



## Financial Statements

The Cathedral Church of St. James

December 31, 2024

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# Independent Auditor's Report

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**Doane Grant Thornton LLP**  
11<sup>th</sup> Floor  
200 King Street West, Box 11  
Toronto, ON  
M5H 3T4  
T +1 416 366 0100  
F +1 416 360 4949

To the Members of Vestry of  
**The Cathedral Church of St. James**

## Opinion

We have audited the financial statements of The Cathedral Church of St. James (the "Cathedral"), which comprise the statement of financial position as at December 31, 2024, and the statements of activities, changes in fund balances 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 Cathedral as at December 31, 2024, and the results of its activities and its 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 Cathedral 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 opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 Cathedral's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Cathedral or to cease operations, or has no realistic alternative but to do so.

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

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

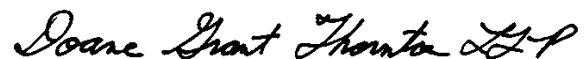
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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:

- 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 Cathedral'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 Cathedral'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 Cathedral 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.



Toronto, Canada  
February 13, 2025

Chartered Professional Accountants  
Licensed Public Accountants

# The Cathedral Church of St. James

## Statement of Activities – Operating Funds

Year ended December 31

			2024			2023
	Cathedral	Cemetery	Total		Total	
<b>Revenue</b>						
Offerings	\$ 864,926	\$ 4,671	<b>\$ 869,597</b>		\$ 826,040	
Services and supplies	-	819,743	<b>819,743</b>		686,980	
Investment income	428,212	149,704	<b>577,916</b>		486,832	
Rental income	512,330	42,216	<b>554,546</b>		525,291	
Burial lot sales	-	326,772	<b>326,772</b>		186,035	
Other income	<u>325,837</u>	<u>-</u>	<b><u>325,837</u></b>		<u>253,197</u>	
	<u>2,131,305</u>	<u>1,343,106</u>	<b><u>3,474,411</u></b>		<u>2,964,375</u>	
<b>Expenses</b>						
Cemetery operating costs	-	1,045,745	<b>1,045,745</b>		956,853	
Cathedral and Cathedral Centre	908,477	-	<b>908,477</b>		888,233	
Communication and administration	558,833	-	<b>558,833</b>		511,912	
Clergy	373,384	-	<b>373,384</b>		266,223	
Music	263,110	-	<b>263,110</b>		238,516	
Outreach, committees, and synod	<u>159,548</u>	<u>-</u>	<b><u>159,548</u></b>		<u>165,564</u>	
	<u>2,263,352</u>	<u>1,045,745</u>	<b><u>3,309,097</u></b>		<u>3,027,301</u>	
Excess (deficiency) of revenue over expenses before other items	(132,047)	297,361	<b>165,314</b>		(62,926)	
Government assistance	-	-	-		10,000	
Special purpose contributions (Note 5)	134,234	-	<b>134,234</b>		104,449	
Special purpose disbursements (Note 5)	(134,234)	-	<b>(134,234)</b>		(104,449)	
Unrealized gains on investments	24,941	-	<b>24,941</b>		38,672	
Interest on guarantees (Note 6)	(1,017)	-	<b>(1,017)</b>		(3,499)	
Interest on long-term debt (Note 7)	<u>-</u>	<u>(92,003)</u>	<b><u>(92,003)</u></b>		<u>(91,986)</u>	
(Deficiency) excess of revenue over expenses before amortization	(108,123)	205,358	<b>97,235</b>		(109,739)	
Amortization of deferred special purpose contributions - capital	144,398	-	<b>144,398</b>		142,267	
Amortization of property and equipment	<u>(802,483)</u>	<u>(164,337)</u>	<b><u>(966,820)</u></b>		<u>(947,273)</u>	
(Deficiency) excess of revenue over expenses	<u>\$ (766,208)</u>	<u>\$ 41,021</u>	<b><u>\$ (725,187)</u></b>		<u>\$ (914,745)</u>	

See accompanying notes to the financial statements.

