

**CHRIST CHURCH, WARWICK**

**FINANCIAL STATEMENTS**

(AND INDEPENDENT AUDITORS' REPORT THEREON)

FOR THE YEAR ENDED

DECEMBER 31, 2023

**CHRIST CHURCH, WARWICK  
FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2023  
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## INDEPENDENT AUDITORS' REPORT

To the Members of  
Christ Church, Warwick

### Qualified Opinion

We have audited the financial statements of Christ Church, Warwick (the "Church"), which comprise the statement of financial position as at December 31, 2023, the statement of operations and changes in fund balances, and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Church as at December 31, 2023, 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

As is common with many not-for-profit organizations, the Church derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. We were unable to obtain sufficient appropriate audit evidence over the completeness of donations. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Church. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, (deficiency) excess of revenue over expenditure, and cash flows from operations for the years ended December 31, 2023 and 2022, assets as at December 31, 2023 and 2022, and total fund balances as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Church in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and the ethical requirements of the Chartered Professional Accountants of Bermuda Rules of Professional Conduct ("CPA Bermuda Rules") that are relevant to our audit of the financial statements in Bermuda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the CPA Bermuda Rules. 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 these 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 Church'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 Church or to cease operations, or has no realistic alternative but to do so.

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

## INDEPENDENT AUDITORS' REPORT *(continued)*

### **Auditors' 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 auditors' 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 Church'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 Church'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 auditors' report. However, future events or conditions may cause the Church 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.



CHARTERED PROFESSIONAL ACCOUNTANTS  
Hamilton, Bermuda  
May 13, 2024

**CHRIST CHURCH, WARWICK**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**  
(Expressed in Bermuda Dollars)

	Note	December 31 2023 \$	December 31 2022 \$
<b>ASSETS</b>			
Cash and cash equivalents	3	610,780	544,400
Amounts due from related party	4	168,184	260,382
Investments, at fair value	5	211,616	211,616
Property and equipment	6	63,259	91,260
Prepaid expenses and other assets		13,481	6,319
<b>TOTAL ASSETS</b>		<b>1,067,320</b>	<b>1,113,977</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	3,7	72,159	73,980
Deferred income	4	-	1,000
<b>TOTAL LIABILITIES</b>		<b>72,159</b>	<b>74,980</b>
<b>FUND BALANCES</b>			
General fund	8	196,576	203,265
Property maintenance fund	8	100,000	100,000
Restricted funds		698,585	735,732
<b>TOTAL FUND BALANCES</b>		<b>995,161</b>	<b>1,038,997</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>1,067,320</b>	<b>1,113,977</b>

*The accompanying notes should be read in conjunction with these financial statements*

SIGNED ON BEHALF OF THE CONGREGATIONAL BOARD:

  
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**CHRIST CHURCH, WARWICK**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR-ENDED DECEMBER 31, 2023**

(Expressed in Bermuda Dollars)

	Note	General Fund \$	Property Maintenance Fund \$	Feeding Program \$	Other Restricted Funds \$	2023 Total \$	2022 Total \$
<b>REVENUE</b>							
Revenue – restricted funds		-	4,458	225,535	76,323	306,316	414,830
Donations	4	192,080	-	-	-	192,080	161,856
Offerings and other collections		108,462	-	-	-	108,462	93,951
Rents		60,176	-	-	-	60,176	59,575
Church fair – net		17,046	-	-	-	17,046	16,340
Investment income		11,638	-	-	-	11,638	11,638
Use of Church for services		3,900	-	-	-	3,900	4,200
Special collection receipts		2,937	-	-	-	2,937	2,623
Net change in realized and unrealized losses on investments		-	-	-	-	-	(33,065)
<b>TOTAL REVENUE</b>		<b>396,239</b>	<b>4,458</b>	<b>225,535</b>	<b>76,323</b>	<b>702,555</b>	<b>731,948</b>
<b>EXPENSES</b>							
Expenses – restricted funds		-	-	286,350	42,656	329,006	326,062
Stipends and salaries	7	206,159	-	-	-	206,159	192,457
Expenses – property maintenance		-	53,731	-	-	53,731	35,095
Insurance		40,867	-	-	-	40,867	35,375
Depreciation	6	-	-	-	28,001	28,001	38,899
Ministry, congregation and Presbytery		22,654	-	-	-	22,654	20,008
Utilities		21,154	-	-	-	21,154	8,584
Office		16,951	-	-	-	16,951	16,556
Transport and travel		9,576	-	-	-	9,576	12,133
Audit fees		9,000	-	-	-	9,000	9,000
Miscellaneous		3,895	-	-	-	3,895	2,825
Special collection payments		2,937	-	-	-	2,937	2,623
Advertising		2,245	-	-	-	2,245	2,245
Donations		161	-	-	-	161	3,975
Sound system and lighting		54	-	-	-	54	184
<b>TOTAL EXPENSES</b>		<b>335,653</b>	<b>53,731</b>	<b>286,350</b>	<b>70,657</b>	<b>746,391</b>	<b>707,021</b>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURE</b>		<b>60,586</b>	<b>(49,273)</b>	<b>(60,815)</b>	<b>5,666</b>	<b>(43,836)</b>	<b>24,927</b>
Inter fund transfers	2,8	(67,275)	49,273	-	18,002	-	-
<b>FUND BALANCE, beginning of year</b>		<b>203,265</b>	<b>100,000</b>	<b>415,732</b>	<b>320,000</b>	<b>1,038,997</b>	<b>1,014,070</b>
<b>FUND BALANCE, end of year</b>		<b>196,576</b>	<b>100,000</b>	<b>354,917</b>	<b>343,668</b>	<b>995,161</b>	<b>1,038,997</b>

