



ST. PATRICK'S CHURCH & SHRINE MERLIN

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS**

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of
St. Patrick's Church & Shrine Merlin

Qualified Opinion

We have audited the financial statements of St. Patrick's Church & Shrine Merlin, which comprise the statement of financial position as at December 31, 2024, and the statements of operations and 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 December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities and charitable giving, 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 revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2024, current assets as at December 31, 2024, and net assets as at January 1 and December 31 for the 2024 year.

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 opinion.

INDEPENDENT AUDITOR'S REPORT, continued

Other Matter

The financial statements of St. Patrick's Church & Shrine Merlin for the year ended December 31, 2023 were neither audited nor reviewed. Prior year figures have been included with these financial statements for comparative purposes only.

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:

- 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.

INDEPENDENT AUDITOR'S REPORT, continued

- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

Baker Tilly CK, LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Chatham, Ontario
June 25, 2025

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ST. PATRICK'S CHURCH & SHRINE MERLIN

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2024



	2024	2023 (unaudited note 9)
REVENUES		
Bulletin advertising	\$ 1,200	\$ -
Candle and missal donations	1,030	1,343
Capital revenues	6,115	5,215
Cemetery revenue	23,037	11,922
Donations	21,629	29,195
Government grants	4,993	4,671
Interest income	14,882	11,372
Stipends	13,105	12,100
Store sales	3,702	28,095
Sunday collection	<u>123,256</u>	<u>118,190</u>
	<u>212,949</u>	<u>222,103</u>
COST OF SALES (note 9)		
Inventory, beginning of year	20,000	20,000
Purchases	-	12,564
Inventory, end of year	<u>-</u>	<u>(20,000)</u>
	<u>20,000</u>	<u>12,564</u>
	192,949	209,539
EXPENDITURES, Schedule 1	<u>179,838</u>	<u>137,423</u>
EXCESS OF REVENUES OVER EXPENDITURES	13,111	72,116
NET ASSETS, BEGINNING OF YEAR	<u>471,489</u>	<u>399,373</u>
NET ASSETS, END OF YEAR	<u>\$ 484,600</u>	<u>\$ 471,489</u>

ST. PATRICK'S CHURCH & SHRINE MERLIN**STATEMENT OF FINANCIAL POSITION****DECEMBER 31, 2024**

	2024	2023		
	(unaudited note 9)			
ASSETS				
CURRENT ASSETS				
Cash	\$ 129,897	\$ 134,370		
Short-term investments (note 5)	352,513	311,150		
Accounts receivable	6,388	4,813		
Inventory (note 6)	-	20,000		
Prepaid expenses	12,317	11,809		
	<u>501,115</u>	<u>482,142</u>		
TANGIBLE CAPITAL ASSETS (note 7)	<u>1</u>	<u>1</u>		
	<u><u>\$ 501,116</u></u>	<u><u>\$ 482,143</u></u>		
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 13,116	\$ 6,654		
Deferred revenue (note 8)	3,400	4,000		
	<u>16,516</u>	<u>10,654</u>		
NET ASSETS	<u>484,600</u>	<u>471,489</u>		
	<u><u>\$ 501,116</u></u>	<u><u>\$ 482,143</u></u>		

ON BEHALF OF THE BOARD**Member****Member**

ST. PATRICK'S CHURCH & SHRINE MERLIN

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024



	2024	2023 (unaudited note 9)
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 13,111	\$ 72,116
Adjustment for		
Deferred revenue recognized in revenue	(600)	-
	<u>12,511</u>	<u>72,116</u>
Change in non-cash working capital items		
Short-term investments	(41,363)	(61,345)
Accounts receivable	(1,575)	351
Inventory	20,000	-
Prepaid expenses	(508)	(970)
Accounts payable and accrued liabilities	6,462	(3,346)
Deferred revenue	<u>-</u>	<u>4,000</u>
INCREASE (DECREASE) IN CASH	(4,473)	10,806
CASH, BEGINNING OF YEAR	<u>134,370</u>	<u>123,564</u>
CASH, END OF YEAR	<u>\$ 129,897</u>	<u>\$ 134,370</u>

DECEMBER 31, 2024**1. NATURE OF OPERATIONS**

St. Patrick's Church & Shrine Merlin was incorporated in Ontario on July 10, 2015. The organization was formed to:

- (a) preach and advance the teachings of the Roman Catholic faith and the religious tenets, doctrines, observances and culture associated with the faith
- (b) maintain and support a house of worship with services conducted in accordance with the tenets and doctrines of the Roman Catholic faith
- (c) maintain and support a cemetery with services conducted in accordance with the tenets of the Roman Catholic faith
- (d) support and maintain missions and missionaries in order to propagate the Roman Catholic faith
- (e) maintain a religious school of instruction for children, youths and adults

The organization is a registered charity under the Income Tax Act.