# The Cathedral Church of St. James

## Statement of Activities – Restricted and Endowment Funds

Year ended December 31

			<u>2024</u>	<u>2023</u>
	Restricted	Endowment	Total	Total
<b>Revenue</b>				
Bequests and restricted gifts	\$ 299,411	\$ -	<b>\$ 299,411</b>	\$ 389,000
Investment income	467,798	410,845	<b>878,643</b>	307,233
Cemetery receipts	<u>73,487</u>	<u>168,855</u>	<b><u>242,342</u></b>	<u>169,837</u>
	<u>840,696</u>	<u>579,700</u>	<b><u>1,420,396</u></b>	<u>866,070</u>
<b>Expenses</b>				
Restricted cemetery disbursements	165,258	-	<b>165,258</b>	151,066
Restricted trust disbursements	<u>2,398</u>	<u>447</u>	<b><u>2,845</u></b>	<u>29,059</u>
	<u>167,656</u>	<u>447</u>	<b><u>168,103</u></b>	<u>180,125</u>
Excess of revenue over expenses before other item	673,040	579,253	<b>1,252,293</b>	685,945
Unrealized gains on investments	<u>344,683</u>	<u>899,850</u>	<b><u>1,244,533</u></b>	<u>915,857</u>
Excess of revenue over expenses	<b><u>\$ 1,017,723</u></b>	<b><u>\$ 1,479,103</u></b>	<b><u>\$ 2,496,826</u></b>	<b><u>\$ 1,601,802</u></b>

See accompanying notes to the financial statements.

# The Cathedral Church of St. James

## Statement of Changes in Fund Balances

Year ended December 31

						<u>2024</u>	<u>2023</u>
	Unrestricted	Invested in property and equipment	Externally restricted (Note 8)	Internally restricted (Note 8)	Endowment - capital (Note 9)	<b>Total</b>	Total
Balance, beginning of year	\$ (299,394)	\$ 14,796,381	\$ 4,721,911	\$ 2,674,284	\$ 14,086,743	<b>\$ 35,979,925</b>	\$ 35,292,868
Excess (deficiency) of revenue over expenses	97,235	(822,422)	400,745	616,978	1,479,103	<b>1,771,639</b>	687,057
Transfer to invested in property and equipment	-	372,477	-	(372,477)	-	-	-
Balance, end of year	<u>\$ (202,159)</u>	<u>\$ 14,346,436</u>	<u>\$ 5,122,656</u>	<u>\$ 2,918,785</u>	<u>\$ 15,565,846</u>	<b><u>\$ 37,751,564</u></b>	<u>\$ 35,979,925</u>

See accompanying notes to the financial statements.

# The Cathedral Church of St. James

## Statement of Financial Position

As at December 31

2024

2023

### Assets

#### Current assets

Cash	\$ 1,450,752	\$ 1,131,164
Accounts receivable	119,397	246,964
Prepaid expenses	<u>3,902</u>	<u>84,146</u>

1,574,051      1,462,274

#### Long-term assets

Investments (Note 3)	23,308,135	21,128,916
Property and equipment (Note 4)	<u>20,218,581</u>	<u>20,806,985</u>

43,526,716      41,935,901

\$ 45,100,767      \$ 43,398,175

### Liabilities and Fund Balances

#### Current liabilities

Accounts payable and accrued liabilities (Note 10)	\$ 522,899	\$ 496,489
Deferred revenue	112,424	53,255
Deferred special purpose contributions – non-capital (Note 5)	607,396	549,945
Current portion of long-term debt (Note 7)	<u>149,391</u>	<u>129,112</u>

1,392,110      1,228,801

Deferred special purpose contributions – capital (Note 5)      1,533,279      1,627,287

Long-term debt (Note 7)      4,423,814      4,562,162

7,349,203      7,418,250

#### Fund balances

Unrestricted	(202,159)	(299,394)
Invested in property and equipment	14,346,436	14,796,381
Externally restricted (Note 8)	5,122,656	4,721,911
Internally restricted (Note 8)	2,918,785	2,674,284
Endowment - capital (Note 9)	<u>15,565,846</u>	<u>14,086,743</u>

37,751,564      35,979,925

\$ 45,100,767      \$ 43,398,175

Guarantees (Note 6)

On behalf of the Churchwardens

\_\_\_\_\_ Churchwarden      \_\_\_\_\_ Churchwarden

See accompanying notes to the financial statements.



