

**FINANCIAL STATEMENTS**

---

**CHRIST CHURCH DEER PARK**

**December 31, 2021**

---

---

**Christ Church Deer Park**  
**CONTENTS**

---

December 31, 2021

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	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

# MAUREEN A. PARRY PROFESSIONAL CORPORATION

1500 - 401 Bay Street  
Toronto, ON M5H 2Y4

Phone: 416-977-7600  
E-mail: maureen@mappc.ca

---

---

## 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, 2021 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, 2021 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, 2021 and 2020, current assets as at December 31, 2021 and 2020, and fund balances as at January 1 and December 31 for both the 2021 and 2020 year-ends. My conclusion on the financial statements as at and for the year ended December 31, 2020 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.

# MAUREEN A. PARRY PROFESSIONAL CORPORATION

1500 - 401 Bay Street  
Toronto, ON M5H 2Y4

Phone: 416-977-7600  
E-mail: maureen@mappc.ca

---

---

## INDEPENDENT AUDITOR'S REPORT

---

### **Responsibilities of Management 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.

### **Auditor's 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

1500 - 401 Bay Street  
Toronto, ON M5H 2Y4

Phone: 416-977-7600  
E-mail: maureen@mappc.ca

---

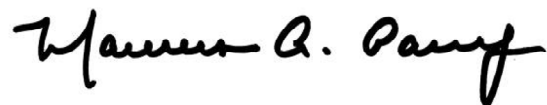
---

## 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 3, 2022

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		Restricted Funds				Total Funds	
	2021	2020	Investment Fund		Other		2021	2020
			2021	2020	2021	2020		
	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>								
Cash	239,095	121,156	52,025				291,120	121,156
Accounts receivable	19,960	47,106					19,960	47,106
Accrued interest	122	1,668	537	7,607	3	54	662	9,329
Prepaid expenses	1,128	1,056					1,128	1,056
Inter-fund loan receivable [note 6]			85,000	85,000			85,000	85,000
Due from Other Funds	41,901			7,761	8		41,909	7,761
	<u>302,206</u>	<u>170,986</u>	<u>137,562</u>	<u>100,368</u>	<u>11</u>	<u>54</u>	<u>439,779</u>	<u>271,408</u>
Investments [note 3]	420,848	368,990	1,799,907	1,684,251	1,370,208	1,226,039	3,590,963	3,279,280
Property and equipment [note 4]					1,144,053	1,107,063	1,144,053	1,107,063
	<u>723,054</u>	<u>539,976</u>	<u>1,937,469</u>	<u>1,784,619</u>	<u>2,514,272</u>	<u>2,333,156</u>	<u>5,174,795</u>	<u>4,657,751</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Accounts payable	96,388	16,144					96,388	16,144
Inter-fund loan payable [note 6]	85,000	85,000					85,000	85,000
Due to Other Funds		7,761	41,909				41,909	7,761
Deferred revenue -								
Our Faith Our Hope [note 7]	244,988	256,338					244,988	256,338
Ministry [note 8]	59,363	56,413					59,363	56,413
Refugee funds [note 9]	60,876	58,756					60,876	58,756
Other	176,439	24,492					176,439	24,492
	<u>723,054</u>	<u>504,904</u>	<u>41,909</u>				<u>764,963</u>	<u>504,904</u>
<b>Fund balances</b>								
Invested in property and equipment					1,144,053	1,107,063	1,144,053	1,107,063
Externally restricted - Investment			1,895,560	1,784,619			1,895,560	1,784,619
Externally restricted - Rectory					1,356,634	1,214,138	1,356,634	1,214,138
Externally restricted - St. Andrew's					13,585	11,955	13,585	11,955
Unrestricted		35,072						35,072
		<u>35,072</u>	<u>1,895,560</u>	<u>1,784,619</u>	<u>2,514,272</u>	<u>2,333,156</u>	<u>4,409,832</u>	<u>4,152,847</u>
	<u>723,054</u>	<u>539,976</u>	<u>1,937,469</u>	<u>1,784,619</u>	<u>2,514,272</u>	<u>2,333,156</u>	<u>5,174,795</u>	<u>4,657,751</u>

see accompanying notes

On behalf of the churchwardens:

