

EGLINTON ST. GEORGE'S UNITED CHURCH

FINANCIAL STATEMENTS

JUNE 30, 2023

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JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Members of the
Eglinton St. George's United Church

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eglinton St. George's United Church, which comprise the statement of financial position as at June 30, 2023, and the statements 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, the accompanying financial statements present fairly, in all material respects, the financial position of Eglinton St. George's United Church as at June 30, 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 Opinion

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 Eglinton St. George's United 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 opinion.

INDEPENDENT AUDITORS' REPORT (Continued)

Responsibilities of Management and Those Charged with Governance 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.

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

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.

INDEPENDENT AUDITORS' REPORT (Continued)

- 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 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 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.

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.

KRIENS~LAROSE, LLP

KRIENS~LAROSE, LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
October 17, 2023

EGLINTON ST. GEORGE'S UNITED CHURCH
STATEMENT OF FINANCIAL POSITION
 AS AT JUNE 30, 2023

	Operating Fund 2023 \$	Restricted Fund 2023 \$	Endowment Fund 2023 \$	Total 2023 \$	Total 2022 \$
ASSETS					
CURRENT					
Cash	-	139,489	-	139,489	170,074
Short-term investments (Note 3)	-	239,115	94,565	333,680	275,320
Accounts receivable	30,329	-	-	30,329	13,696
Prepays	59	-	-	59	1,200
Due from / (to)	328,934	(156,166)	(172,768)	-	-
	359,322	222,438	(78,203)	503,557	460,290
NON-CURRENT					
Long-term investments (Note 3)	-	2,824,371	1,034,599	3,858,970	3,428,256
Buildings and equipment (Note 4)	-	3,175,744	-	3,175,744	3,336,205
	-	6,000,115	1,034,599	7,034,714	6,764,461
	359,322	6,222,553	956,396	7,538,271	7,224,751

APPROVED ON BEHALF OF THE GOVERNING COUNCIL:



Maggie Wilkinson



Charles Roden

EGLINTON ST. GEORGE'S UNITED CHURCH
 STATEMENT OF FINANCIAL POSITION
 AS AT JUNE 30, 2023

	Operating Fund 2023	Restricted Fund 2023	Endowment Fund 2023	Total 2023	Total 2022
	\$	\$	\$	\$	\$
					Amended (Note 11)

LIABILITIES

CURRENT					
Accounts payable	135,577	-	-	135,577	93,834
Project Flourish (Note 5)	-	119,591	-	119,591	96,029
Deferred contributions (Note 6)	223,745	-	-	223,745	198,763
	359,322	119,591	-	478,913	388,626

FUND BALANCES (Note 7)

Internally restricted - Congregational	-	1,062,108	-	1,062,108	883,365
Externally restricted	-	1,865,110	-	1,865,110	1,751,143
Endowment (Note 8)	-	-	956,396	956,396	865,412
Property	-	3,175,744	-	3,175,744	3,336,205
	-	6,102,962	956,396	7,059,358	6,836,125
	359,322	6,222,553	956,396	7,538,271	7,224,751

STATEMENT OF OPERATING FUND ACTIVITIES AND CHANGES IN FUND**BALANCE**

FOR THE YEAR ENDED JUNE 30, 2023

	2023 Budget \$ (Note 9)	2023 Actual \$	2022 Actual \$ Amended (Note 11)
REVENUES			
Contributions by envelopes	584,000	543,625	581,816
Rental	205,400	216,346	176,844
Fundraising projects	70,900	51,006	10,839
Miscellaneous	-	23,246	-
Grants	-	13,500	18,834
Concerts	6,000	7,487	-
Congregational events	-	1,936	1,541
Unattributed donations	2,500	797	641
Government assistance	-	-	8,099
Investment income	3,000	(216)	6,009
	871,800	857,727	804,623
EXPENSES			
Occupancy	282,190	453,270	167,128
Ministerial compensation	296,385	323,890	332,804
Lay staff compensation	314,006	317,221	305,658
Music	60,855	61,979	48,492
Administrative	65,450	61,488	44,395
United Church	37,000	41,195	31,782
Program delivery	36,200	37,072	46,799
Revenue unit	8,550	16,934	8,458
	1,100,636	1,313,049	985,516
Deficiency of revenues over expenses for the year	(228,836)	(455,322)	(180,893)
Interfund transfers - from Restricted	191,800	329,048	107,503
Interfund transfers - from Endowment	-	7,132	8,092
Total transfer to Operating Fund	191,800	336,180	115,595
Transfer to Operating deficit	-	(455,322)	(180,893)
Transfer (to)/from Leave a Lasting Legacy	17,500	43,318	-
Transfer from/(to) Operating Reserve	19,536	75,824	65,298
Fund balance, end of the year	-	-	-