# The Cathedral Church of St. James

## Statement of Cash Flows

Year ended December 31

2024

2023

### Operating activities

(Deficiency) excess of revenue over expenses

Operating funds	\$ (725,187)	\$ (914,745)
Restricted and Endowment funds	2,496,826	1,601,802

Items not involving cash

Amortization of property and equipment	966,820	947,273
Amortization of deferred special purpose contributions – capital	(144,398)	(142,267)
Unrealized gains on investments	<u>(1,269,474)</u>	<u>(954,529)</u>

	<u>1,324,587</u>	<u>537,534</u>
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Net change in non-cash working capital items

Accounts receivable	127,567	(147,124)
Prepaid expenses	80,244	111,946
Accounts payable and accrued liabilities	26,409	42,874
Deferred revenue	59,169	(11,555)
Deferred special purpose contributions – non-capital	<u>57,451</u>	<u>(63,337)</u>

	<u>350,840</u>	<u>(67,196)</u>
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	<u>1,675,427</u>	<u>470,338</u>
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### Financing activities

Amounts received for deferred contributions – capital	50,390	71,933
Reinvested interest from long-term debt	11,051	91,986
Repayments of long-term debt	<u>(129,119)</u>	<u>-</u>

	<u>(67,678)</u>	<u>163,919</u>
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### Investing activities

Proceeds on disposal of short-term investments	-	300,000
Purchase of property and equipment	(378,416)	(1,080,287)
Net purchase of investments	<u>(909,745)</u>	<u>(222,582)</u>

	<u>(1,288,161)</u>	<u>(1,002,869)</u>
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Net change in cash during the year

	319,588	(368,612)
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Cash

Beginning of year	<u>1,131,164</u>	<u>1,499,776</u>
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End of year	<u>\$ 1,450,752</u>	<u>\$ 1,131,164</u>
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See accompanying notes to the financial statements.

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# The Cathedral Church of St. James

## Notes to the Financial Statements

December 31, 2024

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### 1. Purpose

The Cathedral Church of St. James (the “Cathedral”) is a symbol of God’s presence and love in our city. The Cathedral is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes. Its mission is to proclaim the Gospel of Jesus Christ and to:

- provide a spiritual sanctuary and a place of worship within the fullness of the liturgical traditions of the Anglican Church;
- offer everyone welcoming hospitality, healing, hope and opportunities to learn so that we may build community in a fragmented world; and
- be a focal point for the life of the Anglican Church in the Diocese of Toronto (the “Diocese”) and for the ministry of our Bishop.

The Cathedral and thus its financial statements include the accounts of the church itself and St. James’ Cemetery (the “Cemetery”).

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### 2. Summary of significant accounting policies

#### Basis of presentation

The Cathedral has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”).

#### Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management’s best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess (deficiency) of revenue over expenses as appropriate in the year they become known.

#### Fund accounting

The accounts are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose.

#### *Operating funds*

These funds include the assets, liabilities, revenue and expenses applicable to the ongoing operations of the Cathedral, including its cemetery.

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# The Cathedral Church of St. James

## Notes to the Financial Statements

December 31, 2024

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### 2. Summary of significant accounting policies (continued)

#### Fund accounting (continued)

##### *Cemetery restricted funds*

The pre-need assurance trust is established with proceeds from sales of services which are to be provided at a future date. Amounts received in connection with pre-need sales contracts are deposited to this fund and administered by a trustee. Income earned from amounts on deposit is retained by the fund and allocated to individual contracts.

