
**CHRIST FIRST
THE UNITED CHURCH OF CANADA
FINANCIAL STATEMENTS
(Unaudited)
DECEMBER 31, 2020**



**CAPSTICK
McCOLLUM**
& ASSOCIATES

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, 2020 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.



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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, 2020 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

Chartered Professional Accountants
Licensed Public Accountants

Oakville, Ontario
January 27, 2021

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

DECEMBER 31, **2020** **2019**

	Restricted										Total		
	Unrestricted		Dr. Earl B. Eddy Library		Special Gifts		Capital Improvement		Maunse Trust			Capital Works	
	Operating Fund	Endowment Fund	Operating Fund	Eddy Library Fund	Special Gifts Fund	Capital Improvement Fund	Maunse Trust Fund	Capital Works Fund	Memorial Fund	Total	Total		
ASSETS													
CURRENT													
Cash	\$ 290,997	\$ 940	\$ 218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 292,155	\$ 197,680		
Accounts receivable - note 2	41,231	-	-	-	-	-	-	-	-	41,231	12,806		
Short-term investments - note 3	34,789	164,153	14,160	8,295	194,120	-	-	-	5,613	421,130	431,861		
Prepaid expenses	3,681	-	-	-	-	-	-	-	-	3,681	1,966		
Due from operating fund - note 4	-	5,000	-	3,380	4,926	-	-	-	-	13,306	5,137		
Due from endowment fund - note 4	-	-	-	12,844	-	-	-	-	-	12,844	28,907		
LONG-TERM INVESTMENTS													
	370,698	170,093	14,378	24,519	194,120	4,926	194,120	-	5,613	784,347	678,357		
	-	-	-	-	-	-	-	-	-	-	8,108		
	\$ 370,698	\$ 170,093	\$ 14,378	\$ 24,519	\$ 194,120	\$ 4,926	\$ 194,120	\$ -	\$ 5,613	\$ 784,347	\$ 686,465		
LIABILITIES													
CURRENT													
Accounts payable and accrued liabilities - trade	\$ 20,439	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,439	\$ 14,233		
Deferred revenue - note 5	113,862	-	-	-	-	-	-	-	-	113,862	37,169		
Due to endowment fund - note 4	5,000	-	-	-	-	-	-	-	-	5,000	-		
Due to capital improvement fund - note 4	4,926	-	-	-	-	-	-	-	-	4,926	4,926		
Due to special gifts fund - note 4	3,380	12,844	-	-	-	-	-	-	-	16,224	29,118		
NET ASSETS													
	147,607	12,844	-	-	-	-	-	-	-	160,451	85,446		
	223,091	157,249	14,378	24,519	194,120	4,926	194,120	-	5,613	623,896	601,019		
	\$ 370,698	\$ 170,093	\$ 14,378	\$ 24,519	\$ 194,120	\$ 4,926	\$ 194,120	\$ -	\$ 5,613	\$ 784,347	\$ 686,465		

Approved on behalf of the Church Council:

_____ Chair

_____ Treasurer

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

FOR THE YEAR ENDED DECEMBER 31, **2020** **2019**

	Restricted							Total		
	Unrestricted	Operating Fund	Endowment Fund	Dr. Earl B. Eddy Library Fund	Special Gifts Fund	Capital Improvement Fund	Manse Trust Fund		Capital Works Fund	Memorial Fund
RECEIPTS										
Identified contributions	\$ 428,775	\$ -	\$ -	\$ -	\$ 3,170	\$ -	\$ -	\$ -	\$ -	\$ 431,945
Investment income	735	5,654	276	187	-	3,697	89	35	-	10,673
Other income - schedule I	128,468	-	-	-	-	-	-	-	-	128,468
	557,978	5,654	276	3,357	-	3,697	89	35	-	571,086
DISBURSEMENTS										
Operating expenses - schedule I	565,174	-	-	-	-	-	-	-	-	565,174
Books and furnishings	-	-	-	-	-	-	-	-	-	39
Capital improvement expenses	-	-	-	-	-	-	-	-	-	14,032
Special gifts expenses	-	-	-	-	-	-	-	-	-	8,231
Memorial fund expenses	-	-	-	-	-	-	-	-	-	500
	565,174	-	-	-	-	-	-	-	-	565,174
EXCESS (DEFICIT) BEFORE OTHER ITEMS	(7,196)	5,654	276	3,357	-	3,697	89	35	-	5,912
OTHER ITEMS										
Unrealized gain on investments	-	4,960	-	-	-	11,178	827	-	-	16,965
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	\$ (7,196)	\$ 10,614	\$ 276	\$ 3,357	\$ -	\$ 14,875	\$ 916	\$ 35	\$ -	\$ 22,877
										\$ 86,340

CHRIST FIRST
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SCHEDULE I

FOR THE YEAR ENDED DECEMBER 31,	2020	2019
OTHER INCOME		
Rent	\$ 82,817	\$ 201,502
Fund raising projects	-	43,899
Compass donations	17,780	11,822
Special project gifts and sundry	27,105	25,554
Loose collection	766	3,848
Sunday school	-	5
	\$ 128,468	\$ 286,630

OPERATING EXPENSES		
Ministry & personnel - note 9	\$ 206,719	\$ 291,894
Property	135,025	156,509
U.C.C. - M & S & annual assessment	91,012	93,596
Office & accounting	19,411	18,385
Church technology	11,092	73
Christian outreach	25,552	19,014
Spiritual development	3,836	5,786
Worship	7,378	10,036
Fundraising expenses	-	8,448
Communications	12,349	3,966
Welcoming & fellowship	2,573	8,150
Church support	374	890
Church Council	145	1,111
Congregational support	274	-
Capital improvements	49,434	46,686
	\$ 565,174	\$ 664,544

