

FINANCIAL STATEMENTS

CHRIST CHURCH DEER PARK

December 31, 2019

Christ Church Deer Park
CONTENTS

December 31, 2019

	Page
INDEPENDENT AUDITOR'S REPORT	1
Statement of financial position	4
Statement of changes in fund balances	5
Statement of revenue and expenses	6
Statement of cash flows	7
Notes to financial statements	8

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INDEPENDENT AUDITOR'S REPORT

To members of the Vestry of
Christ Church Deer Park:

Qualified Opinion

I have audited the accompanying financial statements of Christ Church Deer Park, which comprise the statement of financial position as at December 31, 2019 and the statements of changes in fund balances, revenue and expenses, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of Christ Church Deer Park as at December 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Christ Church Deer Park derives revenue from givings, the completeness of which is not susceptible to my obtaining evidence I considered necessary for the purpose of the audit. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the accounts of Christ Church Deer Park. Therefore, I was unable to determine whether any adjustments might have been found necessary with respect to revenue, excess of revenue over expenses and cash flows from operations for the years ended December 31, 2019 and 2018, current assets as at December 31, 2019 and 2018, and fund balances as at January 1 and December 31 for both the 2019 and 2018 year-ends. My conclusion on the financial statements as at and for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the not-for-profit in accordance with the ethical requirements that are relevant to my audit of financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

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INDEPENDENT AUDITOR'S REPORT

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

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

In preparing the financial statements, management is responsible for assessing the not-for-profit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the not-for-profit or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the not-for-profit's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

MAUREEN A. PARRY PROFESSIONAL CORPORATION

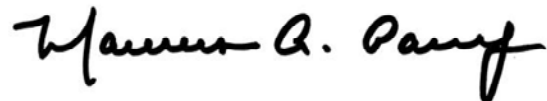
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INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the not-for-profit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the not-for-profit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the not-for-profit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Toronto, Ontario
February 4, 2020

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

Christ Church Deer Park
STATEMENT OF FINANCIAL POSITION

December 31	Operating Fund		Endowment Fund		Restricted Funds		Total Funds	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS								
Cash	60,938	180,888					60,938	180,888
Accounts receivable	27,279	12,501					27,279	12,501
Accrued interest	2,317	813	8,605	2,931	1,196	682	12,118	4,426
Prepaid expenses	13,148	3,516					13,148	3,516
Inter-fund loan receivable [note 6]					85,000	85,000	85,000	85,000
Due from Other Funds	71,889			8,696			71,889	8,696
	175,571	197,718	8,605	11,627	86,196	85,682	270,372	295,027
Investments [note 3]	420,012	384,148	1,559,366	1,385,120	1,391,546	1,400,486	3,370,924	3,169,754
Property and equipment [note 4]					1,115,056	1,005,090	1,115,056	1,005,090
	595,583	581,866	1,567,971	1,396,747	2,592,798	2,491,258	4,756,352	4,469,871
LIABILITIES AND FUND BALANCES								
Accounts payable	22,340	21,239					22,340	21,239
Inter-fund loan payable [note 6]	85,000	85,000					85,000	85,000
Due to Other Funds		274	9,926		61,963	8,422	71,889	8,696
Deferred revenue -								
Our Faith Our Hope [note 8]	336,926	320,086					336,926	320,086
Ministry [note 9]	60,492	56,441					60,492	56,441
Refugee funds [note 10]	78,600	26,961					78,600	26,961
Other	21,527	68,765					21,527	68,765
	604,885	578,766	9,926		61,963	8,422	676,774	587,188
Fund balances								
Invested in property and equipment					1,115,056	1,005,090	1,115,056	1,005,090
Externally restricted - Endowment			1,558,045	1,396,747			1,558,045	1,396,747
Externally restricted - Rectory					1,156,153	1,078,490	1,156,153	1,078,490
Externally restricted - St. Andrew's					12,221	14,367	12,221	14,367
Internally restricted - 1870 Fund					168,211	218,892	168,211	218,892
Internally restricted - Capital Fund						97,137		97,137
Internally restricted - Woodcock Fund					79,194	68,860	79,194	68,860
Unrestricted	(9,302)	3,100					(9,302)	3,100
	(9,302)	3,100	1,558,045	1,396,747	2,530,835	2,482,836	4,079,578	3,882,683
	595,583	581,866	1,567,971	1,396,747	2,592,798	2,491,258	4,756,352	4,469,871

see accompanying notes

On behalf of the churchwardens:

