

**IGLESIA HISPANA DE WOODBRIDGE**  
***(Operating as Woodbridge Spanish Church of the Nazarene)***  
**Financial Statements**  
**Year Ended April 30, 2022**

**IGLESIA HISPANA DE WOODBRIDGE**  
***(Operating as Woodbridge Spanish Church of the Nazarene)***  
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**Year Ended April 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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

### *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, 2022, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at April 30, 2022, 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 Opinion*

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 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.

### *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.

(continues)


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

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  
August 23, 2022

  
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, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 78,941	\$ 49,821
Harmonized sales tax recoverable	3,288	1,912
Prepaid expenses	27	856
	<u>82,256</u>	52,589
PROPERTY AND EQUIPMENT (Note 3)	275,456	357,653
RESTRICTED CASH - BUILDING FUND	<u>2,484</u>	2,484
	<u>\$ 360,196</u>	<u>\$ 412,726</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 7,157	\$ 6,771
Current portion of long term debt (Note 4)	20,989	19,928
Employee deductions payable	677	1,118
Deferred income	24,100	-
	<u>52,923</u>	27,817
LONG TERM DEBT (Note 4)	<u>89,212</u>	110,200
	<u>142,135</u>	138,017
<b>NET ASSETS</b>		
General fund	215,577	272,225
Restricted fund	2,484	2,484
	<u>218,061</u>	274,709
	<u>\$ 360,196</u>	<u>\$ 412,726</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, 2022**

	2022	2021
<b>REVENUES</b>		
Donations	\$ 143,889	\$ 141,386
Government Grants - Seniors' Program	-	24,500
Government Grants - Anti-Hate OFBCO	7,500	-
Other income	1,248	627
	<u>152,637</u>	<u>166,513</u>
<b>EXPENSES</b>		
Benevolence and Compassion	2,600	2,600
Employee benefits	3,524	3,749
Government Grants - Seniors' Program	1,378	22,820
Government Grants - Anti-Hate OFBCO	8,151	-
Insurance	5,467	4,540
Interest and bank charges	756	310
Ministry operating expenses	9,758	13,002
Occupancy	22,698	24,325
Office	9,859	6,458
Personnel	48,000	48,000
Professional fees	5,695	6,986
Vehicle	3,000	3,000
	<u>120,886</u>	<u>135,790</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<u>31,751</u>	<u>30,723</u>
<b>OTHER EXPENSES</b>		
Amortization	82,138	80,960
Interest on long term debt	6,261	7,638
	<u>88,399</u>	<u>88,598</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ (56,648)</u>	<u>\$ (57,875)</u>

See notes to financial statements

**IGLESIA HISPANA DE WOODBRIDGE**  
*(Operating as Woodbridge Spanish Church of the Nazarene)*  
**Statement of Changes in Net Assets**  
**Year Ended April 30, 2022**

	General Fund	Restricted Fund	<b>2022</b>	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 272,225	\$ 2,484	<b>\$ 274,709</b>	\$ 332,584
DEFICIENCY OF REVENUES OVER EXPENSES	(56,648)	-	<b>(56,648)</b>	(57,875)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 215,577</b>	<b>\$ 2,484</b>	<b>\$ 218,061</b>	<b>\$ 274,709</b>

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, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (56,648)	\$ (57,875)
Item not affecting cash:		
Amortization of property and equipment	82,138	80,960
	<u>25,490</u>	<u>23,085</u>
Changes in non-cash working capital:		
Accounts payable	388	4,243
Deferred income	24,100	-
Prepaid expenses	829	(856)
Harmonized sales tax payable	(1,376)	241
Employee deductions payable	(441)	577
	<u>23,500</u>	<u>4,205</u>
Cash flow from operating activities	<u>48,990</u>	<u>27,290</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(7,007)
Proceeds on disposal of property and equipment	58	-
Cash flow from (used by) investing activities	<u>58</u>	<u>(7,007)</u>
<b>FINANCING ACTIVITY</b>		
Repayment of long term debt	<u>(19,928)</u>	<u>(18,920)</u>
<b>INCREASE IN CASH FLOW</b>	<b>29,120</b>	<b>1,363</b>
Cash - beginning of year	<u>49,821</u>	<u>48,458</u>
<b>CASH - END OF YEAR</b>	<b>\$ 78,941</b>	<b>\$ 49,821</b>

See notes to financial statements



**IGLESIA HISPANA DE WOODBRIDGE**  
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**Notes to Financial Statements**  
**Year Ended April 30, 2022**

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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 Capital Asset Fund reports the assets, liabilities, revenues and expenses related to Iglesia Hispana de Woodbridge's building improvements and/or expansion campaign.

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**Year Ended April 30, 2022**

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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.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life 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 property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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**Year Ended April 30, 2022**

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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.

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2. PURPOSE OF THE ORGANIZATION

Iglesia Hispana de Woodbridge (the "organization") is a not-for-profit organization of Ontario on [insert date]. As a registered charity the organization is exempt from the payment of income tax under Section 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.

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3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Audio visual equipment	\$ 3,023	\$ 3,023	\$ -	\$ -
Building	460,467	188,791	<b>271,676</b>	290,094
Building improvements	292,624	292,624	-	58,525
Computer equipment	2,650	1,142	<b>1,508</b>	2,392
Furniture and fixtures	10,182	8,452	<b>1,730</b>	5,192
Musical instruments and equipment	800	311	<b>489</b>	756
Office equipment	1,921	1,868	<b>53</b>	694
	<b>\$ 771,667</b>	<b>\$ 496,211</b>	<b>\$ 275,456</b>	<b>\$ 357,653</b>

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**Year Ended April 30, 2022**

4. LONG TERM DEBT

	<b>2022</b>	2021
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 \$271,676.	<b>\$ 110,201</b>	\$ 130,128
Amounts payable within one year	<b>(20,989)</b>	(19,928)
	<b>\$ 89,212</b>	\$ 110,200

Principal repayment terms are approximately:

2023	\$ 20,989
2024	22,107
2025	23,284
2026	24,524
2027	19,297
	<b>\$ 110,201</b>

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5. DEFERRED INCOME

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

	2022	2021
New Horizons for Senior's Program "Stay Fit Strong and Connected" April 1, 2022 to May 31, 2023	\$ 24,100	\$ -

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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, 2022.

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, obligations under capital leases, 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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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 \$110,201 (\$130,128 in 2021).

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

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8. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at August 23, 2022, the organization is aware of changes in its operations as a result of the COVID-19 crisis, including the periodic closure of its offices for indefinite periods of time by provincial decree.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the organization's operations as at the date of these financial statements.

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