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**CHRIST FIRST  
THE UNITED CHURCH OF CANADA  
FINANCIAL STATEMENTS  
(Unaudited)  
DECEMBER 31, 2019**

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**CAPSTICK  
McCOLLUM**  
R A S S O C I A T E S

## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Congregation of Christ First, The United Church of Canada

We have reviewed the accompanying financial statements of Christ First, The United Church of Canada (the "Church") that comprise the statement of financial position as at December 31, 2019 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility 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.

### *Practitioner's Responsibility*

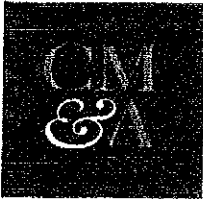
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Basis for Qualified Conclusion*

In common with many charitable organizations, the Church derives revenue from donations and fundraising the completeness of which is not susceptible to satisfactory verification using review procedures. Accordingly, our review of these revenues was limited to the amounts recorded in the records of the Church and we were not able to determine whether any adjustments might be necessary to revenue from donations, excess of revenues over expenditures, current assets and net assets.



**CAPSTICK  
MCCOLLUM**  
& ASSOCIATES

We also, draw attention to Note 1(d) which indicates the Church does not capitalize fixed asset additions nor is amortization charged to current operations. As required under Canadian accounting standards for not-for-profit organizations, when the Church's average annual receipts for the current and preceding years exceed \$500,000, tangible capital assets must be recorded on the statement of financial position at cost and amortized over their useful life in a rational and systematic manner, with the amortization recognized as an expense in the statement of operations of the applicable fund. Although the Church's average revenues exceed \$500,000, they continue to report capital asset expenditures in the year of purchase. The effect of this departure from accounting standards on the unaudited financial statements has not been determined.

*Qualified Conclusion*

Based on our review, except for the effects of the matters described in the Basis of Qualified Conclusion paragraphs, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Christ First, The United Church of Canada as at December 31, 2019 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.

**CAPSTICK MCCOLLUM & ASSOCIATES**

*Capstick McCollum & Associates*

Oakville, Ontario  
January 22, 2020

Chartered Professional Accountants  
Licensed Public Accountants

**CHRIST FIRST  
THE UNITED CHURCH OF CANADA  
(Unaudited)  
STATEMENT OF FINANCIAL POSITION**

DECEMBER 31,

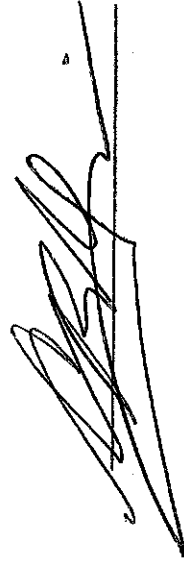
2019

	Unrestricted		Restricted					Total
	Operating Fund	Endowment Fund	Dr. Earl B. Eddy Library Fund	Special Gifts Fund	Capital Improvement Fund	Manse Trust Fund	Capital Works Fund	
<b>CURRENT ASSETS</b>								
Cash	\$ 196,200	\$ 1,180	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable - note 2	12,806	-	-	-	-	-	-	-
Short-term investments - note 3	34,357	179,362	13,802	-	-	184,355	14,407	5,578
Prepaid expenses	1,966	-	-	-	-	-	-	-
Due from operating fund - note 4	-	-	-	210	4,926	-	-	-
Due from endowment fund - note 4	-	-	-	28,907	-	-	-	-
	\$ 245,329	\$ 180,542	\$ 14,102	\$ 29,117	\$ 4,926	\$ 184,355	\$ 14,407	\$ 5,578
	-	-	-	8,108	-	-	-	-
<b>LONG-TERM INVESTMENTS - note 3</b>								
	\$ 245,329	\$ 180,542	\$ 14,102	\$ 37,225	\$ 4,926	\$ 184,355	\$ 14,407	\$ 5,578
	\$ 245,329	\$ 180,542	\$ 14,102	\$ 37,225	\$ 4,926	\$ 184,355	\$ 14,407	\$ 5,578
	\$ 14,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue - note 5	37,169	-	-	-	-	-	-	-
Due to capital improvement fund - note 4	4,926	-	-	-	-	-	-	-
Due to special gifts fund - note 4	210	28,907	-	-	-	-	-	-
	\$ 56,538	\$ 28,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	188,791	151,635	14,102	37,225	4,926	184,355	14,407	5,578
<b>NET ASSETS</b>								
	\$ 245,329	\$ 180,542	\$ 14,102	\$ 37,225	\$ 4,926	\$ 184,355	\$ 14,407	\$ 5,578
	\$ 686,464							