D. Wilkinson
People's Warden

A. O.
Rector's Warden

Christ Church Deer Park
STATEMENT OF CHANGES IN FUND BALANCES

Year ended December 31	<u>Operating Fund</u>		<u>Endowment Fund</u>		<u>Restricted Funds</u>		<u>Total Funds</u>	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	3,100	(14,157)	1,396,747	1,452,189	2,482,836	2,520,138	3,882,683	3,958,170
Excess (deficiency) of revenue over expenses	(68,683)	(27,786)	205,995	(15,429)	59,583	(32,272)	196,895	(75,487)
Interfund transfers [note 6]	56,281	57,418	(44,697)	(40,013)	(11,584)	(17,405)	NIL	NIL
Transfer of bequests [note 7]		(12,375)				12,375	NIL	NIL
Balance, end of year	(9,302)	3,100	1,558,045	1,396,747	2,530,835	2,482,836	4,079,578	3,882,683

see accompanying notes

Christ Church Deer Park
STATEMENT OF REVENUE AND EXPENSES

Year ended December 31	<u>Operating Fund</u>		<u>Endowment Fund</u>		<u>Restricted Funds</u>		<u>Total Funds</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Congregational givings [note 11]	504,873	499,604					504,873	499,604
Property use donations	118,912	112,197					118,912	112,197
Bequests [note 7]		16,500						16,500
Our Faith Our Hope [note 8]	17,923	11,479			12,455		30,378	11,479
Diocesan Grants	44,361	19,803				123,382	44,361	143,185
Church Organization Activities - Other	153,382	103,182					153,382	103,182
St. Andrew's Group Ministry [note 9]	5,500	5,500			50	595	5,500	5,500
Investment income - Interest and dividends	54,132	52,529	44,697	40,013	8,616	9,249	107,445	101,791
Realized gains (losses)			(30,495)	40,835	(7,112)	9,376	(37,607)	50,211
	<u>899,083</u>	<u>820,794</u>	<u>14,202</u>	<u>80,848</u>	<u>14,009</u>	<u>142,602</u>	<u>927,294</u>	<u>1,044,244</u>
EXPENSES								
Salaries	569,578	508,123					569,578	508,123
Diocesan assessment	133,733	119,450					133,733	119,450
Utilities, tax and insurance	76,749	75,223					76,749	75,223
General and administrative	56,614	55,397				2,957	56,614	58,354
Repairs and maintenance	42,144	34,224					42,144	34,224
Discretionary	2,484	2,657					2,484	2,657
Outreach	26,996	8,269					26,996	8,269
Worship supplies	26,086	20,248					26,086	20,248
Christian education	8,806	7,450					8,806	7,450
Music program	5,524	6,060					5,524	6,060
New initiatives (Our Faith Our Hope)	19,052	11,479					19,052	11,479
	<u>967,766</u>	<u>848,580</u>				<u>2,957</u>	<u>967,766</u>	<u>851,537</u>
Excess (deficiency) of revenue over expenses before other Other	(68,683)	(27,786)	14,202	80,848	14,009	139,645	(40,472)	192,707
Amortization of property and equipment					(72,072)	(66,515)	(72,072)	(66,515)
Change in ending fair value of investments			191,793	(96,277)	117,646	(105,402)	309,439	(201,679)
Excess (deficiency) of revenue over expenses for the year	(68,683)	(27,786)	205,995	(15,429)	59,583	(32,272)	196,895	(75,487)

