

**ST. MICHAEL THE ARCHANGEL
ANGLICAN CHURCH**

Financial Statements

June 30, 2025

ST. MICHAEL THE ARCHANGEL ANGLICAN CHURCH

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Year Ended June 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Wardens of St. Michael The Archangel Anglican Church,

Qualified Opinion

We have audited the accompanying financial statements of St. Michael The Archangel Anglican Church, which comprise the statement of financial position as at June 30, 2025 and the statements of receipts and disbursements and fund balances and its cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of church as at June 30, 2025, 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 Qualified Opinion

In common with many charitable organizations, St. Michael The Archangel Anglican Church derives revenue from donations and fund-raising the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of church. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess revenue over expenditure, cash flows from operations for the years ended June 30, 2025 and 2024, current assets as at June 30, 2025 and 2024, net assets as at July 1 and June 30 for both the 2025 and 2024 years. Our audit 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of 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 of our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 church'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 church or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 misstatements 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 through out the audit. We also:

- Identify and assess the risk 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.*
- 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 church's internal control.*
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause church 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.

Senathi & Associates

Senathi & Associates
professional corporation

CHARTERED PROFESSIONAL ACCOUNTANTS

(Authorized to practise public accounting by the Chartered Professional Accountants of Ontario)

Toronto, Ontario
January 21, 2026

ST. MICHAEL THE ARCHANGEL ANGLICAN CHURCH

Statement of Financial Position

June 30, 2025

	2025	2024
ASSETS		
CURRENT		
Cash and bank	\$ 47,218	\$ 46,328
Cash and bank - Goldhawk Church Campus (Note 2)	16,416	22,930
Investments (Note 3)	116,665	85,391
Investments - Goldhawk Church Campus (Note 2, 4)	17,785	15,808
Rent receivable	2,084	-
HST rebate recoverable	414	1,166
HST rebate recoverable - Goldhawk Church Campus	2,196	1,925
	\$ 202,778	\$ 173,548
LIABILITIES AND FUND BALANCES		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,452	\$ 3,999
Rent deposit	500	500
	4,952	4,499
FUND BALANCES		
General Fund	147,460	118,117
Internally restricted funds		
Building Improvement Fund	15,277	13,106
Computer Fund	5	5
Men's Fellowship Fund	466	466
Discretionary Fund	212	212
Relief Fund	518	518
Air Conditioner Fund	(778)	-
Out of the Cold Fund	(434)	131
Campus Fund	33,941	35,335
Church Garden Fund	1,159	1,159
	197,826	169,049
	\$ 202,778	\$ 173,548

APPROVED BY THE WARDENS:

_____ Warden

_____ Warden

See accompanying notes to financial statements.

ST. MICHAEL THE ARCHANGEL ANGLICAN CHURCH
Statement of Receipts and Disbursements and Fund Balances
Year Ended June 30, 2025

	2025	2024
<u>GENERAL FUND</u>		
RECEIPTS		
Envelopes	\$ 73,803	\$ 90,333
Investment distributions by the Diocese (Note 3)	36,868	36,408
Rental income	6,750	2,128
Bequest	5,000	-
Fundraising	223	536
	122,644	129,405
DISBURSEMENTS		
Personnel	\$ 57,888	\$ 45,705
Priest housing expenses	11,154	14,793
Mission	12,757	12,280
Administration	9,201	6,770
Ministry and worship	2,301	2,004
	93,301	81,552
EXCESS REVENUE OVER EXPENDITURE	29,343	47,853
OPENING BALANCE	118,117	70,264
CLOSING BALANCE	\$ 147,460	\$ 118,117
<u>SUMMARY OF INTERNALLY RESTRICTED FUNDS</u>		
RECEIPTS	\$ 29,859	\$ 31,681
DISBURSEMENTS	30,425	22,730
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURE	(566)	8,951
OPENING BALANCE	50,932	41,981
CLOSING BALANCE	\$ 50,366	\$ 50,932

See accompanying notes to financial statements.

