

# **Commons Church**

**Financial Statements  
December 31, 2019**



## **Independent Practitioners' Review Engagement Report**

To: The Board Members of  
**Commons Church**

We have reviewed the accompanying financial statements of **Commons Church** that comprise the statement of financial position at December 31, 2019, and the statements of operations, change in net assets and cash flows for the year then ended, and 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.

### Practitioners' 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.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Commons Church as at December 31, 2019, and the results of its operations and its cash flow for the year ended, in accordance with Canadian accounting standards for not-for profit organizations.

*Kenway Mack Slusarchuk Stewart LLP*

March 3, 2020  
Calgary, Alberta

Chartered Professional Accountants

**Commons Church**  
Statement of Financial Position

As at December 31,

**2019**

**2018**

	General Fund	Local and Global Development Fund	Refugee Resettlement Fund	Capital Fund	Total	Total
<b>Assets</b>						
<b>Current assets</b>						
Cash	\$ 436,809	\$ 17,826	\$ 16,872	\$ 359,855	\$ 831,362	\$ 695,681
GST receivable	7,979	-	-	-	7,979	6,522
Prepaid expenses	3,458	-	-	-	3,458	2,681
GIC investments	-	-	-	22,068	22,068	21,835
	448,246	17,826	16,872	381,923	864,867	726,719
<b>Capital assets (note 4)</b>	-	-	-	344,313	344,313	282,954
	\$ 448,246	\$ 17,826	\$ 16,872	\$ 726,236	\$ 1,209,180	\$ 1,009,673
<b>Liabilities and Net Assets</b>						
<b>Current liabilities</b>						
Accounts payable and accrued liabilities	\$ 10,116	\$ -	\$ -	\$ -	\$ 10,116	\$ 10,403
<b>Net assets</b>						
Unrestricted	438,130	-	-	-	438,130	428,171
Invested in capital assets	-	-	-	344,313	344,313	282,954
Internally restricted	-	17,826	-	381,923	399,749	268,899
Externally restricted	-	-	16,872	-	16,872	19,246
	438,130	17,826	16,872	726,236	1,199,064	999,270
	\$ 448,246	\$ 17,826	\$ 16,872	\$ 726,236	\$ 1,209,180	\$ 1,009,673

Approved on behalf of the Board:



Director



Director

# Commons Church

## Statement of Operations

Year ended December 31,

**2019**

**2018**

	General Fund	Local and Global Development Fund	Refugee Resettlement Fund	Capital Fund	Total	Total
<b>Revenues</b>						
Contributions	\$ 1,045,360	\$ 143,635	\$ 48,830	\$ -	\$ 1,237,825	\$ 1,114,021
Grant revenue	39,198	-	-	-	39,198	50,400
Rental revenue	21,441	-	-	-	21,441	22,050
Interest income	2,004	-	-	233	2,237	1,197
Program revenue	1,000	-	-	-	1,000	578
Gain on disposal of assets	-	-	-	483	483	-
Fundraising revenue	-	-	-	-	-	4,125
	<u>\$ 1,109,003</u>	<u>\$ 143,635</u>	<u>\$ 48,830</u>	<u>\$ 716</u>	<u>\$ 1,302,184</u>	<u>\$ 1,192,371</u>
<b>Expenses</b>						
Salaries and wages	\$ 511,112	\$ -	\$ 11,368	\$ -	\$ 522,480	\$ 480,302
Local and global development costs	-	148,278	-	-	148,278	156,415
Supplies	129,080	-	-	-	129,080	100,558
Social event, volunteer and rentals	69,636	-	-	-	69,636	57,189
Repairs and maintenance	63,584	-	-	-	63,584	46,744
Refugee resettlement costs	-	-	39,836	-	39,836	30,110
Amortization	-	-	-	32,416	32,416	28,258
Professional fees and licenses	22,331	-	-	-	22,331	15,812
Banking and finance charges	22,963	-	-	-	22,963	21,311
Staffing costs and expenses	21,967	-	-	-	21,967	16,428
Utilities	15,165	-	-	-	15,165	13,389
Insurance	9,123	-	-	-	9,123	8,780
Advertising, promotion and honorariums	4,273	-	-	-	4,273	2,943
Operating lease	1,258	-	-	-	1,258	944
Loss on disposal of assets	-	-	-	-	-	541
	<u>\$ 870,492</u>	<u>\$ 148,278</u>	<u>\$ 51,204</u>	<u>\$ 32,416</u>	<u>\$ 1,102,390</u>	<u>\$ 979,724</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u>\$ 238,511</u>	<u>\$ (4,643)</u>	<u>\$ (2,374)</u>	<u>\$ (31,700)</u>	<u>\$ 199,794</u>	<u>\$ 212,647</u>

See accompanying notes to the financial statements

## Commons Church

### Statement of Changes in Net Assets

Year ended December 31,

**2019**

	General Fund	Local and Global Development Fund	Refugee Resettlement Fund	Capital Fund	Total
<b>Balance, beginning of year</b>	\$ 428,171	\$ 22,469	\$ 19,246	\$ 529,384	\$ 999,270
Excess (deficiency) of revenues over expenses	238,511	(4,643)	(2,374)	(31,700)	199,794
Board approved interfund transfers	(228,552)	-	-	228,552	-
<b>Balance, end of year</b>	<b>\$ 438,130</b>	<b>\$ 17,826</b>	<b>\$ 16,872</b>	<b>\$ 726,236</b>	<b>\$ 1,199,064</b>

