

CHRIST CHURCH PARISH VANCOUVER B.C.

FINANCIAL STATEMENTS

31 DECEMBER 2022

CHRIST CHURCH PARISH VANCOUVER B.C.

Financial Statements

For the year ended 31 December 2022

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INDEPENDENT AUDITORS' REPORT

To the Trustees of Christ Church Parish Vancouver B.C.,

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Christ Church Parish Vancouver B.C., (the “Parish”), which comprise the statement of financial position as at 31 December 2022, and the statement of revenues and expenses and changes in fund balances and statement of 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 matters 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 Parish as at 31 December 2022, and the revenues and expenses and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

As discussed in Note 2(c) to the financial statements, the Parish has not recorded the cost of land and building, which constitutes a departure from Canadian accounting standards for not-for-profit organizations. The effect of this departure and the related unrecorded annual amortization expense from Canadian accounting standards for not-for-profit organizations has not been determined.

In common with many not-for-profit organizations, the Parish derives revenue from specified donations and parishioners offerings, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Parish. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess (deficiency) of revenues over expenses, and cash flows for the years ended 31 December 2022 and 31 December 2021, current assets as at 31 December 2022 and 31 December 2021, and net assets as at 1 January and 31 December for both the 2022 and 2021 years.

Our audit opinion on the financial statements for the year ended 31 December 2021 was modified accordingly because of the possible effects of this limitation in scope and the departure from Canadian accounting standards for not-for-profit organizations.

INDEPENDENT AUDITORS' REPORT - continued

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

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

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

In preparing the financial statements, management is responsible for assessing the Parish'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 Parish or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material 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.

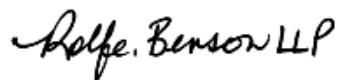
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Parish's internal control.

INDEPENDENT AUDITORS' REPORT - continued

- 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 Parish's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Parish 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.



CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
9 February 2023

CHRIST CHURCH PARISH VANCOUVER B.C.
Statement of Financial Position
31 December 2022

	Parish Ministry		Heritage	Total	
	Fund	Reserve Funds	Building Fund	2022	2021
	\$	\$	\$	\$	\$
Assets					
Current					
Cash	45,602	-	-	45,602	384,261
Accounts receivable	62,279	-	-	62,279	35,066
Prepaid expenses	23,035	-	-	23,035	2,699
Due from (to) other funds	100,826	48,841	(149,667)	-	-
	<u>231,742</u>	<u>48,841</u>	<u>(149,667)</u>	130,916	422,026
Investments (Note 5)	49,999	1,846,487	1,226,486	3,122,972	3,641,913
Tangible capital assets (Note 6)	<u>7,011</u>	<u>-</u>	<u>-</u>	7,011	7,245
	<u>288,752</u>	<u>1,895,328</u>	<u>1,076,819</u>	3,260,899	4,071,184
Liabilities					
Current					
Accounts payable and accrued liabilities	52,391	-	-	52,391	55,451
Funds held in trust (Note 7)	14,332	-	-	14,332	3,916
Deferred revenue (Note 3 and Note 8)	74,830	-	-	74,830	46,661
Bank term loan - current portion (Note 9)	-	-	118,610	118,610	115,029
CEBA loan (Note 3(b))	40,000	-	-	40,000	-
	<u>181,553</u>	<u>-</u>	<u>118,610</u>	300,163	221,057
Long-term					
Bank term loan (Note 9)	-	-	1,209,688	1,209,688	1,328,282
CEBA loan (Note 3(b))	-	-	-	-	40,000
	<u>-</u>	<u>-</u>	<u>1,209,688</u>	1,209,688	1,368,282
Total liabilities	<u>181,553</u>	<u>-</u>	<u>1,328,298</u>	1,509,851	1,589,339
Commitments (Note 12)					
Fund Balances					
Unrestricted	107,199	-	-	107,199	179,136
Externally restricted	-	1,564,536	-	1,564,536	1,752,887
Internally restricted	-	330,792	(251,479)	79,313	549,822
	<u>107,199</u>	<u>1,895,328</u>	<u>(251,479)</u>	1,751,048	2,481,845
	<u>288,752</u>	<u>1,895,328</u>	<u>1,076,819</u>	3,260,899	4,071,184

APPROVED BY THE TRUSTEES:

_____ Trustee

_____ Trustee

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

CHRIST CHURCH PARISH VANCOUVER B.C.
Statement of Revenues and Expenses and Change in Fund Balances
For the year ended 31 December 2022

