
**CHRIST FIRST
THE UNITED CHURCH OF CANADA
FINANCIAL STATEMENTS
(Unaudited)
DECEMBER 31, 2022**



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, 2022 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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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT
(continued)

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, 2022 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

Oakville, Ontario
January 25, 2023

Chartered Professional Accountants
Licensed Public Accountants

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

DECEMBER 31, 2022 2021

	Unrestricted		Restricted						Total	
	Operating Fund	Endowment Fund	Dr. Earl B. Eddy Library Special Fund	Gifts Improvement Fund	Manse Trust Fund	Reserve Fund	Memorial Fund	United Fund		
ASSETS										
CURRENT										
Cash	\$ 408,219	\$ 525	\$ 255	\$ -	\$ -	\$ -	\$ -	\$ 1,663	\$ 410,662	\$ 308,137
Accounts receivable - note 2	7,272	-	-	-	-	-	-	-	7,272	10,726
Short-term investments - note 3	33,680	264,520	14,327	8,529	175,364	-	-	65,392	561,812	471,286
Prepaid expenses	-	-	-	-	-	-	-	-	-	175
Due from operating fund - note 4	-	-	-	21,866	-	50,000	-	-	76,792	60,388
Due from endowment fund - note 4	-	-	-	12,844	-	-	-	-	12,844	12,844
	449,171	265,045	14,582	43,239	4,926	175,364	50,000	67,055	1,069,382	863,556
LONG-TERM INVESTMENTS										
	\$ 449,171	\$ 265,045	\$ 14,582	\$ 43,239	\$ 4,926	\$ 175,364	\$ 50,000	\$ 67,055	\$ 1,069,382	\$ 871,933
LIABILITIES										
CURRENT										
Accounts payable and accrued liabilities - trade	\$ 25,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,800	\$ 6,664
Deferred revenue - note 5	37,336	-	-	-	-	-	-	-	37,336	47,858
Due to capital improvement fund - note 4	4,926	-	-	-	-	-	-	-	4,926	4,926
Due to special gifts fund - note 4	21,866	12,844	-	-	-	-	-	-	34,710	18,306
Due to reserve fund - note 4	50,000	-	-	-	-	-	-	-	50,000	50,000
	139,928	12,844	-	-	-	-	-	-	152,772	127,754
	309,243	252,201	14,582	43,239	4,926	175,364	50,000	67,055	916,610	744,179
NET ASSETS	\$ 449,171	\$ 265,045	\$ 14,582	\$ 43,239	\$ 4,926	\$ 175,364	\$ 50,000	\$ 67,055	\$ 1,069,382	\$ 871,933

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,		2022										2021
	Unrestricted					Restricted					Total	Total	
	Operating Fund	Endowment Fund	Dr. Earl B. Eddy Library Fund	Special Gifts Fund	Capital Improvement Fund	Manse Trust Fund	Reserve Fund	Memorial Fund	United Fund	First Fund	Total	Total	
RECEIPTS													
Identified contributions	\$ 438,941	\$ 74,985	\$ -	\$ 10,774	\$ -	\$ -	\$ -	\$ -	\$ 75,285	\$ -	\$ 599,985	\$ 466,448	
Investment income	752	4,391	134	152	-	4,107	-	5	1,922	-	11,463	14,512	
Other income - schedule I	321,123	-	-	-	-	-	-	-	-	-	321,123	183,806	
Government assistance - note 10	18,143	-	-	-	-	-	-	-	-	-	18,143	68,551	
	778,959	79,376	134	10,926	-	4,107	-	5	77,207	-	950,714	733,317	
DISBURSEMENTS													
Operating expenses - Schedule I	711,623	-	-	-	-	-	-	-	-	-	711,623	659,879	
Special gifts expenses	-	-	-	-	-	-	-	-	-	-	-	385	
	711,623	-	-	-	-	-	-	-	-	-	711,623	660,264	
EXCESS BEFORE OTHER ITEMS	67,336	79,376	134	10,926	-	4,107	-	5	77,207	-	239,091	73,053	
OTHER ITEMS													
Unrealized (loss) gain on investments	(4,814)	(24,861)	-	-	-	(28,946)	-	-	(8,039)	-	(66,660)	15,991	
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	\$ 62,522	\$ 54,515	\$ 134	\$ 10,926	\$ -	\$ (24,839)	\$ -	\$ 5	\$ 69,168	\$ -	\$ 172,431	\$ 89,044	

CHRIST FIRST
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(Unaudited)
SCHEDULE I