STATEMENT OF RESTRICTED FUND ACTIVITIES AND CHANGES IN FUND**BALANCE**

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	\$	\$ Amended (Note 11)
REVENUES		
Bequests and donations	433,180	65,243
Mission and service	134,262	80,059
Rental	23,800	24,500
Investment income	897	106,192
	592,139	275,994
EXPENSES		
Amortization of buildings and equipment	160,461	160,461
Mission and service	134,262	80,059
Grants	5,000	-
Project - elevator lift	-	4,758
	299,723	245,278
Excess of revenues over expenses before undernoted	292,416	30,716
Unrealized (losses)/gains on investments	374,402	(540,422)
(Deficiency) excess of revenues over expenses for the year	666,818	(509,706)
Fund balance, beginning of the year	5,970,713	6,666,636
Interfund transfers	(534,569)	(186,217)
Fund balance, end of the year	6,102,962	5,970,713

STATEMENT OF ENDOWMENT FUND ACTIVITIES AND CHANGES IN FUND**BALANCE**

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	\$	\$
REVENUES		
Investment income	(2,502)	33,399
EXPENSES		
Program and trust	23,336	22,950
Excess (deficiency) of revenues over expenses before undernoted	(25,838)	10,449
Unrealized (losses)/gains on investments	123,955	(177,602)
Excess (deficiency) of revenues over expenses for the year	98,117	(167,153)
Fund balance, beginning of the year	865,412	1,040,657
Interfund transfers	(7,133)	(8,092)
Fund balance, end of the year	956,396	865,412

	2023 \$	2022 \$ Amended (Note 11)
CASH WAS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses		
Operating fund	(455,322)	(180,893)
Restricted funds	666,818	(509,706)
Endowment funds	98,117	(167,153)
Items not involving cash:		
Unrealized gains on investment	(498,357)	718,024
Transfers of funds to working capital balances	(86,380)	(13,413)
Amortization of buildings and equipment	160,461	160,461
	(114,663)	7,320
Change in non-cash working capital balances:		
Accounts receivable	(16,633)	51,156
Prepays	1,141	13,720
Accounts payable and accrued liabilities	41,743	62,893
Project Flourish	23,562	(12,778)
Deferred contributions	24,982	27,398
	74,795	142,389
	(39,868)	149,709
INVESTING ACTIVITIES		
Net proceeds of investments	9,283	39,667
Additions to buildings and equipment	-	(125,515)
	9,283	(85,848)
Net change in cash	(30,585)	63,861
Cash, beginning of year	170,074	106,213
Cash, end of year	139,489	170,074

PURPOSE OF THE ORGANIZATION

The mission of Eglinton St. George's United Church (the "Church"), with God's help, is to create an inclusive, dynamic Christian community; reach out to those in need; live with love, compassion and hope; and grow together in our faith journey. The Church is an unincorporated Pastoral Charge Under An Act Incorporating The United Church of Canada. The Church is registered as a charitable organization under the Income Tax Act and is therefore exempt from income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

Financial Instruments

The Church initially measures its financial assets and liabilities at fair value. The Church subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost or amortized cost include cash, investments and accounts receivable. Financial liabilities measured at cost or amortized cost include accounts payable. For financial assets measured at amortized cost, the Church assesses whether there are any indications of impairment. Any impairment loss is recognized in the statements of activities. Investments are recorded and carried at fair value.

