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**METROPOLITAN COMMUNITY CHURCH OF TORONTO**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

## **Independent Auditor's Report**

To the Members of Metropolitan Community Church of Toronto

### **Qualified Opinion**

We have audited the financial statements of Metropolitan Community Church of Toronto (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and 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 possible 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 the Organization as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, the Organization derives revenues from fundraising activities and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we are not able to determine whether, as at and for the year ended December 31, 2023, any adjustment might be necessary to revenues and excess of expenses over revenues reported in the statement of operations, and assets and net assets reported in the statement of financial position.

Our audit opinion on the financial statements for the year ended December 31, 2022 was modified because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 the ability of the Organization to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Organization.

## Independent Auditor's Report (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 internal control of the Organization.
- 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 ability of the Organization to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Toronto, Ontario  
May 31, 2024

Chartered Professional Accountants  
Licensed Public Accountants

## METROPOLITAN COMMUNITY CHURCH OF TORONTO

### Statement of Financial Position

December 31	Operating		Mission Teams		Restricted		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>								
Current assets								
Cash	237,549	327,113	49,362	55,942	21,199	132,693	308,110	515,748
Investments (note 3)	-	-	-	-	1,922,749	3,022,937	1,922,749	3,022,937
Accounts receivable	88,272	140,357	-	-	3,896	-	92,168	140,357
Inter-fund receivable (note 6)	34,521	445,298	-	8,746	-	-	34,521	454,044
Prepaid expenses and deposits	13,431	12,528	-	-	-	-	13,431	12,528
	<b>373,773</b>	925,296	<b>49,362</b>	64,688	<b>1,947,844</b>	3,155,630	<b>2,370,979</b>	4,145,614
Capital assets (note 4)	<b>4,500,917</b>	4,086,169	-	-	-	-	<b>4,500,917</b>	4,086,169
	<b>4,874,690</b>	5,011,465	<b>49,362</b>	64,688	<b>1,947,844</b>	3,155,630	<b>6,871,896</b>	8,231,783
<b>LIABILITIES</b>								
Current liabilities								
Account payable and accrued liabilities	87,000	523,517	-	-	-	-	87,000	523,517
Inter-fund payable (note 6)	-	-	3,773	-	30,748	454,044	34,521	454,044
Current portion of post-retirement benefit liability (note 11)	33,792	33,120	-	-	-	-	33,792	33,120
Loan payable (note 12)	-	60,000	-	-	-	-	-	60,000
	<b>120,792</b>	616,637	<b>3,773</b>	-	<b>30,748</b>	454,044	<b>155,313</b>	1,070,681
Post-retirement benefit liability (note 11)	<b>72,666</b>	103,404	-	-	-	-	<b>72,666</b>	103,404
	<b>193,458</b>	720,041	<b>3,773</b>	-	<b>30,748</b>	454,044	<b>227,979</b>	1,174,085
<b>NET ASSETS</b> (note 5)	<b>4,681,232</b>	4,291,424	<b>45,589</b>	64,688	<b>1,917,096</b>	2,701,586	<b>6,643,917</b>	7,057,698
	<b>4,874,690</b>	5,011,465	<b>49,362</b>	64,688	<b>1,947,844</b>	3,155,630	<b>6,871,896</b>	8,231,783

APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_  
Moderator

\_\_\_\_\_  
Vice-Moderator

The accompanying notes are an integral part of these financial statements.