People's Warden

*K. Maudnald*

Rector's Warden

*Ann W. N-st*

**Christ Church Deer Park**  
**STATEMENT OF CHANGES IN FUND BALANCES**

	<u>Operating Fund</u>		<u>Restricted Funds</u>				<u>Total Funds</u>	
	<b>2021</b>	2020	<u>Investment Fund</u>		<u>Other</u>		<b>2021</b>	2020
			<b>2021</b>	2020	<b>2021</b>	2020		
December 31	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	<b>35,072</b>	(9,302)	<b>1,784,619</b>	1,726,256	<b>2,333,156</b>	2,362,624	<b>4,152,847</b>	4,079,578
Excess (deficiency) of revenue over expenses	<b>(119,303)</b>	(4,625)	<b>230,172</b>	49,787	<b>146,116</b>	28,107	<b>256,985</b>	73,269
Interfund transfers [note 6]	<b>84,231</b>	48,999	<b>(119,231)</b>	8,576	<b>35,000</b>	(57,575)	<b>NIL</b>	NIL
<b>Balance, end of year</b>		35,072	<b>1,895,560</b>	1,784,619	<b>2,514,272</b>	2,333,156	<b>4,409,832</b>	4,152,847

*see accompanying notes*

**Christ Church Deer Park**  
**STATEMENT OF REVENUE AND EXPENSES**

December 31	Operating Fund		Restricted Funds				Total Funds		
	2021	2020	Investment Fund		Other		2021	2020	
			2021	2020	2021	2020			
	\$	\$	\$	\$	\$	\$	\$	\$	
<b>REVENUE</b>									
Congregational givings [note 10]	449,024	524,675						449,024	524,675
Moore Family Challenge - Capital Fund capital projects					80,948			80,948	
Operating Fund deficit reduction	25,963							25,963	
Other	57,063	74,655						57,063	74,655
Our Faith Our Hope [note 7]	52,200	40,646			1,287	47,142		53,487	87,788
Property use donations	45,647	62,148						45,647	62,148
Government COVID subsidies [note 14]	30,729	77,823						30,729	77,823
Ministry [note 8]	5,500	5,500						5,500	5,500
Bequests [note ]	1,000							1,000	
Diocesan Jubilee Credit		88,982							88,982
Investment income -									
Interest and dividends [note 11]	54,758	53,595	52,648	48,999	371	370		107,777	102,964
Realized gains on sale of investments			542,750	11,559	3,834	83		546,584	11,642
	<u>721,884</u>	<u>928,024</u>	<u>595,398</u>	<u>60,558</u>	<u>86,440</u>	<u>47,595</u>		<u>1,403,722</u>	<u>1,036,177</u>
<b>EXPENSES</b>									
Salaries	485,759	552,494						485,759	552,494
Diocesan assessment	154,903	146,675						154,903	146,675
Utilities, tax and insurance	72,229	71,674						72,229	71,674
General and administrative	52,056	42,678						52,056	42,678
Repairs and maintenance	38,278	28,605						38,278	28,605
Worship supplies	22,085	28,934						22,085	28,934
Outreach	10,756	54,577						10,756	54,577
Christian education	3,355	4,384						3,355	4,384
Music program	1,072	2,002						1,072	2,002
Discretionary	694	450						694	450
New initiatives (Our Faith Our Hope)		176							176
	<u>841,187</u>	<u>932,649</u>						<u>841,187</u>	<u>932,649</u>
<b>Excess (deficiency) of revenue over expenses before other</b>	<b>(119,303)</b>	<b>(4,625)</b>	<b>595,398</b>	<b>60,558</b>	<b>86,440</b>	<b>47,595</b>		<b>562,535</b>	<b>103,528</b>
<b>Other</b>									
Amortization of property and equipment					(80,245)	(76,755)		(80,245)	(76,755)
Change in ending fair value of investments			(365,226)	(10,771)	139,921	57,267		(225,305)	46,496
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>(119,303)</b>	<b>(4,625)</b>	<b>230,172</b>	<b>49,787</b>	<b>146,116</b>	<b>28,107</b>		<b>256,985</b>	<b>73,269</b>