Use of Estimates

The preparation of financial statements in accordance 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 disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

Prepaid Expenses

Prepaid expenses are recorded for goods and services being received in the next fiscal year but paid for in the current fiscal year.

Continued...

1. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Investments

Investments are recorded and carried at fair market value.

Investments are primarily held in externally managed segregated fund. Investment income is allocated to each of the funds on the basis of the average fund asset value proportionate to the total value of funds throughout the period.

Short-term investments represent the amounts to be realized within one year. All other investments are considered long-term.

Buildings and Equipment

The original cost of assets acquired prior to 2000 and retained for ongoing use is not reasonably determinable and therefore, the related costs of land, buildings and contents have not been recorded as buildings and equipment. Renovations in 2000 and thereafter are recorded at cost. Amortization commenced on substantial completion of the renovation project, on January 1, 2003, based on the assets' estimated useful life.

Maintenance and improvement investments to the building are expensed.

Buildings and equipment which provides a betterment with a cost in excess of \$2,500 and a useful life of more than one year are capitalized and recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful life as follows:

Buildings	40 years
Chairs in the sanctuary	20 years
Organ refurbishing	30 years
Equipment and furnishings	10 years
Website	4 years
Computers and electronic equipment	3 years

Fund Accounting

The Church follows the restricted fund method of accounting for contributions, whereby assets, liabilities, revenue and expenditures are segregated into specific funds depending on their purpose.

Operating Fund

The fund receives all unrestricted contributions, revenue from church events and rental of the church premises and pays the costs and expenditures of the Church's program delivery and administration. Any surplus or deficit at year end is transferred to the Operating Reserve Fund.

Continued...

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Internally Restricted

Congregational Fund

This fund is segmented into three sub funds:

- Operating Reserve Fund - to address any excess or shortfall from annual operations.
- Property Maintenance Fund - to fund improvements to the Church facilities;
- Leave a Lasting Legacy Fund - to receive and administer all undesignated bequests, legacies and substantial memorial donations; At the end of the fiscal year, 50% of the undesignated bequests received remain in the fund, which the Church is working to build up to a value of \$1 Million. 20% is transferred to the Property Maintenance Fund, 10% is transferred to the Operating Reserve Fund, 15% is transferred to M&S, and 5% is set aside for local Outreach in the subsequent year. In 2023 fiscal year the 10% set aside for Operating Reserve Fund was transferred to the Operating Fund directly to improve presentation.

Externally Restricted Funds

The Externally Restricted Funds consist of contributions received with restrictions as to their use, and their subsequent expenditure in accordance with each donor's request.

Endowment Funds

The Endowment Funds consist of contributions for endowment, with restrictions requiring that the contributed net assets be permanently maintained as endowments, and the investment income thereon being either restricted or unrestricted, depending on the terms of the contributions.

Property Fund

The Property Fund reports the assets, liabilities, capital expenditures and depreciation related to the Church lands, buildings and contents. It is considered a restricted fund as it is a non-cash fund that requires Regional approval for major disbursements.

Buildings and equipment are held and administered by the Trustees for the benefit of the Congregation under the provisions of the Trusts of Model Deed, as defined in *The Manual of The United Church of Canada*, with restrictions on the disposal and use of proceeds by the Congregation, should there be a disposal of significant assets.

Donated Services

During the year voluntary services were provided. Because these services are not normally purchased by the Church and because of the difficulty in determining their fair value, donated services are not recognized in these statements.

Continued...

1. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition

Contributions

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received. Externally restricted contributions to the Operating Fund are recorded as deferred contributions and subsequently recognized as revenue as the restrictions are fulfilled. All contributions which are externally restricted by the donor are recognized in the year received in the appropriate restricted fund.

Rentals

Rental income is recognized when the rental of space occurs, and when the amount is measurable and ultimate collection is reasonably assured.