## METROPOLITAN COMMUNITY CHURCH OF TORONTO

### Statement of Operations

Year ended December 31	Operating		Mission Teams		Restricted		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>								
Regular offerings	392,570	414,403	-	-	-	-	392,570	414,403
Outreach events and activities (note 9)	154,219	125,606	-	-	363,921	378,849	518,140	504,455
Bequests	77,692	291,986	-	-	-	-	77,692	291,986
Regular programs and services	177,726	176,894	9,005	6,845	-	-	186,731	183,739
Special offerings	202,968	230,266	-	-	-	-	202,968	230,266
Donations to Elevation Campaign	-	-	-	-	202,527	514,692	202,527	514,692
Government grants	7,818	31,529	-	-	-	-	7,818	31,529
Investment income (loss) (note 7)	71,835	49,687	-	-	74,813	(50,920)	146,648	(1,233)
	<b>1,084,828</b>	<b>1,320,371</b>	<b>9,005</b>	<b>6,845</b>	<b>641,261</b>	<b>842,621</b>	<b>1,735,094</b>	<b>2,169,837</b>
<b>Expenses</b>								
Worship and congregational life (note 8)	450,890	353,848	-	-	-	-	450,890	353,848
Fundraising, general and administration (notes 8 & 11)	542,102	608,857	-	-	7	2,324	542,109	611,181
Other programs and services	-	-	8,494	5,965	17,584	4,000	26,078	9,965
Amortization of capital assets	223,744	145,764	-	-	-	-	223,744	145,764
Outreach events and activities (notes 8 & 9)	461,825	264,174	-	-	147,354	104,893	609,179	369,067
Facilities (note 8)	277,621	298,208	-	-	-	-	277,621	298,208
Tithes to UFMCC (note 10)	39,254	41,440	-	-	-	-	39,254	41,440
	<b>1,995,436</b>	<b>1,712,291</b>	<b>8,494</b>	<b>5,965</b>	<b>164,945</b>	<b>111,217</b>	<b>2,168,875</b>	<b>1,829,473</b>
<b>Excess of revenues over expenses (expenses over revenues) before the following:</b>								
	<b>(910,608)</b>	<b>(391,920)</b>	<b>511</b>	<b>880</b>	<b>476,316</b>	<b>731,404</b>	<b>(433,781)</b>	<b>340,364</b>
Government assistance (note 12)	20,000	5,194	-	-	-	-	20,000	5,194
<b>Excess of revenues over expenses (expenses over revenues) for year</b>								
	<b>(890,608)</b>	<b>(386,726)</b>	<b>511</b>	<b>880</b>	<b>476,316</b>	<b>731,404</b>	<b>(413,781)</b>	<b>345,558</b>

The accompanying notes are an integral part of these financial statements.

## METROPOLITAN COMMUNITY CHURCH OF TORONTO

### Statement of Changes in Net Assets

Year ended December 31	Operating		Mission Teams		Restricted		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	<b>4,291,424</b>	2,932,051	<b>64,688</b>	69,862	<b>2,701,586</b>	3,710,227	<b>7,057,698</b>	6,712,140
Excess of revenues over expenses (expenses over revenues) for year	<b>(890,608)</b>	(386,726)	<b>511</b>	880	<b>476,316</b>	731,404	<b>(413,781)</b>	345,558
Inter-fund transfers (note 6)	<b>1,280,416</b>	1,746,099	<b>(19,610)</b>	(6,054)	<b>(1,260,806)</b>	(1,740,045)	-	-
Balance, end of year (note 5)	<b>4,681,232</b>	4,291,424	<b>45,589</b>	64,688	<b>1,917,096</b>	2,701,586	<b>6,643,917</b>	7,057,698

The accompanying notes are an integral part of these financial statements.

## METROPOLITAN COMMUNITY CHURCH OF TORONTO

### Statement of Cash Flows

Year ended December 31	2023 \$	2022 \$
Cash flows from operating activities		
Excess of revenues over expenses (expenses over revenues) for year	(413,781)	345,558
Adjustments to determine net cash provided by (used in) operating activities		
Amortization of capital assets	223,744	145,764
Realized (gain) loss on the sale of investments	(126)	1,236
Unrealized (gain) loss in the fair value of investments	(70,525)	55,533
Post-retirement benefit expense	3,056	3,789
Post-retirement benefit payment	(33,122)	(32,473)
Government assistance	(20,000)	-
	(310,754)	519,407
Changes in non-cash working capital items		
Increase (decrease) in accounts receivable	48,189	(109,569)
Decrease (increase) in prepaid expenses and deposits	(903)	3,903
Increase (decrease) in accounts payable and accrued liabilities	(436,517)	472,235
	(699,985)	885,976
Cash flows from investing activities		
Purchase of capital assets	(638,492)	(1,476,651)
Purchase of investments	(1,604,161)	(2,205,850)
Proceeds on sale of investments	2,775,000	2,000,000
	532,347	(1,682,501)
Cash flows from financing activities		
Repayment of loan payable	(40,000)	-
Net change in cash	(207,638)	(796,525)
Cash, beginning of year	515,748	1,312,273
Cash, end of year	308,110	515,748

The accompanying notes are an integral part of these financial statements.