##### *Cemetery endowment funds*

The Cemetery care and maintenance fund is established to provide for care of the Cemetery grounds in perpetuity. In accordance with the Cemetery Act, a minimum of 40% of all cemetery plot sales and 15% of all niche sales are deposited to this fund. The remaining balance is recorded as income in the Cemetery operating fund in the year of the sale. Investment income earned by the Cemetery care and maintenance fund is recorded in the Cemetery operating fund. Unrealized and realized gains (losses) are maintained as capital of the fund.

The endowment fund for care of graves is established to provide special care for specific graves in perpetuity as prescribed by the source of the funds. Investment income earned by the fund is recorded in the Cemetery operating fund and is used to offset expenses charged for maintenance of the graves. Unrealized and realized gains (losses) are maintained as capital of the fund.

##### *Cathedral restricted funds*

These include funds received by the Cathedral that are held in trust to comply with the specific terms set by the donors. Such trust funds are long-term in nature in that the contribution is to be invested has specific provisions as to the distribution of any income derived therefrom. Where permitted by the terms of a fund, income is recorded as revenue in the Cathedral operating fund.

##### *Cathedral endowment funds*

These include funds received by the Cathedral that are held in trust in perpetuity. These funds have specific provisions as to the distribution of any investment income derived therefrom. Where permitted by the terms of a fund, investment income is recorded as revenue in the Cathedral operating fund. Unrealized and realized gains (losses) are maintained as capital of the fund.

#### Financial instruments

The Cathedral considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Cathedral's financial instruments include cash, accounts receivable, investments, accounts payable and long-term debt.

The Cathedral's financial instruments obtained in arm's length transactions are initially measured at fair value and subsequently measured at amortized cost (less impairment in the case of financial assets), except for investments. Investments in equities quoted in an active market must be measured at fair value and the Cathedral has irrevocably elected to measure its investments in bonds at fair value. All changes in fair value of the Cathedral's investments are recorded in the statement of activities.

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# The Cathedral Church of St. James

## Notes to the Financial Statements

December 31, 2024

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### 2. Summary of significant accounting policies (continued)

#### Financial instruments (continued)

Financial assets and financial liabilities in related party transactions are initially and subsequently measured at cost. Such transactions relate to the Diocese and are specifically identified in the financial statements.

#### Property and equipment

Purchased property and equipment are recorded in the Cathedral and Cemetery operating funds at cost. Amortization is provided over the estimated useful lives of the assets on a straight-line basis as follows:

Cathedral Centre	Over 35 years
Major building improvements	Over 20 years
Furnishings and equipment	Over 3 to 5 years
Grounds lighting	Over 10 years
Major organ work	Over 20 years
Cemetery buildings	Over 30 years
Crematorium retorts	Over 25 years

The original organ and change-ringing bells are considered historical treasures and accordingly, no amortization is applied to their respective costs of \$99,668 and \$404,460.

Property and equipment are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of activities. Any impairment recognized is not reversed.

#### Revenue recognition

The Cathedral follows the restricted fund method of accounting for contributions. Funds received which are externally restricted or endowed by the donor are recorded as revenue of the appropriate restricted or endowment fund when received. Special purpose contributions are externally restricted gifts that relate to activities recorded in general operations and accordingly are deferred and recognized as revenue of the operating funds in the year in which the related expenses are incurred. Special purpose contributions that are restricted for capital purposes are deferred and recognized as revenue of the operating funds over the estimated useful lives of the related assets. Unrestricted contributions are recognized as revenue of the operating funds in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government assistance is recognized in the statement of activities when received or receivable in the year to which it relates.