**CURRENT LIABILITIES**

Accounts payable and accrued liabilities - trade	\$ 14,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to capital improvement fund - note 4	37,169	-	-	-	-	-	-	-
Due to special gifts fund - note 4	4,926	-	-	-	-	-	-	-
	210	28,907	-	-	-	-	-	-
	\$ 56,538	\$ 28,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	188,791	151,635	14,102	37,225	4,926	184,355	14,407	5,578
	\$ 245,329	\$ 180,542	\$ 14,102	\$ 37,225	\$ 4,926	\$ 184,355	\$ 14,407	\$ 5,578
	\$ 686,464							

Approved on behalf of the Church Council:



Chair

Treasurer



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**CHRIST FIRST**  
**THE UNITED CHURCH OF CANADA**  
(Unaudited)  
**SCHEDULE I**

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**FOR THE YEAR ENDED DECEMBER 31,**

**2019**

**OTHER INCOME**

Rent	\$ 201,502
Fund raising projects	43,899
Compass donations	11,822
Special project gifts and sundry	25,554
Loose collection	3,848
Sunday school	5

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**\$ 286,630**

**OPERATING EXPENSES**

Ministry & personnel	\$ 291,894
Property	156,509
U.C.C. - M & S & annual assessment	93,596
Office & accounting	18,385
Church technology	73
Christian outreach	19,014
Spiritual development	5,786
Worship	10,036
Fundraising expenses	8,448
Communications	3,966
Welcoming & fellowship	8,150
Church support	890
Church Council	1,111
Capital improvements	46,686

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**\$ 664,544**

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**CHRIST FIRST  
THE UNITED CHURCH OF CANADA**  
(Unaudited)  
**STATEMENT OF CHANGES IN NET ASSETS**

FOR THE YEAR ENDED DECEMBER 31,

2019

	Unrestricted		Restricted				Total		
	Operating Fund	Endowment Fund	Dr. Earl B. Eddy Library Fund	Special Gifts Fund	Capital Improvement Fund	Manse Trust Fund		Capital Works Fund	Memorial Fund
NET ASSETS - beginning - note 9	\$ 1,065,392	\$ 120,138	\$ 13,835	\$ 32,166	\$ 18,458	\$ 171,660	\$ 12,828	\$ 6,040	\$ 1,440,517
Excess (deficit) of receipts over disbursements	44,631	37,017	267	(461)	(13,532)	17,301	1,579	(462)	86,340
Interfund transfers - note 6	4,606	(5,520)	-	5,520	-	(4,606)	-	-	-
	1,114,629	151,635	14,102	37,225	4,926	184,355	14,407	5,578	1,526,857
Amalgamation adjustment - note 9	(925,838)	-	-	-	-	-	-	-	(925,838)
<b>NET ASSETS</b>	<b>\$ 188,791</b>	<b>\$ 151,635</b>	<b>\$ 14,102</b>	<b>\$ 37,225</b>	<b>\$ 4,926</b>	<b>\$ 184,355</b>	<b>\$ 14,407</b>	<b>\$ 5,578</b>	<b>\$ 601,019</b>

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**CHRIST FIRST  
THE UNITED CHURCH OF CANADA  
(Unaudited)  
STATEMENT OF CASH FLOWS**

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**FOR THE YEAR ENDED DECEMBER 31,**

**2019**

**CASH PROVIDED FROM (USED FOR)  
OPERATING ACTIVITIES**

Excess (deficit) of receipts over disbursements	\$ 86,340
Changes in non-cash working capital balances	
- operating fund	
Accounts receivable	2,043
Prepaid expenses	(675)
Accounts payable and accrued liabilities - trade	(3,084)
Deferred revenue	19,017