Bequests

Undesignated bequests received throughout the year are recognized as income in the Leave a Lasting Legacy Fund within the Internally Restricted Funds. During the year, the Church received \$433,180 (2022: \$65,244) in undesignated bequests.

Donated Investments

The Church records donated investments as revenue at their market value at the date of receipt and the donations are classified for accounting and reporting purposes into funds to be used according to the directions of the donor. Donated investments are converted to cash upon receipt. During the year, the Church received \$150,195 (2022 - \$88,919) in donated investments.

Investment Income

Investment income includes dividend and interest income, and realized investment gains and losses. Investment income is recognized on the accrual basis in accordance with applicable terms of the investments.

Unrealized gains and losses arising from the change in fair value of investments are recorded in excess (deficiency) of revenue over expenditures for the period. Transaction costs are expensed as incurred.

Investment income is allocated to each of the funds on the basis of the average fund asset value proportionate to the total value of funds throughout the period.

Government Assistance

Government assistance is a restricted contribution and is accounted for using the restricted fund method based on the assistance provided. Wage subsidies are recognized as revenue in the year the related wages are incurred.

Continued...

2. OBJECTIVES, POLICIES AND PROCESSES FOR MANAGING CAPITAL

The Church's capital comprises the net amounts invested in internally restricted (Congregational) funds, externally restricted funds, endowment funds, and buildings and equipment.

Internally Restricted Funds

An objective of the Governing Council is to maintain an internally restricted fund balance of \$1 Million, sufficient to cover the annual operating costs. New financial policies implemented in 2015 have resulted in a disciplined approach to the management of these funds. As well, Governing Council has a continuous improvement approach to address operating costs and to increase revenues.

Externally Restricted and Endowment Funds

The nature of the externally restricted and endowment funds is described in Note 1. The Trustees ensure that the funds are administered in accordance with the terms of their contributors. Trustees establish the investment policy for the funds, select and annually evaluate the fund managers and approve distributions from the trust funds in accordance with their terms. Where allowed by the terms of the funds, the objective of the investment policy is to maintain the capital of the funds over the long term. This is achieved through an investment policy statement developed by the Trustees with external investment managers. The statement outlines an asset mix of short-term money market instruments, bonds and equities. The statement provides direction to external investment managers in the investment of trust funds to meet this objective.

During fiscal 2023, the planned rate for distribution was 4% (fiscal 2022 - 4%). The actual calculation of the amount to be available annually is based on the three year average of the market value of the trust funds as at June 30. The Trustees have planned the distribution rate for fiscal 2024 to be 4%.

Buildings and Equipment

The Church maintains and invests in buildings and equipment in order to support worship and devotional programming and outreach programs that reflect the mission and vision of the congregation. The Trustees are responsible for the administration of this investment and ensure the smooth functioning of the buildings and their maintenance. The Trustees have delegated this responsibility to Council.

The Property Committee maintains a multi-year maintenance and renewal plan, which is revised as necessary and reviewed with the Trustees. The Property Committee prepares annual maintenance and capital budgets which are reviewed by the Finance Committee prior to recommendation to Council.

Continued...

3. INVESTMENTS

Investments are summarized as follows:

	2023	2022
	\$	\$
Cash	333,680	275,320
Short-term bonds	802,963	648,343
Corporate and government bonds	107,576	105,463
Canadian equities	1,025,188	1,120,512
U.S. and foreign equities	1,892,831	1,527,391
Mutual funds	30,412	26,547
	4,192,650	3,703,576
Current investments	333,680	275,320
Long-term investments	3,858,970	3,428,256
	4,192,650	3,703,576

Fixed income investments include Canadian Treasury Bills, banker's acceptances and various bonds. These investments earn interest at rates in the range of 0.0% to 5.75% (2022 – 0.0% to 5.75%) and have maturity dates ranging to January 15, 2026 (2022 – ranging to January 15, 2026). It is management's intention to reinvest these investments when they come due. Accordingly, they have been classified as long-term investments in the financial statements.

Continued...