see accompanying notes



---

**Christ Church Deer Park**  
**STATEMENT OF CASH FLOWS**

---

Year ended December 31	2021 \$	2020 \$
<b>CASH FROM OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses for the year	256,985	73,269
Items not requiring an outlay of cash -		
Amortization of property and equipment	80,245	76,755
Realized gain on sale of investments	(665,493)	(14,167)
Change in ending fair value of investments	<u>225,305</u>	<u>(46,496)</u>
	(102,958)	89,361
Changes in non-cash working capital items -		
Accounts receivable	27,146	(19,827)
Accrued interest	8,667	2,789
Prepaid expenses	(72)	12,092
Accounts payable	80,244	(6,196)
Deferred revenue	<u>145,667</u>	<u>(101,546)</u>
	<u>158,694</u>	<u>(23,327)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds on sale of investments	3,546,094	769,172
Purchase of investments	(3,417,589)	(616,865)
Purchase of property and equipment	<u>(117,235)</u>	<u>(68,762)</u>
	<u>11,270</u>	<u>83,545</u>
<b>Net change in cash</b> during the year	<b>169,964</b>	<b>60,218</b>
<b>Cash, beginning of year</b>	<b>121,156</b>	<b>60,938</b>
<b>Cash, end of year</b>	<b>291,120</b>	<b>121,156</b>

*see accompanying notes*

---

# Christ Church Deer Park

## NOTES TO FINANCIAL STATEMENTS

---

December 31, 2021

### 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, 2021

**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.

Government funding for operating expenses under the Government of Canada's COVID-19 response programs is recorded as Government COVID subsidies in the statement of revenue and expenses when the assistance is receivable.

The Church holds two investment accounts. The first account is the Investment Account which 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 Investment Account managed by the Church combines the investments held by the Investment Fund, Our Faith Our Hope, Ministry and St. Andrew's Group Fund (the "Funds"), into one pooled Investment Account for ease of administration. Units in the pooled Investment Account 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 Investment Account. Investment income earned by the pooled Investment Account (comprising interest, dividends, gains on sale of securities, net of investment management 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, 2021

**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 making 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.

**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.

**Restricted Funds**

**Investment Fund**

Established in 2021 by the merger of the Endowment and 1870 Funds. The Investment Fund is to provide funds for the ongoing general operating expenses of the Church as well as expenses related to the acquiring, upgrade and maintenance of the Church's building. In any year the Church may withdraw from the Investment Fund up to 5% of the value of the Investment Fund as at December 31 of the preceding year. The Church can exceed that amount with Vestry approval.

**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.

**Christ Church Deer Park**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2021

**2. FUND ACCOUNTING (continued)**

**Restricted Funds (continued)**

**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 Church administers these funds on the recommendation of St. Andrew's. A portion of its funds are held and invested by the Church.

