
METROPOLITAN COMMUNITY CHURCH OF TORONTO

FINANCIAL STATEMENTS

DECEMBER 31, 2025

Draft Statement Subject to Revision

Independent Auditor's Report

To the Members of Metropolitan Community Church of Toronto

Qualified Opinion

We have audited the financial statements of Metropolitan Community Church of Toronto (the "Organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, 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, 2025, 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 revenues from fundraising activities and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we are not able to determine whether, as at and for the year ended December 31, 2025, any adjustment might be necessary to revenues and excess of expenses over revenues reported in the statement of operations, and assets and net assets reported in the statement of financial position.

Our audit opinion on the financial statements for the year ended December 31, 2024 was modified because of the possible effects of this scope limitation.

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.

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 ability of the Organization 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 financial reporting process of the Organization.

Independent Auditor's Report (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 the 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 internal control of the Organization.
- 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 ability of the Organization 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Toronto, Ontario
Date to be determined

Chartered Professional Accountants
Licensed Public Accountants

METROPOLITAN COMMUNITY CHURCH OF TORONTO

Statement of Financial Position

December 31	Operating		Mission Teams		Restricted		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS								
Current assets								
Cash	107,313	274,940	35,324	38,087	11,932	34,420	154,569	347,447
Investments (note 3)	-	-	-	-	1,295,433	1,614,183	1,295,433	1,614,183
Accounts receivable	95,948	182,972	-	-	-	-	95,948	182,972
Inter-fund receivable (note 6)	-	-	-	-	123,050	190,906	123,050	190,906
Prepaid expenses and deposits	15,755	17,673	-	-	-	-	15,755	17,673
	219,016	475,585	35,324	38,087	1,430,415	1,839,509	1,684,755	2,353,181
Capital assets (note 4)	4,111,412	4,351,913	-	-	-	-	4,111,412	4,351,913
	4,330,428	4,827,498	35,324	38,087	1,430,415	1,839,509	5,796,167	6,705,094
LIABILITIES								
Current liabilities								
Account payable and accrued liabilities	112,363	99,732	-	-	-	-	112,363	99,732
Inter-fund payable (note 6)	120,279	188,135	2,771	2,771	-	-	123,050	190,906
Current portion of post-retirement benefit liability (note 11)	35,160	34,464	-	-	-	-	35,160	34,464
	267,802	322,331	2,771	2,771	-	-	270,573	325,102
Post-retirement benefit liability (note 11)	6,808	40,488	-	-	-	-	6,808	40,488
	274,610	362,819	2,771	2,771	-	-	277,381	365,590
NET ASSETS (note 5)	4,055,818	4,464,679	32,553	35,316	1,430,415	1,839,509	5,518,786	6,339,504
	4,330,428	4,827,498	35,324	38,087	1,430,415	1,839,509	5,796,167	6,705,094

APPROVED ON BEHALF OF THE BOARD:

Moderator

Vice-Moderator

The accompanying notes are an integral part of these financial statements.

METROPOLITAN COMMUNITY CHURCH OF TORONTO

Statement of Operations

Year ended December 31	Operating 2025	2024	Mission Teams 2025	2024	Restricted 2025	2024	Total 2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Regular offerings	421,131	398,578	-	-	-	-	421,131	398,578
Outreach events and activities (note 9)	133,766	87,022	-	-	299,727	403,984	433,493	491,006
Bequests	12,624	128,675	-	-	-	-	12,624	128,675
Regular programs and services	227,728	229,586	8,132	10,150	-	-	235,860	239,736
Special offerings	192,906	137,766	-	-	-	-	192,906	137,766
Donations to Elevation Campaign	-	-	-	-	100,222	222,978	100,222	222,978
Government grants	35,338	22,307	-	-	-	-	35,338	22,307
Investment income (note 7)	-	-	-	-	99,890	159,388	99,890	159,388
	1,023,493	1,003,934	8,132	10,150	499,839	786,350	1,531,464	1,800,434
Expenses								
Fundraising, general and administration (notes 8 & 11)	763,040	571,064	-	-	-	72	763,040	571,136
Outreach events and activities (notes 8 & 9)	468,350	442,974	-	-	168,419	131,765	636,769	574,739
Worship and congregational life (note 8)	406,664	367,051	-	-	-	-	406,664	367,051
Facilities (note 8)	233,368	278,269	-	-	-	-	233,368	278,269
Amortization of capital assets	261,844	258,697	-	-	-	-	261,844	258,697
Tithes to UFMCC (note 10)	41,871	39,877	-	-	-	-	41,871	39,877
Other programs and services	-	-	7,626	8,423	1,000	6,655	8,626	15,078
	2,175,137	1,957,932	7,626	8,423	169,419	138,492	2,352,182	2,104,847
Excess of revenues over expenses (expenses over revenues) for year	(1,151,644)	(953,998)	506	1,727	330,420	647,858	(820,718)	(304,413)

The accompanying notes are an integral part of these financial statements.

