

FINANCIAL STATEMENTS

ST. JOHN'S ANGLICAN CHURCH, WEST TORONTO

December 31, 2022

St. John's Anglican Church, West Toronto
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INDEPENDENT AUDITOR'S REPORT

To members of the Vestry of
St. John's Anglican Church, West Toronto:

Qualified Opinion

I have audited the accompanying financial statements of St. John's Anglican Church, West Toronto, which comprise the statement of financial position as at December 31, 2022 and the statements of changes in fund balances, revenue and expenses, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of St. John's Anglican Church, West Toronto as at December 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, St. John's Anglican Church, West Toronto derives revenue from donations and fundraising activities, the completeness of which is not susceptible to my obtaining evidence I considered necessary for the purpose of the audit. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the accounts of St. John's Anglican Church, West Toronto. Therefore, I was unable to determine whether any adjustments might have been found necessary with respect to revenue, excess of revenue over expenses and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and fund balances as at January 1 and December 31 for both the 2022 and 2021 year-ends. My conclusion on the financial statements as at and for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in 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 not-for-profit in accordance with the ethical requirements that are relevant to my audit of 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.

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INDEPENDENT AUDITOR'S REPORT

Material Uncertainty Related to Going Concern

I draw attention to Note 10 in the financial statements, which indicates that St. John's Anglican Church, West Toronto has incurred significant deficits and its Operating Fund current liabilities exceed its unrestricted assets by \$9,544. As stated in Note 10, these events or conditions, along with other matters as set for in Note 10, indicate that a material uncertainty exists that may cast significant doubt on St. John's Anglican Church, West Toronto's ability to continue as a going concern. My opinion is not modified in respect of this matter.

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 generally accepted 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 not-for-profit'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 not-for-profit or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the not-for-profit'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 judgement and maintain professional skepticism throughout the audit. I also:

MAUREEN A. PARRY PROFESSIONAL CORPORATION

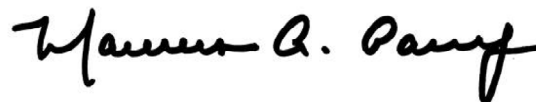
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INDEPENDENT AUDITOR'S REPORT

- 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 not-for-profit'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 not-for-profit'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 not-for-profit 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.



Toronto, Ontario
February ??, 2023

CPA, CA, Professional Corporation
Authorized to practice public accounting by
The Chartered Professional Accountants of Ontario

St. John's Anglican Church, West Toronto
STATEMENT OF FINANCIAL POSITION

December 31	Operating Fund		Restricted Funds				Total Funds	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS								
Cash	32,420	15,626					32,420	15,626
Cash restricted for Ministry	4,581	15,430					4,581	15,430
Accounts receivable	7,990	8,484					7,990	8,484
Due from Other Funds	<u>6,137</u>	<u>6,137</u>			<u>730</u>	<u>730</u>	<u>6,867</u>	<u>6,867</u>
	51,128	45,677			730	730	51,858	46,407
Investments [note 3]			468,656	483,789			468,656	483,789
Property and equipment [note 4]			153,830	168,544			153,830	168,544
	51,128	45,677	622,486	652,333	730	730	674,344	698,740
LIABILITIES AND FUND BALANCES								
Accounts payable	13,510	15,650					13,510	15,650
Accounts payable to Diocese of Toronto	23,493	27,045					23,493	27,045
Loans from Rectory Fund [note 5]			319,396	319,396			319,396	319,396
Deferred revenue - Ministry [note 6]	4,581	15,430					4,581	15,430
Due to Other Funds	<u>41,584</u>	<u>58,125</u>	<u>6,867</u>	<u>6,867</u>			<u>6,867</u>	<u>6,867</u>
	41,584	58,125	326,263	326,263			367,847	384,388
Fund balances								
Invested in property and equipment			153,830	168,544			153,830	168,544
Externally restricted - Rectory and Housing Funds			149,260	164,393			149,260	164,393
Externally restricted - Capital Fund			(6,867)	(6,867)			(6,867)	(6,867)
Externally restricted - Other Funds					730	730	730	730
Unrestricted	<u>9,544</u>	<u>(12,448)</u>					<u>9,544</u>	<u>(12,448)</u>
	9,544	(12,448)	296,223	326,070	730	730	306,497	314,352
	51,128	45,677	622,486	652,333	730	730	674,344	698,740

see accompanying notes

On behalf of the churchwardens:

People's Warden

Incumbent's Warden

St. John's Anglican Church, West Toronto
STATEMENT OF CHANGES IN FUND BALANCES

Year ended December 31	<u>Operating Fund</u>		<u>Restricted Funds</u>				<u>Total Funds</u>	
	<u>2022</u>	<u>2021</u>	<u>Capital Fund</u>		<u>Other Funds</u>		<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	(12,448)	(28,548)	326,070	323,517	730	730	314,352	295,699
Excess (deficiency) of revenue over expenses	21,992	16,100	(29,847)	2,553			(7,855)	18,653
Balance, end of year	9,544	(12,448)	296,223	326,070	730	730	306,497	314,352

see accompanying notes

St. John's Anglican Church, West Toronto
STATEMENT OF REVENUE AND EXPENSES

Year ended December 31	Operating Fund		Restricted Funds				Total Funds	
	2022	2021	Capital Fund		Other Funds		2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Rental	115,383	89,734					115,383	89,734
Donations	55,180	79,369					55,180	79,369
York Rectory Fund income	6,800	6,800					6,800	6,800
Rectory and Housing Fund income	6,051	5,812					6,051	5,812
Fundraising	3,633	3,108					3,633	3,108
Grants		553						553
COVID and other government subsidies	4,768	10,481					4,768	10,481
Bequests	5,000						5,000	
Jubilee Credit and other Diocesan grants	5,979	11,105					5,979	11,105
Insurance proceeds to cover building repairs		25,595						25,595
	202,794	232,557					202,794	232,557
EXPENSES								
Salaries	57,171	52,891					57,171	52,891
Building	55,606	94,871					55,606	94,871
Utilities	24,856	19,523					24,856	19,523
General	24,600	21,495					24,600	21,495
Music	9,000	13,860					9,000	13,860
Diocesan assessment	7,004	9,859					7,004	9,859
Ministry	1,195	1,726					1,195	1,726
Fundraising expenses	730	1,383					730	1,383
Outreach	640	849					640	849
	180,802	216,457					180,802	216,457
Excess of revenue over expenses before other	21,992	16,100					21,992	16,100
Other								
Amortization of property and equipment			(14,714)	(14,714)			(14,714)	(14,714)
Change in ending fair value of investments			(15,133)	17,267			(15,133)	17,267
Excess (deficiency) of revenue over expenses for the year	21,992	16,100	(29,847)	2,553			(7,855)	18,653

see accompanying notes

St. John's Anglican Church, West Toronto
STATEMENT OF CASH FLOWS

Year ended December 31	2022 \$	2021 \$
CASH FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	(7,855)	18,653
Items not requiring an outlay of cash -		
Amortization of property and equipment	14,714	14,714
Change in ending fair value of investments	<u>15,133</u>	<u>(17,267)</u>
	21,992	16,100
Changes in non-cash working capital items -		
Accounts receivable	494	18,294
Accounts payable	(2,140)	408
Accounts payable to Diocese of Toronto	(3,552)	(13,845)
Deferred revenue - Ministry	<u>(10,849)</u>	<u>(2,258)</u>
	5,945	18,699
FINANCING ACTIVITIES		
Repayment to Rectory Fund		(3,600)
INVESTING ACTIVITIES		
Proceeds on sale of investments	<u> </u>	<u>3,600</u>
Net change in cash during the year	5,945	18,699
Cash, beginning of year	31,056	12,357
Cash, end of year	<u>37,001</u>	<u>31,056</u>
CASH CONSISTS OF:		
Cash	32,420	15,626
Cash restricted for Ministry	4,581	15,430
	<u>37,001</u>	<u>31,056</u>

see accompanying notes

St. John's Anglican Church, West Toronto
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

MISSION OF THE CHURCH

St. John's Anglican Church, West Toronto (St. John's), a corporation under the Church Temporalities Act, was founded in 1881 and is a registered charity under the Canadian Income Tax Act.

The mission of St. John's is to build a community of caring believers committed to Christ, to work for justice and service to all in need. We gather to praise God, and to give and receive support to meet the challenge of our daily ministries. We call on all who will come and join us.