FOR THE YEAR ENDED DECEMBER 31, **2022** **2021**

OTHER INCOME

Rent	\$ 230,691	\$ 104,718
Fund raising projects	12,361	-
Compass donations	20,967	21,912
Special project gifts and sundry	23,417	43,941
Grants - note 7	33,461	13,081
Loose collection	226	154

\$ 321,123 **\$ 183,806**

OPERATING EXPENSES

Ministry & personnel	\$ 370,275	\$ 310,726
Property	172,523	135,119
U.C.C. - M & S & annual assessment	80,676	90,601
Office & accounting	20,519	19,417
Christian outreach	29,558	31,147
Spiritual development	4,843	6,788
Worship	8,631	7,638
Fundraising expenses	1,823	-
Communications	2,358	4,745
Welcoming & fellowship	4,089	1,141
Stewardship	636	-
Church Council	192	-
Congregational support	294	396
Capital improvements	14,956	51,372
Search committee	-	789
Real Estate Committee Oversight	250	-

\$ 711,623 **\$ 659,879**

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

	FOR THE YEAR ENDED DECEMBER 31,											
	Unrestricted					Restricted					2022	2021
	Operating Fund	Endowment Fund	Dr. Earl B. Eddy Library Fund	Special Gifts Fund	Capital Improvement Fund	Manse Trust Fund	Reserve Fund	Memorial Fund	United Fund	First Fund	Total	Total
NET ASSETS - beginning	\$ 241,907	\$ 197,686	\$ 14,448	\$ 26,683	\$ 4,926	\$ 202,904	\$ 50,000	\$ 5,625	\$ -	\$ -	\$ 744,179	\$ 655,135
Excess (deficit) of receipts over disbursements	62,522	54,515	134	10,926	-	(24,839)	-	5	69,168	89,044	172,431	89,044
Interfund transfers - note 6	4,814	-	-	5,630	-	(2,701)	-	(5,630)	(2,113)	-	-	-
NET ASSETS	\$ 309,243	\$ 252,201	\$ 14,582	\$ 43,239	\$ 4,926	\$ 175,364	\$ 50,000	\$ -	\$ 67,055	\$ 916,610	\$ 916,610	\$ 744,179

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

FOR THE YEAR ENDED DECEMBER 31,	2022	2021
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Excess of receipts over disbursements - all funds	\$ 172,431	\$ 89,044
Changes in non-cash working capital balances		
- operating fund		
Accounts receivable	3,454	61,744
Prepaid expenses	175	3,506
Accounts payable and accrued liabilities - trade	19,136	(13,775)
Deferred revenue	(10,522)	(66,004)
	184,674	74,515
INVESTING ACTIVITIES		
Unrealized loss (gain) on investments	66,660	(15,846)
(Purchase) of investments - net of sales/redemptions		
- restricted funds	(153,483)	(41,700)
- operating fund	4,674	(987)
	(82,149)	(58,533)
NET INCREASE IN CASH	102,525	15,982
CASH - beginning	308,137	292,155
CASH	\$ 410,662	\$ 308,137

**CHRIST FIRST
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(Unaudited)
NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2022

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.

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

DECEMBER 31, 2022

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 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.

The First United Fund was created from a restricted contribution from the First United Foundation. This fund reports investment income on the resources of the fund which is to be transferred to the Operating Fund annually. Transfers to the Operating Fund are distributed equally between outreach programs and the upkeep of Church facilities. The principal must be maintained by the Church and will not be encroached upon unless otherwise agreed to by the Church council.

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.

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

DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

c) Fund accounting - continued

Internally Restricted Funds - continued

The Manse Trust Fund was created by the sale of the manse. Earnings from this Fund can only be used to subsidize the minister's housing allowance, which is now part of the total comprehensive salary package.

The Reserve Fund reports funds held for future unforeseen expenses and can be used at the discretion of the Church Council.

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. Wage subsidies and grant revenue is recognized in the operating fund when the related salaries are incurred. All other revenue is recognized when received, except investment income which is recognized as earned.

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

DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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.

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.

