CHURCH

We have reviewed the accompanying financial statements of **ST. MATTHEW'S ANGLICAN CHURCH** that comprise the Statement of Financial Position as at December 31, 2023, and the Statements of Operations and Net Assets, and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is 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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's 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 relevant 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 organization 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** 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.

Other Matter

There is tremendous uncertainty in regards to the negative economic impacts of the COVID-19 pandemic. It is very possible that there will be significant decreases in revenues and the inability of the organization to adjust expenditures may result in a significant negative impact on operational results. The ability for the organization to sustain operations will be dependent on a variety of factors. These financial statements do not include any adjustments or accruals for these potential effects.

Parker Prins Lebano Chartered Professional Accountants Professional Corporation
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario
January 30, 2024

ST. MATTHEW'S ANGLICAN CHURCH

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

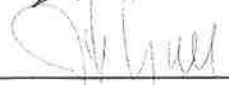
(prepared without audit)

	Operating Fund	Restricted Funds (note 3)	Endowment Fund	2023 Total	2022 Total
ASSETS					
CURRENT					
Cash and short-term investments	\$ 95,199	\$ 22,726	\$ -	\$ 117,925	\$ 245,454
Accounts receivable	8,348	-	-	8,348	2,667
HST recoverable	5,189	-	-	5,189	4,630
	<u>108,736</u>	<u>22,726</u>	<u>-</u>	<u>131,462</u>	<u>252,751</u>
LONG-TERM					
Investments					
Consolidated Trust Fund - Diocese / Ottawa (note 4)	203,687	-	38,222	241,909	259,468
Interfund accounts	<u>1,211</u>	<u>-</u>	<u>(1,211)</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 313,634</u>	<u>\$ 22,726</u>	<u>\$ 37,011</u>	<u>\$ 373,371</u>	<u>\$ 512,219</u>
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities (note 5 and 9)	\$ 1,473	\$ -	\$ -	\$ 1,473	\$ 121,170
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,033</u>
	<u>1,473</u>	<u>-</u>	<u>-</u>	<u>1,473</u>	<u>122,203</u>
NET ASSETS	<u>312,161</u>	<u>22,726</u>	<u>37,011</u>	<u>371,898</u>	<u>390,016</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 313,634</u>	<u>\$ 22,726</u>	<u>\$ 37,011</u>	<u>\$ 373,371</u>	<u>\$ 512,219</u>

On behalf of the Church:



Rector



Rector's Warden



People's Warden

ST. MATTHEW'S ANGLICAN CHURCH

STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2023

(prepared without audit)

	Operating Fund	Restricted Funds (note 3)	Endowment Fund	2023 Total	2022 Total
REVENUE (note 5)					
Donations - general use	\$ 440,137	\$ -	\$ -	\$ 440,137	\$ 451,644
Donations - designated use	15,614	10,790	-	26,404	23,776
Rental and other income	60,576	-	-	60,576	53,441
Concerts and music	13,704	-	-	13,704	5,476
Fundraising	108,656	-	-	108,656	77,124
Investment income	8,343	-	2,334	10,677	11,067
	<u>647,030</u>	<u>10,790</u>	<u>2,334</u>	<u>660,154</u>	<u>622,528</u>
EXPENSES (note 5)					
Church building	89,567	-	-	89,567	72,501
Music program	17,364	4,445	-	21,809	15,800
Fundraising	4,286	-	-	4,286	2,455
Personnel (note 9)	263,752	-	-	263,752	363,264
Communications	6,776	-	-	6,776	5,791
Liturgical	5,354	-	-	5,354	4,860
Christian education and program	5,234	-	-	5,234	2,328
Office	26,580	-	-	26,580	27,116
Fair share- Diocese	134,943	-	-	134,943	134,943
Parish outreach	21,735	32,424	-	54,159	17,493
Other capital expenses	53,731	17,352	-	71,083	33,524
	<u>629,322</u>	<u>54,221</u>	<u>-</u>	<u>683,543</u>	<u>680,075</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEM	<u>17,708</u>	<u>(43,431)</u>	<u>2,334</u>	<u>(23,389)</u>	<u>(57,547)</u>
OTHER ITEM					
Unrealized investment gain (loss) (note 4)	1,188	-	1,173	2,361	(52,483)
Realized investment gain (loss) (note 4)	-	-	2,910	2,910	-
	<u>1,188</u>	<u>-</u>	<u>4,083</u>	<u>5,271</u>	<u>(52,483)</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	<u>18,896</u>	<u>(43,431)</u>	<u>6,417</u>	<u>(18,118)</u>	<u>(110,030)</u>
NET ASSETS, BEGINNING OF YEAR	<u>263,021</u>	<u>66,157</u>	<u>60,838</u>	<u>390,016</u>	<u>500,046</u>
INTER-FUND TRANSFERS (note 7)	<u>30,244</u>	<u>-</u>	<u>(30,244)</u>	<u>-</u>	<u>-</u>
NET ASSETS, END OF YEAR	<u>\$ 312,161</u>	<u>\$ 22,726</u>	<u>\$ 37,011</u>	<u>\$ 371,898</u>	<u>\$ 390,016</u>