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# The Cathedral Church of St. James

## Notes to the Financial Statements

December 31, 2024

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### 2. Summary of significant accounting policies (continued)

#### Revenue recognition (continued)

Rental revenue from the Cathedral Centre is recognized once the event has occurred and services have been rendered. The non-refundable portion of deposits is recognized at the time of receipt. The refundable portion of deposits is recognized at the event date. Deferred revenue relates to refundable deposits that have been received prior to the rental. Other income is recognized as earned.

Cemetery services and supplies and burial lot sales are recognized when the significant risks and rewards of ownership have been transferred.

#### Investment income

Investment income, consisting of interest and dividends, and realized and unrealized gains (losses) are allocated to the funds based on the actual return earned by the assets allocated to or held by each fund during the year. Depending on the terms of the individual restricted or endowment funds, this income is retained by the funds or recognized as income of the unrestricted funds (Notes 8 and 9).

#### Donated goods and services

Donated goods and capital donations of a significant nature are recorded in the accounts at fair market value when its fair value is reasonably determinable.

Volunteers contribute a substantial number of hours during the year to assist the Cathedral in carrying out its mission. Because of the difficulty in determining the fair market value, contributed services are not recognized in the financial statements.

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### 3. Objectives, policies and processes for managing capital

The Cathedral's capital is comprised of the net assets invested in property and equipment, the unrestricted fund balances, the internally restricted fund balances and the externally restricted fund balances.

The Cathedral invests in property and equipment to provide worship, program, and community space that is appropriate to the needs of the many groups that make up the Cathedral community. The Cathedral Centre and Cathedral Church are buildings of historical and religious significance. A multi-year property plan is maintained. With staff assistance, the Cathedral Council authorizes funds to be spent annually on capital projects.

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# The Cathedral Church of St. James

## Notes to the Financial Statements

December 31, 2024

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### 3. Objectives, policies and processes for managing capital (continued)

The Cathedral's objective is to maintain unrestricted fund balances sufficient to meet both annual working capital requirements and annual maintenance of property and equipment. This is done through the annual operating budget approval process and reviewing the investment portfolio returns relative to the operating budget income requirements and capital budget requirements. The Cathedral plans to address the unrestricted fund balance deficit over the next three years.

Staff and the Finance Committee work together to ensure externally restricted funds are maintained in accordance with the terms of their contributors. Where allowed by the terms of the funds, the objective of the investment policy is over the long-term to maintain the capital of the funds after inflation. The policy allows the funds to be invested in money markets, bonds and equities in accordance with a portfolio mix as set out below.

During 2024, the cash distribution yield from the restricted and endowment funds was 6.2% (2023 - 3.8%) versus a targeted amount of 3.5% (2023 - 3.5%), and fund balances increased by 10.3% (2023 - 5.9%) due to investment gains.

The Cathedral is subject to the disbursement requirements set by the Canada Revenue Agency for Canadian charities, and as at the end of fiscal 2024, was in compliance with these requirements.

The Cathedral as part of the Diocese is also subject to certain Canonical restrictions on its capital. For the sale of certain assets or incurrence of certain debt, the Cathedral is required to obtain approval from the Diocese.

The Cathedral maintains investment portfolios managed by professional investment managers, to provide the Cathedral with financial resources to meet its short-term requirements and to maintain the long-term security of the portfolios. The Cathedral's investment managers are required to invest the Cathedral's funds in accordance with its Investment Policy, most recently revised in 2018 (the minimum and maximum investment limits are assessed in aggregate across the funds), and any restrictions prescribed by the Anglican Church of Canada and the Diocese. The Cathedral's investment mix is as follows:

	Investment policy	2024	2023
Cash	3 - 10%	4%	4%
Fixed income securities (including cash equivalents)	30 - 85%	38%	39%
Equity securities	15 - 70%	58%	57%

It was and continues to be management's intention to reinvest these investments when they come due. Accordingly, these cash and cash equivalents have been classified as long-term investments in the financial statements.