# METROPOLITAN COMMUNITY CHURCH OF TORONTO

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## Notes to Financial Statements

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December 31, 2023

### **Nature and description of the organization**

Metropolitan Community Church of Toronto (the "Organization") was incorporated under the laws of the Province of Ontario as a corporation without share capital. The objectives of the Organization are to bind together persons to share in the worship of God in the Congregational Christian tradition in an inclusive, affirmative and caring environment. The Organization is a member of the Universal Fellowship of Metropolitan Community Churches.

The Organization is not-for-profit organization, and a registered charity under the Income Tax Act, and therefore is not subject to income taxes and is able to issue donation receipts for income tax purposes.

### **1. Significant accounting policies**

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

#### **(a) Fund accounting**

The Organization uses fund accounting, whereby a separate set of accounts is maintained for each fund based on its specific purpose as follows:

##### **Operating**

The Operating fund accounts for the day-to-day service delivery activities of the Organization in fulfilling its purpose. Net assets of the Operating fund are comprised of net assets invested in capital assets and unrestricted net assets (see note 5).

##### **Mission Teams**

The Mission Teams fund comprises various self-directed groups at the Organization for which monies have been raised or donated in order to allow the Mission Teams to fulfil their mandates (see note 5).

##### **Restricted**

The Restricted fund includes contributions from external donors for which monies were provided to the Organization for specified purposes as well as reserves which have been internally restricted by the Board of Directors (see note 5). These funds are not available for any other purposes without approval by the Board of Directors.

#### **(b) Revenue recognition**

The Organization follows the restricted fund method of accounting for contributions which include offerings, bequests, outreach events and activities, donations to the Elevation Campaign and grants. Contributions received for restricted purposes are recognized as revenue of the restricted fund at the time the contributions are received. Unrestricted contributions are recognized as revenue of the operating fund when received or, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from regular programs and services is recorded in the year that the services are performed or goods are delivered.

Investment income is comprised of interest, dividends, realized gains and losses on the sale of investments and unrealized gains and losses in the fair value of investments, less administrative and management fees. Interest is recorded on an accrual basis. Dividends are recorded as revenue when declared.

#### **(c) Financial instruments**

##### **Measurement of financial assets and liabilities**

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Transaction costs of those financial assets and financial liabilities subsequently measured at fair value are recognized in income in the year incurred.



**Notes to Financial Statements (continued)**

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December 31, 2023

**1. Significant accounting policies (continued)**

**(c) Financial instruments (continued)**

**Measurement of financial assets and liabilities (continued)**

The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in pooled funds, which are measured at fair value. Changes in fair value are recognized in income in the year the changes occur. Fair values are determined by reference to published price quotations in an active market at year end.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Financial assets measured at amortized cost include cash, investments in cashable guaranteed investment certificates and accounts receivable.

Financial assets measured at fair value include investments in pooled funds.

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

**Impairment**

At the end of each year, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Organization, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the Organization determines whether a significant adverse change has occurred during the year in the expected timing or amount of future cash flows from the financial asset.

When the Organization identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the financial asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the financial asset discounted using a current market rate of interest appropriate to the financial asset; and
- the amount that could be realized by selling the financial asset at the statement of financial position date.

Any impairment of the financial asset is recognized in income in the year in which the impairment occurs.

When the extent of impairment of a previously written-down financial asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the year the reversal occurs.

**(d) Investments**

Investments in cashable guaranteed investment certificates and pooled funds are classified as current as these assets are capable of reasonably prompt liquidation.

**(e) Capital assets**

The costs of capital assets are capitalized upon meeting the criteria for recognition as a capital asset; otherwise, costs are expensed as incurred. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use. Contributed capital assets are recorded at their fair values at the respective donation date.

Capital assets are measured at cost less accumulated amortization and accumulated impairment losses.

**Notes to Financial Statements (continued)**

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December 31, 2023

1. **Significant accounting policies (continued)**

(e) **Capital assets (continued)**

Amortization is provided for using the straight-line method, upon commencement of the utilization of the assets, at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Building	40 years
Building Improvements	20 - 24 years
Equipment	5 years
Furniture and fixtures	20 years

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the capital asset to its fair value. Any impairment of a capital asset is recognized in income in the year in which the impairment occurs.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

(f) **Contributed materials and services**

Volunteers contribute numerous hours each year to assist the Organization in carrying out its activities. The fair value of the contributed services cannot be reasonably estimated and is not recognized in the financial statements. Contributed materials are recognized at fair value when materials would normally be purchased by the Organization.