We are an accessible, accepting, diverse community. We are young and old, able-bodied, and disabled, employed and unemployed. We are married, single, divorced, straight and gay. We are from all over the world, yet we could live next door. You will find open minds and open hearts at St. John's.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations. These standards are in accordance with Canadian generally accepted accounting principles and include the following significant policies:

Change in Accounting Policy

The Church has adopted the amendments to CPA Handbook Section 3856, Financial Instruments. The amendments have been adopted effective January 1, 2021, the beginning of the earliest comparative period in these financial statements (the "transition date"). The amendments provide guidance on the accounting for financial instruments arising from transactions between both arm's-length and related parties, and require disclosure of enterprise-specific information related to significant risks arising from financial instruments.

The Church has applied the amendments retrospectively, in accordance with the transition provisions. The amendments provide transition relief for instruments without repayment terms to be measured at their pre-adoption carrying amount less impairment at the transition date. Transition relief is also provided for instruments extinguished or derecognized prior to the transition date, such that only instruments existing on the transition date need to be assessed.

The adoption of the amendments had no impact on the Church's financial statements other than the enterprise-specific risk disclosures related to significant risks arising from the Church's financial instruments (see note 7).

Financial instruments

St. John's initially measures its financial assets and liabilities at fair value. Subsequently financial assets and liabilities are measured at amortized cost, except for investments in marketable securities that are quoted in an active market which are measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenue over expenses. Transaction costs that are directly attributable to the acquisition of investments are recognized in net income in the period incurred.

St. John's Anglican Church, West Toronto
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and loans from Rectory Fund.

Financial assets measured at fair value include investments that are quoted in an active market.

Property and equipment

Property and equipment in excess of \$1,000 are capitalized at cost. Contributed property and equipment are recorded at fair value at the date of contribution. Amortization is provided on a straight line basis over the useful life of the assets, as follows:

Church building renovations	20 years
-----------------------------	----------

Effective in 2013, St. John's changed its accounting policy for property and equipment from expensing when acquired to capitalizing and amortizing over their estimated useful lives. All material assets, with the exception of the land and the original church building, were retroactively capitalized and amortized. The Church Wardens determined that the original church building would have been fully amortized, so their net book value would be nil. Accordingly, the land and the original church building are recorded at a nominal value of \$1.

Revenue Recognition

St. John's follows the restricted method of accounting for contributions whereby donations are recorded to a restricted fund according to the donor's directions. Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government funding for operating expenses under the Government of Canada's COVID-19 response programs is recorded as Government COVID subsidies in the statement of revenue and expenses when the assistance is receivable.

St. John's has two investment accounts, the Rectory and House Funds, held and managed by the Anglican Diocese of Toronto, in a pool of funds reported in the Consolidated Trust Fund. Investment income earned by the Rectory and House Funds is allocated to the Operating Fund to be used to provide clergy housing allowances and the general purposes of the Parish.

St. John's Anglican Church, West Toronto
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Services

Volunteers contribute an undeterminable, but substantial number of hours during the year to assist St. John's in carrying out its mission. Because of the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

Transfers between funds

St. John's accounts for all transfers between funds as a reduction in the fund balance of the fund making the transfer and as an increase in the fund balance of the recipient fund.

Internally restricted amounts are not available for unrestricted purposes without approval of the Church Wardens and in some cases the Vestry.

Loans between funds may be made from time to time.

Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting standards for not-for-profit organizations requires the churchwardens to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The most significant estimate in the financial statements is the amortization of building renovations.

2. FUND ACCOUNTING

St. John's uses fund accounting in order that limitations and restrictions placed on the use of resources available are maintained. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds in accordance with activities or objectives specified. St. John's follows the restricted fund method of accounting for contributions. This year the balance sheet has been presented by fund. In last year's financial statements only the total of all funds was presented on the balance sheet.

The funds of St. John's include the following:

Operating Fund

The Operating Fund receives the revenue and pays the expenses for the ongoing operations of St. John's. Its fund balance is not restricted.

Restricted Funds

Capital Fund

All revenue and expenses restricted and related to St. John's buildings and its infrastructure and permanent fixtures are reported in this fund. By its nature, this is an externally restricted fund. This fund includes St. John's Rectory and House Funds held and invested by the Diocese in the Consolidated Trust Fund. The net income from the invested funds is used for the general operations of St. John's.

St. John's Anglican Church, West Toronto
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

2. FUND ACCOUNTING (continued)

Restricted Funds (continued)

Other Funds

The Other Funds report revenue collected on behalf of other organizations and other outreach programs including supporting refugees.

