

IGLESIA HISPANA DE WOODBRIDGE
(Operating as Woodbridge Spanish Church of the Nazarene)
Audited Financial Statements
Year Ended April 30, 2024

IGLESIA HISPANA DE WOODBRIDGE
(Operating as Woodbridge Spanish Church of the Nazarene)
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Year Ended April 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Iglesia Hispana de Woodbridge operating as Woodbridge Spanish Church of the Nazarene

Qualified Opinion

We have audited the financial statements of Iglesia Hispana de Woodbridge, operating as Woodbridge Spanish Church of the Nazarene, (the organization), which comprise the statement of financial position as at April 30, 2024, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at April 30, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities 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 organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended April 30, 2024, current assets and net assets as at April 30, 2024. Our audit opinion on the financial statements for the year ended April 30, 2024 was modified accordingly because of the possible effects of this limitation of 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 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 ASNPO, 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.

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Independent Auditor's Report to the Members of Iglesia Hispana de Woodbridge operating as
Woodbridge Spanish Church of the Nazarene (*continued*)

Auditor's Responsibilities for the Audit of the Financial Statements


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

Mississauga, Ontario
September 25, 2024


MBS Plus LLP
Chartered Professional Accountants
Licensed Public Accountants

IGLESIA HISPANA DE WOODBRIDGE
(Operating as Woodbridge Spanish Church of the Nazarene)
Statement of Financial Position
April 30, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 60,293	\$ 69,405
Harmonized sales tax recoverable	3,552	2,042
	<u>63,845</u>	<u>71,447</u>
CAPITAL ASSETS (Note 3)	236,473	254,668
RESTRICTED CASH	<u>20,167</u>	<u>2,484</u>
	<u>\$ 320,485</u>	<u>\$ 328,599</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,406	\$ 4,753
Current portion of long term debt (Note 4)	23,284	22,107
Employee deductions payable	1,515	1,240
Deferred income	25,009	17,870
	<u>55,214</u>	<u>45,970</u>
LONG TERM DEBT (Note 4)	<u>43,821</u>	<u>67,105</u>
	<u>99,035</u>	<u>113,075</u>
NET ASSETS		
General fund	201,283	213,040
Restricted fund	20,167	2,484
	<u>221,450</u>	<u>215,524</u>
	<u>\$ 320,485</u>	<u>\$ 328,599</u>

APPROVED BY THE DIRECTOR

Director

See notes to financial statements

IGLESIA HISPANA DE WOODBRIDGE
(Operating as Woodbridge Spanish Church of the Nazarene)
Statement of Revenues and Expenditures
Year Ended April 30, 2024

	2024	2023
REVENUES		
Donations	\$ 150,591	\$ 139,406
Government Grants-Seniors' Program	20,154	25,725
Ontario Anti-Hate Security Measures Grant	12,706	7,500
	<u>183,451</u>	<u>172,631</u>
EXPENSES		
Benevolence and Compassion	2,700	2,800
Employee benefits	8,357	3,894
Government Grants-Seniors' Program	11,455	17,844
Government Grants - Anti-Hate Security Measures	11,945	8,476
Insurance	1,628	2,000
Interest and bank charges	1,000	1,168
Ministry operating expenses	13,057	13,074
Occupancy	26,832	26,827
Office	13,601	11,088
Personnel	51,760	52,525
Professional fees	7,131	6,528
Vehicle	3,000	3,000
	<u>152,466</u>	<u>149,224</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>30,985</u>	<u>23,407</u>
OTHER EXPENSES		
Amortization	20,647	20,788
Interest on long term debt	4,412	5,157
	<u>25,059</u>	<u>25,945</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 5,926</u>	<u>\$ (2,538)</u>

See notes to financial statements

IGLESIA HISPANA DE WOODBRIDGE
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Statement of Changes in Net Assets
Year Ended April 30, 2024

	General Fund	Restricted Fund	Third Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 213,040	\$ 2,484	\$ -	\$ 215,524	\$ 218,062
EXCESS OF REVENUES OVER EXPENSES	(11,757)	17,683	-	5,926	(2,538)
NET ASSETS - END OF YEAR	\$ 201,283	\$ 20,167	\$ -	\$ 221,450	\$ 215,524

See notes to financial statements

IGLESIA HISPANA DE WOODBRIDGE
(Operating as Woodbridge Spanish Church of the Nazarene)
Statement of Cash Flows
Year Ended April 30, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 5,926	\$ (2,538)
Item not affecting cash:		
Amortization of capital assets	20,647	20,788
	<u>26,573</u>	<u>18,250</u>
Changes in non-cash working capital:		
Accounts payable	654	(2,403)
Deferred income	7,139	(6,230)
Prepaid expenses	-	27
Harmonized sales tax payable	(1,510)	1,246
Employee deductions payable	275	563
	<u>6,558</u>	<u>(6,797)</u>
Cash flow from operating activities	<u>33,131</u>	<u>11,453</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(2,453)</u>	<u>-</u>
FINANCING ACTIVITIES		
Government funding - restricted cash	(17,683)	-
Repayment of long term debt	<u>(22,107)</u>	<u>(20,989)</u>
Cash flow used by financing activities	<u>(39,790)</u>	<u>(20,989)</u>
DECREASE IN CASH FLOW	<u>(9,112)</u>	<u>(9,536)</u>
Cash - beginning of year	<u>69,405</u>	<u>78,941</u>
CASH - END OF YEAR	<u>\$ 60,293</u>	<u>\$ 69,405</u>