(g) **Post-retirement benefit liability**

Post-retirement benefit liability is recorded at the net present value of the expected future annual retirement payments from the individual's date of retirement and up until the date of death, taking into consideration factors including the individual's date of birth, life expectancy, actuaries longevity analysis, estimated rate of inflation and discount rate. These factors are reviewed on an annual basis and any adjustments in the net present value are recorded in fundraising, general and administration expense in the statement of operations.

(h) **Allocation of expenses**

Salaries and benefits are allocated to functional areas based on time spent by staff members related to each activity. (note 8).

(i) **Management estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current year. Actual results may differ from these estimates, the impact of which would be recorded in future years.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

(j) **Government assistance**

Government assistance is recognized as income when the related expenses are incurred or when there is reasonable assurance that the Organization has complied or will comply with all of the conditions of the assistance, and collection is reasonably assured.

# METROPOLITAN COMMUNITY CHURCH OF TORONTO

## Notes to Financial Statements (continued)

December 31, 2023

### 2. Financial instrument risk management

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.

The financial instruments of the Organization and the nature of the risks to which those instruments may be subject, are as follows:

Financial instrument	Risks				
	Credit	Liquidity	Market risk		
			Currency	Interest rate	Other price
Cash	X		X	X	
Investments - cashable guaranteed investment certificates	X			X	
Investments - pooled funds - cash and fixed income investments	X			X	
Investments - pooled funds - Canadian and global equities			X		X
Investments - pooled funds - other strategies - including benchmark-free and absolute return strategies					X
Accounts receivable	X				
Accounts payable and accrued liabilities		X			

#### Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss.

The maximum exposure of the Organization to credit risk is as follows:

	2023	2022
	\$	\$
Cash	308,110	515,748
Investments - cashable guaranteed investment certificates	1,025,000	2,200,000
Investments - pooled funds - cash and fixed income investments	62,842	74,064
Accounts receivable	92,168	140,357
	<u>1,488,120</u>	<u>2,930,169</u>

The Organization reduces its exposure to the credit risk of cash and investments in cashable guaranteed investment certificates by maintaining balances with a Canadian financial institution.

The Organization is exposed to credit risk arising from its cash and fixed income investments which are held in pooled funds and those risks are monitored by the third party managing the invested pooled funds and by Board oversight. (see note 3)

The Organization is not exposed to significant credit risk in respect of accounts receivable as accounts receivable includes \$13,977 (2022 - \$54,905) from HST public service bodies' rebates, which have been collected after the year end.

# METROPOLITAN COMMUNITY CHURCH OF TORONTO

## Notes to Financial Statements (continued)

December 31, 2023

### 2. Financial instrument risk management (continued)

#### Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due.

The liquidity of the Organization is monitored by management to ensure sufficient cash is available to meet liabilities as they become due.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

#### Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Organization holds cash and investments in foreign currencies and is therefore exposed to currency risk. The investments are held in pooled funds managed by a third party organization who monitors investment performance. The Organization does not use any derivative financial instruments to manage foreign currency risk.

#### Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The exposure of the Organization to interest rate risk arises from its investments in cashable guaranteed investment certificates and fixed income investments which are held in pooled funds managed by a third party organization.

#### Other price risk

Other price risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Organization is exposed to other price risk in its investments held in pooled funds and those risks are monitored by the third party managing the invested pooled funds and by Board oversight.

#### Changes in risk

There have been no significant changes in the risk profile of the financial instruments of the Organization from that of the prior year.

### 3. Investments

	2023 \$	2022 \$
RBC cashable guaranteed investment certificates - interest at prime - 2%, due March 13, 2024 (2022 - interest at prime - 2%, due March 9, 2023)	1,025,000	2,200,000
Pooled funds - cash and fixed income investments	62,842	74,064
Pooled funds - Canadian and global equities	502,739	427,927
Pooled funds - other strategies - including benchmark-free and absolute return strategies	332,168	320,946
	<u>1,922,749</u>	<u>3,022,937</u>

