

**ST.PAUL'S ON-THE-HILL**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS OF ST. PAUL'S ON-THE-HILL

#### Qualified Opinion

We have audited the financial statements of St. Paul's On-The-Hill (the Organization), which comprise the statement of financial position as at December 31, 2025 and the statements of earnings, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects the financial position of St. Paul's On-The-Hill as at December 31, 2025 and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Qualified Opinion

As is the case with many charitable organizations, St. Paul's On-The-Hill derives a portion of its income from the general public in the form of fundraising and Food Bank donations, the completeness of which are not susceptible to complete audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of St. Paul's On-The-Hill. Therefore, we were not able to determine whether any adjustments might be necessary to Food Bank, and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2024 and 2025, current assets as at December 31, 2024 and 2025 and net assets as at January 1 and December 31 for both the 2024 and 2025 years. Our audit opinion on the financial statements for the year ended December 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

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

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

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

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

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### Independent Auditor's Report (Continued)

- 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Dawn Flett & Associates*

Chartered Professional Accountant

Licensed Public Accountant

February 18, 2026

Ajax, Ontario

**ST. PAUL'S ON-THE-HILL**

**STATEMENT OF EARNINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>Revenue</b>		
Weekly Givings - General	\$ 322,153	\$ 292,020
- Open	14,100	24,903
- Other	29,291	23,783
Youth Ministry	9,684	14,424
Christian Education	202	923
Building Fund	13,566	-
Outreach	4,823	3,240
Diocese grant - Faithworks and MAF	71,003	8
Fundraising	4,243	4,183
Rental Income	66,790	63,790
Altar Guild	3,899	3,751
Food Bank (Note 5)	1,838,845	1,759,860
Women's Fellowship & Scholarship	7,000	-
Alpha	300	300
Memorial	80	-
Sound System	1,692	2,115
Provincial Grant	10,000	8,877
Other Income	<u>2,750</u>	<u>494</u>
	<u>2,400,421</u>	<u>2,202,671</u>
<b>Expenses</b>		
Personnel	314,802	242,370
Property	130,404	105,095
General Operating	91,683	89,441
Christian Education expenses	9,700	4,318
Outreach Projects	6,213	4,412
Worship	3,936	2,703
Altar Guild expenses	3,899	3,751
Food Bank expenses	1,832,080	1,755,881
Fellowship and Fundraising expenses	2,540	41
Women's Fellowship & Scholarship	7,000	-
Alpha expenses	142	6,762
Memorial expenses	80	-
Security Camera expenses	12,750	4,110
Building expenses	<u>13,566</u>	<u>-</u>
	<u>2,428,795</u>	<u>2,218,884</u>
Net (loss) revenue from general operations	(28,374)	(16,213)
Other revenue and expenses		
Depreciation of capital assets	(18,703)	(17,037)
Investment income	25,141	25,400
Change in fair value of investments	<u>225,985</u>	<u>(9,013)</u>
Excess of revenue over expenses (expenses over revenue)	<u>\$ 204,049</u>	<u>\$ (16,863)</u>

**ST. PAUL'S ON-THE-HILL**

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>
<b><u>INVESTMENT IN CAPITAL ASSETS</u></b>		
Opening balance	\$ 70,947	\$ 69,956
Investment in capital assets	8,926	18,028
Depreciation	<u>(18,703)</u>	<u>(17,037)</u>
Closing balance	<u>\$ 61,170</u>	<u>\$ 70,947</u>

**UNRESTRICTED NET ASSETS**

Opening balance	\$ 597,939	\$ 621,526
Excess of revenue over expenses (expenses over revenue)	222,594	6,636
Transfer from unrestricted net assets to Building Fund	-	(12,195)
Investment in capital assets	<u>(8,926)</u>	<u>(18,028)</u>
Closing balance	<u>\$ 811,607</u>	<u>\$ 597,939</u>

**RESTRICTED NET ASSETS - ALPHA**

Opening balance	\$ 4,999	\$ 11,461
Excess of revenue over expenses	<u>158</u>	<u>(6,462)</u>
Closing balance	<u>\$ 5,157</u>	<u>\$ 4,999</u>

