

CENTRE STREET CHURCH
Financial Statements
Year Ended June 30, 2020

CENTRE STREET CHURCH
Index to Financial Statements
Year Ended June 30, 2020

	Page
Management's Responsibility for Financial Reporting	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations and Changes in Fund Balances	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 15
Interfund Transfers (<i>Schedule 1</i>)	16

Management's Responsibility for Financial Reporting

The financial statements of Centre Street Church have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Centre Street Church's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Governors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance and Audit Committee. The Finance and Audit Committee is appointed by the Board and meets periodically with management and the auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Finance and Audit Committee reports to the Board of Governors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Dart Bryant LLP, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards.



Clementine Osah
Finance Manager

Calgary, AB
September 22, 2020



DART BRYANT LLP
Chartered Professional Accountants
#250, 1319 Edmonton Trail NE
Calgary, Alberta T2E 4Y8

David R Dart, CPA, CA
Edwin L Bryant, CPA, CA
Denis G Perron, CPA, CA
Bus: (403) 230-3764
Fax: (403) 230-3766
davedart@dartbryant.com
edbryant@dartbryant.com
denisperron@dartbryant.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Centre Street Church

Opinion

We have audited the financial statements of Centre Street Church (the Church), which comprise the statement of financial position as at June 30, 2020, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Church as at June 30, 2020 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 Church 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.

Other Information

Management is responsible for the other information. The other information comprises the information other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 Church's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Church or to cease operations, or has no realistic alternative but to do so.

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

(continues)

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 judgment 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 the 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 Church'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 Church'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 Church 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.

Dart Bryant LLP

September 22, 2020

Chartered Professional Accountants

CENTRE STREET CHURCH
Statement of Financial Position
June 30, 2020

	City Mission General Fund 2020	Global Mission General Fund 2020	Other Funds 2020	Capital Funds 2020	Total 2020	Total 2019
ASSETS						
CURRENT						
Cash and cash equivalents	\$ 85,013	\$ -	\$ 2,488,386	\$ 14,839,003	\$ 17,412,402	\$ 4,281,352
Accounts receivable (Note 4)	485,319	-	-	-	485,319	-
GST recoverable	44,363	-	-	108,322	152,685	62,582
Inventory	-	-	80,000	-	80,000	80,332
Prepaid expenses	20,000	-	-	-	20,000	20,000
Mortgage receivable (Note 5)	-	-	-	-	-	1,000,000
Investments (Note 6)	10,230	-	802,930	10,053,310	10,866,470	22,761,279
	644,925	-	3,371,316	25,000,635	29,016,876	28,205,545
MORTGAGE RECEIVABLE (Note 5)	-	-	-	-	-	1,000,000
PROPERTY AND EQUIPMENT (Note 7)	-	-	-	36,690,717	36,690,717	28,624,968
	\$ 644,925	\$ -	\$ 3,371,316	\$ 61,691,352	\$ 65,707,593	\$ 57,830,513
LIABILITIES AND FUND BALANCES						
CURRENT						
Accounts payable and accrued liabilities	\$ 144,925	\$ -	\$ -	\$ 1,544,684	\$ 1,689,609	\$ 100,000
FUND BALANCES (Note 8)						
Internally restricted: Capital invested (Note 7)				36,690,717	36,690,717	28,624,968
Internally restricted: Other (Notes 8, 9)	500,000		3,371,316	23,455,951	27,327,267	29,105,545
	500,000		3,371,316	60,146,668	64,017,984	57,730,513
	\$ 644,925	\$ -	\$ 3,371,316	\$ 61,691,352	\$ 65,707,	7,830,513

COMMITMENTS (Note 10) CONTINGENCIES (Note 13)

ON BEHALF OF THE BOARD

JMPede CPA

Governor *Melanie Urban* Governor

Please see accompanying notes to the financial statements

CENTRE STREET CHURCH
Statement of Operations and Changes in Fund Balances
Year Ended June 30, 2020