# METROPOLITAN COMMUNITY CHURCH OF TORONTO

## Notes to Financial Statements (continued)

December 31, 2023

### 3. Investments (continued)

The Organization has arranged to invest its funds with the Toronto Community Foundation under a pooling of investments arrangement. Under this agreement, the Organization's funds are commingled with other investors' funds and invested as a whole. The Organization has ownership of a prorated percentage of the total investment portfolio. The investment under the pooling arrangement holds the following mix of asset classes:

	2023	2022
	%	%
Cash and fixed income investments	7	9
Canadian and global equities	56	52
Other strategies - including benchmark-free and absolute return strategies	37	39
	<u>100</u>	<u>100</u>

The Organization records the Investment income from the guaranteed investment certificates under the Operating fund. Investment income from the pooled funds is recorded under the Restricted fund.

### 4. Capital assets

	Cost	Accumulated Amortization	2023 Net
	\$	\$	\$
Land	802,900	-	802,900
Building	530,214	396,432	133,782
Building improvements	4,271,616	929,763	3,341,853
Equipment	449,138	338,154	110,984
Furniture and fixtures	223,160	111,762	111,398
	<u>6,277,028</u>	<u>1,776,111</u>	<u>4,500,917</u>

	Cost	Accumulated Amortization	2022 Net
	\$	\$	\$
Land	802,900	-	802,900
Building	530,214	383,177	147,037
Building improvements	2,365,815	756,470	1,609,345
Equipment	394,752	308,087	86,665
Furniture and fixtures	204,737	104,633	100,104
Renovation in progress	1,340,118	-	1,340,118
	<u>5,638,536</u>	<u>1,552,367</u>	<u>4,086,169</u>

# METROPOLITAN COMMUNITY CHURCH OF TORONTO

## Notes to Financial Statements (continued)

December 31, 2023

### 5. Net Assets

The components of the Operating fund are as follows:

	2023 \$	2022 \$
Invested in capital assets	4,500,917	4,086,169
Unrestricted	180,315	205,255
	<u>4,681,232</u>	<u>4,291,424</u>

The components of the Mission Teams fund are as follows:

	2023 \$	2022 \$
<b>Donor designated</b>		
Children's Ministry	12,217	31,827
Pride & Joy	8,973	9,412
Community Meal	6,910	6,250
Life Long Learning	5,283	5,283
Emerging Ministries	3,127	3,127
Men's Retreat	4,117	3,827
Other	4,962	4,962
	<u>45,589</u>	<u>64,688</u>

The components of the Restricted fund are as follows:

	2023 \$	2022 \$
<b>Board designated</b>		
General Reserve Fund	353,259	410,496
Internally Restricted Funds	315,355	336,141
Executive Director Fund	145,856	242,973
	<u>814,470</u>	<u>989,610</u>
<b>Donor designated</b>		
Elevation Campaign	424,814	1,040,292
Refugee Sponsorship Fund	471,016	410,243
Brent Hawkes Legacy Fund	26,280	50,442
Depression Initiative Fund	68,027	68,027
MCC Toronto Hope Fund	38,777	35,546
Music Fund	19,485	30,069
Refugee Program Administration and Discretionary Fund	11,105	32,000
Triangle Scholarship Fund	5,147	7,147
Health and Wellness	8,378	8,378
Community Outreach Partners	9,200	9,580
Benevolence	5,280	5,357
Triangle Impact Study	5,000	5,000
Triangle Outreach Fund	5,000	5,000
Community Care	2,568	2,568
Other	2,549	2,327
	<u>1,102,626</u>	<u>1,711,976</u>
	<u>1,917,096</u>	<u>2,701,586</u>

# METROPOLITAN COMMUNITY CHURCH OF TORONTO

## Notes to Financial Statements (continued)

December 31, 2023

### 6. Inter-fund transfers and inter-fund payables and receivables

The following is a summary of inter-fund transfers during the year:

	Operating \$	Mission Teams \$	2023 Restricted \$
Executive Director Fund	97,117	-	(97,117)
Elevation Campaign	818,050	-	(818,050)
Refugee Program Administration and Discretionary Fund	176,924	-	(176,924)
Internally Restricted Funds	48,355	-	(48,355)
General Reserve Fund	92,238	-	(92,238)
Brent Hawkes Legacy	33,122	-	(33,122)
Children's Ministry	19,610	(19,610)	-
Triangle Outreach Fund	(5,000)	-	5,000
<b>Total</b>	<b>1,280,416</b>	<b>(19,610)</b>	<b>(1,260,806)</b>