	Fund Balance 2021	Revenues (Loss)	Expenses	Excess (Deficiency) of Revenues Over Expenses	Fund Transfers	Fund Balance 2022
					(Note 11)	
Unrestricted Parish Ministry Fund						
Statement of Operations	\$ 179,136	\$ 1,102,940	\$ 1,868,877	\$ (765,937)	\$ 694,000	\$ 107,199
Internally Restricted Funds						
Sabbatical Fund - Schedule 1	37,701	(4,182)	-	(4,182)	-	33,519
Build for the Future Fund - Schedule 2	2,444	1,281	-	1,281	-	3,725
Heritage Building Fund - Schedule 3	227,643	214,062	155,184	58,878	(538,000)	(251,479)
Refugee Sponsorship Fund - Schedule 4	-	141,751	37,293	104,458	-	104,458
Parish Nurse Fund - Schedule 5	3,698	(410)	-	(410)	-	3,288
Capital and Special Projects - Schedule 6	184,770	(8,984)	57,195	(66,179)	10,000	128,591
Curacy Fund - Schedule 7	34,224	(3,796)	-	(3,796)	(15,000)	15,428
Dean's Passing the Torch Fund - Schedule 8	59,342	(4,559)	-	(4,559)	(13,000)	41,783
	<u>549,822</u>	<u>335,163</u>	<u>249,672</u>	<u>85,491</u>	<u>(556,000)</u>	<u>79,313</u>
Externally Restricted Funds						
Main Endowment Fund - Schedule 9	815,942	46,064	-	46,064	(80,000)	782,006
Separate Endowment Funds						
Lang Music Fund - Schedule 10	137,516	(1,532)	-	(1,532)	-	135,984
WISH Fund - Schedule 11	20,000	1,117	1,117	-	-	20,000
Fuller Fund - Schedule 12	68,328	(8,005)	-	(8,005)	(3,000)	57,323
O'Clery Fund - Schedule 13	65,755	(7,719)	-	(7,719)	(3,000)	55,036
Pence Fund - Schedule 14	69,517	(8,137)	-	(8,137)	(6,000)	55,380
Griffiths Fund - Schedule 15	128,519	(16,810)	-	(16,810)	(12,000)	99,709
MacLeod Outreach Fund - Schedule 16	439,021	(53,521)	-	(53,521)	(34,000)	351,500
Hillman Garden Fund - Schedule 17	8,289	(691)	-	(691)	-	7,598
	<u>1,752,887</u>	<u>(49,234)</u>	<u>1,117</u>	<u>(50,351)</u>	<u>(138,000)</u>	<u>1,564,536</u>
	<u>\$ 2,481,845</u>	<u>\$ 1,388,869</u>	<u>\$ 2,119,666</u>	<u>\$ (730,797)</u>	<u>-</u>	<u>\$ 1,751,048</u>

Note: During the year it was determined the Parish Nurse Fund, Capital and Special Projects, Curacy Fund and Dean's Passing the Torch Fund are internally restricted and so have been reclassified from Externally Restricted Funds to Internally Restricted Funds above.

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

CHRIST CHURCH PARISH VANCOUVER B.C.
Statement of Operations - Parish Ministry Fund
For the year ended 31 December 2022

	2022	2021
Revenues		
Received donations	\$ 748,693	\$ 751,300
Building use donations	110,668	167,008
Grants from outside organizations	109,867	102,431
Non-receipted donations	63,066	44,368
Diocese Grants	30,833	22,000
Other (weddings/funerals/misc)	19,496	7,413
Flowthrough donations		
PWRDF	26,345	14,433
Other flow through	9,738	3,651
Care and share	5,271	8,833
Investment income (loss)	(31,037)	24,020
Total revenues	1,092,940	1,145,457
Expenses		
Staff		
Office/Youth/Communications/Food Ministry	496,130	467,723
Clergy/Music	426,526	422,818
Building	189,960	187,426
Staff Development	719	1,994
WCB	459	263
	1,113,794	1,080,224
Building - Cathedral Operating Expense	199,568	182,692
Administration and other		
Synod apportionment (Note 3(c))	175,158	177,291
Administration	82,731	88,715
Communication and development	15,948	15,309
Amortization	6,522	5,893
	280,359	287,208
Cathedral ministries		
Social justice (including Maundy)	76,030	65,177
Music	70,771	58,320
Grants outside the Parish	36,000	36,000
Spiritual journey	26,669	7,858
Worship	21,544	17,167
Place of sanctuary	2,153	563
Stewards	385	26
Climate Act. CATS	250	-
Community Art Project	-	3,098
	233,802	188,209
Flowthrough expenses	41,354	26,917
Total expenses	1,868,877	1,765,250
Deficiency of revenues over expenses before bequests and special gifts	\$ (775,937)	\$ (619,793)
Bequests and special gifts - receipted	10,000	-
Government subsidies - CEWS (Note 3(a))	-	328,382
Government subsidies - CEBA (Note 3(b))	-	10,000
Deficiency of revenues over expenses for the year	(765,937)	(281,411)
Transfers from Reserve Funds (Note 11)	\$ 694,000	\$ 281,500
Net of excess (deficiency) of revenues over expenses and transfers from (to) reserve funds	\$ (71,937)	\$ 89

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

CHRIST CHURCH PARISH VANCOUVER B.C.