# The Cathedral Church of St. James

## Notes to the Financial Statements

December 31, 2024

### 4. Property and equipment

		Accumulated	2024	2023
	Cost	Amortization	Net	Net
<i>Cathedral</i>			Book Value	Book Value
Cathedral property	\$ 380,299	\$ -	\$ 380,299	\$ 380,299
Cathedral Centre	18,482,117	6,687,137	11,794,980	12,347,783
Major building improvements	2,751,740	1,950,449	801,291	880,531
Furnishings and equipment	1,428,339	1,190,814	237,525	239,062
Grounds lighting	855,749	333,088	522,661	608,236
Organ	517,067	70,923	446,144	467,007
Change-ringing bells	404,460	-	404,460	404,460
	<u>24,819,771</u>	<u>10,232,411</u>	<u>14,587,360</u>	<u>15,327,378</u>
<i>Cemetery</i>				
Cemetery land	2,417,950	-	2,417,950	2,417,950
Cemetery buildings	725,736	293,618	432,118	402,226
Crematorium retorts	2,701,607	212,814	2,488,793	2,514,004
Major building improvements	908,430	670,838	237,592	114,511
Furnishings and equipment	464,020	409,252	54,768	30,916
	<u>7,217,743</u>	<u>1,586,522</u>	<u>5,631,221</u>	<u>5,479,607</u>
	<u>\$32,037,514</u>	<u>\$11,818,933</u>	<u>\$20,218,581</u>	<u>\$20,806,985</u>

Major building improvements additions of \$Nil (2023 - \$23,774) are related to assets that are not yet available for use. Accordingly, amortization has not commenced.

As of December 31, 2024, the Cathedral has purchase commitments relating to a capital project in the amount of \$Nil (2023 - \$30,690).

### 5. Deferred special purpose contributions

	2024	2023
Deferred contributions - non-capital, beginning of year	\$ 549,945	\$ 613,282
Amounts received	191,685	55,266
Amounts disbursed and recognized as revenue in the year	<u>(134,234)</u>	<u>(118,603)</u>
Deferred contributions - non-capital, end of year	<u>607,396</u>	<u>549,945</u>
Deferred contributions - capital, beginning of year	1,627,287	1,697,621
Amounts received	50,390	71,933
Amounts recognized as revenue in the year	<u>(144,398)</u>	<u>(142,267)</u>
Deferred contributions - capital, end of year	<u>\$ 1,533,279</u>	<u>\$ 1,627,287</u>

# The Cathedral Church of St. James

## Notes to the Financial Statements

December 31, 2024

### 5. Deferred special purpose contributions (continued)

Included in deferred contributions - capital is \$20,000 (2023 - \$10,766) relating to funds that have not yet been spent.

### 6. Guarantees

The Cathedral provided to the City of Toronto standby letters of guarantee. The letters of guarantee were represented by indemnity agreements relating to the Cathedral Centre construction. During the fiscal year, the letters of guarantee were redeemed. The letters totaled \$Nil (2023 - \$215,000). Security for the guarantees was provided in the form of the Cathedral's guaranteed investment certificate in investments in the amount of \$Nil (2023 - \$225,000). The guarantees were interest bearing at an average rate of Nil% (2023 - 3.88%).

### 7. Long-term debt

	<u>2024</u>	<u>2023</u>
Promissory note with the Diocese, unsecured, bearing interest at 2.00% due December 1, 2048, payable by monthly instalments of principal plus interest of \$14,169 commencing January 1, 2024.	<b>\$ 3,245,215</b>	\$ 3,349,804
Promissory note with the Diocese, unsecured, bearing interest at 2.00% due May 1, 2049, payable by monthly instalments of principal plus interest of \$5,720 commencing June 1, 2024.	<b><u>1,327,990</u></b>	<u>1,341,470</u>
	<b>4,573,205</b>	4,691,274
Less: current portion	<b><u>149,391</u></b>	<u>129,112</u>
	<b><u>\$ 4,423,814</u></b>	<b><u>\$ 4,562,162</u></b>

Minimum principal repayments over the next five fiscal years are as follows:

2025	\$ 149,391
2026	152,378
2027	155,426
2028	158,535
2029	161,705
Thereafter	3,795,770

Included in long-term debt is \$214,339 (2023 - \$297,191) relating to funds that have been received and not yet been spent.