2. CHANGE IN THE BASIS OF PRESENTATION

These are the organization's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations and accrual accounting. In prior years, the organization prepared its financial statements in accordance with Canadian generally accepted accounting principles. The first time adoption of these standards has been disclosed in accordance with Canadian Accounting standards for not-for-profit organizations, section 1501. The impact of this change in the basis of accounting has been disclosed in note 4 of these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) CASH AND CASH EQUIVALENTS

Cash and cash equivalents is comprised of cash.

(b) SHORT-TERM INVESTMENTS

Short-term investments are recorded at fair market value.

(c) INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

DECEMBER 31, 2024

3. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) TANGIBLE CAPITAL ASSETS

The land, buildings and cemetery are recorded at the historical cost of those assets, being \$1.

The organization expenses all other capital expenditures when incurred.

(e) DEFERRED REVENUE

Deferred revenue consists of givings received which were designated by the donor to be used for certain expenditures which have not yet been incurred.

(f) REVENUErecognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized in revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

(g) DONATED MATERIAL AND SERVICES

Donated capital and investments are recorded in the financial statements at fair value on the date of the donation. Donated materials and services are not recorded because the fair market value is not readily determinable.

DECEMBER 31, 2024

3. SIGNIFICANT ACCOUNTING POLICIES, continued**(h) FINANCIAL INSTRUMENTS**

Financial instruments are financial assets or liabilities of the organization where, in general, the organization has the right to receive cash or another financial asset from another party or the organization has the obligation to pay another party cash or other financial assets.

The organization's financial assets consist of cash, short-term investments and accounts receivable.

The organization's financial liabilities consist of accounts payable and accrued liabilities.

The organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If repayment terms exist, the cost is determined using its undiscounted cash flows, excluding interest payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the organization in the transaction.

With the exception of its short-term investments traded in an active market, the organization subsequently measures all of its financial assets and financial liabilities at amortized cost. Short-term investments traded in an active market are subsequently measured at fair value with changes in fair value being recognized in the excess of revenues over expenditures.

Financial assets measured at cost or amortized cost are tested for impairment at the end of each year to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in the excess of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in the excess of revenues over expenditures.

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3. SIGNIFICANT ACCOUNTING POLICIES, continued
(i) USE OF ESTIMATES

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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

4. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

This is the organization's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations. There were no changes required to the comparative balances presented as a result of adoption of these accounting principles.

5. SHORT-TERM INVESTMENTS

	2024	2023	
		(unaudited	note 9)
Guaranteed investment certificates maturing October 20 and November 7, 2025, bearing interest at 5.35% and 5.50%, restricted for use on cemetery needs	\$ 30,992	\$ 311,150	
Guaranteed investment certificates maturing between January and November 2025, bearing interest between 4.25% and 5.35%, for use by the church	<u>321,521</u>	-	
	<u><u>\$ 352,513</u></u>	<u><u>\$ 311,150</u></u>	

6. INVENTORY

Inventory consisted of goods available for sale at the store location. The store ceased operations in the year. During the year, \$20,000, (2023 - \$12,564) of inventory was expensed through cost of goods sold.

7. TANGIBLE CAPITAL ASSETS

The tangible capital assets consist of land, buildings and cemetery, recorded at cost.

In the current year, the organization expensed tangible capital purchases of \$30,553, (2023 - \$19,331).

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8. DEFERRED REVENUE

Deferred revenue consists of a donation to be used for altar committee expenses.

	2024	2023 (unaudited note 9)
Opening balance	\$ 4,000	\$ -
Contributions received	- 600	4,000 -
Contributions recognized in income in the year		
	<u>\$ 3,400</u>	<u>\$ 4,000</u>

9. COMPARATIVE FIGURES

The comparative figures are unaudited and are presented for comparative purposes only. The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

10. FINANCIAL INSTRUMENTS

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

It is management's opinion that the organization is not exposed to significant risk arising from its financial instruments.

ST. PATRICK'S CHURCH & SHRINE MERLIN**SCHEDULE TO THE FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2024****SCHEDULE OF EXPENDITURES****Schedule 1**

	2024	2023 (unaudited note 9)
Advertising and promotion	\$ 5,739	\$ 888
Bank charges and interest	758	1,062
Capital expenditures (note 7)	30,553	19,331
Cemetery expenditures	7,546	2,150
Donations	6,849	5,694
Equipment rental	2,155	2,007
Insurance	13,758	12,739
Liturgical expenses	5,399	4,468
Memberships	-	272
Office	1,728	1,707
Professional fees	9,995	4,573
Repairs and maintenance	15,547	18,148
Sacramental/evangelization	12	89
Social activities	3,355	3,000
Taxes - other than income	986	931
Telephone and utilities	3,352	3,237
Utilities	14,648	14,731
Wages and benefits	<u>57,458</u>	<u>42,396</u>
	<u><u>\$ 179,838</u></u>	<u><u>\$ 137,423</u></u>