Statement of Cash Flows

For the year ended 31 December 2022

	Parish Ministry Fund	Reserve Funds	Heritage Building Fund	Total	
				2022	2021
Cash provided by (used in):					
Operating activities					
Excess (deficiency) of revenues over expenses	\$ (765,937)	\$ (23,738)	\$ 58,878	(730,797)	\$ 234,536
Items not involving cash					
Amortization	6,522	-	-	6,522	5,893
Loss (return) on investment in Diocese Consolidated Trust Fund	(13,567)	179,491	153,017	318,941	(286,451)
Changes in non-cash working capital balances					
Accounts receivable	(27,213)	-	-	(27,213)	(15,913)
Government subsidy receivable	-	-	-	-	149,447
Prepaid expenses	(20,336)	-	-	(20,336)	(2,699)
Accounts payable	(3,060)	-	-	(3,060)	4,241
Funds held in trust	10,416	-	-	10,416	(6,853)
Due from (to) other funds	(441,365)	247	441,118	-	-
Deferred revenue	28,169	-	-	28,169	(202,371)
	(1,226,371)	156,000	653,013	(417,358)	(120,170)
Financing activities					
Bank term loan payments	-	-	(115,013)	(115,013)	(111,542)
CEBA loan	-	-	-	-	10,000
	-	-	(115,013)	(115,013)	(101,542)
Investing activities					
Acquisition of tangible capital assets	(6,288)	-	-	(6,288)	(3,712)
Net decrease in investments	200,000	-	-	200,000	-
Interfund transfer	694,000	(156,000)	(538,000)	-	-
	887,712	(156,000)	(538,000)	193,712	(3,712)
Net (decrease) increase in cash	(338,659)	-	-	(338,659)	(225,424)
Cash - beginning of year	384,261	-	-	384,261	609,685
Cash - end of year	\$ 45,602	\$ -	\$ -	\$ 45,602	\$ 384,261
Supplemental Information					
Bank loan interest paid				\$ 42,705	\$ 46,176

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

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

1. Purpose of the Organization

- (a) Christ Church Parish Vancouver B.C. (the “Parish”) was incorporated on 1 August 1908 under the terms of the Anglican Synod of the Diocese of New Westminster Incorporation Act, 1893. The Parish is a registered charity and is exempt from income tax.
- (b) Christ Church Parish Vancouver B.C. is an inclusive community of disciples of Jesus Christ serving God in downtown Vancouver through worship, ministry and outreach. The Parish community values its history and heritage; since 1888, people have met on this site to worship God and witness to Christ’s love for the world; since 1929, this has been the seat of the Bishop of the Diocese of New Westminster. It is a place of worship, sanctuary and celebration where differences are welcomed, outreach is encouraged, faith is nurtured and arts and culture valued and supported.

Vision of the Parish: In keeping with this tradition, and yet within the context of today’s society, the Parish community holds up the following vision:

We envision a Cathedral which is radically inclusive, restlessly inquisitive, intentional, and inspired. This is a place that is called to lead and to serve, in communion and in community, with healing, reconciliation, and love, living out Christian mission. Together, we look to the power of Christ for the transformation of each person, this city, and the world.

We recognize our history and traditions, while seeking renewal and growth in spiritual depth and size. Curious and adaptable, this chorus has room for all voices. Whoever you are, wherever you come from, whomever you love, and regardless of what you may bring or are searching for, you are welcome here.

The motto of the Parish is “Open doors, open hearts, open minds”.

Cathedral Mission: The Cathedral's mission takes shape in ways as diverse and varied as the individuals who call this place their spiritual home. This is a community that extends its ministry of welcome and inclusion to all who know the brokenness of life, are drawn to Christ, and who seek God in this rapidly changing place and time. The Cathedral is dedicated to becoming a barrier- breaking community of reconciliation. We consider the following to be core aspects of pursuing the Cathedral vision:

- i. making our heritage building a place where beauty, reverence and creativity can flourish, in our worship and through music and the arts;
- ii. committing faithfully to liturgy;
- iii. developing lay and ordained leadership;
- iv. growing through welcoming new people into the life of the Cathedral;
- v. answering spiritual and secular calls to reconciliation;

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

1. Purpose of the Organization - continued

- vi. providing a place of nurturing and sustenance, for body, mind and spirit;
- vii. embracing LGBTQ1A/2S people, their families, and their friends in a positive, safe environment;
- viii. welcoming the uncomfortable and the unknown;
- ix. accepting the duty and responsibility of being the “City’s Church” and the Cathedral Church of the Diocese of New Westminster.

2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(b) Revenue Recognition

The Parish follows the restricted fund method of accounting for revenue whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which no corresponding restricted fund is presented are recognized in the Parish Ministry Fund using the deferral method. Unrestricted contributions are recognized as revenues in the Parish Ministry Fund when received or receivable.

Investment income includes interest, dividend income and realized and unrealized investment gains and losses. Unrealized gains and losses on financial assets recorded at market value are included in investment income (loss) and recognized as revenue (loss) in the statement of operations. Investment income is recognized as revenue when earned.