# The Cathedral Church of St. James

## Notes to the Financial Statements

December 31, 2024

### 8. Restricted funds

	<u>2024</u>	<u>2023</u>
Externally restricted		
Music Trusts	\$ 834,769	\$ 753,084
Property Trusts	1,882,807	1,692,673
Cemetery Pre-Need Fund	<u>2,405,080</u>	<u>2,276,154</u>
	<u>\$ 5,122,656</u>	<u>\$ 4,721,911</u>
Internally restricted		
Music Trust	\$ 701,377	\$ 638,539
Women's Ministry Trust	432,912	394,125
Cathedral Multi-Purposes Trust	600,830	529,914
Wardens Legacy Fund	793,295	756,311
Educational Trust	<u>390,371</u>	<u>355,395</u>
	<u>\$ 2,918,785</u>	<u>\$ 2,674,284</u>

During the year, investment income earned on restricted funds in the amounts of \$78,799 (2023 - \$63,285) was recognized directly in investment income of the Cathedral operating funds.

### 9. Endowment funds

	<u>2024</u>	<u>2023</u>
Clergy Support Trust	\$ 541,250	\$ 477,374
Property Trusts	9,851,725	8,967,008
Outreach Trust	212,039	187,014
Music Trusts	405,800	368,296
Flowers Fund	4,214	3,903
Cemetery Care of Graves Fund	703,205	646,319
Cemetery Care and Maintenance Fund	<u>3,847,613</u>	<u>3,436,829</u>
	<u>\$ 15,565,846</u>	<u>\$ 14,086,743</u>

During the year, investment income earned on the endowment funds of \$333,417 (2023 - \$267,293) and \$149,704 (2023 - \$131,758) was recognized directly in investment income of the Cathedral and Cemetery operating funds, respectively. Total investment income from Notes 8 and 9 recognized directly in the Cathedral and Cemetery operating funds is \$412,216 (2023 - \$330,578) and \$149,704 (2023 - \$131,758), respectively.

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# The Cathedral Church of St. James

## Notes to the Financial Statements

December 31, 2024

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### 10. Financial instruments

Transactions in financial instruments may result in the Cathedral assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

#### Other price risk

The Cathedral is exposed to other price risk on its investment in equities quoted in an active market since changes in market prices could result in changes in the fair value of these instruments. The Cathedral manages its other price risk by ensuring that its investments are invested in accordance with its Investment Policy that ensures a diversified portfolio.

#### 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 Cathedral is subject to interest rate risk on its fixed income investments. The Cathedral manages its interest rate risk by ensuring that its investments are invested in accordance with its Investment Policy.

#### Liquidity risk

The Cathedral's liquidity risk represents the risk that the Cathedral could encounter difficulty in meeting obligations associated with its financial liabilities. The Cathedral is exposed to liquidity risk with respect to its accounts payable and long-term debt. The Cathedral manages its liquidity risk by forecasting cash flows from operations, investing and financing activities to ensure that it has sufficient funds available to meet current and foreseeable financial obligations.

Accounts payable and accrued liabilities include government remittances payable of \$Nil (2023 - \$Nil).

#### Credit risk

Credit risk is the risk of financial loss occurring as a result of a counter party to a financial instrument failing to discharge an obligation or commitment that it has entered into with the Cathedral. The Cathedral's main credit risks relate to its accounts receivable. The Cathedral reduces its exposure to credit risk by monitoring credit risk, adopting policies and procedures to ensure credit is only provided to credit worthy individuals and creating an allowance for doubtful accounts when appropriate. At December 31, 2024, the allowance for doubtful accounts is \$Nil (2023 - \$Nil).