METROPOLITAN COMMUNITY CHURCH OF TORONTO

Statement of Changes in Net Assets

Year ended December 31	Operating 2025 \$	2024 \$	Mission Teams 2025 \$	2024 \$	Restricted 2025 \$	2024 \$	Total 2025 \$	2024 \$
Balance, beginning of year	4,464,679	4,681,232	35,316	45,589	1,839,509	1,917,096	6,339,504	6,643,917
Excess of revenues over expenses (expenses over revenues) for year	(1,151,644)	(953,998)	506	1,727	330,420	647,858	(820,718)	(304,413)
Inter-fund transfers (note 6)	742,783	737,445	(3,269)	(12,000)	(739,514)	(725,445)	-	-
Balance, end of year (note 5)	4,055,818	4,464,679	32,553	35,316	1,430,415	1,839,509	5,518,786	6,339,504

The accompanying notes are an integral part of these financial statements.

METROPOLITAN COMMUNITY CHURCH OF TORONTO

Statement of Cash Flows

Year ended December 31	2025 \$	2024 \$
Cash flows from operating activities		
Excess of expenses over revenues for year	(820,718)	(304,413)
Adjustments to determine net cash provided by (used in) operating activities		
Amortization of capital assets	261,844	258,697
Realized loss (gain) on the sale of investments	4,962	(38,414)
Unrealized gain in the fair value of investments	(86,212)	(74,212)
Post-retirement benefit expense	1,480	2,279
Post-retirement benefit payment	(34,464)	(33,785)
	(673,108)	(189,848)
Changes in non-cash working capital items		
Decrease (increase) in accounts receivable	87,024	(90,804)
Decrease (Increase) in prepaid expenses and deposits	1,918	(4,242)
Increase in accounts payable and accrued liabilities	12,631	12,732
	(571,535)	(272,162)
Cash flows from investing activities		
Purchase of capital assets	(21,343)	(109,693)
Purchase of investments	(927,000)	(900,000)
Proceeds on sale of investments	1,327,000	1,321,192
	378,657	311,499
Net change in cash	(192,878)	39,337
Cash, beginning of year	347,447	308,110
Cash, end of year	154,569	347,447

METROPOLITAN COMMUNITY CHURCH OF TORONTO

Notes to Financial Statements

December 31, 2025

Nature and description of the organization

Metropolitan Community Church of Toronto (the "Organization") was incorporated under the laws of the Province of Ontario as a corporation without share capital. The objectives of the Organization are to bind together persons to share in the worship of God in the Congregational Christian tradition in an inclusive, affirmative and caring environment. The Organization is a member of the Universal Fellowship of Metropolitan Community Churches.

The Organization is not-for-profit organization, and a registered charity under the Income Tax Act, and therefore is not subject to income taxes and is able to issue donation receipts for income tax purposes.

1. Significant accounting policies

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

(a) Fund accounting

The Organization uses fund accounting, whereby a separate set of accounts is maintained for each fund based on its specific purpose as follows:

Operating

The Operating fund accounts for the day-to-day service delivery activities of the Organization in fulfilling its purpose. Net assets of the Operating fund are comprised of net assets invested in capital assets and unrestricted net assets (note 5).

Mission Teams

The Mission Teams fund comprises various self-directed groups at the Organization for which monies have been raised or donated in order to allow the Mission Teams to fulfil their mandates (note 5). These funds are not available for any other purposes without approval by the Board of Directors.

Restricted

The Restricted fund includes contributions from external donors for which monies were provided to the Organization for specified purposes as well as reserves which have been internally restricted by the Board of Directors (note 5). These funds are not available for any other purposes without approval by the Board of Directors.

The Organization records investment income in the Restricted fund.

(b) Revenue recognition

The Organization follows the restricted fund method of accounting for contributions which include offerings, bequests, outreach events and activities, donations to the Elevation Campaign and grants. Contributions received for restricted purposes are recognized as revenue of the restricted fund at the time the contributions are received. Unrestricted contributions are recognized as revenue of the operating fund when received or, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from regular programs and services is recorded in the year that the services are performed or goods are delivered.