(c) Contributed Services

The Parish benefits greatly from contributed services in the form of volunteer time for various activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost except for land and building, which are recorded at a \$1 nominal amount. The Parish provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Computer equipment	3 years
Equipment	5 years

There is no amortization provision for building as historical costs were not capitalized but have been expensed in the accounts and/or not recorded.

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Summary of Significant Accounting Policies - continued

(e) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingencies at the date of the statement of financial position. Amounts subject to estimates include amortization of tangible capital assets and accrued liabilities. Management believes that the estimates utilized in preparing the financial statements are prudent and reasonable, however, actual results could differ from those estimates.

(f) Impairment of Long-Lived Assets

The Parish tests long-lived assets for impairment when events or changes in circumstances indicate that their carrying value may not be recovered. When a tangible capital asset no longer contributes to the services provided by the Parish, its carrying amount is written down to its residual value. No impairment losses were determined by management to be necessary for the year.

(g) Pension Plan

The Parish and its employees contribute to a defined contribution multi-employer pension plan (the "Plan") administered by the Pension Office Corporation of the Anglican Church of Canada. The Plan provides pension based on length of service and final average earnings. As the assets and liabilities of the Plan are not segregated by member, the Plan is accounted for as a defined contribution plan and any contributions of the Parish to the Plan are expensed when incurred.

(h) Investments

The Investment in the Diocese Consolidated Trust Fund is recorded at fair value and is comprised of a marketable security portfolio administered by the Diocesan Administration and Finance Committee. The Investment held at the Vancouver Foundation is recorded at amortized cost.

(i) Financial Instruments

i. Measurement of Financial Instruments

The Parish initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Parish subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market and fixed income securities, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Summary of Significant Accounting Policies - continued

(h) Financial instruments - continued

i. Measurement of Financial Instruments - continued

Financial assets measured at amortized cost include cash, accounts receivable and investments held at the Vancouver Foundation.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, funds held in trust, Canada Emergency Business Account (“CEBA”) loan and bank term loan.

The Parish’s financial assets measured at fair value include the investments in Diocese Consolidated Trust Fund.

ii. Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

iii. Transaction Costs

The Parish recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

3. Financial Assistance during the COVID-19 Pandemic

(a) Canada Emergency Wage Subsidy (“CEWS”)

In 2022, the Synod of the Diocese of New Westminster (the “Diocese”) allocated \$Nil (2021 - \$178,935) to the Parish as its share of the Canada Emergency Wage Subsidy (“CEWS”) claimed by the Diocese. In addition, during the year, the Parish recognized \$Nil (2021 - \$149,447) of CEWS claim as revenue which was deferred in 2020 and submitted for the 2020 year-end by the Diocese.

The measurement of the CEWS is subject to uncertainty as the claims are subject to review and possible adjustment by the Canada Revenue Agency.

(b) Canada Emergency Business Account (“CEBA”)

In 2022, the Parish received the Canada Emergency Business Account (“CEBA”), an interest-free loan of \$Nil (2021 - \$20,000) for a total received of \$60,000 to support the Parish operations by providing financing for expenses that cannot be avoided or deferred as steps are taken to safely navigate a period of shutdown. Repaying the balance of the loan on or before 31 December 2023 will result in loan forgiveness of 33%, or \$20,000. If the loan is not repaid by that date, the loan can be converted to a 2-year term loan due 31 December 2025, carrying monthly interest-only payments at an interest rate of 5%. For the year ended 31 December 2022, the forgivable portion of \$Nil (2021 - \$10,000) for a total of \$20,000, was recognized as a government subsidy.

(c) Assistance from the Diocese

The Diocese also approved a financial assistance package to mitigate the financial exigency existing within parishes of the Diocese as a result of the COVID-19 pandemic. The assistance included suspending Diocesan assessment payments for three months – this reduced the Parish’s 2022 Diocesan assessment expense by \$58,386 (2021 - \$50,097).

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

4. Fund Descriptions

(a) Parish Ministry Fund (formerly General Fund)

The Parish Ministry Fund's purpose is to report on the operation and administration of the Parish.

(b) Endowment Funds

The bylaws of the Main Endowment Fund (and "Separate Endowment Funds") prevent the withdrawal of capital from the funds.

Main Endowment Fund

i. Main Endowment Fund

The Main Endowment Fund's purpose is to provide grants to parish-based ministries.

Separate Endowment Funds

ii. The Rupert Lang Endowment Fund for Music

The Music Endowment Fund's purpose is to support the Parish musical ministry.

iii. W.I.S.H. Endowment Fund

The W.I.S.H. Endowment Fund's purpose is to support the operation of the W.I.S.H. Drop-in Centre Society.

iv. Fuller Memorial Endowment Fund

The George and Lois Blatchford Fuller Memorial Fund for Social Justice supports local and national social justice projects.

v. Rhoda Fraser O'Clery Outreach Fund

The purpose of this fund is to support efforts to care for the poor and hungry.

vi. Jim and Cathy Pence Endowment Fund

The purpose of this fund is to support social justice projects.

vii. M. Griffiths Fund for the Poor and Homeless

The purpose of this fund is to provide assistance to needy persons (including the homeless, the hungry and the destitute).