ST. MATTHEW'S ANGLICAN CHURCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

(prepared without audit)

	<u>2023</u>	<u>2022</u>
CASH FLOWS USED FOR OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (18,118)	\$ (110,030)
Items not affecting cash:		
(Gain) loss on fair value assessment of investments	<u>(5,271)</u>	<u>52,483</u>
	(23,389)	(57,547)
Changes in non-cash working capital components:		
Accounts receivable	(5,681)	(1,080)
HST recoverable	(559)	(1,734)
Accounts payable and accrued liabilities	(119,697)	60,199
Deferred revenue	<u>(1,033)</u>	<u>(567)</u>
	<u>(150,359)</u>	<u>(729)</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES		
Net proceeds of disposition	25,000	20,000
Purchase of investments through reinvested dividends	<u>(2,170)</u>	<u>(2,586)</u>
	<u>22,830</u>	<u>17,414</u>
(DECREASE) INCREASE IN CASH	(127,529)	16,685
CASH, BEGINNING OF YEAR	<u>245,454</u>	<u>228,769</u>
CASH, END OF YEAR	<u>\$ 117,925</u>	<u>\$ 245,454</u>

ST. MATTHEW'S ANGLICAN CHURCH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(prepared without audit)

1. PURPOSE OF THE ORGANIZATION

St. Matthew's Anglican Church is a welcoming Christian community committed to growing faith, offering joyous worship and reaching out in loving service. St. Matthew's Anglican Church is a non-profit organization incorporated without share capital and a registered charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

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

REVENUE RECOGNITION

The Church follows the restricted fund method of accounting for contributions. Donations made to St. Matthew's for specific operating expenses are accounted for separately and are restricted for appropriate use, with the exception of the Endowment Fund which is externally restricted and described below. All revenue is recognized when received. Pledges receivable are not recognized in the financial statements as there is no certainty of collection.

CAPITAL ASSETS

All significant capital assets are owned by the Incorporated Synod of the Diocese of Ottawa, therefore, no recognition of capital assets has been included in the financial statements. Repairs and maintenance costs borne by the Church are expensed as incurred.

CONTRIBUTED SERVICES

Much of the work of St. Matthew's Anglican Church is dependent on the voluntary services of many of its members. The value of these donated services is not recognized in these financial statements.

The Church recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have otherwise acquired these supplies and services for its normal operations.

Donated shares and / or other monetary-based in-kind contributions are recognized at their fair value on the date received.

FINANCIAL INSTRUMENTS

The Church's financial instruments consist of cash, accounts and HST rebate receivable, long-term investments, accounts payable and accrued liabilities. For all but the long-term investments, the book values approximate fair values. Due to the nature of the long-term investments as described in note 4, the Church is subject to some interest, currency, credit and market risk arising from these financial instruments.

In accordance with Canadian accounting standards for not-for-profit organizations, both short-term and long-term financial instruments are being carried at their fair value.

ACCOUNTING ESTIMATES

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts recorded in the financial statements. These estimates are based on management's best knowledge of current events and actions that the organization may undertake in the future. Actual results may differ from these estimates.