**3. INVESTMENTS**

	2021		2020	
	Fair Value \$	Cost \$	Fair Value \$	Cost \$
Investment Fund	1,799,907	1,691,815	1,684,251	1,210,934
St. Andrew's Group Fund	13,574	10,808	11,901	6,560
Deferred revenue - Our Faith				
Our Hope	350,551	375,920	307,355	266,203
Deferred revenue - Ministry	70,297	65,905	61,635	43,903
Investments managed by Church	2,234,329	2,144,448	2,065,142	1,527,600
Rectory Fund investments held and managed by Diocese	1,356,634	854,171	1,214,138	854,171
<b>Total Investments</b>	<b>3,590,963</b>	<b>2,998,619</b>	<b>3,279,280</b>	<b>2,381,771</b>

**4. PROPERTY AND EQUIPMENT**

	Cost \$	Accumulated amortization \$	Net book value	
			2021 \$	2020 \$
Land	52,199		52,199	52,199
Church Building	179,094	(179,094)		
Building renovations	2,355,996	(1,328,559)	1,027,437	986,982
Organ and pianos	276,000	(276,000)		
Furniture, fixtures and equipment	130,969	(66,552)	64,417	67,882
	<b>2,994,258</b>	<b>(1,850,205)</b>	<b>1,144,053</b>	<b>1,107,063</b>

---

**Christ Church Deer Park**  
**NOTES TO FINANCIAL STATEMENTS**

---

December 31, 2021

**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, 2021 or December 31, 2020. 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:

	<b>Operating Fund</b>	<b>Investment Fund</b>	<b>Building Fund</b>
	\$	\$	\$
Approved by the Corporation	84,981	(84,981)	
Bequests	(750)	750	
Approved by Vestry for capital projects		(35,000)	35,000
	84,231	(119,231)	35,000

During the year, the Operating Fund made no repayment (2020 - \$NIL) on the \$85,000 non-interest bearing loan from the Investment Fund.

Bequests that are not designated to a specific Fund are first recorded in the Operating Fund and then transferred to the Investment Fund in accordance with the formula approved by Vestry. During the year total bequests of \$1,000 (2020 - \$NIL) were received of which \$NIL (2020 - \$NIL) were transferred to the Investment Fund.

---

**Christ Church Deer Park**  
**NOTES TO FINANCIAL STATEMENTS**

---

December 31, 2021

**7. 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 collected the Church's share and distributed it to the Church. The funds are held and are invested for initiatives to be approved by the Corporation. Activity in deferred revenue - Our Faith Our Hope account was as follows:

	2021	2020
	\$	\$
Deferred revenue - Our Faith Our Hope, beginning of year	256,338	336,926
Investment income -		
Interest and dividends	12,215	9,427
Realized gains	99,045	2,106
Investment management fees	(2,603)	
Change in ending fair value of investments	(66,520)	(4,333)
Revenue recognized in Operating Fund to offset expenses	(52,200)	(40,646)
Revenue recognized in Capital Fund for live streaming projects	(1,287)	(47,142)
Deferred revenue - Our Faith Our Hope, end of year	244,988	256,338

**8. 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 Corporation. Such designated gifts are not recognized as revenue until the year in which the related expenses are incurred. Activity in deferred revenue - Ministry account was as follows:

	2021	2020
	\$	\$
Deferred revenue - Ministry, beginning of year	56,413	60,492
Investment income -		
Interest and dividends	2,450	1,773
Realized gain	19,862	422
Investment management fees	(522)	
Change in ending fair value of investments	(13,340)	(774)
Revenue recognized in Operating Fund to offset expenses	(5,500)	(5,500)
Deferred revenue - Ministry, end of year	59,363	56,413

---

**Christ Church Deer Park**  
**NOTES TO FINANCIAL STATEMENTS**

---

December 31, 2021

**9. REFUGEE FUNDS**

Included in other deferred revenue are funds raised to sponsor and support refugees coming to Canada. After the second refugee family became self-sufficient in 2020, the remaining funds are being held pending a decision on supporting a third refugee family. The Church has also agreed to be the sponsor of other refugees at the request of their families (Chiron and Zuhaili), and received donations for each sponsorship. Chiron and Zuhaili have not yet been approved to come to Canada. The revenue and expenditures and fund balance for each of the refugee funds is as follows:

	<b>CCDP Refugee Fund \$</b>	<b>Chiron Fund \$</b>	<b>Zuhaili Fund \$</b>	<b>Total \$</b>
Fund balance, opening	13,756	15,000	30,000	<b>58,756</b>
Donations and fund raising	2,120			<b>2,120</b>
Fund balance, ending	<b>15,876</b>	<b>15,000</b>	<b>30,000</b>	<b>60,876</b>

The Chiron and Zuhaili Funds have been funded by the families who will be 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.