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

4. Fund Descriptions - continued

(c) MacLeod Outreach Fund

The purpose of this fund is to provide funds for outreach use at the discretion of the Trustees as they respond to requests for ministry. The Fund may not be used for support of the building or operations.

(d) Capital and Special Projects Fund

This fund was established to manage the stained glass windows projects and other special projects or designated purposes, such as commissioning new stained glass windows, musical instruments, icons, artwork and others.

(e) Hillman Garden Fund

The purpose of this fund is to improve and maintain attractive landscaping and gardens on the property of the Parish.

(f) Build for the Future Fund

The purpose of the fund is to promote new things happening at the Cathedral. The Fund will be used for the Maundy Ministries expansion and Reservist Ministries.

(g) Sabbatical Fund

The purpose of the Sabbatical Fund is to support senior staff when on sabbatical leave and to fund replacement staff costs if necessary.

(h) Curacy Fund

The Curacy Fund has been established to support a curacy program which could include salaries, training costs, courses, books, etc.

(i) Heritage Building Fund (formerly Restoration Fund)

The purpose of the Heritage Building Fund is to make funds available for capital building and maintenance projects. In January 2019, Cathedral Trustees approved a change in presentation of the Park Place Agreement within the financial statements to align the income from this agreement with the recommendation of the 1976 Task Force on Diocesan-Cathedral Relationships which states that "All moneys received by Christ Church Cathedral from Grander Developments Ltd., on and after 1 July 1976, should be construed as Capital Receipts and used by the Cathedral as a priority for maintenance, renovation and extension, as necessary, of Cathedral premises". In addition to this priority, the funds are to be used for, secondly, prudent provision of reserves for future building purposes, and thirdly, may be used to support Parish Ministries.

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

4. Fund Descriptions - continued

(j) Parish Nurse Fund

The purpose of this fund is to provide health and welfare resources to both the Parish and street ministry projects.

(k) Dean's Passing the Torch Fund (formerly Rector's Discretionary Fund)

The purpose of this fund is to support the Rector's initiatives in new areas to facilitate the growth and development of the Cathedral, in a period of leadership transition.

5. Investments

	2022	2021
Investments are comprised of the following:		
Investment in the Diocese Consolidated Trust Fund at market value	\$ 2,300,576	\$ 2,819,516
Investment held at the Vancouver Foundation at cost	822,397	822,397
	\$ 3,122,973	\$ 3,641,913

Certain Endowment Fund investments are held at the Vancouver Foundation. As they are covered by restrictions which preclude their redemption and access to original capital, they are being carried at cost of \$822,397 (2021 - \$822,397). Their fair value at 31 December 2022 is \$1,084,409 (2021 - \$1,228,120).

6. Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			2022	2021
Land and building	\$ 1	\$ -	\$ 1	\$ 1
Equipment	47,401	47,401	-	1,408
Computer equipment	28,406	21,396	7,010	5,836
	\$ 75,808	\$ 68,797	\$ 7,011	\$ 7,245

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

7. Funds Held in Trust

At 31 December 2022, the Parish held \$14,332 (2021 - \$3,916) collected on behalf of specific charities which had not yet been remitted to the beneficiaries. Total receipts and disbursements are as follows:

	Opening Balance	Receipts	Disbursements	Closing Balance
Primate's World Relief and Development Fund	\$ 1,727	\$ 27,119	\$ 21,040	\$ 7,806
Care and share	808	5,276	4,005	2,079
Other agencies	1,381	12,825	9,759	4,447
	<u>\$ 3,916</u>	<u>\$ 45,220</u>	<u>\$ 34,804</u>	<u>\$ 14,332</u>

8. Deferred Revenue

Revenue designated for specific purposes that the Parish received, for which no corresponding restricted fund is established, are deferred and are recognized when the expenses are incurred. The balances of these deferred revenues are as follows:

	Opening Balance	Contributions	Expenditures	Closing Balance
Choir tour fund	\$ 13,708	\$ -	\$ -	\$ 13,708
Climate Action CATS	-	1,000	-	1,000
Healing touch	4,155	-	-	4,155
Weddings and event deposit	8,250	40,161	27,335	21,076
Maundy Café	20,548	214,689	200,346	34,891
	<u>\$ 46,661</u>	<u>\$ 255,850</u>	<u>\$ 227,681</u>	<u>\$ 74,830</u>

9. Bank Term Loan

On 24 February 2020, the Trustees of the Parish approved the arrangement of a credit facility with the Royal Bank of Canada under the following terms:

A \$1,600,000 term loan with interest at 3.07% per annum with blended monthly payments of \$13,143. The balance of the loan is due and payable on 25 February 2025.

Security for the above credit facilities is by way of a general security agreement constituting a first ranking security interest in all personal property of the Parish.