See notes to financial statements

IGLESIA HISPANA DE WOODBRIDGE
(Operating as Woodbridge Spanish Church of the Nazarene)
Notes to Financial Statements
Year Ended April 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Net assets

- a) Net assets invested in property and equipment represents the organization's net investment in property and equipment which is comprised of the unamortized amount of property and equipment purchased with both restricted and unrestricted funds.
- b) Internally restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors. Currently the only restricted fund is for the purpose of financing building improvements.
- c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, not of transfers, and are available for general purposes.

Fund accounting

Iglesia Hispana de Woodbridge follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Restricted Fund reports the assets, liabilities, revenues and expenses related to Iglesia Hispana de Woodbridge's building improvements and/or expansion campaign as well any unspent portion of grants received relating to the seniors program and the Anti-Hate Security Measures Grant..

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IGLESIA HISPANA DE WOODBRIDGE
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Notes to Financial Statements
Year Ended April 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Iglesia Hispana de Woodbridge follows the restricted fund method of accounting for contributions.

Restricted contributions related to the building are recognized as revenue of the restricted fund.

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

Program revenues are recognized as revenue of the General Fund when the services and program costs are expended. Revenue received but programs not completed are recorded as deferred income.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Pledges

Pledges which are legally enforceable (less an allowance for amounts considered uncollectible) are recorded as receivable in the year made. Pledges to support current operations are recorded as operating fund receipts. Pledges made for the acquisition of property or to support future operations are recorded as deferred amounts in their respective fund.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Audio visual equipment	3 years
Buildings	25 years
Building improvements	5 years
Computer equipment	3 years
Computer software	1 year
Furniture and fixtures	3 years
Musical instruments and equipment	3 years
Office Equipment	3 years

The organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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IGLESIA HISPANA DE WOODBRIDGE
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Notes to Financial Statements
Year Ended April 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of Long Lived Assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Goods and Services Tax

Contributed materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

2. PURPOSE OF THE ORGANIZATION

Iglesia Hispana de Woodbridge (the "organization") is a not-for-profit organization of Ontario. As a registered charity the organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The organization operates to provide its community a pathway to know God personally as our Savior, grow in the image of Christ, discover and use spiritual gifts, love and serve others and reflect the beauty of the Lord.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Buildings	\$ 753,091	\$ 518,253	\$ 234,838	\$ 253,257
Equipment	16,498	16,117	381	786
Computer equipment	4,531	3,277	1,254	625
	<u>\$ 774,120</u>	<u>\$ 537,647</u>	<u>\$ 236,473</u>	<u>\$ 254,668</u>

4. LONG TERM DEBT

	2024	2023
TD Bank loan bearing interest at 5.2% compounded monthly, repayable in monthly blended payments of \$2,185. The loan matures on January 10, 2028 and is secured by 7611 Pine Valley Drive, Woodbridge, Ontario which has a carrying value of \$236,473.	\$ 67,105	\$ 89,212

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IGLESIA HISPANA DE WOODBRIDGE
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Notes to Financial Statements
Year Ended April 30, 2024

4. LONG TERM DEBT *(continued)*

	<u>2024</u>	<u>2023</u>
Amounts payable within one year	<u>(23,284)</u>	<u>(22,107)</u>
	<u>\$ 43,821</u>	<u>\$ 67,105</u>
Principal repayment terms are approximately:		
2025	\$ 23,284	
2026	24,524	
2027	<u>19,297</u>	
	<u>\$ 67,105</u>	

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5. DEFERRED INCOME

Deferred income is comprised of the following grants and funding received in the year for specific projects:

	<u>2024</u>	<u>2023</u>
New Horizons for Senior's Program "Stay Fit Strong and Connected" April 1, 2024 to March 31, 2025	<u>\$ 25,009</u>	<u>\$ 17,870</u>

6. INCOME TAX AND INFORMATION RETURN

The organization, being a Not-for-Profit organization, is exempt from income tax by virtue of Section 149 (1) (l) of the Income Tax Act (Canada). It is not required to file an information return under Section 149 (12) of the Act because:

1. The organization's investment income is less than \$10,000;
 2. The organization's total assets at the end of the prior year did not exceed \$200,000; and
 3. The organization has never been required to file an information return under Section 149 (12) of the Act.
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7. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of April 30, 2024.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, contributions to the pension plan, and accounts payable.

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 rate risk, interest rate risk and other price risk. The organization is mainly exposed to Liquidity risk and Interest rate risk.

Interest rate risk

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IGLESIA HISPANA DE WOODBRIDGE
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Notes to Financial Statements
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7. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

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.

All secured financial liabilities have a combined carrying amount of \$67,105 (\$89,212 in 2023).

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.