**CHRIST FIRST
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(Unaudited)
STATEMENT OF CHANGES IN NET ASSETS**

	Restricted							2020	2019	
	Unrestricted	Operating Fund	Endowment Fund	Dr. Earl B. Eddy Library Fund	Special Gifts Fund	Capital Improvement Fund	Manse Trust Fund			Capital Works Fund
NET ASSETS - beginning	\$ 188,791	\$ 151,635	\$ 14,102	\$ 37,225	\$ 4,926	\$ 184,355	\$ 14,407	\$ 5,578	\$ 601,019	\$ 1,440,517
Excess (deficit) of receipts over disbursements	(7,196)	10,614	276	3,357	-	14,875	916	35	22,877	86,340
Interfund transfers - note 6	41,496	(5,000)	-	(16,063)	-	(5,110)	(15,323)	-	-	-
	223,091	157,249	14,378	24,519	4,926	194,120	-	5,613	623,896	1,526,857
Amalgamation adjustment	-	-	-	-	-	-	-	-	-	(925,838)
NET ASSETS	\$ 223,091	\$ 157,249	\$ 14,378	\$ 24,519	\$ 4,926	\$ 194,120	\$ -	\$ 5,613	\$ 623,896	\$ 601,019

CHRIST FIRST
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(Unaudited)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31,	2020	2019
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Excess (deficit) of receipts over disbursements	\$ 22,877	\$ 86,340
Changes in non-cash working capital balances		
- operating fund		
Accounts receivable	(28,425)	2,043
Prepaid expenses	(1,715)	(675)
Accounts payable and accrued liabilities - trade	6,206	(3,084)
Deferred revenue	76,693	19,017
	75,636	103,641
INVESTING ACTIVITIES		
Unrealized (gain) on investments	(16,965)	(25,775)
(Purchase) of investments - net of sales/redemptions		
- restricted funds	36,236	(43,384)
- operating fund	(432)	(34,357)
	18,839	(103,516)
NET INCREASE IN CASH	94,475	125
CASH - beginning	197,680	197,555
CASH	\$ 292,155	\$ 197,680

**CHRIST FIRST
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NOTES TO THE FINANCIAL STATEMENTS**

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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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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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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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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.

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2. ACCOUNTS RECEIVABLE

	2020	2019
Sales tax recoverable	\$ 14,492	\$ 12,806
Government of Canada - Temporary Wage Subsidy	18,387	-
Canada Summer Jobs Program grant	8,352	-
	\$ 41,231	\$ 12,806

3. INVESTMENTS

OPERATING FUND

SHORT-TERM	2020	2019
RBC Investment Savings Account	\$ 34,789	\$ -
Home Trust Company GIC	-	34,357
	\$ 34,789	\$ 34,357

ENDOWMENT FUND

SHORT-TERM	Interest rate	Maturity date	2020	2019
Vancity Credit Union GIC	2.25%	January 14, 2021	\$ 23,775	\$ -
Home Trust Company GIC	2.53%	March 29, 2021	21,134	-
Vancity Credit Union GIC			-	21,569
Equitable Bank GIC			-	20,349
Common shares			9,664	10,264
Mutual funds			109,580	127,180
			\$ 164,153	\$ 179,362

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3. INVESTMENTS - continued

DR. EARL B. EDDY LIBRARY FUND

SHORT-TERM	Interest rate	Maturity date	2020	2019
Royal Bank of Canada GIC	2.00%	January 24, 2021	\$ 14,160	-
Royal Bank of Canada GIC			-	1,527
Royal Bank of Canada GIC			-	12,275
			\$ 14,160	\$ 13,802

SPECIAL GIFTS FUND

SHORT-TERM	Interest rate	Maturity date	2020	2019
CIBC GIC	2.35%	April 1, 2021	\$ 8,295	\$ 8,108

MANSE TRUST FUND

SHORT-TERM	Interest rate	Maturity date	2020	2019
Vancity Credit Union GIC	2.15%	February 22, 2021	\$ 31,084	\$ -
Home Trust Company GIC			-	30,412
Equitable Bank GIC			-	20,095
RBC Investment Savings Account			391	-
Mutual funds			162,645	133,848
			\$ 194,120	\$ 184,355

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3. INVESTMENTS - continued

MEMORIAL FUND

SHORT-TERM	2020	2019
UNRESTRICTED		
RBC Investment Savings Account	\$ 4,612	\$ 4,584
RESTRICTED		
RBC Investment Savings Account	1,001	994
	\$ 5,613	\$ 5,578

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 \$5,110 from the Manse Fund to the Operating Fund to fund general operating activities. The Church transferred \$5,000 from the Endowment Fund to the Special Gifts Fund as per the Church's policy. The Church transferred \$21,063 from the Special Gifts Fund and \$15,323 from the Capital Works Fund to the Operating Fund to fund capital improvements.

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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 \$272,225 and common shares of \$9,664 exposes the Church to market risks as equity investments are subject to price changes in an open market.

There has been no change in this risk from the prior year.

8. RELATED PARTY TRANSACTIONS

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

9. GOVERNMENT ASSISTANCE

During the year, the Company received government assistance in the amount of \$83,103 from the Government of Canada as part of the 10% Temporary Wage Subsidy for Employers program which was credited directly to salaries and wages.

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10. UNCERTAINTY DUE TO THE COVID-19 VIRUS

The COVID-19 Virus has spread worldwide during the calendar year 2020. This pandemic has caused city or country lock downs, business shut downs (both forced and voluntarily) and social distancing. It is unclear what implications these closures may have, whether this organization chooses to close or what impact government subsidies may have in helping this organization and the economy recover.