	Operating \$	Mission Teams \$	2022 Restricted \$
Executive Director Fund	57,027	-	(57,027)
Elevation Campaign	1,601,462	-	(1,601,462)
Refugee Program Administration and Discretionary Fund	112,481	-	(112,481)
Internally Restricted Funds	(29,199)	-	29,199
General Reserve Fund	(29,199)	-	29,199
Brent Hawkes Legacy	32,473	-	(32,473)
Children's Ministry	6,054	(6,054)	-
Triangle Outreach Fund	(5,000)	-	5,000
<b>Total</b>	<b>1,746,099</b>	<b>(6,054)</b>	<b>(1,740,045)</b>

Inter-fund transfers to the Operating Fund from the Mission Teams and/or Restricted Fund represent transfers to cover program expenses or capital improvements meeting the requirements of the specific restricted fund and recorded in the Operating Fund. Inter-fund transfers from the Operating Fund to the Restricted Fund represent transfers of funds as determined by the Board. All inter-fund transfers are subject to the approval of the Board.

Inter-fund payables or receivables represent any unsettled inter-fund transfers at the end of the year. These inter-fund balances are non-interest bearing and have no specific repayment terms.

# METROPOLITAN COMMUNITY CHURCH OF TORONTO

## Notes to Financial Statements (continued)

December 31, 2023

### 7. Investment income (loss)

The Organization has investments in cashable guaranteed investment certificates and pooled funds which are reported under the Restricted fund. The investment income (loss) is allocated as follows:

	<b>Operating</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Investments - cashable guaranteed investment certificates measured at amortized cost</b>		
Interest	71,835	49,687
	<b>Restricted</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Investments - pooled funds measured at fair value</b>		
Dividends and interest	17,097	15,363
Realized gain (loss) on the sale of investments	126	(1,236)
Unrealized gain (loss) in the fair value of investments	70,525	(55,533)
Administrative and investment management fees	(12,935)	(9,514)
	74,813	(50,920)
	146,648	(1,233)

### 8. Allocation of expenses

The expenses reported in the Statement of Operations include an allocation of salaries and benefits as follows:

	<b>Operating</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Facilities	17,078	75,919
Fundraising, general and administration	318,197	359,904
Outreach events and activities	252,906	149,485
Worship and congregational life	304,920	232,075
	893,101	817,383



# METROPOLITAN COMMUNITY CHURCH OF TORONTO

## Notes to Financial Statements (continued)

December 31, 2023

### 9. Public Health Agency of Canada ("PHAC") Program

Program funding and related expenses are recorded in outreach events and activities revenue and expenses in the Restricted fund respectively in the statement of operations. Details are as follows:

	2023	2022
	\$	\$
Funding		
Contribution from Public Health Agency of Canada	42,036	10,352
Expenses		
Salaries and benefits	7,260	5,280
General and operating		
Professional fees	10,650	4,750
Materials	6,832	-
Community meals	5,418	322
Utilities	771	-
	<u>30,931</u>	<u>10,352</u>
Excess of funding over expenses for year	<u>11,105</u>	<u>-</u>

### 10. Commitment

As a member of the denomination of the Universal Fellowship of Metropolitan Community Churches, the Organization has committed to pay 10% of its regular offerings to Metropolitan Community Churches In Canada, which totaled \$39,254 for the year ended December 31, 2023 (2022 - \$41,440).

### 11. Post-retirement benefit liability

The board has approved a post-retirement benefit to a retired pastor. The retirement benefit is subject to annual inflation. The estimated net present value of the post-retirement benefit liability is \$106,458 (2022 - \$136,524). The current portion of post-retirement benefit liability represents the amount of liability to be settled in the upcoming year.

The adjustment in the net present value includes estimates for interest, inflation, and mortality rate and therefore this amount is expected to change annually. This year's adjustment of \$3,056 (2022 - \$3,789) is recorded in fundraising, general and administration expense in the Operating fund in the statement of operations.

### 12. Government assistance

In prior fiscal years, the Organization had applied for and received a loan in the amount of \$60,000 through the Canada Emergency Business Account (CEBA) program. The Organization repaid \$40,000 before December 31, 2023 and recognized the forgivable portion of \$20,000 in government assistance.

# HILBORN

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