

CHRIST CHURCH (BRAMPTON)

FINANCIAL STATEMENTS

JUNE 30, 2024

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JUNE 30, 2024

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Christ Church (Brampton)

We have reviewed the accompanying financial statements of Christ Church (Brampton) that comprise the statement of financial position as at June 30, 2024 and the statements of receipts and expenditures and fund balance and statement of 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 that we 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 entity, 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.

Basis for Qualified Conclusion

The organization was unable to complete a bank reconciliation that matched both the bank statement and the general ledger. As a result, the organization posted an adjustment to last year's opening balances of \$11,835 and \$2,642 in the current year to correct the ending balance for unknown errors in the bank account.

The organization had its charitable status revoked by CRA on September 7, 2024 as a result of not filing its annual charity return (T3010). The organization is currently applying to CRA to have its charitable status reinstated but there is no timeline as to when that might occur and as such the status of the organization is uncertain and they may be liable for income tax on their net income. As such, no tax liability has been recorded.

In common with many not-for-profit organizations, Christ Church (Brampton) derives revenue from voluntary contributions and fundraising activities, the completeness of which is not susceptible to satisfactory verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Christ Church (Brampton). Therefore, we were not able to determine whether any adjustments might be necessary to receipts, excess (deficiency) of receipts over expenditures, cash flows from operations, current assets, or fund balances. Our opinion on the financial statements for the year ended June 30, 2024 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, nothing other than the issues described in the basis for qualified conclusion paragraph above 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 Christ Church (Brampton) as at June 30, 2024, 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.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial statements, which indicates that the organization is working on having its charitable status reinstated. Since the organization was unaware that its charitable status was revoked, it continued to collect donations and issue tax receipts. The organization does not know if or when its charitable status will be reinstated but it is working with CRA to do so. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the organization's ability to continue as a going concern.

BELL CPA & Associates Prof Corp

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Authorized to practice public accounting by The Chartered Professional Accountants of Ontario.

**Brampton, Ontario
September 2, 2025**

CHRIST CHURCH (BRAMPTON)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	General Fund	Future Ministry Fund	Heritage Fund	Consolidated Trust Fund	Total 2024	Total 2023
ASSETS						
Cash	\$ 100,360	\$ -	\$ -	\$ -	\$ 100,360	\$ 168,363
Short-term Investments	-	-	196,810	460,405	657,215	591,822
Accounts Receivable (Note 5)	8,690	-	-	-	8,690	4,795
Due from (to) Other Funds	<u>30,164</u>	<u>53,946</u>	<u>(84,110)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current assets	139,214	53,946	112,700	460,405	766,265	764,980
TOTAL ASSETS	<u>139,214</u>	<u>53,946</u>	<u>112,700</u>	<u>460,405</u>	<u>766,265</u>	<u>764,980</u>
LIABILITIES						
Current liabilities						
Accounts Payable and Accrued						
Liabilities (Note 7)	16,594	-	-	-	16,594	24,464
Deferred Revenue (Note 9)	15,675	-	-	-	15,675	22,975
Designated Funds	<u>55,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,510</u>	<u>50,519</u>
Total current liabilities	<u>87,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,779</u>	<u>97,958</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	87,779	-	-	-	87,779	97,958
FUND BALANCES	<u>51,435</u>	<u>53,946</u>	<u>112,700</u>	<u>460,405</u>	<u>678,486</u>	<u>667,022</u>
	<u>\$ 139,214</u>	<u>\$ 53,946</u>	<u>\$ 112,700</u>	<u>\$ 460,405</u>	<u>\$ 766,265</u>	<u>\$ 764,980</u>