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**103,641**

**INVESTING ACTIVITIES**

Unrealized (gain) on investments	(25,775)
(Purchase) of investments - net of sales/redemptions	
- restricted funds	(43,384)
- operating fund	(34,357)

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**(103,516)**

**NET INCREASE IN CASH**

**125**

**CASH - beginning**

**197,555**

**CASH**

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**\$ 197,680**

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**CHRIST FIRST**  
**THE UNITED CHURCH OF CANADA**  
(Unaudited)  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2019**

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**PURPOSE OF THE ORGANIZATION**

On January 1, 2019, Christ First, The United Church of Canada (the "Church") was formed from the amalgamation of Christ Church and First United Church. The newly formed Church serves the Mississauga community and operates under the United Church of Canada. The Church is a registered charity under the Income Tax Act. As such, the Church is exempt from income taxes and able to issue donation receipts for income tax purposes under registration number 13053 3185 RR0001.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, which is in accordance with Canadian generally accepted accounting principles.

**b) Cash**

The Church's policy is to disclose bank balances under cash (operating and restricted funds).

**c) Fund accounting**

The accounts of the Church are maintained in accordance with the principles of "fund accounting" under the deferral method. The specific purpose of each fund is explained below:

**Operating Fund**

The operating fund reports the general receipts and disbursements from the Church's operations.

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**CHRIST FIRST  
THE UNITED CHURCH OF CANADA  
(Unaudited)  
NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**c) Fund accounting - continued**

**Endowment Funds**

The Endowment Fund reports resources contributed for endowment. Semi-annually the income earned on the resources of the Endowment Fund are transferred to the Special Gifts Fund. The principal must be maintained by the Church on a permanent basis.

The Dr. Earl B. Eddy library fund was created by a contribution for the library. This fund reports investment income earned on the resources of this fund and is only available to be used for the Dr. Earl B. Eddy Library. The principal must be maintained by the Church on a permanent basis.

**Externally Restricted Funds**

The Capital Improvement Fund was created by a transfer from the Endowment Fund, and reports resources raised from capital campaigns and other restricted contributions that are to be used to keep and maintain the building in a safe and usable manner.

The Capital Works Fund was created by a bequest from the estate of a former member. Funds are to be used for capital expenses under the administration of the trustees.

The Memorial Fund reports resources from restricted contributions from donors. Distributions are approved by the memorial fund sub-committee of the Board of Trustees as per the Church's policy on memorial gifts.

**Internally Restricted Funds**

The Special Gifts Fund reports earnings from the Endowment Fund and resources from unrestricted contributions from donors under \$2,500. Distributions are approved by the special gifts sub-committee of the Board of Trustees as per the Church's policy on special gifts.

The Manse Trust Fund was created by the sale of the manse, and reports earnings from the Manse Fund which can be used at the discretion of the Church Council.

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**CHRIST FIRST  
THE UNITED CHURCH OF CANADA  
(Unaudited)  
NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**c) Fund accounting - continued**

**Internally Restricted Funds - continued**

The Memorial Fund reports resources from unrestricted contributions from donors. Distributions are approved by the memorial fund sub-committee of the Board of Trustees as per the Church's policy on memorial gifts.

**d) Fixed assets**

The Church does not capitalize fixed asset additions, nor is amortization charged to current operations for the eventual replacement of these assets.

**e) Revenue recognition**

Unrestricted contributions are recognized as revenue in the operating fund when received. Restricted contributions are recognized as revenue of the appropriate restricted fund when received, otherwise are deferred and recognized as revenue in the operating fund when the related expenditure is incurred. All other revenue is recognized when received, except investment income which is recognized as earned.

**f) Use of estimates**

The preparation of the Church's 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 and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of receipts and disbursements during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in operations in the period in which they become known. Actual results in the future may differ from those estimates made.

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**CHRIST FIRST  
THE UNITED CHURCH OF CANADA  
(Unaudited)  
NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**g) Contributed services**

The congregation members and others contribute volunteer services to the Church in carrying out its operating activities. Because of the difficulty in determining the fair value of these contributed services, they are not recognized in the financial statements.