**10. CONGREGATIONAL GIVING**

Congregational giving to the Operating Fund consists of:

	<b>2021 \$</b>	<b>2020 \$</b>
Identifiable givers	<b>448,012</b>	520,671
Open collections	<b>412</b>	1,904
Outreach	<b>600</b>	2,100
	<b>449,024</b>	524,675

**11. INVESTMENT INCOME**

Interest and dividend income is net of investment management fees of \$14,269 (2020 - \$NIL).

**12. COMMITMENT**

In 2021 the Church entered into an agreement with a contractor to undertake plaster repair projects in the Nave, Elliot Hall and The Nest room for a total cost of \$88,038 (including HST). As of December 31, 2021, \$47,912 of the project has been billed for work done to that date. The balance of \$40,126 will be paid once the work is completed in 2022.



---

**Christ Church Deer Park**  
**NOTES TO FINANCIAL STATEMENTS**

---

December 31, 2021

**13. 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 mutual funds and one fixed income security. Investments are reviewed regularly by the discretionary investment manager to evaluate changes in their status and ensure they continue to be in accordance with 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 25%) of the pooled investment fund is denominated in United States dollars 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 holding only one fixed income investment which represents just 2.5% of the total 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.

---

**Christ Church Deer Park**  
**NOTES TO FINANCIAL STATEMENTS**

---

December 31, 2021

**14. IMPACT OF COVID-19 PANDEMIC**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The impact of this unprecedented event could continue to have material effect on the Church's operations in 2022 and beyond. COVID-19 has affected global markets and caused disruptions to domestic and international supply chains. Various measures introduced by all levels of government (i.e. travel restrictions, business closures, reduced government services, restrictions on public movement, imposition of quarantines and social distancing) have impacted the Church's ability to deliver all of its programs and services over the immediate term and it is anticipated that this may continue for a significant period before a full return to normal operations is possible.

In compliance with the emergency closure orders from the province of Ontario and the City of Toronto, the Church temporarily closed its doors on March 15, 2020 to in-person services, but it has continued to provide weekly worship services through online services. The first emergency closure orders were lifted and the Church reopened for in-person services on September 13, 2020, with limited numbers. Due to the new emergency closure orders from the province of Ontario and the City of Toronto effective November 20th, the Church again temporarily closed its doors to in-person services. Once those orders were lifted, the Church reopened for in-person services again on July 4, 2021. Out of an abundance of caution, the Church closed its doors to in-person services again on December 26, 2021 and it does not know when it will reopen. The Church has continued to provide weekly worship services through online services. The Church's congregation has continued its financial support, but there is uncertainty regarding the impact of the pandemic on the Church's revenue over the longer term.

The Church rents its facilities to third party users on an ongoing and ad hoc basis. The full impact of social distancing on future rental income is not known at this time.

During the 2021 fiscal year, the Church earned \$30,729 (2020 - \$77,823) under the government of Canada's Canada Emergency Wage Subsidy and Temporary Wage Subsidy programs. The Church continues to monitor and apply for those government funded initiatives it qualifies for, to help it through the loss of any revenue resulting from the temporary closures.

Management believes that it has sufficient resources to continue its mission through this pandemic, and intends to utilize its cash and investments as required to cover any operating deficiencies resulting from the pandemic.

An estimate of the full financial effect of the COVID-19 pandemic cannot be made as at the date the financial statements were authorized for issuance on February 3, 2022.