CHRIST CHURCH (BRAMPTON)
STATEMENT OF RECEIPTS AND EXPENDITURES AND FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Future Fund	Heritage Fund	Consolidated Trust Fund	Total 2024	Total 2023
RECEIPTS						
Donations	\$ 341,672	\$ 100	\$ -	\$ -	\$ 341,772	\$ 386,274
Investment Income	-	-	19,632	54,354	73,986	100,570
Rental Income	37,476	-	-	-	37,476	35,700
Other Income	<u>22,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,335</u>	<u>9,737</u>
	<u>401,483</u>	<u>100</u>	<u>19,632</u>	<u>54,354</u>	<u>475,569</u>	<u>532,281</u>
EXPENDITURES						
Salaries and benefits	257,459	-	-	-	257,459	280,630
Repairs and maintenance	83,063	-	-	-	83,063	88,088
Outreach expense	69,644	-	-	-	69,644	75,081
Office and general	44,495	-	-	-	44,495	40,923
Ministry expense	<u>9,444</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,444</u>	<u>5,726</u>
	<u>464,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,105</u>	<u>490,448</u>
Excess (deficiency) of receipts over expenditures	(62,622)	100	19,632	54,354	11,464	41,833
Interfund transfers	8,592	-	-	(8,592)	-	-
Fund balances, beginning of year	<u>105,465</u>	<u>53,846</u>	<u>93,068</u>	<u>414,643</u>	<u>667,022</u>	<u>625,189</u>
Fund balances, end of year	<u>\$ 51,435</u>	<u>\$ 53,946</u>	<u>\$ 112,700</u>	<u>\$ 460,405</u>	<u>\$ 678,486</u>	<u>\$ 667,022</u>

CHRIST CHURCH (BRAMPTON)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Cash provided by (used in)		
Operating activities		
Excess receipts over expenditures	\$ 11,464	\$ 41,833
Change in non-cash working capital balances	(11,765)	6,045
General - Designated Memorial funds	4,991	44,964
General - Deferred revenue	<u>(7,300)</u>	<u>7,739</u>
	(2,610)	100,581
Investing activities		
Change in investments	<u>(65,393)</u>	<u>(51,308)</u>
Cash increase (decrease) during the year	<u>(68,003)</u>	<u>49,273</u>
Cash - beginning of year	<u>168,362</u>	<u>119,089</u>
Cash - end of year	<u>\$ 100,359</u>	<u>\$ 168,362</u>

Cash is defined as: Cash, General - Cash

CHRIST CHURCH (BRAMPTON)

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

STATUS AND PURPOSE OF THE ORGANIZATION

Christ Church (Brampton) (the "organization") is a separate corporation under The Incorporated Synod of the Dioceses of Toronto which was incorporated on January 23, 1869. The organization operates in buildings owned by the Diocese of Toronto ("Diocese"). The organization's purpose is to carry out various programs for the benefit of the members of the organization and its community.

The organization was previously a registered charity exempt from income tax under the Income Tax Act, but on September 7, 2024 its charitable status was revoked by CRA for failure to file its annual charity return (T3010) and therefore does not have the right to issue tax receipts for any donations it receives. It is in the process of applying to CRA to have its charitable status reinstated but there is no timeline as to when that might occur and as such cannot issue tax receipts for donations it receives. As it currently exists as neither a not-for-profit nor a registered charity, the status of the organization is uncertain and the organization may be liable for income tax on its net income. As this is all unknown, no tax liability has been recorded in the financial statements.

1. GOING CONCERN

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations that apply to a going concern. Under the going concern assumption, an organization is viewed as being able to continue its operations in the foreseeable future and realize its assets and discharge its liabilities in the normal course of operations. However, the use of Canadian accounting standards for not-for-profit organizations applicable to a going concern is potentially inappropriate because there is significant doubt about the appropriateness of the going concern assumption.

Given the loss of charitable status and inability to issue tax receipts for donations, the organization faces a risk of a significant decline in donations, which will impact the organization's ability to discharge its liabilities and continue its programs. Management and the Board are working with CRA in hopes that the organization's charitable status will be reinstated.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management feels that the measures described above will mitigate the effect of the conditions and facts that raise doubt about the appropriateness of this assumption.

2. CORRECTION OF AN ACCOUNTING ERROR

Sometime before 2022, the organization had incorrectly recorded income into deferred revenue in the Future Ministries Fund rather than recognizing it on the income statement, since it had no further restrictions than to be used for that fund. To correct this, \$22,050 was removed from deferred revenue and adjusted to the fund's opening fund balance.

