

**COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Changes in Reserve Funds	6
Statement of Operations and Changes in Unrestricted Net Assets	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 11

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of: Community of Christ - Canada East Mission Centre

### **Opinion**

We have audited the accompanying financial statements of Community of Christ - Canada East Mission Centre, which comprise the statement of financial position as at December 31, 2019 and the statements of changes in reserve funds, operations and changes in unrestricted net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Community of Christ - Canada East Mission Centre 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.

### **Basis of Opinion**

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 Community of Christ - Canada East Mission Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's 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 auditor's 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at RLB LLP's website at: [www.rlb.ca/additional-auditor-responsibilities](http://www.rlb.ca/additional-auditor-responsibilities). This description forms part of our auditor's report.

Handwritten signature of RLB LLP in black ink.

Guelph, Ontario  
July 23, 2020

Chartered Professional Accountants  
Licensed Public Accountants

**COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 104,562	\$ 97,831
Accounts receivable	21,764	4,277
Prepaid expenses	500	0
Government remittances receivable	<u>2,890</u>	<u>2,961</u>
	<u>129,716</u>	<u>105,069</u>
<b>INVESTMENTS</b> (note 4)	<u>1,504,849</u>	<u>1,035,516</u>
<b>CAPITAL</b>		
Equipment	10,488	10,488
Less: Accumulated amortization	<u>(10,488)</u>	<u>(10,488)</u>
	<u>0</u>	<u>0</u>
	<u>\$ 1,634,565</u>	<u>\$ 1,140,585</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 1,068	\$ 2,618
Government remittances payable	<u>4,193</u>	<u>0</u>
	<u>5,261</u>	<u>2,618</u>
<b>DEFERRED REVENUE</b>	<u>7,273</u>	<u>0</u>
	<u>12,534</u>	<u>2,618</u>
<b>NET ASSETS</b>		
<b>RESERVE FUNDS</b>		
Internally restricted reserve funds	1,225,625	824,852
Externally restricted reserve funds	<u>42,952</u>	<u>44,719</u>
	1,268,577	869,571
<b>UNRESTRICTED</b>	<u>353,454</u>	<u>268,396</u>
	<u>1,622,031</u>	<u>1,137,967</u>
	<u>\$ 1,634,565</u>	<u>\$ 1,140,585</u>

**COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE**  
**STATEMENT OF CHANGES IN RESERVE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	2018	Revenue	Expenses	Transfers (note 5)	Investment Income	2019
<b>INTERNALLY RESTRICTED</b>						
Camping (Reunion) ministry	\$ 74,147	\$ 72,020	\$ 67,911	\$ 0	\$ 0	\$ 78,256
Youth camping/ministries	131,646	72,754	68,608	0	15,617	151,409
Leadership development	2,750	2,657	2,279	0	0	3,128
Growth and expansion	643,897	535,857	142,420	(27,587)	35,740	1,045,487
Encounter World Religions	(27,588)	55,752	108,406	27,587	0	(52,655)
Revitalization (note 6)	<u>0</u>	<u>171,116</u>	<u>171,116</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>824,852</u>	<u>910,156</u>	<u>560,740</u>	<u>0</u>	<u>51,357</u>	<u>1,225,625</u>
<b>EXTERNALLY RESTRICTED</b>						
Gary Vanzant memorial fund	<u>44,719</u>	<u>0</u>	<u>4,000</u>	<u>0</u>	<u>2,233</u>	<u>42,952</u>
	<u>\$ 869,571</u>	<u>\$ 910,156</u>	<u>\$ 564,740</u>	<u>\$ 0</u>	<u>\$ 53,590</u>	<u>\$ 1,268,577</u>

**COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE**  
**STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>REVENUE</b>		
Congregational quotas	\$ 114,829	\$ 101,017
Investment and other income	<u>43,283</u>	<u>(3,229)</u>
	<u>158,112</u>	<u>97,788</u>
<b>EXPENSES</b>		
Building operating expenses	30,720	38,400
Office salaries and benefits	29,843	59,644
Professional fees	10,194	10,418
Regional activities - net	1,772	4,760
Equipment repairs and maintenance	<u>525</u>	<u>2,074</u>
	<u>73,054</u>	<u>115,296</u>
<b>EXCESS (DEFICIENCY) for the year</b>	85,058	(17,508)
<b>UNRESTRICTED NET ASSETS, beginning of year</b>	268,396	(87,665)
<b>TRANSFERS (note 5)</b>	<u>0</u>	<u>373,569</u>
<b>UNRESTRICTED NET ASSETS, end of year</b>	<u>\$ 353,454</u>	<u>\$ 268,396</u>

**COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Excess (deficiency) for the year - unrestricted fund	\$ 85,058	\$ (17,508)
Excess (deficiency) for the year - Reserve funds	399,006	(521,494)
Items not requiring an outlay of cash		
Unrealized (gain) loss on investments	<u>(88,662)</u>	<u>30,969</u>
	<u>395,402</u>	<u>(508,033)</u>
Changes in non-cash working capital		
Accounts receivable	(17,487)	28,759
Government remittances receivable	71	(3,210)
Prepaid expenses	(500)	0
Accounts payable	(1,550)	(54,461)
Government remittances payable	<u>4,193</u>	<u>0</u>
	<u>(8,000)</u>	<u>(28,912)</u>
	<u>387,402</u>	<u>(536,945)</u>
<b>CASH PROVIDED BY INVESTING ACTIVITIES</b>		
Investments	<u>(380,671)</u>	<u>389,937</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	6,731	(147,008)
<b>CASH, beginning of year</b>	<u>97,831</u>	<u>244,839</u>
<b>CASH, end of year</b>	<u>\$ 104,562</u>	<u>\$ 97,831</u>



# COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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### 1 NATURE OF ORGANIZATION

The purpose of the organization is to proclaim Jesus Christ and to promote communities of Joy, Hope, Love and Peace within the Canada East Mission Centre and through its connection with World Church into the world. The Mission is a not for profit organization and a registered charity and, accordingly, is exempt from income tax.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The organization's accounting policies are in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

#### (a) BASIS OF ACCOUNTING

The organization follows the deferral method of accounting for contributions with fund accounting. The unrestricted general fund accounts for the organization's development and administrative activities. Externally and internally restricted funds have been set aside for designated purposes.

#### (b) REVENUE RECOGNITION

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Designated contributions, which are either internally or externally designated, are recognized as revenue of the designated reserve fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Interest income and other revenue are recognized when earned.

#### (c) CAPITAL ASSETS

Capital assets are recorded at cost and are amortized on a straight-line basis over four years.

#### (d) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

#### (e) USE OF ESTIMATES

The preparation of 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates used within these financial statements include useful lives of capital assets and the valuation of accrued liabilities. Actual results could differ from those estimates.

**COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(f) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, consisting of fixed income and equity portfolios, which are measured at fair value. Changes in fair value are recognized in the appropriate fund to which the investment belongs.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized as an expense in the appropriate fund to which the investment belongs. The 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 as revenue in the appropriate fund where the investment belongs.

Transaction costs

The organization recognizes its transaction costs as an expense in the appropriate fund where the investment belongs in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**3. FINANCIAL INSTRUMENTS**

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2019 compared to the previous period except as outlined in note 6.

The organization does not have a significant exposure to any individual customer or counterpart.

**4. INVESTMENTS**

Investments, recorded at fair value, consist of various fixed income, mutual funds and equity portfolios. Investment balances related to each fund are as followed:

	<b>2019</b>	<b>2018</b>
Operating	\$ 542,570	\$ 574,287
Church Expansion	754,964	266,616
Youth Fund	164,510	149,973
Gary Vanzant Memorial	<u>42,805</u>	<u>44,640</u>
Total	<u>\$ 1,504,849</u>	<u>\$ 1,035,516</u>

**COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

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

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**5. TRANSFERS**

During the year, the organization made the following interfund transactions:

No amounts were transferred to the unrestricted operating fund from the internally restricted congregational and encounter world religion reserve funds. All other interfund transfers were allocations among internally restricted funds, as disclosed on the statement of changes in reserve funds, in order to consolidate and align internally restricted funds with their specific purposes.

**6. DEFERRED CAPITAL CONTRIBUTIONS - REVITALIZATION FUND**

During a prior year, the Shaw Foundation contributed funds to assist with the revitalization program. These funds were used to establish a revitalization reserve fund and, among other ways, to purchase four new vehicles for the program staff in order for them to travel to various congregations to meet with the leaders over the next several years. The transaction was accounted for at the exchange amount. The vehicles are amortized over 4 years on a straight line basis. During 2019, \$0 (2018 - \$18,047) in amortization was recognized from the depreciation of the vehicles in the expenditures of the revitalization fund. The vehicles have been fully amortized by the year ended December 31, 2018.

Deferred capital contributions related to the revitalization fund were recorded as such:

	<b>2019</b>	<b>2018</b>
Deferred capital contributions, beginning of the year	\$ 0	\$ 18,047
Amortization of deferred capital contributions	<u>0</u>	<u>(18,047)</u>
Balance, end of the year	<u>\$ 0</u>	<u>\$ 0</u>

**7. UNCERTAINTY RELATED TO THE NOVEL CORONAVIRUS**

Subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. It has disrupted economic activities and may result in changes to donations and other contributions received along with changes in charitable program expenditures. As well, global equity and fixed income markets have experienced uncertainty and volatility. The duration and magnitude of the impact is not yet known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact, cannot be reasonably estimated at this time. This may impact the timing and amounts realized on the organization's assets, and its future ability to deliver all programming as well as decrease the investment portfolio values and contribute to declines in investment performance.