

St. Andrew's United Church
Financial Statements
December 31, 2024

St. Andrew's United Church
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For the year ended December 31, 2024

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To the Members of St. Andrew's United Church:

We have reviewed the accompanying financial statements of St. Andrew's United Church (the "Church") that comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the Church, 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

In common with many not-for-profit organizations, the Church derives some of its revenue from donations, the completeness of which is not susceptible to satisfactory verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Church and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenses and net assets.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of St. Andrew's United Church as at December 31, 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.

Sudbury, Ontario
March 6, 2025


Chartered Professional Accountants
Licensed Public Accountants

St. Andrew's United Church Statement of Financial Position

As at December 31, 2024

	General Fund	Investment Fund	Endowment Funds	2024	2023
Assets					
Current					
Cash	6,732	-	-	6,732	1,889
Accounts receivable (Note 3)	3,659	5,612	-	9,271	12,374
Prepaid expenses	-	-	-	-	260
Inter-fund balances (Note 4)	10,687	(10,687)	-	-	-
	21,078	(5,075)	-	16,003	14,523
Investments (Note 5)	-	484,474	146,000	630,474	626,905
	21,078	479,399	146,000	646,477	641,428
Liabilities					
Current					
Accounts payable and accrued liabilities	17,439	-	-	17,439	8,055
Deferred contributions (Note 6)	-	-	-	-	27,806
	17,439	-	-	17,439	35,861
Commitments (Note 8)					
Net Assets					
Endowments	-	-	146,000	146,000	146,000
Internally restricted funds (Note 9)	-	115,024	-	115,024	128,644
Unrestricted	3,639	364,375	-	368,014	330,923
	3,639	479,399	146,000	629,038	605,567
	21,078	479,399	146,000	646,477	641,428

Approved on behalf of the Council


Member


Member



The accompanying notes are an integral part of these financial statements

St. Andrew's United Church
Statement of Revenue and Expenses
For the year ended December 31, 2024

	<i>General Fund</i>	<i>Investment Fund</i>	<i>Endowment funds</i>	2024	2023
Revenue					
Local offerings	132,552	-	-	132,552	159,722
Loose offerings	1,970	-	-	1,970	1,781
Investment income	-	18,386	6,991	25,377	25,757
Catering, fundraising	11,984	-	-	11,984	7,197
Young adult ministry	-	-	-	-	4,500
Fee for service	1,950	-	-	1,950	2,550
Other revenue	6,065	-	-	6,065	9,874
Rent subsidy <i>(Note 7), (Note 8)</i>	15,120	-	-	15,120	15,120
Gain on investments	-	54,081	-	54,081	4,946
	169,641	72,467	6,991	249,099	231,447
Expenses					
Salaries and benefits	94,252	-	-	94,252	113,006
Congregational life	31,072	-	-	31,072	22,805
Sharing our resources	14,899	10,317	-	25,216	28,552
Occupancy <i>(Note 7), (Note 8)</i>	22,936	-	-	22,936	23,789
Office and administrative	16,220	-	-	16,220	16,911
Professional fees	9,451	-	-	9,451	10,422
Canadian shield council dues	8,158	-	-	8,158	8,229
Miscellaneous	8,120	-	-	8,120	3,301
Catering, fundraising	3,180	-	-	3,180	2,158
Fee for service	1,600	-	-	1,600	3,350
Church council	1,188	-	-	1,188	614
Young adult ministry	-	-	-	-	3,310
Conferences	-	-	-	-	270
	211,076	10,317	-	221,393	236,717
Excess (deficiency) of revenue over expenses before other items	(41,435)	62,150	6,991	27,706	(5,270)
Other revenues (expenses)					
Sudbury welcomes immigrants <i>(Note 6)</i>	27,807	-	-	27,807	29,194
Mission and service	20,573	-	-	20,573	21,421
First Nations Reconciliation Fund expense	(200)	-	-	(200)	-
Benevolent account	7,407	-	-	7,407	9,480
Sudbury welcomes immigrants <i>(Note 6)</i>	(27,807)	-	-	(27,807)	(29,194)
Mission and service	(20,573)	-	-	(20,573)	(21,421)
Benevolent account	(11,442)	-	-	(11,442)	(9,460)
	(4,235)	-	-	(4,235)	20
Excess (deficiency) of revenue over expenses	(45,670)	62,150	6,991	23,471	(5,250)

The accompanying notes are an integral part of these financial statements

St. Andrew's United Church
Statement of Changes in Net Assets
For the year ended December 31, 2024

	<i>General Fund</i>	<i>Investment Fund</i>	<i>Endowment funds</i>	2024	2023
Net assets, beginning of year	7,874	451,693	146,000	605,567	610,817
Transfers	41,435	(34,444)	(6,991)	-	-
Excess (deficiency) of revenue over expenses	(45,670)	62,150	6,991	23,471	(5,250)
Net assets, end of year	3,639	479,399	146,000	629,038	605,567