see accompanying notes

Christ Church Deer Park
STATEMENT OF CASH FLOWS

Year ended December 31	2019	2018
	\$	\$
CASH FROM OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	196,895	(75,487)
Items not requiring an outlay of cash -		
Amortization of property and equipment	72,072	66,515
Loss (gain) on sale of investments	46,242	(61,223)
Change in ending fair value of investments	<u>(309,439)</u>	<u>201,679</u>
	5,770	131,484
Changes in non-cash working capital items -		
Accounts receivable	(14,778)	7,568
Accrued interest	(7,692)	(2,512)
Prepaid expenses	(9,632)	121
Accounts payable	1,101	(1,974)
Deferred revenue	<u>25,292</u>	<u>43,006</u>
	<u>61</u>	<u>177,693</u>
INVESTING ACTIVITIES		
Proceeds on sale of investments	610,712	398,169
Purchase of investments	(548,685)	(378,472)
Purchase of property and equipment	<u>(182,038)</u>	<u>(51,730)</u>
	<u>(120,011)</u>	<u>(32,033)</u>
Net change in cash during the year	(119,950)	145,660
Cash, beginning of year	180,888	35,228
Cash, end of year	60,938	180,888

see accompanying notes

Christ Church Deer Park

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

PURPOSE OF ORGANIZATION

Christ Church Deer Park (the "Church"), a corporation under the Church Temporalities Act, was founded in 1870. As a registered charity under the Canadian Income Tax Act, it is not subject to tax.

Christ Church Deer Park is a Christian community within the Anglican Church. The congregation serves God as revealed in Jesus Christ providing a spiritual home where all may come to seek redemption and hope, meaning and acceptance. Inspired by the Holy Spirit, the congregation worships God and celebrates God's blessings with thoughtfulness and joy; and they commit themselves to serve others with compassion and love, courage and humility.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial instruments

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

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

Financial liabilities measured at amortized cost include accounts payable.

The Church's financial assets measured at fair value include investments that are quoted in an active market.

Property and equipment

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

Buildings	40 years
Building renovations	30 years
Organ and pianos	30 years
Furniture, fixtures and equipment	10 years

Christ Church Deer Park
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

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

Contributions for endowment are recognized as revenue of the Endowment Fund.

The Church holds two investment accounts. The first account is held and managed by the Church. The other account is the Rectory Fund which is held and managed by the Anglican Church of Canada, Diocese of Toronto. The account managed by the Church combines the investments held by each Fund into one pooled investment fund for ease of administration. Units in the pooled fund were initially established for each Fund in the proportion the fair market value of each Fund's investments was of the aggregate fair market value of all investments acquired by the pooled fund. Investment income earned by the pooled fund (comprising interest, dividends, gains on sale of securities, net of administration fees and loss on sale of securities) is allocated to each Fund monthly based on the number of units held. Units are adjusted monthly for amounts contributed or withdrawn by each Fund. Investment income earned by the Rectory Fund is allocated to the Operating Fund to be used to provide clergy housing allowances and the general purposes of the Parish.

Contributed services

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

Transfers between funds

The Church accounts for all transfers between funds as a reduction in the fund balance of the fund making the transfer and as an increase in the fund balance of the recipient fund.

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

Loans between funds may be made from time to time.

Christ Church Deer Park
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

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

2. FUND ACCOUNTING

The Church uses fund accounting in order that limitations and restrictions placed on the use or resources available are maintained. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds in accordance with activities or objectives specified. The Church follows the restricted fund method of accounting for contributions.

The funds of the Church include the following:

Operating Fund

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

Endowment Fund

The Endowment Fund exists to provide ongoing future income for the Church. It is comprised of various bequests, gifts and memorials given for this purpose. By its nature, this is an externally restricted fund. The net income from the invested funds may be used for the operations of the Church.

Restricted Funds

St. Andrew's Group Fund

The St. Andrew's Group Fund (St. Andrew's) holds the funds St. Andrew's uses to carry out its various charitable activities. The Management Team administers these funds on the recommendation of St. Andrew's. A portion of its funds are held and invested by the Church.

1870 Reserve Fund

Established in 2007, the 1870 Reserve Fund is a fund into which both internally and externally restricted funds will be invested. The net income from the invested funds may be used for the operations of the Church. Up to \$35,000 of the capital of the fund may be used in any calendar year at the discretion of the Management Team. Any use of capital above \$35,000 in a calendar year will require prior approval of Vestry.