**h) Financial instruments**

The Church initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Church subsequently measures all its financial assets and liabilities at amortized cost, except for short and long-term investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the applicable fund in the period incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

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

The Church recognizes transaction costs in net income in the period incurred except for financial instruments that will not be measured subsequently at fair value. The carrying amount of these instruments are adjusted by the transaction costs that are directly attributable to the instrument.

Financial assets measured at fair value include short and long-term investments.

**2. ACCOUNTS RECEIVABLE**

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	<b>2019</b>
Sales tax recoverable	<b>\$ 12,806</b>

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**CHRIST FIRST  
THE UNITED CHURCH OF CANADA  
(Unaudited)  
NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2019**

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**3. INVESTMENTS**

**OPERATING FUND**

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<b>SHORT-TERM</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>2019</b>
Home Trust Company GIC	2.230%	July 13, 2020	<b>\$ 34,357</b>

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**ENDOWMENT FUND**

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<b>SHORT-TERM</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>2019</b>
Vancity Credit Union GIC	2.70%	January 14, 2020	<b>\$ 21,569</b>
Equitable Bank GIC	2.28%	March 27, 2020	<b>20,349</b>
Common shares			<b>10,264</b>
Mutual funds			<b>127,180</b>
			<b>\$ 179,362</b>

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**DR. EARL B. EDDY LIBRARY FUND**

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<b>SHORT-TERM</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>2019</b>
Royal Bank of Canada GIC	1.85%	January 17, 2020	<b>\$ 1,527</b>
Royal Bank of Canada GIC	2.40%	January 17, 2020	<b>12,275</b>
			<b>\$ 13,802</b>

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**CHRIST FIRST  
THE UNITED CHURCH OF CANADA  
(Unaudited)  
NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2019**

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**3. INVESTMENTS - continued**

**SPECIAL GIFTS FUND**

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<b>LONG-TERM</b>	Interest rate	Maturity date	<b>2019</b>
CIBC GIC	2.30%	April 1, 2021	\$ 8,108

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**MANSE TRUST FUND**

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<b>SHORT-TERM</b>	Interest rate	Maturity date	<b>2019</b>
Home Trust Company GIC	2.67%	February 19, 2020	\$ 30,412
Equitable Bank GIC	2.14%	October 13, 2020	20,095
Mutual funds			133,848
			<b>\$ 184,355</b>

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**CAPITAL WORKS FUND**

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<b>SHORT-TERM</b>	<b>2019</b>
Mutual funds	\$ 14,407

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**CHRIST FIRST  
THE UNITED CHURCH OF CANADA  
(Unaudited)  
NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2019**

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**3. INVESTMENTS - continued**

**MEMORIAL FUND**

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<b>SHORT-TERM</b>	<b>2019</b>
<b>UNRESTRICTED</b>	
RBC Investment Savings Account	\$ 4,584
<b>RESTRICTED</b>	
RBC Investment Savings Account	994
	<b>\$ 5,578</b>

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**4. DUE (TO) FROM VARIOUS FUNDS**

The amounts due (to) from the various funds are unsecured, non-interest bearing with no specific terms of repayment.

**5. DEFERRED REVENUE**

Deferred revenue is made up of members' restricted givings made for the coming year as well as contributions and funds raised for future projects and events.

**6. INTERFUND TRANSFERS**

During the year, the Church transferred \$4,606 from the Manse Fund to the Operating fund to fund general operating activities. The Church transferred \$5,520 from the Endowment Fund to the Special Gifts Fund as per the Church's policy.

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**CHRIST FIRST  
THE UNITED CHURCH OF CANADA  
(Unaudited)  
NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2019**

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**7. FINANCIAL INSTRUMENTS**

The significant financial risk to which the Church is exposed to is market risk.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Church is mainly exposed to other price risk.

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

The Church's investments in publicly-traded mutual funds of \$275,435 and common shares of \$10,264 exposes the Church to market risks as equity investments are subject to price changes in an open market.