3. INVESTMENTS

	2022	2021
	\$	\$
Rectory Fund - Loaned to St. John's [note 5]	319,396	319,396
Rectory Fund - Diocese Consolidated Trust Fund	142,071	156,476
Housing Fund - Diocese Consolidated Trust Fund	7,189	7,917
Total	468,656	483,789

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	Net book value	
			2022	2021
	\$	\$	\$	\$
Land and original church building	1		1	1
Church building renovations	388,549	(234,720)	153,829	168,543
	388,550	(234,720)	153,830	168,544

5. LOANS FROM RECTORY FUND

	2022	2021
	\$	\$
Loan to repair roof in 2010	121,730	121,730
Loan to replace boiler in 2012	85,000	85,000
Loan to repay Diocese loan in 2012	43,466	43,466
Loan to repair sewer pipes and other projects in 2018	69,200	69,200
Total	319,396	319,396

These loans are from St. John's Rectory Fund held by the Diocese in the Consolidated Trust Fund. The loans are non-interest bearing due to the corresponding reduction in the Rectory Fund balance which reduces the income from the Rectory Fund.

St. John's Anglican Church, West Toronto
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

5. LOANS FROM RECTORY FUND (continued)

The 2010 loan requires principal repayments of \$6,000 per year, but only the 2011 payment was made. A total of \$10,000 per year in principal payments are required on the 2012 loans. The Diocese agreed to suspend the principal repayments until 2016. St. John's has discussed suspending the principal repayments indefinitely with the Diocese. It is St. John's opinion that the Diocese will not demand repayment of these loans. In 2018 an additional amount was borrowed which requires monthly repayments of \$300 (\$3,600 per annum) for three years starting in 2019 for three years. In addition, the congregation approved the sale of the organ and when sold the proceeds will be paid into the Rectory Fund to reduce the balance owing. The \$3,600 repayment in 2019, 2020 and 2021 was achieved by requesting that amount be transferred from the Housing Fund to the Rectory Fund.

6. DEFERRED REVENUE - MINISTRY

This accounts for designated grants for youth ministry, transgendered ministry or other ministry activities outside the usual budgeted operations of St. John's. The funds are held for initiatives to be approved by the Pastor and Church Wardens. Such designated gifts are not recognized as revenue of the Operating Fund until the year in which the related expenses are incurred. Activity in deferred revenue - Ministry account was as follows:

	Anglican Foundation	Diocese of Toronto	2022	Total
	\$	\$	\$	2021
Balance, beginning of year	10,454	4,976	15,430	17,688
Designated grants				5,000
Transferred to sponsors	(10,454)		(10,454)	(3,500)
Revenue recognized in Operating Fund to offset expenses		(395)	(395)	(3,758)
Balance, end of year	NIL	4,581	4,581	15,430

The Anglican Foundation grant was sponsored by the Incumbent and Director of Youth Ministry of the Church and under the terms of the grant if both leave St. John's the funds will have to be forwarded to their new parish. Last year an agreement was reached with the former Incumbent's new parish. In 2021 \$3,500 was transferred and the balance of \$10,454 was transferred in 2022.

St. John's Anglican Church, West Toronto
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

7. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Items that meet the definition of financial instruments consist of cash, accounts receivable, investments, accounts payable and loans from Rectory Fund. Financial instrument transactions, such as collecting receivables, buying and selling investments, settling payables, may result in exposure to significant financial risks and concentration of risk.

The nature and extent of significant risks as of December 31, 2022, are described below. There have been no changes to the significant risks from the prior year.

Credit risk

Credit risk arises from the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. St. John's financial assets that are exposed to credit risk consist of cash, accounts receivable and investments. Cash consists of deposits with a major Canadian bank. Investments are held and managed as a pool of funds by the Diocese in the Consolidated Trust Fund and are reviewed regularly to evaluate changes in the status of the funds. St. John's is subject to credit risk through its accounts receivable. Credit risk is limited due to the small number of receivables owed to St. John's.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. St. John's Rectory and House Funds are exposed to market risk on the investments held in the pool of funds managed by the Diocese in the Consolidated Trust Fund. The Diocese seeks to minimize the potential adverse effects of this risk by regularly monitoring the investment's position, market events and diversifying of the investment portfolio within the constraints of its Investment Policies. The Diocese does not use derivatives to alter its exposure to these risks.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates. St. John's Rectory and House Funds are exposed to interest rate risk on the bonds held in the pool of funds managed by the Diocese in the Consolidated Trust Fund. The Diocese seeks to minimize the potential adverse effects of this risk by regularly monitoring the investment's position, market events and diversifying of the investment portfolio within the constraints of its Investment Policies. The Diocese does not use derivatives to alter its exposure to these risks.