The organization has incorrectly been using deferred revenue as a "flow-through" account for restricted revenue, never recording amounts as either income or expenses on the income statement. Prior year's fund balances, revenue and expenses have been adjusted by the following amounts to show the transactions occurring in the year:

- Fund balances increased by \$22,050
- Deferred Revenue was reduced by \$22,050

CHRIST CHURCH (BRAMPTON)

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

3. 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 Canada Handbook and include the following significant accounting policies:

(a) Fund Accounting

The accounts of the organization are maintained in accordance with the principles of fund accounting. Financial resources are classified into funds to comply with activities or objectives specified by the donor or to comply with directives issued by the board. Transfers between funds are made with the approval of the board.

(b) Donated services

The organization benefits greatly from donated services in the form of volunteer time for various activities. Some of the time donated includes that of related parties, including Board members. The value of the donated services is not recognized in these financial statements.

(c) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

(d) Recognition of contributions

The organization follows the restricted fund method in which externally restricted contributions are recognized when they are received in the fund corresponding to the purpose for which they were donated. Unrestricted contributions are recognized in the general fund.

(e) Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

The organization's financial assets measured at fair value include a number of other investments.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

CHRIST CHURCH (BRAMPTON)

NOTES TO THE FINANCIAL STATEMENTS

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Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

4. FUND DESCRIPTIONS

(a) General Fund

This fund is used for the general operations of the church. The purpose of interfund transfers from the Consolidated Trust Fund is to accept half of the interest earned on investments in the Consolidated Trust Fund.

(b) Future Fund

This fund supplements future ministry salaries. There are no interfund transfers in this fund during the year.

(c) Heritage Fund

This fund is used for capital improvements to the existing structure and to cover General Fund operating deficits. There are no interfund transfers in this fund during the year.

(d) Consolidated Trust Fund

This fund is used to hold funds from the sale of the church's rectory which can be used to purchase a rectory in the future, if deemed necessary. The purpose of interfund transfers in this fund is to move half of the interest earned on this investment into the General Fund.

5. ACCOUNTS RECEIVABLE

	2024	2023
Due from Bazaar Group	\$ 252	\$ 252
Misc. Receivables	-	4,543
HST recoverable - Fed	2,328	-
HST recoverable - Prov	<u>6,110</u>	<u>-</u>
	<u>\$ 8,690</u>	<u>\$ 4,795</u>

6. CREDIT FACILITIES

The organization has credit facilities in the form of corporate credit cards which total \$2,000 (\$2,000 in 2023), of which \$740.77 was utilized. It was not overdue and is included in the accounts payable and accrued liabilities set out in the statement of financial position/ balance sheet.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accounts Payable	\$ 6,594	\$ 9,355
Accrued Expenses	<u>10,000</u>	<u>15,109</u>
	<u>\$ 16,594</u>	<u>\$ 24,464</u>

CHRIST CHURCH (BRAMPTON)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

8. LEASE COMMITMENTS

The organization has lease commitments for the next five years as follows:

2025	\$ 4,180
2026	4,180
2027	4,180
2028	4,180
2029	<u>2,787</u>
Total	\$ <u>19,507</u>

After the above payments, there are no scheduled lease payments due.

9. CHANGES IN DEFERRED REVENUE

During the year, the following changes occurred in the deferred revenue balance.

	2024	2023
Deferred revenue, beginning of year	\$ 22,975	\$ 14,821
Restricted funds received	16,000	17,336
Restricted funds recognized in revenue	<u>(23,300)</u>	<u>(9,182)</u>
Deferred revenue, end of year	\$ <u>15,675</u>	\$ <u>22,975</u>

10. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the statement of financial position date.

(i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The organization does not currently conduct transactions in or hold foreign currency.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will change due to changes in market interest rates. The organization manages its investment portfolio based on its cash flow needs and with a view to optimizing its interest income.

(iii) Market risk

Market risk is the risk that the fair value or future cash flows 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 issuers or factors affecting all instruments traded in the market. Market risk is the combination of currency risk, interest rate risk and other price risk. The organization's exposure to currency risk and interest rate risks are noted above. The organization is exposed to other price risk through its investments in quoted shares. The organization's exposure to other price risks is minimal because their short term investments are guaranteed.

(iv) 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 organization is exposed to other price risk through its investments in quoted shares.

CHRIST CHURCH (BRAMPTON)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

11. CORRESPONDING FIGURES FOR THE PRIOR YEAR

Certain figures for 2023 have been reclassified to make their presentation identical to that adopted in 2024.