

COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE
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YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

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, 2020 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, 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.

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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Guelph, Ontario
June 25, 2021

Chartered Professional Accountants
Licensed Public Accountants

COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 91,736	\$ 104,562
Accounts receivable	9,168	21,764
Government wage subsidy receivable	5,252	0
Prepaid expenses	500	500
Government remittances recoverable	<u>3,831</u>	<u>2,890</u>
	<u>110,487</u>	<u>129,716</u>
INVESTMENTS (note 4)	<u>1,839,450</u>	<u>1,504,849</u>
CAPITAL		
Equipment	10,488	10,488
Less: Accumulated amortization	<u>(10,488)</u>	<u>(10,488)</u>
	<u>0</u>	<u>0</u>
	<u>\$ 1,949,937</u>	<u>\$ 1,634,565</u>
LIABILITIES		
CURRENT		
Accounts payable	\$ 1,271	\$ 1,068
Government remittances payable	<u>0</u>	<u>4,193</u>
	<u>1,271</u>	<u>5,261</u>
DEFERRED REVENUE	<u>1,000</u>	<u>7,273</u>
	<u>2,271</u>	<u>12,534</u>
NET ASSETS		
RESERVE FUNDS		
Internally restricted reserve funds	1,493,082	1,225,625
Externally restricted reserve funds	<u>40,586</u>	<u>42,952</u>
	1,533,668	1,268,577
UNRESTRICTED	<u>413,998</u>	<u>353,454</u>
	<u>1,947,666</u>	<u>1,622,031</u>
	<u>\$ 1,949,937</u>	<u>\$ 1,634,565</u>

COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE
STATEMENT OF CHANGES IN RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2019	Revenue	Expenses	Transfers	Investment Income	2020
INTERNALLY RESTRICTED						
Camping (Reunion) ministry	\$ 78,256	\$ 0	\$ 0	\$ 0	\$ 0	\$ 78,256
Youth camping/ministries	151,409	0	0	0	10,254	161,663
Leadership development	3,128	610	44	0	0	3,694
Growth and expansion	1,045,487	90,023	51,691	(52,655)	72,151	1,103,315
Encounter World Religions	(52,655)	241,422	95,268	52,655	0	146,154
Revitalization	0	7,368	7,368	0	0	0
	<u>1,225,625</u>	<u>339,423</u>	<u>154,371</u>	<u>0</u>	<u>82,405</u>	<u>1,493,082</u>
EXTERNALLY RESTRICTED						
Gary Vanzant memorial fund	42,952	0	4,000	0	1,634	40,586
	<u>\$ 1,268,577</u>	<u>\$ 339,423</u>	<u>\$ 158,371</u>	<u>\$ 0</u>	<u>\$ 84,039</u>	<u>\$ 1,533,668</u>

COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE
STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
REVENUE		
Congregational quotas	\$ 115,536	\$ 114,829
Investment income	30,119	43,283
Government wage subsidy	27,435	0
Shared Service Support	<u>450</u>	<u>0</u>
	<u>173,540</u>	<u>158,112</u>
EXPENSES		
Office salaries and benefits	68,421	29,843
Building operating expenses	32,640	30,720
Professional fees	10,168	10,194
Equipment repairs and maintenance	993	525
Regional activities - net	<u>774</u>	<u>1,772</u>
	<u>112,996</u>	<u>73,054</u>
EXCESS OF REVENUE OVER EXPENSES for the year	60,544	85,058
UNRESTRICTED NET ASSETS, beginning of year	<u>353,454</u>	<u>268,396</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 413,998</u>	<u>\$ 353,454</u>

COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess for the year - unrestricted fund	\$ 60,544	\$ 85,058
Excess for the year - reserve funds	265,091	399,006
Items not requiring an outlay of cash		
Unrealized gain on investments	<u>(113,521)</u>	<u>(88,662)</u>
	<u>212,114</u>	<u>395,402</u>
Changes in non-cash working capital		
Accounts receivable	12,596	(17,487)
Government remittances receivable	(941)	71
Prepaid expenses	0	(500)
Accounts payable	203	(1,550)
Government remittances payable	(4,193)	4,193
Government wage subsidy receivable	(5,252)	0
Deferred revenue	<u>(6,273)</u>	<u>0</u>
	<u>(3,860)</u>	<u>(8,000)</u>
	<u>208,254</u>	<u>387,402</u>
CASH USED IN INVESTING ACTIVITIES		
Investments	<u>(221,080)</u>	<u>(380,671)</u>
NET (DECREASE) INCREASE IN CASH	(12,826)	6,731
CASH, beginning of year	<u>104,562</u>	<u>97,831</u>
CASH, end of year	<u>\$ 91,736</u>	<u>\$ 104,562</u>

COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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 is recognized when earned.

Government wage subsidy revenue is recognized in the period the related expense occurs, once eligibility has been determined.

(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, government wage subsidies 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, 2020

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 2020 compared to the previous period.

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 follows:

	2020	2019
Operating	\$ 572,689	\$ 542,570
Church Expansion	1,051,714	754,964
Youth Fund	174,670	164,510
Gary Vanzant Memorial	<u>40,377</u>	<u>42,805</u>
Total	<u>\$ 1,839,450</u>	<u>\$ 1,504,849</u>

COMMUNITY OF CHRIST - CANADA EAST MISSION CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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. UNCERTAINTY RELATED TO THE NOVEL CORONAVIRUS

During the year and subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. 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 services.