Fair Value

The fair value of cash, accounts receivable and accounts payable is approximately equal to their carrying value due to their short-term maturity dates. The quoted market value at December 31, 2022 was used to estimate the fair value of investments.

St. John's Anglican Church, West Toronto
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

8. IMPACT OF THE COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The impact of this unprecedented event could continue to have material effect on St. John's operations in 2023 and beyond. The pandemic has affected global markets and caused disruptions to domestic and international supply chains. Various measures introduced by all levels of government (i.e. travel restrictions, business closures, reduced government services, restrictions on public movement, imposition of quarantines and social distancing) have impacted St. John's ability to deliver all of its programs and services over the immediate term. While St. John's has returned to normal operations, it is possible that further disruptions to operations are possible.

In compliance with the emergency closure orders from the province of Ontario and the City of Toronto, St. John's temporarily closed its doors on March 15, 2020 to in-person services, but it has continued to provide weekly worship services through online services. The first emergency closure orders were lifted, but St. John's decided to remain closed for in-person services for the rest of 2020. Due to the new emergency closure orders from the province of Ontario and the City of Toronto effective December 26, 2020, St. John's did not reopen for in-person services until September 12, 2021. Due to another closure order, St. John's closed again for in-person services on January 9, 2022. The Ontario government has announced an easing of the closure orders effective January 31, 2022, and St. John's reopened for in-person services on March 2, 2022. St. John's congregation has continued its financial support, but there is uncertainty regarding the impact of the pandemic on its revenue over the longer term.

St. John's rents its facilities to third party users on an ongoing and ad hoc basis. St. John's has returned to normal rental operations, but the impact of any new social distancing orders on future rental income is not known at this time.

During the 2022 fiscal year, St. John's earned \$91 (2021 - \$10,481) under the Government of Canada's Canada Emergency Wage Subsidy program. St. John's continues to monitor and apply for those government-funded initiatives it qualifies for, to help it through the loss of any revenue resulting from the temporary closure.

An estimate of the full financial effect of the COVID-19 pandemic on St. John's cannot be made as at the date the financial statements were authorized for issuance on February ??, 2023.

9. ADMINISTRATOR

Pursuant to Canon 24 of the Incorporated Synod of The Diocese of Toronto, an Administrator was appointed to St. John's effective October 22, 2020 at the suggestion of The Right Reverend Jennifer Andison, Area Bishop of York-Credit Valley, Bishop Suffragan of Toronto, and approved by the Church Wardens. The Administrator's role is to assist St. John's with the management of its financial challenges that have been exacerbated by the COVID-19 pandemic and the former Priest-in-Charge's medical leave. The Administrator was reappointed for a second one year term, which was extended by the Diocese to the end of 2022, but it will not be renewed further. Legal authority and responsibility for financial management will return to the Wardens in 2023.

St. John's Anglican Church, West Toronto
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

10. GOING CONCERN

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations on the assumption that the entity is a going concern. Under the going concern assumption, an organization is viewed as being able to realize its assets and discharge its liabilities in the normal course of operations. Many unfavourable conditions and events have cast doubt on the appropriateness of this assumption. St. John's has incurred significant deficits in prior years, but with prudent management in the last two years its Operating Fund now has a modest fund surplus of \$9,544 as compared to a deficit of \$12,448 at the end of 2021. In addition, St. John's has not complied with all of the principal repayments required on its Rectory Fund loans.

The parish held a special Vestry meeting in April 2022 at which the majority voted to seek ways of continuing to operate and grow.

The Administrator and Management prepared a realistic balanced budget for 2022 and was able to realize another surplus for the year. The budget planned for 2023 anticipates Diocese approval of an additional non-repayable withdrawal from the Rectory Fund to support a full-time clergy and a part-time bookkeeper. St. John's has been able to keep up with the current monthly assessments from the Incorporated Synod of the Diocese of Toronto, and is continuing to manage its cash flow by slowly paying the accumulated monthly assessments owing from the prior year as cash flow permits. The Administrator and Management believe that the Diocese will not call on this debt to be repaid in the short-term while they work on plans to stabilize the parish and to see if long-term sustainability can be found.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. As described above, the Administrator and Management believe that the measures they intend to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of this assumption.