CHRIST FIRST
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(Unaudited)
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. ACCOUNTS RECEIVABLE

	2022	2021
Sales tax recoverable	\$ 7,272	\$ 8,730
Government of Canada - Wage Subsidy	-	1,996
	\$ 7,272	\$ 10,726

3. INVESTMENTS

OPERATING FUND

SHORT-TERM	2022	2021
Mutual funds	\$ 33,680	\$ 38,354

ENDOWMENT FUND

SHORT-TERM	Interest rate	Maturity date	2022	2021
Equitable Bank GIC	1.80%	March 1, 2023	\$ 25,693	\$ -
Equitable Bank GIC	2.77%	April 20, 2023	21,914	-
Nat'l Bank of Canada GIC	5.05%	December 27, 2023	75,058	-
Home Trust Company GIC			-	25,005
Home Trust Company GIC			-	21,426
Common shares			7,256	9,776
Mutual funds			134,599	154,155
			\$ 264,520	\$ 210,362

**CHRIST FIRST
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(Unaudited)
NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2022

3. INVESTMENTS - continued

DR. EARL B. EDDY LIBRARY FUND

SHORT-TERM	Interest rate	Maturity date	2022	2021
Royal Bank of Canada GIC	1.00%	February 7, 2023	\$ 14,327	\$ -
Royal Bank of Canada GIC			-	14,051
			\$ 14,327	\$ 14,051

SPECIAL GIFTS FUND

SHORT-TERM	Interest rate	Maturity date	2022	2021
CIBC GIC	2.30%	April 3, 2023	\$ 8,529	\$ -

LONG-TERM

CIBC GIC			\$ -	\$ 8,377
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MANSE TRUST FUND

SHORT-TERM	Interest rate	Maturity date	2022	2021
Equitable Bank GIC	1.80%	March 1, 2023	\$ 31,884	\$ -
Vancity Credit Union GIC			-	31,368
Mutual funds			143,480	171,526
			\$ 175,364	\$ 202,894

**CHRIST FIRST
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NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2022

3. INVESTMENTS - continued

FIRST UNITED FUND

SHORT-TERM	2022	2021
Common shares	\$ 63,481	\$ -
RBC Investment Savings Account	1,911	-
	\$ 65,392	\$ -

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 and contributions and funds raised for future projects and events.

Included in deferred revenue is a grant from the United Church of Canada in the amount of \$22,000 to be applied towards the Community Network Ministry. As at December 31, 2022, \$22,000 of the grant has been deferred and will be recognized as revenue during 2023.

6. INTERFUND TRANSFERS

During the year, the Church transferred \$2,701 from the Manse Fund to the Operating Fund to fund general operating activities. The Church transferred \$2,113 from the First United Fund to the Operating Fund to fund outreach programs and for the upkeep of Church facilities. The Church also transferred \$5,630 from the Memorial Fund to the Special Gifts fund.

CHRIST FIRST
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(Unaudited)
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. GRANTS

During the prior year, the Church received a grant from the United Church of Canada Foundation in the amount of \$25,000 towards its Community Hub Network Ministry. Of the amount received, \$7,200 was expended on salaries and benefits and recognized as revenue in the prior year. The remaining amount of \$17,800 was expended on salaries and benefits in the current year and recognized as revenue.

During the year, the Church received a Canada Summer Jobs grant from Employment and Social Development Canada in the amount of \$10,661. The entire amount received was recognized as revenue in the current year.

During the year, the Church also received a grant from the City of Mississauga Designated Heritage Property Grant Program in the amount of \$5,000 to be used towards masonry work. The entire amount received was recognized as revenue in the current year.

8. 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 \$311,759 and common shares of \$70,737 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.

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

DECEMBER 31, 2022

9. RELATED PARTY TRANSACTIONS

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

10. GOVERNMENT ASSISTANCE

During the year, the Church received government assistance from the Government of Canada in the amount of \$18,143 as part of the Canada Recovery Hiring Program, which was shown under receipts on the statement of operations.

11. MAJOR COMMITMENTS

The Church, in the normal course of operations, has entered into various contracts for telephone and internet services, alarm monitoring, HVAC preventative maintenance and lease of a photocopier. The future minimum payments (plus taxes) are as follows:

2023	\$ 20,134
2024	17,509
2025	11,006
2026	<u>1,260</u>
	<u>\$ 49,909</u>

In addition, the Church has entered into a contract for snow removal at each of their campuses. The contracts commenced November 15, 2022 and end April 15, 2023 with a combined cost of \$1,240 plus taxes per month.

The Church has approved a quote from Coral Canada Wide to supply and install two new furnaces at a cost of \$16,488 plus taxes. The installation is expected to be completed in the next fiscal year.

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NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2022

12. UNCERTAINTY DUE TO THE COVID-19 VIRUS

The COVID-19 Virus has spread worldwide during the calendar years 2020, 2021 and 2022. 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 COVID-19 may have in the future.