**2018**

	General Fund	Local and Global Development Fund	Refugee Resettlement Fund	Capital Fund	Total
<b>Balance, beginning of year</b>	\$ 369,790	\$ -	\$ 17,449	\$ 399,384	\$ 786,623
Excess (deficiency) of revenues over expenses	217,016	22,469	1,797	(28,635)	212,647
Board approved interfund transfers	(158,635)	-	-	158,635	-
<b>Balance, end of year</b>	<b>\$ 428,171</b>	<b>\$ 22,469</b>	<b>\$ 19,246</b>	<b>\$ 529,384</b>	<b>\$ 999,270</b>

*See accompanying notes to the financial statements*

## Commons Church

### Statement of Cash Flows

Year ended December 31,	2019	2018
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 199,794	\$ 212,647
Items not affecting cash		
Amortization	32,416	28,258
(Gain) loss on sale of asset	(483)	541
	<u>231,727</u>	<u>241,446</u>
Changes in non-cash working capital items		
GST receivable	(1,457)	(340)
Prepays	(777)	(2,637)
Accounts payable and accrued liabilities	(287)	2,994
	<u>229,206</u>	<u>241,463</u>
<b>Investing activities</b>		
Purchase of capital assets	(93,893)	(77,217)
Proceeds of disposition	601	601
Reinvestment of interest income	(233)	(164)
	<u>(93,525)</u>	<u>(76,780)</u>
<b>Increase in cash</b>	135,681	164,683
<b>Cash, beginning of year</b>	<u>695,681</u>	<u>530,998</u>
<b>Cash, end of year</b>	<u>\$ 831,362</u>	<u>\$ 695,681</u>

*See accompanying notes to the financial statements*

# Commons Church

## Notes to the Financial Statements

December 31, 2019

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### 1. Nature of operations

Commons Church (the “Church”) is an intellectually honest, spiritually passionate community that takes Jesus seriously. The ongoing operations of the Church are dependent on the continued donation support of its congregation. The Church is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from paying income taxes.

### 2. Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, specifically Canadian accounting standards for not-for-profit organizations (“ASNFPO”).

### 3. Significant accounting policies

#### (a) Fund accounting

The Church accounts for its activities using the following funds:

##### *General Fund*

The General Fund reports unrestricted revenues and reflects all ministry and administrative activities other than those of the Capital, Local and Global Development and Refugee Resettlement Funds.

##### *Capital Fund*

The Capital Fund reflects the activities related to capital assets.

##### *Local and Global Development Fund*

The Local and Global Development Fund reflects restricted resources that are to be used for benevolent, local, national and international mission purposes.

##### *Refugee Resettlement Fund*

The Refugee Resettlement Fund reflects restricted resources that are to be used for the resettlement of government approved refugees.

# Commons Church

## Notes to the Financial Statements

December 31, 2019

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### 3. Significant accounting policies (continued)

#### (b) Measurement of financial instruments

The Church initially measures its financial assets and financial liabilities at fair value and subsequently at amortized cost.

Financial assets measured at amortized cost include cash and GIC investments. Financial liabilities measured at amortized cost include accounts payable.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations for the applicable fund. 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 in the statement of operations for the applicable fund.

#### (c) Capital assets

Capital assets are recorded at cost. The Church provides for amortization using the declining balance method at various rates designed to amortize the cost of the capital assets over their estimated lives. A half year's amortization is recorded in the year of acquisition other than computer software. No amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Building	5%
Furniture and fixtures	20%
Automotive	30%
Computers	55%

The Church records a write-down when capital assets no longer have any long-term service potential to the Church and their net carrying amount exceeds their residual value. The excess net carrying amount over residual value is recognized as an expense in the statement of operations. Previous write-downs are not reversed.

#### (d) Revenue recognition

The Church follows the restricted fund method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions related to general operations for which no restricted fund exists are recognized as revenue of the General Fund in the year in which the related expenses are incurred.

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



# Commons Church

## Notes to the Financial Statements

December 31, 2019

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### 4. Capital assets

	<b>2019</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Land	\$ 2,000	\$ -	\$ 2,000
Building	445,095	200,301	244,794
Furniture and fixtures	235,129	140,529	94,600
Computer	19,216	18,513	703
Vehicles	3,725	1,509	2,216
	<b>\$ 705,165</b>	<b>\$ 360,851</b>	<b>\$ 344,313</b>

  

	<b>2018</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Land	\$ 2,000	\$ -	\$ 2,000
Building	380,184	189,124	191,060
Furniture and fixtures	206,148	121,100	85,048
Computer	20,276	18,597	1,679
Vehicles	3,726	559	3,167
	<b>\$ 612,334</b>	<b>\$ 329,380</b>	<b>\$ 282,954</b>

### 5. Expenses incurred for fundraising

Expenses incurred for soliciting contributions were \$NIL (2018 - \$NIL). No salaries paid by the Church were attributable to fundraising.

### 6. Financial instruments

The Church is not exposed to any significant credit, market or liquidity risk.