*The accompanying notes should be read in conjunction with these financial statements*

**CHRIST CHURCH, WARWICK**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES – OTHER RESTRICTED FUNDS**  
**FOR THE YEAR-ENDED DECEMBER 31, 2023**

(Expressed in Bermuda Dollars)

	December 31, 2023					December 31 2022
	Loads of Love Fund \$	Churchyard Fund \$	Organ Fund \$	Capital Fund \$	Total \$	Total \$
<b>REVENUES</b>	39,999	36,324	-	-	76,323	40,750
<b>EXPENSES</b>	(22,255)	(20,401)	-	(28,001)	(70,657)	(64,357)
Excess (deficiency) of revenues over expenditures	17,744	15,923	-	(28,001)	5,666	(23,607)
<b>Fund balance</b> , beginning of year	20,000	40,000	10,000	250,000	320,000	310,000
Inter-fund transfers	5,924	(15,923)	-	28,001	18,002	33,607
<b>Fund balance</b> , end of year	43,668	40,000	10,000	250,000	343,668	320,000

*The accompanying notes should be read in conjunction with these financial statements*

**CHRIST CHURCH, WARWICK**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR-ENDED DECEMBER 31, 2023**

(Expressed in Bermuda Dollars)

	December 31 2023 \$	December 31 2022 \$
<b>OPERATING ACTIVITIES:</b>		
(Deficiency) excess of revenues over expenditure	(43,836)	24,927
<b>Adjustments to reconcile (deficiency) excess of revenues over expenditure and cash equivalents provided by operating activities:</b>		
Change in realized and unrealized losses on investments	-	33,065
Depreciation	28,001	39,899
<b>Changes in non-cash assets and liabilities:</b>		
Amounts due from related party	92,198	(28,502)
Prepaid expenses and other assets	(7,162)	(2,098)
Accounts payable and accrued liabilities	(1,821)	21,033
Deferred income	(1,000)	(16,094)
<b>Cash and cash equivalents provided by operating activities</b>	<b>66,380</b>	<b>72,230</b>
<b>INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	-	(4,968)
<b>Cash and cash equivalents used in investing activities</b>	<b>-</b>	<b>(4,968)</b>
<b>Net increase in cash and cash equivalents</b>	<b>66,380</b>	<b>67,262</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>544,400</b>	<b>477,138</b>
<b>Cash and cash equivalents, end of year</b>	<b>610,780</b>	<b>544,400</b>

*The accompanying notes should be read in conjunction with these financial statements*

**CHRIST CHURCH, WARWICK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**1. Christ Church, Warwick**

Christ Church, Warwick (the “Church”), a congregation of the Presbyterian Church of Scotland, was founded in 1719 and the temporal affairs of the Church are managed by the Congregational Board (the “Board”) of Christ Church, Warwick.