ST. MICHAEL THE ARCHANGEL ANGLICAN CHURCH
Statement of Receipts and Disbursements and Fund Balances
Year Ended June 30, 2025

	2025	2024
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DETAILS OF RESTRICTED FUND BALANCE ACTIVITIES

BUILDING IMPROVEMENT FUND

RECEIPTS	\$ 2,171	\$ 1,303
DISBURSEMENTS	-	-
EXCESS REVENUE OVER EXPENDITURE	2,171	1,303
OPENING BALANCE	13,106	11,803
CLOSING BALANCE	\$ 15,277	\$ 13,106

COMPUTER FUND

RECEIPTS	\$ -	\$ -
DISBURSEMENTS	-	-
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURE	-	-
OPENING BALANCE	5	5
CLOSING BALANCE	\$ 5	\$ 5

MEN'S FELLOWSHIP FUND

RECEIPTS	\$ -	\$ -
DISBURSEMENTS	-	-
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURE	-	-
OPENING BALANCE	466	466
CLOSING BALANCE	\$ 466	\$ 466

See accompanying notes to financial statements.

ST. MICHAEL THE ARCHANGEL ANGLICAN CHURCH
Statement of Receipts and Disbursements and Fund Balances
Year Ended June 30, 2025

	2025	2024
<u>DISCRETIONARY FUND</u>		
RECEIPTS	\$ -	\$ -
DISBURSEMENTS	-	182
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURE	-	(182)
OPENING BALANCE	212	394
CLOSING BALANCE	\$ 212	\$ 212

<u>RELIEF FUND</u>		
RECEIPTS	\$ -	\$ -
DISBURSEMENTS	-	-
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURE	-	-
OPENING BALANCE	518	518
CLOSING BALANCE	\$ 518	\$ 518

<u>AIR CONDITIONER FUND</u>		
RECEIPTS	\$ 120	
DISBURSEMENTS	898	-
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURE	(778)	-
OPENING BALANCE	-	-
CLOSING BALANCE	(778)	-

See accompanying notes to financial statements.

ST. MICHAEL THE ARCHANGEL ANGLICAN CHURCH
Statement of Receipts and Disbursements and Fund Balances
Year Ended June 30, 2025

	2025	2024
<u>OUT OF THE COLD FUND</u>		
RECEIPTS	\$ 591	\$ 220
DISBURSEMENTS	1,156	280
DEFICIENCY OF REVENUE OVER EXPENDITURE	(565)	(60)
OPENING BALANCE	131	191
CLOSING BALANCE	(434)	131
<u>CAMPUS FUND</u>		
RECEIPTS		
Rental income	25,000	27,929
Dividend income	655	583
Change in market value	1,322	1,258
	26,977	29,770
DISBURSEMENTS		
Expenses - Maintenance and Heating	28,371	22,252
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	(1,394)	7,518
OPENING BALANCE	35,335	27,817
CLOSING BALANCE	33,941	35,335
<u>CHURCH GARDEN FUND</u>		
RECEIPTS	-	388
DISBURSEMENTS	-	16
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	-	372
OPENING BALANCE	1,159	787
CLOSING BALANCE	\$ 1,159	\$ 1,159

See accompanying notes to financial statements.

ST. MICHAEL THE ARCHANGEL ANGLICAN CHURCH

Statement of Cash Flows

Year Ended June 30, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess revenue over expenditure - General Fund	\$ 29,343	\$ 47,853
Excess revenue over expenditure - Internally restricted funds	\$ (566)	\$ 8,951
	28,777	56,804
Changes in non-cash working capital items:		
Rent receivable	(2,084)	-
HST rebate recoverable	752	659
HST rebate recoverable - Goldhawk Church Campus	(271)	(324)
Accounts payable and accrued liabilities	453	799
Rent deposit	-	500
	(1,150)	1,634
Cash flow from operating activities	27,627	58,438
INVESTING ACTIVITIES		
Investments	(31,274)	(33,402)
Investments - Goldhawk Church Campus	(1,977)	(1,841)
Cash flow used by investing activities	(33,251)	(35,243)
INCREASE (DECREASE) IN CASH FLOW	(5,624)	23,195
CASH - Beginning of year	69,258	46,063
CASH - End of year	\$ 63,634	\$ 69,258
CASH CONSISTS OF:		
Cash and bank	\$ 47,218	\$ 46,328
Cash and bank - Goldhawk Church Campus	16,416	22,930
	\$ 63,634	\$ 69,258

See accompanying notes to financial statements.

DESCRIPTION OF OPERATIONS

St. Michael The Archangel Anglican Church (the "church") is a charitable organization incorporated by Letters of Patent under the Canada Business Corporation act without share capital to preach and advance the teaching of the Christian faith and the religious tenets, doctrines, observances and cultures associated with that faith.