**ST. PAUL'S ON-THE-HILL**

**BALANCE SHEET**

**AS AT DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>
<b><u>ASSETS</u></b>		
<b>Current</b>		
<b>Cash</b>		
General Fund	\$ 20,051	\$ 121,008
Food Bank Fund	709,196	657,930
<b>Investments (Note 4)</b>		
Food Bank Fund term deposits	152,529	51,053
Rectory Fund	10,013	8,792
Investment account	839,716	591,046
Diocese Consolidated Trust	20,175	17,720
HST receivable - General Fund	15,340	9,044
HST receivable - Food Bank	9,562	9,419
Other receivables	70,421	52,120
Prepaid expenses	<u>145,078</u>	<u>142,437</u>
	<b><u>1,992,081</u></b>	<b><u>1,660,569</u></b>
Capital Assets (Note 3)	<u>61,170</u>	<u>70,947</u>
	<b><u>\$2,053,251</u></b>	<b><u>\$1,731,516</u></b>

Approved by the Board of Directors:

Lucy Thompson - Rector's Warden

D.J. Smith - People's Warden

**ST. PAUL'S ON-THE-HILL**

**BALANCE SHEET**

**AS AT DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>
<b><u>LIABILITIES</u></b>		
<b>Current</b>		
Accounts payable and accrued charges	\$ 82,042	\$ 110,105
Deferred income - Special Funds (Note 5)		
Food Bank	973,576	814,038
Missions	27,310	26,835
Scholarship	3,461	10,461
Women's Fellowship	764	739
Altar Guild	3,146	3,810
Deferred income - General Fund		
Outreach - Backpacks	2,483	3,146
Memorial Fund	3,997	3,577
Security System	23	2,774
Sound System	2,931	2,931
Diocese Grant	6,000	-
Rectory maintenance	9,029	7,808
General Building Fund	<u>37,635</u>	<u>39,339</u>
	<u>1,152,397</u>	<u>1,025,563</u>
<b>Long Term</b>		
Deferred revenue - capital contributions (Note 6 )	<u>22,920</u>	<u>32,068</u>
 <b><u>NET ASSETS</u></b>		
Investment in capital assets	61,170	70,947
Restricted net assets - Alpha	5,157	4,999
Unrestricted net assets	<u>811,607</u>	<u>597,939</u>
	<u>877,934</u>	<u>673,885</u>
	<u>\$2,053,251</u>	<u>\$1,731,516</u>

**ST. PAUL'S ON-THE-HILL**

**STATEMENT OF CASH FLOW**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>Cash provided by operating activities:</b>		
<b>Excess of revenue over expenses (expenses over revenue)</b>	\$ <u>204,049</u>	\$ <u>(16,863)</u>
<b>Items not affecting cash:</b>		
<b>Depreciation of capital assets</b>	18,703	17,037
<b>Change in designated cash</b>	(51,266)	(223,282)
<b>Change in accounts receivable</b>	(24,741)	(908)
<b>Change in prepaid expenses</b>	(2,641)	25,538
<b>Change in accounts payable and accrued charges</b>	(28,063)	49,027
<b>Change in deferred income</b>	<u>145,750</u>	<u>81,423</u>
	<u>57,742</u>	<u>(51,165)</u>
<b>Cash provided by (used in) investment activities:</b>		
<b>Change in investments</b>	(353,822)	72,311
<b>Purchase of capital assets</b>	<u>(8,926)</u>	<u>(18,028)</u>
	<u>(362,748)</u>	<u>54,283</u>
<b>Cash Provided(Used)</b>	(100,957)	(13,745)
<b>Cash, Beginning of Year</b>	<u>121,008</u>	<u>134,753</u>
<b>Cash, End of Year</b>	\$ <u>20,051</u>	\$ <u>121,008</u>

## **ST. PAUL'S ON-THE-HILL**

### **NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2025**

#### **1. Purpose of the Organization**

**The St. Paul's On-The-Hill is a member congregation of The Diocese of Toronto, Anglican Church of Canada. The purpose of St. Paul's On-The-Hill is to pray, bring healing, bring community and reach out to all in the name of Jesus through a Holy Spirit filled, Bible based ministry.**