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

9. Bank Term Loan - continued

Principal repayments consist of the current and non-current portions as following:

	2022	2021
Bank term loan total	\$ 1,328,298	\$ 1,443,311
Less current portion	<u>(118,610)</u>	<u>(115,029)</u>
	\$ 1,209,688	\$ 1,328,282

Annual principal repayments until maturity are as follows:

2023	\$	118,610
2024		122,303
2025		<u>1,087,385</u>
	\$	<u>1,328,298</u>

10. Park Place, Mortgage Receivable

Pursuant to an agreement dated 31 October 1979, the Parish granted certain development rights, at no cost to the Parish, in exchange for the right to receive annual cash payments. Under the agreement these repayments amount to \$300,000 per annum from 2005 to 2023, and from 2024 to 2083 in 20 year tranches amounts to be determined based on the market value of the Parish lands. These annual payments are secured by a mortgage granted by the Owner in favour of the Parish for a term expiring in 2083.

11. Interfund transfers

Interfund transfers to (from) the Parish Ministry Fund are comprised of the following:

Source	Purpose	Amount
Heritage Building Fund	Parish Ministry and Building	<u>\$ 538,000</u>
Main Endowment Fund	Youth ministry and Parish Ministry	80,000
Fuller Endowment Fund	Maundy Café	3,000
O'Clery Endowment Fund	Maundy Café	3,000
Griffiths Endowment Fund	Maundy Café	12,000
Pence Endowment Fund	Maundy Café	6,000
MacLeod Outreach Fund	The 127 Society for Housing	34,000
Capital and Special Projects Fund	Parish Ministry	(10,000)
Curacy Fund	Curate	15,000
Dean's Passing the Torch Fund	New Regiment Ministry	<u>13,000</u>
		156,000
Net transfers from Reserve Funds to Parish Ministry Fund		<u>\$ 694,000</u>

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

12. Commitments

The Parish holds a lease agreement for an office photocopier. The annual minimum lease payments are as follows:

2023	\$	4,529
2024		4,529
2025		4,529
2026		<u>261</u>
	\$	<u>13,848</u>

13. Pension Plans

(a) General Synod Pension Plan

The Parish contributes to a multi-employer defined benefit pension plan (the “Plan”) administered by the Pension Office Corporation of the Anglican Church of Canada. The Plan covers clergy and some lay employees who work over 18.5 hours per week as well as the employees of the other participating organizations.

The Plan provides pension based on length of service and final average earnings. The annual funding requirements are determined in consultation with the actuaries to provide long-term stability of the Plan.

The Parish contributes 12.5% (2021 - 12.5%) and the employees contribute 5% (2021 - 5%) of their stipend to the Plan.

(b) Lay Retirement Plan

The Parish also contributes to a multi-employer defined contribution pension plan (the “Plan”) administered by the Pension Office Corporation of the Anglican Church of Canada whereby employers and employees contributed at a defined rate. Some lay employees who work over 18.5 hours per week participate in this plan. The Parish contributes 5% (2021 - 5%) and the employees contribute 5% (2021 - 5%) of their salaries to the Plan.

Total pension plan expense for 2022 for both plans above amounted to \$55,995 (2021 - \$56,983).

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

14. Financial Instruments

The Parish is exposed to various risks through its financial instruments. The following analysis provides a measure of the Parish's risk exposure and concentrations at the statement of financial position date, 31 December 2022.

(a) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Parish is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, funds held in trust, CEBA loan and bank term loan. The Parish manages liquidity risk by maintaining adequate levels of cash. There has been no change to the risk exposure from the prior year.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Parish's main credit risks relate to its cash and accounts receivable. The Parish manages credit risk on its cash by placing its cash with regulated financial institutions and assesses on a continuous basis, its receivables and writes off any amounts that are not collectible. Assessment for uncollectible amounts are performed by management and provided for. There has been no change to the risk exposure from the prior year.

(c) 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 comprises three types of risk: currency risk, interest risk and other price risk.

(d) 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 investment in the Diocese Consolidated Trust Fund includes a component denominated in foreign currency. In addition, as at 31 December 2022, cash of \$18,294 (2021 - \$32,897) was denominated in U.S. dollars and converted into Canadian dollars. There has been no change to the risk exposure from the prior year.

(e) 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 rates. The Parish is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Parish to a fair value risk while the floating-rate instruments subject it to a cash flow risk. The Parish does not use financial instruments to reduce its risk exposure. There has been no change to the risk exposure from the prior year.

CHRIST CHURCH PARISH VANCOUVER B.C.
Notes to the Financial Statements
For the Year Ended 31 December 2022

14. Financial Instruments - continued

(f) Other Price Risk

Other price risk is the risk that the fair value or future cash flow 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 Parish is exposed to other price risk through its investments, which are held in professionally administered funds. These funds are subject to fluctuating returns based on the market and are exposed to the risk of market volatility. Risk has been assessed by management and an investment policy adopted to mitigate such market risk. There has been no change to the risk exposure from the prior year.