	City Mission General Fund 2020	Global Mission General Fund 2020	Other Funds 2020	Capital Funds 2020	Total 2020	Total 2019
REVENUES						
Ministry & missions	\$ 9,570,829	\$ 2,403,455	\$ 15,652	\$ 5,209,457	\$ 17,199,393	\$ 17,255,019
Missions designated Programs	-	-	135,785	-	135,785	132,970
Sales and services	272,425	-	198,410	-	470,835	607,257
Investment income	-	-	430,243	-	430,243	597,572
Gain on sale of property	24,524	-	45,775	573,936	644,235	540,111
Government subsidies (Note 4)	-	-	-	10,925	10,925	14,640
	510,319	50,000	-	-	560,319	-
	10,378,097	2,453,455	825,865	5,794,318	19,451,735	19,147,569
EXPENSES						
Staff and contract	6,011,374	366,842	305,368	-	6,683,584	7,241,958
Designated missions	-	-	135,785	-	135,785	132,262
Ministry, operations and support	2,589,846	1,551,589	702,755	746,654	5,590,844	6,364,869
Amortization	-	-	-	754,051	754,051	683,031
	8,601,220	1,918,431	1,143,908	1,500,705	13,164,264	14,422,120
EXCESS (DEFICIENCY) OF OPERATIONS						
	1,776,877	535,024	(318,043)	4,293,613	6,287,471	4,725,449
TRANSFERS (Schedule 1)	(1,776,877)	(535,024)	887,689	1,424,212	-	-
	-	-	569,646	5,717,825	6,287,471	4,725,449
FUND BALANCES - beginning of year	500,000	-	2,801,670	54,428,843	57,730,513	53,005,064
FUND BALANCES - end of year	\$ 500,000	\$ -	\$ 3,371,316	\$ 60,146,668	\$ 64,017,984	\$ 57,730,513

CENTRE STREET CHURCH

Statement of Cash Flows

Year Ended June 30, 2020

	City Mission General Fund 2020	Global Mission General Fund 2020	Other Funds 2020	Capital Funds 2020	Total 2020	Total 2019
OPERATING ACTIVITIES						
Excess (deficiency) of operations	\$ 1,776,877	\$ 535,024	\$ (318,043)	\$ 4,293,613	\$ 6,287,471	\$ 4,725,449
Items not affecting cash:						
Amortization (Note 7)	-	-	-	754,051	754,051	683,031
Gain on sale of property	-	-	-	(10,925)	(10,925)	(14,640)
Interfund transfers	(1,776,877)	(535,024)	887,689	1,424,212	-	-
	-	-	569,646	6,460,951	7,030,597	5,393,840
Changes in non-cash working capital:						
Accounts receivable	(485,319)	-	-	-	(485,319)	-
Inventory	-	-	333	-	333	12,138
Accounts payable and accrued liabilities	44,925	-	-	1,544,683	1,589,608	(201,033)
Prepaid expenses	-	-	-	-	-	(20,000)
GST recoverable	18,219	-	-	(108,322)	(90,103)	9,636
	(422,175)	-	333	1,436,361	1,014,519	(199,259)
	(422,175)	-	569,979	7,897,312	8,045,116	5,194,581
Cash flow from (used by) operating activities						
INVESTING ACTIVITIES						
Purchase of property and equipment	-	-	-	(8,819,800)	(8,819,800)	(1,814,640)
Mortgage receivable repayment	-	-	-	2,000,000	2,000,000	-
Investments	(10,230)	-	537,796	11,367,243	11,894,809	(11,721,481)
Insurance claim received	-	-	-	10,925	10,925	14,640
Cash flow from (used by) investing activities	(10,230)	-	537,796	4,558,368	5,085,934	(13,521,481)
INCREASE (DECREASE) IN CASH FLOW	(432,405)	-	1,107,775	12,455,680	13,131,050	(8,326,900)
Cash and cash equivalents - beginning of year	517,418	-	1,380,611	2,383,323	4,281,352	12,608,252
CASH AND CASH EQUIVALENTS (DEFICIENCY) - END OF YEAR	\$ 85,013	\$ -	\$ 2,488,386	\$ 14,839,003	\$ 17,412,402	\$ 4,281,352
CASH CONSISTS OF:						
Cash	\$ 2,014,746	\$ -	\$ -	\$ -	\$ 2,014,746	\$ 4,281,352
High interest saving accounts	252,644	-	1,900,479	9,677,678	11,830,801	-
Treasury Bill Savings account	-	-	-	3,566,855	3,566,855	-
Interfund cash allocation	(2,182,377)	-	587,907	1,594,470	-	-
	\$ 85,013	\$ -	\$ 2,488,386	\$ 14,839,003	\$ 17,412,402	\$ 4,281,352

Please see accompanying notes to the financial statements

CENTRE STREET CHURCH
Notes to Financial Statements
Year Ended June 30, 2020

1. PURPOSE OF THE ORGANIZATION

Centre Street Church ("the Church") is a member of the Evangelical Missionary Church of Canada (EMCC), operated through a federally incorporated body and registered with Canada Revenue Agency as a charitable organization and accordingly is exempt from income taxes.