Christ Church Deer Park
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

2. FUND ACCOUNTING (continued)

Restricted Funds (continued)

Capital Fund

The Capital Fund's purpose is to hold and maintain the Church properties and equipment. This is an internally restricted fund.

Rectory Fund

The purpose of the Rectory Fund is to enable the Church to meet its obligation to provide clergy accomodation. The capital of the Rectory Fund represents proceeds from the sale of rectory properties and is restricted to the future purchase of a rectory. The investment income of the fund is available for clergy housing allowances and the general purposes of the Parish. The Rectory Fund is held and managed by the Anglican Church of Canada, Diocese of Toronto.

Canon Woodcock Theological Fund

The Canon Woodcock Theological Fund ("Woodcock Fund") was created with a bequest from Canon Woodcock. The income is to be used for theological education. This fund is internally restricted.

3. INVESTMENTS

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
	\$	\$	\$	\$
Endowment Fund	1,559,366	1,145,233	1,385,120	1,162,781
1870 Reserve Fund	119,964	70,713	222,224	199,614
Capital Fund	18,548	18,548		
Woodcock Fund	78,760	58,056	68,715	57,638
St. Andrew's Group Fund	18,121	12,062	31,057	28,716
Deferred revenue - Our Faith				
Our Hope	354,383	308,898	316,850	315,435
Deferred revenue - Ministry	65,629	47,123	67,298	57,804
Investments managed by Church	2,214,771	1,660,633	2,091,264	1,821,988
Rectory Fund investments held and managed by Diocese	1,156,153	854,171	1,078,490	854,171
Total Investments	3,370,924	2,514,804	3,169,754	2,676,159

Christ Church Deer Park
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	Net book value	
	\$	\$	2019 \$	2018 \$
Land	52,199		52,199	52,199
Buildings - Church	179,094	(179,094)		
Buildings renovations	2,220,428	(1,193,649)	1,026,779	909,973
Organ and pianos	276,000	(276,000)		
Furniture, fixtures and equipment	428,046	(391,968)	36,078	42,918
	3,155,767	(2,040,711)	1,115,056	1,005,090

5. BANK INDEBTEDNESS

The Church has a demand operating line with the Canadian Imperial Bank of Commerce for \$200,000 with interest payable at the bank's prime rate plus 4.25%. There were no outstanding draws on the operating line at December 31, 2019 or December 31, 2018. The operating line is secured by a Letter of Consent to the release and exchange of information between the Canadian Imperial Bank of Commerce and the Anglican Church of Canada, Diocese of Toronto.

6. INTERFUND TRANSFERS / LOANS

During the year, the following transfers were approved:

	Operating Fund \$	Endowment Fund \$	1870 Fund \$	Capital Fund \$	St. Andrew's Fund \$
Approved by Management Team -					
Investment income -					
Endowment Fund	44,697	(44,697)			
1870 Fund	5,584		(5,584)		
Capital projects			(72,446)	72,446	
Approved by St. Andrew's	6,000				(6,000)
	56,281	(44,697)	(78,030)	72,446	(6,000)

During the year, the Operating Fund made no repayment (2018 - \$NIL) on the \$85,000 non-interest bearing loan from the 1870 Reserve Fund.

Christ Church Deer Park
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

7. BEQUESTS

Bequests that are not designated to a specific Fund are first recorded in the Operating Fund and then transferred to the 1870 Reserve Fund in accordance with the formula approved by Vestry. During the year total bequests of \$NIL (2018 - \$16,500) were received of which \$NIL (2018 - \$12,375) were transferred to the 1870 Reserve Fund.