**The church is a registered charity under the Income Tax Act (Canada) and is therefore exempt from payment of income taxes.**

#### **2. Significant Accounting Policies**

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

##### **(a) Revenue Recognition**

**Unrestricted donations and gifts are recognized as revenue when cash is received or receivable. Restricted donations are recognized as revenue in the year in which the related expenses are incurred. Market value fluctuations on publicly traded equities are recognized as income in the year they occur. All other income is recorded as earned.**

##### **(b) Capital Assets**

**Capital assets are recorded at cost. Depreciation charges for equipment/computer hardware are calculated on a declining balance basis at a rate of 20%/55%. Leasehold improvements are depreciated on a straight-line basis over the term of the lease (5 years).**

**ST. PAUL'S ON-THE-HILL**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2025**

**2. Significant Accounting Policies (Cont'd)**

**(c) Contributed Services**

The activities of the church are dependent upon the voluntary services of many individuals. Due to the difficulty of determining their fair market value, donated services are not recognized in these financial statements.

**(d) 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Included in these financial statements are estimates for accounts payable and accrued liabilities.

**3. Capital Assets**

Capital assets are stated as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2025 Net</u>	<u>2024 Net</u>
Equipment	\$ 86,534	\$ 68,607	\$ 17,927	\$ 22,409
Equipment (Foodbank)	24,241	6,980	17,261	16,979
A/V Equip. & Parking Lot	37,278	21,124	16,154	23,609
Furn. & Fix. (Foodbank)	13,803	7,443	6,360	7,950
Computer Hardware (Foodbank)	4,021	553	3,468	-
Leasehold improvements (Foodbank)	<u>104,355</u>	<u>104,355</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 270,232</u>	<u>\$ 209,062</u>	<u>\$ 61,170</u>	<u>\$ 70,947</u>

**ST. PAUL'S ON-THE-HILL**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2025**

**4. Investments**

**(a) Term Deposits**

**Term deposits are recorded at cost and are invested with Canadian Chartered Banks.**

**General Fund term deposit earns interest rates ranging from 2% to 2.7% and mature between the dates of April 2026 to September 2026.**

**Food Bank Fund term deposits earn rates ranging from 1.8% to 3% with maturity dates ranging from February 2026 to May 2026.**

**(b) Rectory Fund**

**Rectory Fund investment consists of 30.25 (2024: 29.12) units of Parish Funds held by the Diocese of Toronto in trust. They are recorded at market value.**

**(c) Investment Account**

**The investment account is comprised of \$50,302 (2024: \$31,605) in cash and \$591,605 (2024: \$367,351) in equities and is recorded at market value. The equities were bequeathed to the organization at a cost of \$157,179 in 2017.**

**(d) Diocese Consolidated Trust**

**Diocese consolidated trust investment consists of 60.95 (2024: 58.69) units of Parish Funds held by the Diocese of Toronto in trust. They are recorded at market value.**

**ST. PAUL'S ON-THE-HILL**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2025**

**5. Special Funds**

The current year's activity for the special funds was as follows:

	<u>2025</u>	<u>2024</u>
<b>(a) Food Bank Fund</b>		
Opening deferred income	\$ 814,038	\$ 725,881
Donations	533,715	543,397
Gift in Kind Food received (Note 9)	1,361,227	1,278,079
Diocese Grant	-	-
Provincial Grant	91,347	13,200
Golf Tournament	7,636	-
Interest	<u>4,458</u>	<u>13,341</u>
Funds available	2,812,421	2,573,898
<b>Expenses</b>		
Depreciation	\$ 6,766	
Christmas Hampers	15,217	
Golf Tournament	5,136	
Groceries	218,857	
Pickup and delivery	6,250	
Equipment and supplies	9,097	
Maintenance and repairs	8,740	
Office and general	29,849	
Occupancy	53,467	
Gift in Kind Food provided (Note 9)	1,360,944	
Training	8,192	
Salaries	<u>116,330</u>	<u>(1,838,845)</u>
Closing deferred income	<u>\$ 973,576</u>	<u>(1,759,860)</u>

As required, the financial statements reflect the donation of food during the year calculated at \$3 per pound (2024 : \$3 per pound).