The accompanying notes are an integral part of these financial statements

St. Andrew's United Church
Statement of Cash Flows

For the year ended December 31, 2024

	<i>General Fund</i>	<i>Investment Fund</i>	<i>Endowment funds</i>	2024	2023
Cash provided by (used for) the following activities					
Operating					
Excess (deficiency) of revenue over expenses	(45,670)	62,150	6,991	23,471	(5,250)
Fair value adjustment of investments	-	(54,081)	-	(54,081)	(4,946)
	(45,670)	8,069	6,991	(30,610)	(10,196)
Changes in working capital accounts					
Accounts receivable	(1,115)	4,218	-	3,103	(4,448)
Prepaid expenses	260	-	-	260	5
Accounts payable and accrued liabilities	9,384	-	-	9,384	676
Deferred contributions	(27,806)	-	-	(27,806)	(14,194)
	(64,947)	12,287	6,991	(45,669)	(28,157)
Investing					
Purchase of investments	-	(124,488)	-	(124,488)	(141,779)
Proceeds on disposal of investments	-	175,000	-	175,000	155,000
	-	50,512	-	50,512	13,221
Increase (decrease) in cash resources	(64,947)	62,799	6,991	4,843	(14,936)
Cash resources, beginning of year	1,889	-	-	1,889	16,825
Interfund cash transfers	69,790	(62,799)	(6,991)	-	-
Cash resources, end of year	6,732	-	-	6,732	1,889

The accompanying notes are an integral part of these financial statements

1. Nature of the organization

St. Andrew's United Church (the "Church") is a religious and benevolent organization with its congregation in Sudbury, Ontario. It is unincorporated and is a registered charity, thus exempt from income taxes under section 149 (l) (1) of the Income Tax Act.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

The Church follows the deferral method of accounting for contributions and reports using fund accounting, and maintains three funds: General Fund, Investment Fund and Endowment Fund.

The General Fund accounts for program delivery and administrative activities and represents the day-to-day operations of the Church; and,

The Endowment Fund reports the Church's resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the fund and transferred to operations.

The Investment Fund represents those funds set aside by the Church for investment purposes. The expendability of these funds are restricted to specific purposes as prescribed by the benefactors or, as set out at the discretion of the Church. Investment income earned on the resources of these funds are included in the investment fund income. Gains and losses on the investments are reflected in the investment fund.

Cash and cash equivalents

Cash and cash equivalents include balances with banks.

Tangible capital assets

The Church meets the criteria that allows for tangible capital assets to be expensed on acquisition.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Church's operations and would otherwise have been purchased. Volunteers contribute hundreds of hours annually to assist the Church in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed materials services are not recognized in these financial statements.

Revenue recognition

The Church uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in the Endowment Fund balance.

Restricted investment income is recognized in the appropriate deferred contribution balance or in net assets depending on the nature of the restrictions. Unrestricted investment income is recognized as revenue in the General Fund when earned.

Gains and losses on investments are recognized to reflect the fair market value recognition of the investments.

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Accrued liabilities are estimates based on estimated charges for unbilled goods and services at year-end.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Financial instruments

The Church recognizes financial instruments when the Church becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Church may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Church has made such an election during the prior year.

The Church subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Church's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

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

Financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial asset impairment

The Church assesses impairment of all its financial assets measured at cost or amortized cost. The Church groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Church determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

St. Andrew's United Church
Notes to the Financial Statements
For the year ended December 31, 2024

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Church reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Church reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Church reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Church reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

3. Accounts receivable

	2024	2023
Harmonized sales tax (HST) rebate	3,659	1,823
Interest receivable	5,612	9,830
Miscellaneous receivable	-	721
	9,271	12,374

4. Inter-fund balances

Interfund transfers consists of amounts owing for the transfers between funds and are non-interest bearing with no terms of repayment.

5. Investments

	2024	2023
Measured at fair value:		
Guaranteed investment certificates with interest rates ranging from 4.44% to 5.01%, maturing in June 2025 (2023 - interest rates ranging from 2.15% to 5.06%, maturing between January 2024 and June 2025)	80,000	215,000
Fixed income mutual funds	74,163	627
Balanced mutual funds	337,834	290,936
Common shares	138,477	120,342
	630,474	626,905

The cost of the investments at year-end was \$475,568 (2023 - \$526,174).

St. Andrew's United Church
Notes to the Financial Statements
For the year ended December 31, 2024

6. Deferred contributions

The Sudbury Welcomes Immigrants account reported in the general fund consists of funds received in the prior period that is disbursed to families when they arrive in Sudbury. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. The balances of Sudbury Welcomes Immigrants account are as follows:

	2024	2023
Balance, beginning of year	27,806	42,000
Amount received during the year	-	15,000
Less: Amount recognized as revenue during the year	<u>(27,806)</u>	<u>(29,194)</u>
Balance, end of year	-	27,806

7. Related party transactions

Related party transactions are as follows:

	2024	2023
Revenue		
Rent subsidy received from St. Andrew's Place, Sudbury (the "Place"), which is a related organization, whose Board of Directors comprises a majority of members of St. Andrew's United Church.	15,120	15,120
Expenses		
Rent and occupancy paid to St. Andrew's Place, Sudbury (the "Place"), which is a related organization, whose Board of Directors comprises a majority of members of St. Andrew's United Church.	<u>22,936</u>	<u>23,789</u>

Included in the above expense amount is \$15,120 of rental expense which has been subsidized by the Place and the corresponding subsidy revenue has been recorded in rent subsidy. Refer to Note 8 for further details.

These transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. Commitments

The Church has entered into an operating lease for its premises with the Place, a related organization, totaling \$16,800 annually, which expires in December 2026.

The minimum annual lease payments for the next two years under this lease agreement is as follows:

2025		16,800
2026		16,800
		<u>33,600</u>

In January 2022, the Church and the Place announced the signing of a Covid Pandemic Relief Subsidy Agreement. The terms of the agreement coincide with the 5-year lease extension agreement entered into in December 2021.

The terms of the agreement state the Place will provide the Church a monthly subsidy in the amount of 90% of base rent charged under the aforementioned Place/Church lease agreement, covering the five (5) years ending December 31, 2026.

8. Commitments *(Continued from previous page)*

Commencing at the end of the second year of the current lease (December 31, 2023), The Place will reassess its financial position and ability to maintain the relief subsidy. Should continuation of the subsidy become an issue, the Place will provide the Church with six months notice with its intent to renegotiate the amount of the relief subsidy, or to eliminate it altogether if necessary. The subsidy will continue in 2025.

9. Internally restricted funds

The internally restricted funds relate to donations received by the Church for programs and activities with specified purposes.

10. Tangible capital assets

There were no capital asset purchases expensed in 2024 (2023 - \$nil).

Tangible capital assets owned and safeguarded include: the Casevant pipe organ, the sanctuary and chapel doors, various pieces of stained glass, the sound and lighting systems, pianos, oak chairs in the Church, chapel furniture and fixtures (including marble podium and altar) as well as various other fixtures, equipment, office furniture, art works and other accoutrements located at 111 Larch Street, Greater Sudbury, Ontario, Canada.

11. Financial instruments

The Church, as part of its operations, carries a number of financial instruments. It is management's opinion that the Church is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets, known as cash flow risk. Changes in the bank's prime or base lending rates can cause fluctuations in interest payments and cash flows. The Church is exposed to interest rate risk relating to changes in interest rates arising at the date of maturity of their guaranteed investment certificates.

Liquidity risk

Liquidity risk is the risk that the Church will encounter difficulty in meeting obligations associated with financial liabilities. The Church is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

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 foreign 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's investments in publicly-traded securities exposes the Church to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.

St. Andrew's United Church
Detailed Schedule of Changes in Net Asset Fund Accounts
For the year ended December 31, 2024

	Balance Jan 1, 2024	Revenue Donations	Investment Income	Expenses	Transfers	Balance Dec 31, 2024
Endowments						
Capital Fund	91,000	-	4,357	-	(4,357)	91,000
Cook	5,000	-	239	-	(239)	5,000
Thornton	50,000	-	2,395	-	(2,395)	50,000
	<u>146,000</u>	<u>-</u>	<u>6,991</u>	<u>-</u>	<u>(6,991)</u>	<u>146,000</u>
Internally restricted investment fund accounts						
Lautenslager	19,298	-	888	(750)	-	19,436
Out of the Cold	33,416	-	1,266	(6,974)	-	27,708
McNaughton	33,367	-	1,598	-	-	34,965
Legge	6,498	-	243	(1,431)	-	5,310
Griffin	93	-	-	(93)	-	-
Brault	4,155	-	199	-	-	4,354
Wright	2,027	-	97	-	-	2,124
Martin	2,478	-	83	(738)	-	1,823
Scott	16,626	-	78	-	-	16,704
Technology	2,812	-	119	(331)	-	2,600
	<u>120,770</u>	<u>-</u>	<u>4,571</u>	<u>(10,317)</u>	<u>-</u>	<u>115,024</u>
Unrestricted investment fund accounts						
Memorial Gifts	249,657	-	13,815	-	(34,444)	229,028
Appreciation of investments	81,266	-	54,081	-	-	135,347
	<u>330,923</u>	<u>-</u>	<u>67,896</u>	<u>-</u>	<u>(34,444)</u>	<u>364,375</u>
Unrestricted general fund	-	197,448	-	(238,883)	41,435	-
Internally restricted general fund accounts						
Benevolent	4,072	7,407	-	(11,442)	-	37
Reconciliation	3,527	-	-	(200)	-	3,327
Property and Piano	275	-	-	-	-	275
	<u>7,874</u>	<u>7,407</u>	<u>-</u>	<u>(11,642)</u>	<u>-</u>	<u>3,639</u>
	<u>605,567</u>	<u>204,855</u>	<u>79,458</u>	<u>(260,842)</u>	<u>-</u>	<u>629,038</u>