**2. Significant accounting policies**

***Basis of preparation***

The accompanying financial statements of the Church have been prepared on the going concern basis in accordance with Canadian accounting standards for not-for-profit organizations, which have general application in Bermuda, and are denominated in Bermuda dollars. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues earned and expenses incurred during the reporting period. Actual results could differ from these estimates. The Church’s significant accounting policies are summarized as follows:

***Fund accounting***

To ensure observance of limitations and restrictions placed on the use of resources available to it, the Church has adopted the principles of Fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into Funds established according to their nature and purpose. The assets, liabilities and fund balances of the Church comprise:

- **The General Fund** accounts for the Church's program delivery and administrative activities.
- **The Property Maintenance Fund** established as an unrestricted Fund for the purposes of maintaining the existing land and buildings of the Church. The Property Maintenance Fund receives an allocation from the General Fund on an annual basis for the purposes of maintaining a Fund balance appropriate to address the ongoing property maintenance requirements of the Church.
- **The Loads of Love Fund** relates to the Church’s activities to raise funds aimed at providing laundry and shower facilities, and meals to the members of the community who are in distressed circumstances.
- **The Churchyard Fund** reports restricted resources that are used for the maintenance of the graveyards.
- **The Organ Fund** reports restricted resources that are used for the maintenance of the Church's organ.
- **The Capital Fund** comprises of the property, plant and equipment of the Church, as well as the acquisitions of significant capital assets and donations made by donors for the specific purpose of purchasing of capital items associated with the Church, or in relation to Church anniversary celebrations (the Anniversary Fund).

2. **Significant accounting policies** *(continued)*

- **The Feeding Program** was established by the Church in April 2020 in response to the COVID-19 pandemic and the extensive need in the wider community to support individuals in feeding themselves and their families. The program has received significant support from the local community, including corporate donors, to provide funding and volunteer assistance to enable the daily preparation and distribution of meals to those in need. The resources of this program are restricted for this purpose.

***Cash and cash equivalents***

For the purpose of the statement of cash flows, the Church considers deposits and money market instruments with duration of three months or less at the time of purchase to be cash equivalents.

***Measurement and impairment of financial instruments***

The Church initially measures its financial assets, originated or acquired, and financial liabilities, issued or assumed in an arm's length transaction, at fair value.

The Church subsequently measures its financial assets and financial liabilities, other than its investments, at amortized cost. The Church measures its investments at fair value, with fair value determined with reference to quoted market values at the year end.

Financial assets consist of cash and cash equivalents, accounts receivable, amounts due from related party, and investments.

Financial liabilities include accounts payables and accrued liabilities.

Realized gains (losses) on investments are recorded as and when investments are sold on a trade date basis (using average costs). Unrealized gains (losses) on investments, arising from changes in fair value, are recorded in the statement of operations.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the reduction shall be recognized as an impairment loss in the statement of revenue and expenditure.

A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenue and expenditure.

***Property and equipment***

Property and equipment are carried at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, which are as follows:

Motor vehicles	5 years
Furniture, fixtures and fittings	7 years

2. **Significant accounting policies** *(continued)*

**Property and equipment** *(continued)*

The Church buildings included the main Church building originally constructed in 1719 and most recently renovated in 1958, the Thorburn, West and Church Halls built between 1893 and 1979. Given the age and nature of these assets, and the associated land, it was not practical to assess their original cost or fair value on the date of receipt. These assets are recorded at a nominal amount of \$1 and are not subject to depreciation.

**Revenue recognition**

The Church follows the restricted fund method to account for its donations. Restricted contributions relating to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when the cash is received. Unrestricted contributions are recognized as revenue in the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donated services are recorded at fair market value where the fair market value of the service can be reasonably estimated. The value of some donated goods and services, such as volunteer efforts, could not be reasonably estimated and therefore are not recorded in these financial statements.

**Expenses**

Expenses are accounted for on an accrual basis.

**Taxation**

The Church is not subject to corporate income taxes on profits or capital gains in Bermuda and no provision for tax has therefore been accrued.

**New accounting improvements and standards adopted during the year**

There are no new accounting improvements and standards during the year that had a material effect on the Church's financial statements.

**New accounting improvements and standards to be adopted**

The Church has determined that all other recently issued pronouncements do not apply to its operations.

**CHRIST CHURCH, WARWICK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**3. Cash and cash equivalents**

	December 31, 2023	December 31, 2022
	\$	\$
Feeding Programme (Note 10)	392,133	442,532
Beneficent Fund	22,666	22,996
Unrestricted cash	195,981	78,872
	610,780	544,400

The Church acts in a nominee capacity with respect to cash of \$22,666 held in the Church's account as at December 31, 2023 (2022 - \$22,996). This was provided for persons in need of assistance, and a corresponding balance is included in accounts payable and accrued liabilities.

**4. Amounts due from related party**

The Trust is separately held and managed and is maintained to act as an endowment fund for the long-term sustainability of the Church. The Trust is overseen by Trustees who are Members of the Church and have the relevant experience to do so.