15. Impact of COVID-19

In March 2020, the World Health Organization declared the COVID-19 outbreak to be a public health emergency. This pandemic has caused an increase in economic uncertainty that has led to volatility in international markets and disrupted business operations around the world. The Parish's primary source of revenue is derived from building use and donations. At the date of the Independent Auditors Report, with the relaxation of COVID-19 restrictions part way through the year, the Parish has experienced a close to normal building use revenue. Donations from parishioners, visitors and friends reduced in 2020, and 2021. 2022 saw a modest and slow return to more in person involvement, and after a slow start, donations were slightly above prior years. Currently management is optimistic that this return toward normal will continue, but is unable to determine the extent to which the impacts of COVID-19 may now have been normalized and are impacting future revenues and expenditures.

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 1 - Sabbatical Fund
For the Year Ended 31 December 2022

	<u>2022</u>	<u>2021</u>
Opening balance	<u>\$ 37,701</u>	<u>\$ 33,870</u>
Revenues		
Sabbatical Fund gain (loss) on investment	<u>(4,182)</u>	<u>3,831</u>
	<u>(4,182)</u>	<u>3,831</u>
Excess (deficiency) of revenues over expenses	<u>(4,182)</u>	<u>3,831</u>
Closing balance	<u>\$ 33,519</u>	<u>\$ 37,701</u>

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 2 - Build For The Future Fund
For the Year Ended 31 December 2022

	<u>2022</u>	<u>2021</u>
Opening balance	<u>\$ 2,444</u>	<u>\$ -</u>
Revenues		
Build For The Future donations	<u>1,281</u>	<u>2,444</u>
Excess of revenues over expenses	<u>1,281</u>	<u>2,444</u>
Closing balance	<u>\$ 3,725</u>	<u>\$ 2,444</u>

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 3 - Heritage Building Fund
For the Year Ended 31 December 2022

	2022	2021
Opening balance	\$ 227,643	\$ 60,448
Revenues		
Park Place Agreement (Note 10)	300,000	300,000
Heritage Building Fund donations	67,079	62,176
Heritage Building Fund income	-	2,820
Heritage Building Fund gain (loss) on investment	(153,017)	140,151
	<u>214,062</u>	<u>505,147</u>
Expenses		
Heritage Building Fund capital expenses	112,479	111,276
Heritage Building Fund loan interest	42,705	46,176
	<u>155,184</u>	<u>157,452</u>
Excess of revenues over expenses	<u>58,878</u>	347,695
Transfers	<u>(538,000)</u>	(180,500)
Closing balance	<u>\$ (251,479)</u>	<u>\$ 227,643</u>

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 4 - Refugee Sponsorship Fund
For the Year Ended 31 December 2022

	2022	2021
Opening balance	\$ -	\$ -
Revenues		
Refugee Sponsorship donations	141,751	-
Expenses		
Refugee Sponsorship expenses	37,293	-
Excess of revenues over expenses	<u>104,458</u>	-
Closing balance	<u>\$ 104,458</u>	<u>\$ -</u>

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 5 - Parish Nurse Fund
For the Year Ended 31 December 2022

	<u>2022</u>	<u>2021</u>
Opening balance	\$ 3,698	\$ 3,322
Revenues		
Parish Nurse Fund gain (loss) on investment	<u>(410)</u>	<u>376</u>
Excess (deficiency) of revenues over expenses	<u>(410)</u>	<u>376</u>
Closing balance	\$ 3,288	\$ 3,698

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 6 - Capital and Special Projects
For the Year Ended 31 December 2022

	<u>2022</u>	<u>2021</u>
Opening balance	\$ 184,770	\$ 164,260
Revenues		
Capital and Special Projects Fund donations	<u>11,237</u>	<u>10,500</u>
Capital and Special Projects gain (loss) on investment	<u>(20,221)</u>	<u>18,575</u>
	<u>(8,984)</u>	<u>29,075</u>
Expenses		
Capital project expenses	<u>57,195</u>	<u>8,565</u>
Excess (deficiency) of revenues over expenses	<u>(66,179)</u>	<u>20,510</u>
Transfers	<u>10,000</u>	<u>-</u>
Closing balance	\$ 128,591	\$ 184,770

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 7 - Curacy Fund
For the Year Ended 31 December 2022

	<u>2022</u>	<u>2021</u>
Opening balance	<u>\$ 34,224</u>	<u>\$ 30,746</u>
Revenues		
Curacy Fund gain (loss) on investment	<u>(3,796)</u>	<u>3,478</u>
Excess (deficiency) of revenues over expenses	<u>(3,796)</u>	<u>3,478</u>
Transfers	<u>(15,000)</u>	<u>-</u>
Closing balance	<u>\$ 15,428</u>	<u>\$ 34,224</u>

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 8 - Dean's Passing the Torch Fund
For the Year Ended 31 December 2022