Investment income is comprised of interest, dividends, realized gains and losses on the sale of investments and unrealized gains and losses in the fair value of investments, less administrative and management fees. Interest is recorded on an accrual basis. Dividends are recorded as revenue when declared.

(c) Financial instruments

Measurement of financial assets and liabilities

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Transaction costs of those financial assets and financial liabilities subsequently measured at fair value are recognized in income in the year incurred.

Notes to Financial Statements (continued)

December 31, 2025

1. Significant accounting policies (continued)

(c) Financial instruments (continued)

Measurement of financial assets and liabilities (continued)

The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in pooled funds, which are measured at fair value. Changes in fair value are recognized in income in the year the changes occur. Fair values are determined by reference to published price quotations in an active market at year end.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Financial assets measured at amortized cost include cash, investments in cashable guaranteed investment certificates and accounts receivable.

Financial assets measured at fair value include investments in pooled funds.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

At the end of each year, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Organization, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the Organization determines whether a significant adverse change has occurred during the year in the expected timing or amount of future cash flows from the financial asset.

When the Organization identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the financial asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the financial asset discounted using a current market rate of interest appropriate to the financial asset; and
- the amount that could be realized by selling the financial asset at the statement of financial position date.

Any impairment of the financial asset is recognized in income in the year in which the impairment occurs.

When the extent of impairment of a previously written-down financial asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the year the reversal occurs.

(d) Investments

Investments in cashable guaranteed investment certificates and pooled funds are classified as current as these assets are capable of reasonably prompt liquidation.

(e) Capital assets

The costs of capital assets are capitalized upon meeting the criteria for recognition as a capital asset; otherwise, costs are expensed as incurred. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use. Contributed capital assets are recorded at their fair values at the respective donation date.

Capital assets are measured at cost less accumulated amortization and accumulated impairment losses.

Notes to Financial Statements (continued)

December 31, 2025

1. Significant accounting policies (continued)**(e) Capital assets (continued)**

Amortization is provided for using the straight-line method, upon commencement of the utilization of the assets, at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Building	40 years
Building improvements	20 - 24 years
Equipment	5 years
Furniture and fixtures	20 years

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the capital asset to its fair value. Any impairment of a capital asset is recognized in income in the year in which the impairment occurs.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

(f) Contributed materials and services

Volunteers contribute numerous service hours each year to assist the Organization in carrying out its activities. Since these services are not normally purchased by the Organization and because the fair value of the contributed services cannot be reasonably estimated, contributed services are not recognized in the financial statements. Contributed materials are recognized at fair value when materials would normally be purchased by the Organization and the fair value can reasonably be estimated.

(g) Post-retirement benefit liability

Post-retirement benefit liability is recorded at the net present value of the expected future annual retirement payments from the individual's date of retirement and up until the date of death, taking into consideration factors including the individual's date of birth, life expectancy, actuaries longevity analysis, estimated rate of inflation and discount rate. These factors are reviewed on an annual basis and any adjustments in the net present value are recorded in fundraising, general and administration expense in the statement of operations.

(h) Allocation of expenses

Salaries and benefits are allocated to functional areas based on time spent by staff members related to each activity. (note 8).

(i) Management estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current year. Actual results may differ from these estimates, the impact of which would be recorded in future years.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

METROPOLITAN COMMUNITY CHURCH OF TORONTO

Notes to Financial Statements (continued)

December 31, 2025

2. Financial instrument risk management

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations.

The financial instruments of the Organization and the nature of the risks to which those instruments may be subject, are as follows:

Financial instrument	Risks				
	Credit	Liquidity	Market risk		
			Currency	Interest rate	Other price
Cash	X		X	X	
Investments - cashable guaranteed investment certificates	X			X	
Investments - pooled funds - cash and fixed income investments	X			X	
Investments - pooled funds - Canadian and global equities			X		X
Investments - pooled funds - other strategies - including benchmark-free and absolute return strategies					X
Accounts receivable	X				
Accounts payable and accrued liabilities		X			

Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss.