The Biblical purpose for the Church is to glorify God through exalting Him, edifying one another and equipping believers for effective ministry and outreach, which is done by pursuing God, pursuing relationships, pursuing mission, pursuing generosity and pursuing simplicity.

The continued operation of the Church is dependent on the continued support of interested individuals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations on a going concern basis and include the following policies:

Fund accounting

These financial statements include the revenues, expenses, assets, liabilities and fund balances of the funds controlled and administered directly by the Church.

The funds are summarized for reporting as follows;

- City Mission General fund,
- Global Mission General fund,
- Other funds (including Appleseed Resource, CSC Scholarship Funds, Café, City Mission Opportunity, Designated Missions, Facility Rental, Global Mission Opportunity Fund, HR Contingency, Mission Trips, Musical Training, Pastoral Training, Wedding),
- Capital funds (including City Mission Capital Development, City Mission Sustaining Capital, and Global Mission Capital Development Fund).

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment when there are indicators of impairment. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial instruments of the Church include cash and cash equivalents, accounts receivable, GST recoverable, investments, and accounts payable all measured at amortized cost.

(continues)

CENTRE STREET CHURCH
Notes to Financial Statements
Year Ended June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and short term deposits with original maturities less than three months at the time of purchase or having the capacity of prompt liquidation.

Inventory

Inventory of books and other items for sale in the Appleseed Resource Centre is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis. Inventory recognized as an expense during the year amounted to \$82,076 (2019: \$166,130).

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Buildings	40 years	straight-line method
Parking lots	20 years	straight-line method
Furniture and equipment	5 years	straight-line method
Computer equipment	5 years	straight-line method
Audio Visual equipment	5 years	straight-line method
Motor vehicles	10 years	straight-line method

The Church regularly reviews its property and equipment to eliminate obsolete items.

Purchases less than \$10,000 with a life less than 5 years are expensed as purchased. Contributed assets are recorded at their estimated fair value at their date of contribution.

Buildings under construction will not be amortized until in use.

Impairment of Long Lived Assets

The Church tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Revenue recognition

The Church follows the deferral method of accounting for contributions where externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred and, if the restricted contribution is for the purchase of non-depreciable capital assets, directly as an increase to fund balances. Unrestricted contributions to specific funds are recognized when received or receivable.

Programs, services and sales revenue are recorded as earned and include such programs as Alpha, Recovery, VBS and various events for which participation is considered more important than the completeness of revenue. Investment income is recorded as earned.

(continues)

CENTRE STREET CHURCH
Notes to Financial Statements
Year Ended June 30, 2020

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

Contributed services and goods

Volunteers contribute a significant number of hours each year to assist the Church in carrying out its mission. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Contributed goods would only be recorded if the value can be determined and the item would otherwise be purchased (none recognized).

Allocated expenses

The Church reports its expenses based on function (Staff and contract, Designated missions, Ministry, operations and support) with expenses not directly related to a function being included in Ministry, operations and support.

No fundraising costs have been incurred in 2020 nor 2019. All general expenses are included in general fund operations.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

In the financial statements of the Church, the more significant areas for which management is required to make estimates include the valuation and impairment of accounts receivable, inventory and property and equipment, the amounts of accrued liabilities. Actual amounts could differ from those estimates.

CENTRE STREET CHURCH
Notes to Financial Statements
Year Ended June 30, 2020

3. FINANCIAL INSTRUMENTS

The Church's financial instruments in the balance sheet are comprised of cash and cash equivalents, accounts receivable, GST recoverable, investments, and accounts payable and all current liabilities. All are recorded at amortized cost.

Credit risk

Credit risk arises from the possibility that third parties may default on their financial obligations. The Church is exposed to credit risk on cash which is minimized by ensuring that cash is held with credible financial institutions.

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 rate risk, interest rate risk and other price risk. The Church is mainly exposed in regards to stock donations received which are liquidated shortly after receipt.

a) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the reporting currency of the Church will fluctuate due to changes in foreign exchange rates. The Church is not exposed to foreign currency risk.

b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Church is exposed to interest rate risk on its fixed and floating rate cash and cash equivalents. In seeking to minimize the risks from interest rate fluctuations, the Church manages these risks through diversified short term deposits with financial institutions.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices 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 is not exposed to significant other price risk.

Liquidity risk

Liquidity risk is the risk that the Church will encounter difficulty in meeting obligations associated with financial liabilities. In minimizing the liquidity risk, the Church prepares annual budgets for each fund and actively monitors its cash flows from operating, investing and financing activities.