St. Michael The Archangel Anglican Church is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting

To recognize the limitations and restrictions placed on the use of available resources, the church maintains its accounts in accordance with the principles of fund accounting. Under fund accounting, resources are segregated into account groups according to the activity or specified objectives to which resources are applied. For financial reporting purposes, the accounts have been classified into the following major funds:

General Fund - This fund includes resources that are unrestricted, which are available for immediate purposes and accounts for the church's general and administrative activities.

Building Improvement Fund - This fund includes resources that have been set aside for major capital expenses related to the building.

Other Funds - Other internally restricted funds are Computer Fund, Men's Fellowship Fund, Discretionary Fund, Relief Fund, Air Conditioner Fund, Out of the Cold Fund, Campus Fund, and Church Garden Fund. All these funds are set aside to meet specific activities of the church.

Revenue Recognition

The church follows restricted fund method of accounting for its contributions.

Unrestricted contributions are recognized as revenue in the appropriate unrestricted fund in the year received or upon becoming receivable.

Restricted contributions (internal and external) are recognized as revenue in the appropriate restricted fund when received or receivable. Restricted contributions including any income generated from restricted resources can only be used for the purposes designated.

All other contributions are recognized when they earned.

(continues)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial Instruments

Financial instruments consists of cash, investments, rent receivable, and accounts payable and accrued liabilities.

The church initially measures its financial assets and liabilities at fair value and subsequently measures them at amortized cost less any discovered impairment.

The church measures its equity investments at market fair value when observable market prices are available.

Joint Venture

The church accounts for its interest in joint ventures using the proportionate consolidation method.

Capital Assets

Canadian generally accepted accounting principles for not-for-profit organization does not require capitalization of capital assets if the average annual revenue recognized in the statement of operations for the current and preceding period of the church is less than \$500,000. Therefore the church chooses to charge capital assets to operations in the year of acquisition.

Contributed Services

Volunteers contribute in carrying out the church's services delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for accounts payable and accrued liabilities at year-end. Actual results could differ from these estimates.

2. JOINT VENTURE

Goldhawk church campus

The church entered into a working agreement with St. John Presbyterian Church, a second denomination, about usage of the property referred to as the Church Campus, located at 410 Goldhawk Trail in the City of Scarborough. The agreement calls for equal representation of both denominations on the Board and joint control of operations at the Church Campus, except worship services and church programs that each denomination is permitted to observe and maintain separately.

ST. MICHAEL THE ARCHANGEL ANGLICAN CHURCH

Notes to Financial Statements

June 30, 2025

3. INVESTMENT HELD BY THE DIOCESE

Investments consist of the following

	2025	2024
292.62 units in the Unrestricted Fund held by The Incorporated Synod of the Diocese of Toronto, valued at \$314.5620 per unit	\$ 92,048	\$ 63,509
43.48 units in the Restricted Fund held by The Incorporated Synod of the Diocese of Toronto, valued at \$314.5620 per unit	13,677	12,157
34.78 units in the Contingency Restricted Fund held by The Incorporated Synod of the Diocese of Toronto, valued at \$314.5620 per unit	10,940	9,725
	\$ 116,665	85,391

St. Michael's rectory was sold by the Diocese for \$932,000. The net proceeds are invested by the Diocese under a Rectory Fund in favour of the church.

Income generated from this investment is distributed to the church to reimburse the incumbent for any housing allowances. Any unused distributions are reinvested by the Diocese in the Rectory Fund.

The value of the investments as of Monday, June 30, 2025 was \$1,357,266 (2024 - \$1,229,775) is held in trust and is not reflected in the church's audited financial statements.

4. INVESTMENTS - GOLDHAWK CHURCH CAMPUS

	2025	2024
The Goldhawk Church Campus Fund, held by The Incorporated Synod of the Diocese of Toronto, comprises 113.08 units valued at \$314.5620 per unit, with one-half of the holding belonging to the church.	\$ 17,785	\$ 15,808

5. FINANCIAL INSTRUMENTS RISK EXPOSURE

The church is exposed to various risks through its financial instruments. The following analysis provides a measure of the church's risk exposure and concentration at the balance sheet date.

Liquidity Risk

Liquidity risk is the risk that the church will encounter difficulty in meeting obligations associated with financial liabilities. The church expects to meet these obligations as they come due by generating sufficient cash flow from operations and fund-raising.

Market risk

The investments in the Rectory fund and other investments held by the Diocese are exposed to market risk, which could affect the value of investments and the amount of quarterly investment distributions available to reimburse for housing expenses.

6. COMPARATIVE FIGURES

The comparative financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year fund balances.