<b>(b) Mission Fund</b>		
Opening deferred income	\$ 26,835	\$ 26,135
Donations	<u>475</u>	<u>700</u>
Closing deferred income	<u>\$ 27,310</u>	<u>\$ 26,835</u>

**ST. PAUL'S ON-THE-HILL**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2025**

**5. Special Funds (Cont'd)**

	<u>2025</u>	<u>2024</u>
<b>(c) Women's Fellowship</b>		
Opening deferred income	\$ 739	\$ 731
Donations	<u>25</u>	<u>8</u>
Closing deferred income	<u>\$ 764</u>	<u>\$ 739</u>
	<u>2025</u>	<u>2024</u>
<b>(d) Scholarship Fund</b>		
Opening deferred income	\$ 10,461	\$ 10,286
Scholarship donations and fundraising	<u>-</u>	<u>175</u>
Funds available	10,461	10,461
Expenses		
Scholarship expenses	<u>7,000</u>	<u>-</u>
Closing deferred income	<u>\$ 3,461</u>	<u>\$ 10,461</u>
	<u>2025</u>	<u>2024</u>
<b>(e) Altar Guild</b>		
Opening deferred income	\$ 3,810	\$ 4,802
Donations	<u>3,235</u>	<u>2,759</u>
Funds available	7,045	7,561
Expenses		
Flowers	<u>3,899</u>	<u>3,751</u>
Closing deferred income	<u>\$ 3,146</u>	<u>\$ 3,810</u>

**ST. PAUL'S ON-THE-HILL**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2025**

**6. Deferred Capital Contributions**

The organization received contributions in the amount of \$28,680 for the purchase of a new sound system. The new sound system was purchased in 2019. Accumulated amortization of \$21,914 (2024 : \$20,222) has been claimed against these contributions leaving a net balance of \$6,766 (2024 : \$8,458). The deferred contributions are amortized at a rate of 20% using the declining balance method on an annual basis.

The organization received contributions in the amount of \$37,278 for the purchase of new A/V equipment and Parking Lot improvements. The A/V equipment and Parking Lot improvements were purchased in 2023. Accumulated amortization of \$21,124 (2024 : \$13,669) has been claimed against these contributions leaving a net balance of \$16,154 (2024 : \$23,609). The deferred contributions are amortized over the course of five years using the straight declining method on an annual basis.

**7. Commitments**

**(a) Rental Lease**

The organization has entered into a premises lease arrangement for the Food Bank ending September 30, 2027 at the following monthly rates:

October 1, 2025 to September 30, 2026	\$3,205.67 plus applicable taxes
October 1, 2026 to September 30, 2027	\$3,260.00 plus applicable taxes

**(b) Telephone Lease**

The organization has entered into an internet lease with Rogers for a 3 year term which requires monthly payments of \$84.99 plus applicable taxes. The lease expires May 22, 2027.

**(c) Snow Clearing**

The organization has entered into a snow clearing contract with John Vos Landscaping Inc. which requires monthly payments of \$1,945 plus applicable taxes. Salting is charged separately at a cost of \$140 per ton spread. The contract is for the period November 1, 2025 to March 31, 2026.

**ST. PAUL'S ON-THE-HILL**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2025**

**7. Commitments (Cont'd)**

**(d) Alarm Monitoring**

The organization has entered into an agreement with Graham Alarm Monitoring for annual monitoring at a cost of \$480 plus applicable taxes per annum.

**8. Financial Instruments**

The organization monitors and manages the principal risks associated with financial instruments. It is exposed to market risk to the extent that it holds equities in its investment account that are subject to market price fluctuations.

**9. Food Bank**

As per sections 5(1)a & 5(2)a of the Ontario Food Bank Accountability Act, 1999, (short title,) the Act requires food banks to maintain records that account for all donations of money, food, and other things. With that said, donated food to St. Paul's On-the-Hill Food Bank is tracked by weight with the dollar value calculated per pound. The food is weighed when it is received from the donor then weighed again when given to the client.

**10. Related Party Transactions**

During the year, the Church approved the Sexton to complete other painting & repair services for \$11,677 (2024: \$Nil). The transactions were carried out in the normal course of operations. They are measured at the exchange amount, which is the amount of consideration established and agreed to by both parties.