

January 31, 2021

Christ First Financial Statements December 31, 2020

These are the review engagement financial statements for Christ First for the year ended December 31, 2020 prepared by our accountants CAPSTICK MCCOLLUM & ASSOCIATES. The first two pages are their comments relative to the review carried out with the conclusion that the financial statements present fairly, in all respects, the financial position of Christ First and the results of its operations and cash flows in accordance with Canadian accounting standards for not-for-profit organizations.

The next page is the Statement of Financial Position that sets out the assets and liabilities of Christ First. The first column is the Operating Fund. The more significant amounts are the cash on hand totaling \$290,997, made up of the General Operating account of \$214,934 and \$75,973 invested in a Flex GIC/Bonus Savings with CIBC, with a further \$34,789 in a Royal Bank Investment Savings with RBCDS. The Accounts Receivable consist of \$26,739 claimed under the programs of the Government of Canada Temporary Wage Subsidy and Canada Summer Jobs grants, and a further \$14,493 refund of GST and PST expenses paid in 2020.

On the current liabilities side the major items making up the Deferred Revenue amounting to \$113,862 are \$23,000 of Designated Givings for 2021, \$35,000 of grants from the United Church Foundation plus other contributions designated for future capital projects and events.

To the right are all the investment funds administered by the Trustees, with the exception of the Capital Improvement Fund controlled by the Church Council. Specific short term investment details are provided in Note 3 to the Financial Statements.

With total assets of \$370,698 less total liabilities of \$147,607, the retained earnings or congregational operational equity stands at \$223,091, an increase of \$34,000 plus. As you can see the overall net equity position is \$623,896 versus \$601,019 in 2019.

Turning to the next page we have the Statement of Operations. I feel it would be appropriate to comment that certain accounting standards require that the presentation of the Review Engagement statements be in a format different from the Christ First internal records, primarily as it applies to certain revenues and expenses. While the bottom line position still arrives at the same surplus or deficit position, this year there is a major revenue amount adjustment that needs supporting comments in keeping with the deficit of (\$7,196) reported at this time. As you will note, receipts total \$557,978 with \$565,174 of expenses.

Identified Givings, our major source of revenue, amounted to \$428,775, exceeding budget by \$7,775 and \$7,193 greater than last year. All things considered these are amazing results and a big thankyou is extended to all. Unfortunately, other income of \$128,248, as detailed on Schedule 1 on the next page, decreased by \$158,162. While Compass donations of \$17,780 were favourable to budget by \$5,958, the major negative factor is attributed to the Covid

pandemic with rentals down by \$118,685, and no fundraising activities this year represented a further \$43,899 when compared to 2019.

Expenses on the other side are down by \$99,370. This primarily relates to the \$83,103 that was received/due, with respect to the claims filed under the Government of Canada Emergency Wage Subsidy and Student Summer jobs programs. These funds were credited to Ministry and Personnel expenses which reflect a decrease of \$85,115 to 2019. On the other side the total Capital Improvements (\$49,434) and Technology (\$11,092) project costs of \$60,526 represented an increase of \$13,767. Both of the aforementioned amounts appeared on the in church financials as revenue and extra ordinary expenses, respectively. The \$91,012 UCC-M&S and annual assessment amount is made up of \$14,259-M&S Designated donations and 13% of Identified Givings reported above under Receipts equating to \$55,747, plus the Denominational Assessment charge of \$21,006. The \$17,780 directed to the Compass is included in the Christian Community Outreach figure of \$25,552. The significant increase in Communication expenses is mainly attributed to the updating and expansion of the WIFI system required for the delivery of virtual Sunday sermons and other events relating to the Covid pandemic restrictions. Looking forward, when in church services can resume it is envisaged that live streaming of sermons and other activities will become a reality.

Covid also played a major factor in the favourable decrease in most committee expenditures.

Next is the Statement of Changes in Net Assets. Interfund Transfers of \$41,496 took place. As you will note the \$5,110 from the Manse Fund is the amount of interest earned on investments that can be transferred to the operating account to help offset the cost of the previous Ministry Housing Allowance portion that is now included as part of the ministry salaries category.

As a result of unspent designated Special Gifts monies of \$16,063 dating back over two years and a further \$5,000 of the new Special Gifts funds allocated to the Worship Committee, a total of \$21,063 was directed to the Capital Improvements and Technology expenses. In keeping with established policy, the source of these funds came via the Endowment Fund. The balance of \$15,323 represented funds held in the Capital Works Fund from a previous estate bequest for this purpose.

The bottom line is that a surplus of \$34,213 was realized versus a projected loss of \$19,795. A very pleasing position and thank you.

Further supporting or additional information can be reviewed in the Notes to the Financial Statements attached with respect to the operations of Christ First.

Clarke Grice

Chair Finance