ST. MATTHEW'S ANGLICAN CHURCH

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2023

(prepared without audit)

3. RESTRICTED FUNDS

The Restricted funds consist of the Growing in Faith Together and the Other Designated funds. The Restricted funds' net assets are comprised of the following:

	<u>GIFT Fund</u>	<u>FACES Fund</u>	<u>Other Designated Funds</u>	<u>2023 Total</u>	<u>2022 Total</u>
Net assets, beginning of year	\$ 12,160	\$ 34,566	\$ 19,431	\$ 66,157	\$ 60,154
(Deficiency) Excess of revenue over expenditures	<u>(12,160)</u>	<u>(21,713)</u>	<u>(9,558)</u>	<u>(43,431)</u>	<u>6,003</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 12,853</u>	<u>\$ 9,873</u>	<u>\$ 22,726</u>	<u>\$ 66,157</u>

The Growing in Faith Together (GIFT) Fund was established by the Diocese of Ottawa as an initiative to encourage fundraising towards certain financial targets between 2012 and 2017. Funds are directed to the Diocese where a portion of the total is retained to support designated mission areas with the remainder sent back to the Parish to support internally-identified needs. The Vestry has determined that these needs include a roof replacement which was substantially completed in 2016 as well as a series of mission related projects over the duration of the campaign. The funds were depleted in the year and no further funds will be directed from the Diocese for this program.

The FACES funds are designated for the refugee support program.

The Other Designated Funds include amounts received for specific designated purposes from gifts or fundraising events. Other Designated Funds includes unexpended funds designated for special music program initiatives at the discretion of the Worship Committee and funds relating to the Nave.

4. LONG-TERM INVESTMENTS

Long-term investments consist of units in a diversified portfolio of fixed income and equity securities held in both Canadian and foreign currencies administered by the Incorporated Synod of the Diocese of Ottawa for the long-term benefit of the Church. These securities are carried at their fair value of \$241,909 (cost \$225,730). The current year gain adjustment to fair value of \$2,361 (2022 - loss \$(52,483)) is disclosed as a net unrealized (loss) / gain in the Statement of Operations and Net Assets.

ST. MATTHEW'S ANGLICAN CHURCH

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2023

(prepared without audit)

5. RELATED PARTY

St. Matthew's is a parish within the Incorporated Synod of the Diocese of Ottawa. The two organizations share common objectives; however, they are separate legal entities with separate, controlling trustees who are ultimately responsible for their own management, policies and reporting. The Diocese pays for certain parish expenses and the Church reimburses the Diocese for its fair share at deemed fair value. For the fiscal year 2023, St. Matthew's paid the Diocese \$254,664 (2022 - \$358,513) for personnel costs, and \$24,337 (2022 - \$19,164) for church building insurance. In addition, the Church contributed \$134,943 (2022 - \$134,943) to the Diocese's fair share program. The Diocese also collected from the Church \$1,095 (2022 - \$2,918) parish outreach contributions for certain programs and forwards on to relevant recipients. St. Matthew's investments are also held in the Diocesan consolidated trust fund; however, ownership ultimately remains with the Church.

The close relationship and common goals creates inter-entity transactions occasionally resulting in balances receivable or payable to the related organization. At year end, the Church had a balance receivable/payable to the Diocese of \$6,183 (2022 - \$35,240).

6. IN-KIND TRANSACTIONS

The total value of contributed goods in 2023 was \$72,876 (2022 - \$68,673). The contribution of the goods has not been recognized as they would not have otherwise been purchased.

7. INCOME EARNED IN ENDOWMENT FUND

Income earned on investments held within the Endowment Fund is unrestricted and is available for use by the operating fund.

The Endowment Fund, held in the Consolidated Trust Fund (CTF), is a restricted fund comprised of specific bequests where the principal (book value \$36,163 in 2023 and \$58,253 in 2022) amount remains intact and annual investment income is available and transferred for use in operations. During the year, it was determined that for a number of bequests in the Fund, there were no records of restricted use of those funds. As such, \$25,000 was transferred from the Endowment Fund to the CTF Operating Fund. The balance of the funds in the CTF may be withdrawn for capital or ministry initiatives, but are not intended for on-going operations.

8. COMMITMENTS

The Church has entered into leases / contracts for office equipment, snowplowing and maintenance. Committed future payments amount to approximately \$19,000 in 2024 and \$3,000 thereafter to 2027.

9. SUBSEQUENT EVENT

In 2022, an amount was accrued to cover an anticipated expense. As a result of payment assistance from the Diocese coupled with a reduction of the accrual based on actual costs, the overall overstatement of the 2022 accrual was determined to be \$33,812. The net effect of this amount was recorded in Personnel and has been recorded prospectively as new information.