4. BUILDINGS AND EQUIPMENT

	2023		2022	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Buildings	6,043,848	(2,899,278)	6,043,848	(2,748,182)
Chairs in the sanctuary	124,583	(123,200)	124,583	(116,971)
Organ refurbishing	94,079	(64,288)	94,079	(61,152)
Equipment and furnishings	133,010	(133,010)	133,010	(133,010)
Website	8,106	(8,106)	8,106	(8,106)
Computers and electronic equipment	80,991	(80,991)	80,991	(80,991)
	6,484,617	(3,308,873)	6,484,617	(3,148,412)
Net book value		3,175,744		3,336,205

Continued...

5. PROJECT FLOURISH

Project Flourish was launched in October 2018. Its focus will be on cultivating connections with young adults ages 20-35 which represents what we believe to be a group typically underserved by the United Church and churches in general. We have been most fortunate in that the United Church of Canada has recognized the need for such a program and has approved Eglinton St. George's United Church (ESG) with a funding grant of \$266,250 to be paid to ESG over three years (PTCC). Several projects under the Project Flourish umbrella have commenced as detailed below. As at June 30, 2023, \$589,751 has been received and expenses relating to the project of \$470,160 have been incurred.

	Receipts \$	Community Gardens \$	92 Craighurst \$	Total \$
United Church of Canada	401,415	-	-	401,415
Rentals (Note 3)	-	2,530	48,475	51,005
Loan 92 Craighurst (Note 1)	-	-	35,000	35,000
Canada Summer Students Grant (Note 2)	-	58,198	-	58,198
Donations members	25,000	-	3,503	28,503
Donations social impact	-	-	2,500	2,500
Donations cultural kits	-	-	500	500
Donations (TRF)	-	12,630	-	12,630
Total receipts to date	426,415	73,358	89,978	589,751
Insurance	-	-	2,308	2,308
Signage	-	390	-	390
Temporary help	-	77,188	4,630	81,818
Repairs and maintenance	-	3,964	55,116	59,080
Research and development	258,149	-	-	258,149
Events	-	-	25,665	25,665
Excess rent - 92 Craighurst	-	-	7,750	7,750
Repayment of loan 92 Craighurst	-	-	35,000	35,000
Total expenditures to date	258,149	81,542	130,469	470,160
Net	168,266	(8,184)	(40,491)	119,591

Continued...

5. PROJECT FLOURISH (Continued)

1. Eglinton St. George's United Church agreed to lend \$35,000 to Project Flourish (92 Craighurst), interest free, to assist with the renovation of the property on 92 Craighurst. The funding for this loan is to come from the Property maintenance fund. This loan was to be repaid monthly from the rental receipts from the the tenants of the property.

2. The Council determined in fiscal year 2022 to treat prospectively, the rents received from the tenants of 92 Craighurst as rental income of the Church. The property is located immediately behind the Church property and has been owned and operated by the Church since inception and was previously used to house the Custodian. It has been recently used by Project Flourish as an Intentional Community House and the rents were being used by the project. Council has determined that the rental income derived from tenants should go first to pay for utilities and other incidental expenses at \$150 per month and the balance of the rental payment was to go directly to the Internally Restricted, Property Maintenance Fund.

6. DEFERRED CONTRIBUTIONS

The deferred contributions represents surplus funds for various programs related specific to the church operations.

	2023	2022
	\$	\$
Balance, beginning of year	198,763	171,365
Funds received	242,474	159,650
Funds recognized as revenue during the fiscal year	(217,492)	(132,252)
<hr/>		
Balance, end of the year	223,745	198,763

Funds received include \$45,703 (2022 - \$42,486) in support of the Church's Syrian Refugee support program.