The maximum exposure of the Organization to credit risk is as follows:

	2025 \$	2024 \$
Cash	154,569	347,447
Investments - cashable guaranteed investment certificates	500,000	900,000
Investments - pooled funds - cash and fixed income investments	127,269	107,128
Accounts receivable	95,948	182,972
	877,786	1,537,547

The Organization reduces its exposure to the credit risk of cash and investments in cashable guaranteed investment certificates by maintaining balances with a Canadian financial institution.

The Organization is exposed to credit risk arising from its cash and fixed income investments which are held in pooled funds and those risks are monitored by the third party managing the invested pooled funds and by Board oversight. (note 3)

The Organization is not exposed to significant credit risk in respect of accounts receivable as accounts receivable includes \$23,925 (2024 - \$Nil) from Public Health Agency of Canada, \$13,754 (2024 - \$32,741) from HST public service bodies' rebates and \$13,984 (2024 - \$75,096) related to facilities rental, which have been collected after the year end.

METROPOLITAN COMMUNITY CHURCH OF TORONTO

Notes to Financial Statements (continued)

December 31, 2025

2. Financial instrument risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due.

The liquidity of the Organization is monitored by management to ensure sufficient cash is available to meet liabilities as they become due.

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 is comprised of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Organization holds cash and investments in foreign currencies and is therefore exposed to currency risk. The investments are held in pooled funds managed by a third party organization who monitors investment performance. The Organization does not use any derivative financial instruments to manage foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The exposure of the Organization to interest rate risk arises from its cash, cashable guaranteed investment certificates and cash and fixed income investments which are held in pooled funds managed by a third party organization.

Other price risk

Other price risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Organization is exposed to other price risk in its investments held in pooled funds and those risks are monitored by the third party managing the invested pooled funds and by Board oversight.

Changes in risk

There have been no significant changes in the risk profile of the financial instruments of the Organization from that of the prior year.

3. Investments

	2025 \$	2024 \$
RBC cashable guaranteed investment certificates - interest at prime - 2.5%, due May 1, 2026 (2024 - interest at prime - 2%, due March 18, 2025)	500,000	900,000
Pooled funds - cash and fixed income investments	127,269	107,128
Pooled funds - Canadian and global equities	429,534	407,084
Pooled funds - other strategies - including benchmark-free and absolute return strategies	238,630	199,971
	<u>1,295,433</u>	<u>1,614,183</u>

METROPOLITAN COMMUNITY CHURCH OF TORONTO

Notes to Financial Statements (continued)

December 31, 2025

3. Investments (continued)

The Organization has arranged to invest its pooled funds with the Toronto Community Foundation under a pooling of investments arrangement. Under this agreement, the Organization's funds are commingled with other investors' funds and invested as a whole. The Organization has ownership of a prorated percentage of the total investment portfolio. The investment under the pooling arrangement holds the following mix of asset classes:

	2025 %	2024 %
Cash and fixed income investments	16	15
Canadian and global equities	54	57
Other strategies - including benchmark-free and absolute return strategies	30	28
	100	100

4. Capital assets

	Cost \$	Accumulated Amortization \$	2025 Net \$
Land	802,900	-	802,900
Building	530,214	422,944	107,270
Building improvements	4,397,881	1,353,165	3,044,716
Equipment	449,138	393,692	55,446
Furniture and fixtures	227,931	126,851	101,080
	6,408,064	2,296,652	4,111,412
	Cost \$	Accumulated Amortization \$	2024 Net \$
Land	802,900	-	802,900
Building	530,214	409,688	120,526
Building improvements	4,381,309	1,139,148	3,242,161
Equipment	449,138	366,666	82,472
Furniture and fixtures	223,160	119,306	103,854
	6,386,721	2,034,808	4,351,913

METROPOLITAN COMMUNITY CHURCH OF TORONTO

Notes to Financial Statements (continued)

December 31, 2025

5. Net Assets

The components of the Operating fund are as follows:

	2025	2024
	\$	\$
Invested in capital assets	4,111,412	4,351,913
Unrestricted	(55,594)	112,766
	<u>4,055,818</u>	<u>4,464,679</u>

The components of the Mission Teams fund are as follows:

	2025	2024
	\$	\$
Donor specified		
Children's Ministry	217	217
Pride & Joy	11,559	9,435
Community Meal	7,630	7,630
Life Long Learning	5,283	5,283
Emerging Ministries	3,127	3,127
Men's Retreat	4,582	4,662
Other	155	4,962
	<u>32,553</u>	<u>35,316</u>

The components of the Restricted fund are as follows:

	2025	2024
	\$	\$
Board internal restrictions		
General Reserve Fund	340,427	421,525
Internally Restricted Funds	227,574	267,279
Executive Director Fund	-	47,545
	<u>568,001</u>	<u>736,349</u>
Donor specified		
Elevation Campaign	-	294,523
Refugee Sponsorship Fund	644,491	608,623
Brent Hawkes Legacy Fund	-	12,666
Depression Initiative Fund	67,627	67,627
MCC Toronto Hope Fund	49,136	44,117
Music Fund	18,333	18,333
Refugee Program Administration and Discretionary Fund	18,000	7,364
Triangle Scholarship Fund	3,147	3,147
Health and Wellness	8,378	8,378
Community Outreach Partners	12,480	13,480
Benevolence	72	1,554
Triangle Impact Study	5,000	5,000
Triangle Outreach Fund	4,860	4,860
Community Care	2,568	2,568
Other	28,322	10,920
	<u>862,414</u>	<u>1,103,160</u>
	<u>1,430,415</u>	<u>1,839,509</u>

METROPOLITAN COMMUNITY CHURCH OF TORONTO

Notes to Financial Statements (continued)

December 31, 2025

6. Inter-fund transfers and inter-fund payables and receivables

Inter-fund transfers to the Operating fund from the Mission Teams and/or Restricted funds represent transfers to cover program expenses or capital improvements meeting the requirements of the specific restricted fund and recorded in the Operating fund. Inter-fund transfers from the Operating fund to the Restricted fund represent transfers of funds as determined by the Board. All inter-fund transfers are subject to the approval of the Board.

Inter-fund payables or receivables represent any unsettled inter-fund transfers at the end of the year. These inter-fund balances are non-interest bearing and have no specific repayment terms.

7. Investment income

The Organization has investments in cashable guaranteed investment certificates and pooled funds which are reported under the Restricted fund. The investment income earned is as follows:

	2025 \$	2024 \$
Investments - cashable guaranteed investment certificates measured at amortized cost		
Interest	18,639	42,634
Investments - pooled funds measured at fair value		
Dividends and interest	11,736	17,741
Realized gain (loss) sale of investments	(4,962)	38,414
Unrealized gain in the fair value of investments	86,212	74,212
Administrative and investment management fees	(11,735)	(13,613)
	81,251	116,754
	99,890	159,388

8. Allocation of expenses

The expenses reported in the Statement of Operations include an allocation of salaries and benefits as follows:

	Operating 2025 \$	2024 \$
Facilities	-	55,765
Fundraising, general and administration	416,917	224,610
Outreach events and activities	220,423	239,124
Worship and congregational life	208,478	209,428
	845,818	728,927

METROPOLITAN COMMUNITY CHURCH OF TORONTO

Notes to Financial Statements (continued)

December 31, 2025

9. Public Health Agency of Canada ("PHAC") Program

Program funding and related expenses are recorded in outreach events and activities revenue and expenses in the Restricted fund respectively in the statement of operations. Details are as follows:

	2025 \$	2024 \$
Funding		
Contribution from Public Health Agency of Canada	35,887	32,625
Expenses		
Salaries and benefits	23,521	22,874
General and operating		
Professional fees	3,990	9,250
Community meals	1,109	3,443
Support	227	800
Utilities	1,872	-
	30,719	36,367
Excess of expenses over funding for year	5,168	(3,742)

10. Commitment

As a member of the denomination of the Universal Fellowship of Metropolitan Community Churches, the Organization has committed to pay 10% of its regular offerings to Metropolitan Community Churches In Canada, which totaled \$41,871 year ended December 31, 2025 (2024 - \$39,877).

11. Post-retirement benefit liability

The board has approved a post-retirement benefit to a retired pastor. The retirement benefit is subject to annual inflation. The estimated net present value of the post-retirement benefit liability is \$41,968 - (2024 - \$74,952). The current portion of post-retirement benefit liability represents the amount of liability to be settled in the upcoming year.

The adjustment in the net present value includes estimates for interest, inflation, and mortality rate and therefore this amount is expected to change annually. This year's adjustment of \$1,480 (2024 - \$2,279) is recorded in fundraising, general and administration expense in the Operating fund in the statement of operations.

12. Subsequent event

Subsequent to December 31, 2025, the Organization became party to a legal proceeding arising from normal business activities. As at the date of these financial statements, the outcome of this matter is uncertain and the amount of any potential liability cannot be reasonably estimated. No provision has been recorded in these financial statements.

HILBORN

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