	<u>2022</u>	<u>2021</u>
Opening balance	<u>\$ 59,342</u>	<u>\$ 54,761</u>
Revenues		
Dean's Passing the Torch Fund gain (loss) on investment	<u>(4,559)</u>	<u>4,581</u>
Excess (deficiency) of revenues over expenses	<u>(4,559)</u>	<u>4,581</u>
Transfers	<u>(13,000)</u>	<u>-</u>
Closing balance	<u>\$ 41,783</u>	<u>\$ 59,342</u>

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 9 - Main Endowment Fund
For the Year Ended 31 December 2022

	2022	2021
Opening balance	<u>\$ 815,942</u>	<u>\$ 818,386</u>
Revenues		
Endowment Fund income	<u>46,064</u>	<u>37,556</u>
Excess of revenues over expenses	<u>46,064</u>	<u>37,556</u>
Transfers	<u>(80,000)</u>	<u>(40,000)</u>
Closing balance	<u>\$ 782,006</u>	<u>\$ 815,942</u>

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 10 - Lang Music Fund
For the Year Ended 31 December 2022

	2022	2021
Opening balance	<u>\$ 137,516</u>	<u>\$ 127,505</u>
Revenues		
Music Fund income	4,602	3,934
Music Fund donations	500	-
Music Fund gain (loss) on investment	<u>(6,634)</u>	<u>6,077</u>
	<u>(1,532)</u>	<u>10,011</u>
Excess (deficiency) of revenues over expenses	<u>(1,532)</u>	<u>10,011</u>
Closing balance	<u>\$ 135,984</u>	<u>\$ 137,516</u>

CHRIST CHURCH PARISH VANCOUVER B.C.

Schedule 11 - WISH Fund
For the Year Ended 31 December 2022

	2022	2021
Opening balance	<u>\$ 20,000</u>	<u>\$ 20,000</u>
Revenues		
WISH Fund income	<u>1,117</u>	<u>955</u>
Expenses		
WISH Fund grants	<u>1,117</u>	<u>955</u>
Excess (deficiency) of revenues over expenses	<u>-</u>	<u>-</u>
Closing balance	<u>\$ 20,000</u>	<u>\$ 20,000</u>

CHRIST CHURCH PARISH VANCOUVER B.C.

Schedule 12 - Fuller Fund
For the Year Ended 31 December 2022

	2022	2021
Opening balance	<u>\$ 68,328</u>	<u>\$ 64,081</u>
Revenues		
Fuller Fund gain (loss) on investment	<u>(8,005)</u>	<u>7,247</u>
Excess (deficiency) of revenues over expenses	<u>(8,005)</u>	<u>7,247</u>
Transfers	<u>(3,000)</u>	<u>(3,000)</u>
Closing balance	<u>\$ 57,323</u>	<u>\$ 68,328</u>

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 13 - O'Clery Fund
For the Year Ended 31 December 2022

	2022	2021
Opening balance	<u>\$ 65,755</u>	<u>\$ 61,769</u>
Revenues		
O'Clery Fund gain (loss) on investment	<u>(7,719)</u>	<u>6,986</u>
Excess (deficiency) of revenues over expenses	<u>(7,719)</u>	<u>6,986</u>
Transfers	<u>(3,000)</u>	<u>(3,000)</u>
Closing balance	<u>\$ 55,036</u>	<u>\$ 65,755</u>

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 14 - Pence Fund
For the Year Ended 31 December 2022

	2022	2021
Opening balance	<u>\$ 69,517</u>	<u>\$ 65,149</u>
Revenues		
Pence Fund gain (loss) on investment	<u>(8,137)</u>	<u>7,368</u>
Excess (deficiency) of revenues over expenses	<u>(8,137)</u>	<u>7,368</u>
Transfers	<u>(6,000)</u>	<u>(3,000)</u>
Closing balance	<u>\$ 55,380</u>	<u>\$ 69,517</u>

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 15 - Griffiths Fund
For the Year Ended 31 December 2022

	2022	2021
Opening balance	\$ 128,519	\$ 131,633
Revenues		
Griffiths Fund gain (loss) on investment	(16,810)	14,886
Excess (deficiency) of revenues over expenses	(16,810)	14,886
Transfers	(12,000)	(18,000)
Closing balance	\$ 99,709	\$ 128,519

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 16 - MacLeod Outreach Fund
For the Year Ended 31 December 2022

	2022	2021
Opening balance	\$ 439,021	\$ 424,964
Revenues		
MacLeod Outreach Fund gain (loss) on investment	(53,521)	48,057
Excess (deficiency) of revenues over expenses	(53,521)	48,057
Transfers	(34,000)	(34,000)
Closing balance	\$ 351,500	\$ 439,021

CHRIST CHURCH PARISH VANCOUVER B.C.
Schedule 17 - Hillman Garden Fund
For the Year Ended 31 December 2022

	2022	2021
Opening balance	\$ 8,289	\$ 7,368
Revenues		
Hillman Garden Fund donations	200	100
Hillman Garden Fund gain (loss) on investment	(891)	821
Excess (deficiency) of revenues over expenses	(691)	921
Closing balance	\$ 7,598	\$ 8,289