8. DEFERRED REVENUE - OUR FAITH OUR HOPE

The Our Faith, Our Hope (Re-imagining Church) fundraising campaign of the Diocese was undertaken in 2012. It solicited designated gifts from parishioners over a 5 year period. The Diocese collects the Church's share and distributes it to the Church quarterly. The funds are held and are invested for initiatives to be approved by the Management Team. Activity in deferred revenue - Our Faith Our Hope account was as follows:

	2019 \$	2018 \$
Deferred revenue - Our Faith Our Hope, beginning of year	320,086	311,709
Designated gifts received during the year		9,657
Diocesan grant received during the year		13,831
Investment income -		
Interest and dividends	10,271	9,030
Realized gains (losses)	(7,124)	9,080
Change in ending fair value of investments	44,071	(21,742)
Revenue recognized in Operating fund to offset expenses	(17,923)	(11,479)
Revenue recognized in Capital fund for accessibility projects	(12,455)	
Deferred revenue - Our Faith Our Hope, end of year	336,926	320,086

Christ Church Deer Park
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

9. DEFERRED REVENUE - MINISTRY

This account is comprised of gifts designated for youth ministry or other ministry activities outside the usual budgeted operations of the Church. The funds are held and invested for initiatives to be approved by the Management Team. Such designated gifts are not recognized as revenue of the Operating Fund until the year in which the related expenses are incurred. Activity in deferred revenue - Ministry account was as follows:

	2019	2018
	\$	\$
Deferred revenue - Ministry, beginning of year	56,441	62,712
Investment income -		
Interest and dividends	2,049	1,918
Realized gain (losses)	(1,510)	1,929
Change in ending fair value of investments	9,012	(4,618)
Revenue recognized in Operating fund to offset expenses	(5,500)	(5,500)
Deferred revenue - Ministry, end of year	60,492	56,441

Christ Church Deer Park
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

10. REFUGEE FUNDS

Included in other deferred revenue are funds raised to sponsor and support refugees coming to Canada. The Church's existing refugee fund raised additional funds to support a second refugee family (Al Kadri) that arrived in 2019. The Church is required to financially support the family for the lessor of 12 months or until they become self-sufficient. During the year the Church agreed to be the sponsor of two more refugees at the request of their families (Nour and Chiron), and received donations for each sponsorship. Neither of these two additional refugees have yet been approved to come to Canada. As a result, the Church now has three separate refugee funds. The revenue and expenditures and fund balance for each of the refugee funds is as follows:

	Al Kadri Refugee Fund	Nour Refugee Fund \$	Chiron Refugee Fund \$	Total \$
Fund balance, opening	26,961			26,961
Donations and fund raising	39,608	15,000	15,000	69,608
Expenditures	(17,969)			(17,969)
Fund balance, ending	48,600	15,000	15,000	78,600

The Church estimates it has sufficient funds to support the Al Kadri family through 2020. The Nour and Chiron Refugee Funds were funded by the families who are financially responsible for raising any additional funds required to support their family member once in Canada. Should they fail to raise the necessary funds, the Church, as sponsor, could be financially responsible for the refugee during their first 12 months in Canada.

11. CONGREGATIONAL GIVING

Congregational giving to the Operating Fund consists of:

	2019 \$	2018 \$
Identifiable givers	491,959	486,863
Open collections	10,864	11,191
Outreach	2,050	1,550
	504,873	499,604

Christ Church Deer Park
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

12. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Church is exposed to various risks through its financial instruments. The Church's financial instruments consist of cash, accounts receivable, accrued interest, investments, bank indebtedness and accounts payable. The following analysis provides a measure of the Church's risk exposure.

Credit risk

Credit risk arises from the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Church's financial assets that are exposed to credit risk consist primarily of cash, accounts receivable and investments. Cash consists of deposits with major Canadian banks. Investments consist of various equities and fixed income securities and are reviewed regularly to evaluate changes in the status of the issuers of securities authorized for investment under the Church's investment policy. The Church is subject to credit risk through its accounts receivable. Credit risk is limited due to the small number of receivables owed to the Church.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Church is exposed to all three risks.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Church is exposed to currency risk on its investments as a portion (approximately 19.1%) of the pooled investment fund is denominated in foreign currencies which fluctuate relative to the Canadian dollar.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Church is not exposed to significant interest rate risk on its investments due to the staggered maturity dates on its fixed income investments. The Church is exposed to interest rate risk on its bank indebtedness which bears interest at the bank's prime lending rate which fluctuates.

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 Church is exposed to other price risk through its investments in quoted shares.