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7. FUND BALANCES

	Fund Balance July 1 2022	External Factors			Interfund & Cash Transfers					Fund balance June 30 2023
		Bequests	Interest & realized G/L net of brokers fees	Unrealized gain /loss	Fund Disbursement	75 bps Transfer	4% Transfer	Other Internal Transfers	Transfers from LLL	
Internally Restricted										
Leave a Lasting Legacy	545,204	433,180	346	117,555	-	(6,639)	-	-	(216,590)	873,056
Operating Reserve	95,218	-	4,519	13,849	-	(539)	-	(75,567)	-	37,480
Property Maintenance	242,943	-	(669)	35,542	-	(2,058)	-	(210,822)	86,636	151,572
Total internally restricted	883,365	433,180	4,196	166,946	-	(9,236)	-	(286,389)	(129,954)	1,062,108
Endowments										
Bursary	314,737	-	(916)	45,086	(10,000)	(2,582)	-	-	-	346,325
The Mens Jameson	123,543	-	(349)	17,813	-	(1,026)	-	-	-	139,981
Retirement Benefits	427,132	-	(1,237)	61,057	(13,339)	(3,523)	-	-	-	470,090
Total endowments	865,412	-	(2,502)	123,956	(23,339)	(7,131)	-	-	-	956,396
Externally Restricted										
Manse	897,801	-	(3,959)	112,694	-	(6,527)	(43,059)	-	-	956,950
Ministerial house trust	520,654	-	(1,523)	73,947	-	(4,241)	(23,053)	-	-	565,784
Music	128,418	-	(371)	18,320	-	(1,059)	(5,686)	-	-	139,622
Total externally restricted	1,546,873	-	(5,853)	204,961	-	(11,827)	(71,798)	-	-	1,662,356
Harrison Rowland (Watt Carmichael)	204,270	-	2,554	2,495	(5,000)	(1,565)	-	-	-	202,754
Adjusted externally restricted balance	1,751,143	-	(3,299)	207,456	(5,000)	(13,392)	(71,798)	-	-	1,865,110
Sub-total funds without property	3,499,920	433,180	(1,605)	498,358	(28,339)	(29,759)	(71,798)	(286,389)	(129,954)	3,883,614
Property	3,336,205	-	-	-	-	-	-	(160,461)	-	3,175,744
Totals	6,836,125	433,180	(1,605)	498,358	(28,339)	(29,759)	(71,798)	(446,850)	(129,954)	7,059,358

Continued...

8. ENDOWMENT FUNDS

The unencroachable portion of the Endowment Funds is \$456,689 (2022 - \$456,689).

9. BUDGET

The budgeted figures as presented for comparative purposes, are unaudited, and were approved by the Governing Council.

10. COMMITMENTS

The Church has commitments under operating leases for equipment which expire at various dates in fiscal year 2026 and 2027. Minimum future payments are as follows:

2024	\$ 9,547
2025	\$ 9,547
2026	\$ 9,153
2027	\$ 8,759
	<hr/>
	\$ 37,006

11. AMENDMENT

An error in the calculation of salaries and wages, dating back to June 2018, was discovered in July 2022. At the point of discovery, the error was forgiven and thus was not accrued. In November 2022, the error was re-characterized through further instruction of the recipient. As such, the financial statements, with an Independent Auditors' Report dated September 20, 2022, were amended to include a liability at the request of management and those charged with governance and the statements were re-released on December 20, 2022.

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12. FINANCIAL INSTRUMENTS

The Church is exposed to various risks through its financial instruments. The following presents the Church's risk exposure and concentration as at June 30, 2023.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Church's credit risk would occur with their accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$0 (2022: \$0).

Liquidity Risk

Liquidity risk is the risk the Church will encounter difficulties in meeting obligations associated with financial liabilities. The Church is exposed to this risk mainly in respect of its accounts payable. The Church expects to meet these obligations as they come due by generating sufficient cash flow from operations, and from unrestricted net assets. There has been no change in the risk assessment from the prior period.

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 risks: interest rate risk, currency risk and other price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Church is subject to interest rate risk to the extent that investments are made in fixed income instruments, as disclosed in Note 3.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Church is subject to currency risk to the extent that investments are made in foreign currencies, as disclosed in Note 3, as the value of these investments are affected by exchange rate fluctuations.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Church is not exposed to other price risk.