Amounts due from related party include:

- \$144,232 (2022 - \$258,382) representing donations to the Church from the Trust in order to fund continuing operations, which are inclusive of amounts totaling \$Nil (2022 - \$1,000) which relate to the funding of certain expenses to be incurred in future periods, and as such was deferred.
- \$23,952 in respect of donations to the Feeding Program received by the Trust and payable to the Church at December 31, 2023 (2022 - \$2,000).

The Board considers these amounts to be recoverable, and no provision has been recorded against this balance.

**5. Investments**

Investments represent shares held in The Bank of N.T. Butterfield & Sons ("BNTB"), a publicly traded company, including stock dividends received.

	December 31, 2023		December 31, 2022	
	Cost	Fair Market Value	Cost	Fair Market Value
	\$	\$	\$	\$
6,613 common shares (2022 – 6,613)	82,516	211,616	82,516	211,616

No common shares were sold in 2023 (2022- \$Nil).

There are no restrictions in place over the Church's investments.

**CHRIST CHURCH, WARWICK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**6. Property, plant and equipment**

	December 31, 2023			December 31, 2022
	Cost	Accumulated depreciation	Net book value	Net book value
	\$	\$	\$	\$
Land	1	-	1	1
Church and buildings	1	-	1	1
Motor vehicles	22,470	(22,470)	-	-
Furniture, fixtures and fittings	474,503	(411,246)	63,257	91,258
	496,975	(433,716)	63,259	91,260

Depreciation expense amounted to \$28,001 (2022 - \$39,899) and is recorded as a component of the Capital Fund.

**7. Accounts payable and accrued liabilities**

The Church has a defined contribution pension scheme and contributes to a pension plan administered by the Church of Scotland. Costs incurred by the Church during the year-ended December 31, 2023, in respect of these pension plans were \$6,999 (2022 - \$10,369).

Included in accounts payable and accrued liabilities at December 31, 2023 is \$1,052 (2022 - \$1,139) owing to the Government of Bermuda relating to payroll tax and social insurance.

**8. Inter-fund transfers**

During the year an allocation of \$49,273 (2022 - \$35,065) was made to the Property Maintenance Fund from the General Fund. This facilitated the cost of repairs and maintenance of the Church, halls and buildings, and will maintain this Fund balance at a level appropriate to address the ongoing property maintenance requirements of the Church.

During the year a net allocation of \$18,002 (2022 - \$33,607) was made to the Church's various voluntarily restricted funds at the discretion of the Board, in order to maintain these funds at a level appropriate to address the ongoing capital and operational needs of the Church in respect of its Loads of Love programme, ongoing maintenance of the churchyard, and the long-term capital needs in relation to the Church's property.

**9. Risk disclosures**

The Church is exposed to various risks through its financial instruments. The following analysis provides a measure of these risk exposures and concentrations at the statement of financial position date:

**9. Risk disclosures** *(continued)*

***Credit risk***

Credit risk is the risk that issuers of securities owned by the Church will default, or other parties which owe the Church will not pay. The Church minimizes this risk by adhering to a conservative investment strategy, by maintaining sound credit and collection policies and by providing for any amounts deemed uncollectible. At December 31, 2023 and 2022, the Church's cash and cash equivalents, and investments are held principally with Bank of N.T. Butterfield.

***Liquidity risk***

Liquidity risk is the risk that the Church may encounter difficulty in meeting obligations associated with financial liabilities. At December 31, 2023 and 2022, the Church's cash and cash equivalents are considered adequate to cover the Church's accounts payable and accrued liabilities as they fall due.

***Market price risk***

Market 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. Market price risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The Church is mainly exposed to interest rate risk and other price risk. It is the Church's policy to invest primarily in high grade investments in order to minimize this risk.

***Interest rate risk***

The Church is exposed to interest rate risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its interest-sensitive cash equivalents.

***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), 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. The Church is exposed to other price risk through its investments in BNTB.

**10. Feeding program**

As described in Note 2, in 2020 the Church established the Feeding Program as a practical response to assisting those in need in the community. The income, expenses, assets and liabilities of this program are restricted solely for this purpose.

At December 31, 2023, the Church's cash and cash equivalents include \$392,133 (2022 - \$442,533) in respect of cash restricted for use in this program.

**11. Subsequent events**

The Church has evaluated known recognized and non-recognized subsequent events through to May 13, 2024, the date the financial statements were available to be issued.