**8. RELATED PARTY TRANSACTIONS**

No remuneration was paid to Directors or Officers during the year.

**9. AMALGAMATION OF CHRIST CHURCH AND FIRST UNITED CHURCH**

On January 1, 2019, Christ Church and First United Church amalgamated to form Christ First, The United Church of Canada (the "Church"). The two congregations amalgamated in response to declining memberships and financial challenges. Upon amalgamation, the carrying amounts of the predecessor churches' assets, liabilities and equity were combined into the Church's opening balance sheet as follows:



**CHRIST FIRST**  
**THE UNITED CHURCH OF CANADA**  
(Unaudited)  
**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**9. AMALGAMATION IMPLEMENTATION AND ADJUSTMENT - continued**

	<b>CHRIST CHURCH</b>	<b>FIRST UNITED</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 198,566	\$ (1,011)	\$ 197,555
Accounts receivable	4,712	10,137	14,849
Short-term investments	336,453	-	336,453
Prepaid expenses	1,291	-	1,291
Interfund receivables	42,684	-	42,684
Fixed assets - Operating Fund	-	925,838	925,838
	<b>\$ 583,706</b>	<b>\$ 934,964</b>	<b>\$1,518,670</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 14,334	2,983	\$ 17,317
Deferred revenue	18,152	-	18,152
Interfund payables	42,684	-	42,684
	<b>75,170</b>	<b>2,983</b>	<b>78,153</b>
<b>NET ASSETS</b>			
Operating Fund	139,451	925,941	1,065,392
Endowment Fund	120,138	-	120,138
Dr. Earl B. Eddy Library Fund	13,835	-	13,835
Special Gifts Fund	32,166	-	32,166
Capital Improvement Fund	18,458	-	18,458
Manse Trust Fund	171,660	-	171,660
Capital Works Fund	12,828	-	12,828
Memorial Fund	-	6,040	6,040
	<b>508,536</b>	<b>931,981</b>	<b>1,440,517</b>
	<b>\$ 583,706</b>	<b>\$ 934,964</b>	<b>\$1,518,670</b>

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**CHRIST FIRST  
THE UNITED CHURCH OF CANADA  
(Unaudited)  
NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2019**

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**9. AMALGAMATION IMPLEMENTATION AND ADJUSTMENT - continued**

As stated in Note 1(d), the Church's fixed asset policy is to expense the cost of fixed assets at the time of purchase. As this is contrary to the policy of First Church United, whereby fixed assets were capitalized and amortized over their estimated useful lives, an adjustment was made upon amalgamation to reduce the reported amount of fixed assets to NIL with an offsetting entry to Members' Equity.

**FIRST UNITED FOUNDATION**  
**September 30**  
**Statement of Financial Position**

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Cash	868	773
Cash in brokerage account	1,525	1,407
Marketable securities, at cost (market \$64,789.10 ( 2018, \$58,779))	38,627	38,627
	41,020	40,807
<b>Equity</b>		
Restricted - Opening and closing balance	37,860	37,860
Unrestricted see below	3,160	2,947
	41,020	40,807

**Statement of Revenue Expenditures  
And Changes in Unrestricted Equity  
For the Years Ended September 30**

<b>Revenue</b>		
Dividends received	2,636	2,429
<b>Expenditure</b>		
Contributed to the General and Outreach Funds of Christ First United Church (First United in 2017)	2,400	2,200
Bank charges	23	4
	2,423	2,204
<b>Unrestricted Equity</b>		
Net change for the year	213	225
Balance - beginning of year	2,947	2,722
Balance - end of year	3,160	2,947

The market value of the portfolio at the year end was well in excess of its cost of \$38,627 and yielded about 6.8% on its cost and about 4.1% on its closing market value.

Each of the five common stocks in the portfolio raised its dividend this year.

At the Foundation directors' meeting on November 17, 2019, it was decided to transfer \$2,600 to Christ First United Church in early 2020. Under the terms of the Foundation's Letters Patent, Council must use half of this for outreach and half for maintenance of Church property in Pt. Credit

Merle Zoerb  
Chair

Alastair (Sandy) Skinner  
Treasurer