CENTRE STREET CHURCH
Notes to Financial Statements
Year Ended June 30, 2020

4. ACCOUNTS RECEIVABLE

Below is a summary of subsidies and grants the Church received during the year:

	<u>2020</u>
<u>Government assistance received</u>	
10% Wage subsidy received during Covid-19	\$ 25,000
Grant received for compassion ministries	50,000
CEWS wage subsidy received	<u>485,319</u>
Total support revenue received	560,319
Amounts received during the year	<u>(75,000)</u>
Accounts receivable	<u>\$ 485,319</u>

5. MORTGAGE RECEIVABLE

	<u>2020</u>	<u>2019</u>
Mortgage receivable bearing interest at 2% per annum and repayable in annual instalments of \$1 million	\$ -	\$ 2,000,000
Current portion of mortgage receivable	<u>-</u>	<u>(1,000,000)</u>
Mortgage receivable	<u>\$ -</u>	<u>\$ 1,000,000</u>

On July 1, 2017 the Church sold its West Campus for \$8.5 million, receiving \$5.5 million cash and a mortgage receivable of \$3 million. This mortgage is repayable in annual instalments of \$1 million due July 1, with the first instalment being received in June 2018 and the remaining two instalments due July 1, 2019 and July 1, 2020 (which was received on June 29, 2020). The mortgage bears interest at 2% per annum, with interest being waived if annual instalments of \$1 million are paid by the due date.

CENTRE STREET CHURCH
Notes to Financial Statements
Year Ended June 30, 2020

6. INVESTMENTS

	2020	2019
GIC with ATB Securities at interest rate of 2.21% and maturity September 20, 2020	\$ 2,000,000	\$ -
GIC with ATB Securities at interest rate of 1.5% and maturity April 8, 2021	3,000,000	-
GIC with ATB Securities at interest rate of 1.82% and maturity April 8, 2021	1,000,000	-
GIC with ATB Securities at interest rate of 1.5% and maturity April 17, 2021	2,579,480	-
GIC with ATB Securities at interest rate of 1.1% and maturity May 26, 2021	2,215,357	-
GIC with ATB Securities at 2.4% interest rate and maturity September 20, 2019	-	3,000,000
GIC with ATB Securities at variable interest rate and maturity November 23, 2019	-	1,000,000
GIC with ATB Securities at interest rate of 2.61% and maturity February 23, 2020	-	1,076,568
GIC with ATB Securities at interest rate of 2.70% and maturity February 25, 2020	-	6,000,000
GIC with ATB Securities at interest rate of 2.39% and maturity May 24, 2020	-	2,163,498
GIC's with RBC Dominion Securities	-	9,389,184
RBC Direct Investing	10,230	-
Accrued interest on ATB Securities GICs	61,403	132,029
	\$ 10,866,470	\$ 22,761,279

CENTRE STREET CHURCH
Notes to Financial Statements
Year Ended June 30, 2020

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 16,644,081	\$ -	\$ 16,644,081	\$ 16,644,081
Buildings	14,907,247	6,004,174	8,903,073	9,755,262
Buildings - under construction	10,009,976	-	10,009,976	1,693,444
Parking lots	1,076,907	865,717	211,190	265,035
Furniture and equipment	8,302,512	8,080,294	222,218	267,146
Motor vehicles (1)	17,410	3,482	13,928	-
Computer equipment (1)	396,997	85,671	311,326	-
Audio Visual equipment (1)	416,583	41,658	374,925	-
	\$ 51,771,713	\$ 15,080,996	\$ 36,690,717	\$ 28,624,968

On November 1, 2017, the Church received a donation of \$11 million for the purpose of purchasing land for the NW Campus. Land costing \$11,271,153 was purchased on November 1, 2017.

The capitalized costs (Build More Room For God) to date are \$10,009,976 (included as building - under construction).

1. Capital asset categories are being tracked separately from previous grouping which were recorded under furniture and equipment. This presentation change is being treated prospectively.

8. CHANGES IN FUND BALANCES

	Fund Balances			
	Capital Invested	Internally Restricted (Note 9)	Unrestricted	Total
	\$	\$	\$	\$
OPENING	28,624,968	29,105,545	-	57,730,513
Net excess of revenues over expenses			6,287,471	6,287,471
Changes in Capital				
- amortization	(754,051)		754,051	-
- purchases	8,819,800		(8,819,800)	-
Changes in Internally Restricted				
- Other funds		569,647	(569,647)	-
- Capital		(2,347,925)	2,347,925	-
ENDING	36,690,717	27,327,267	-	64,017,984

CENTRE STREET CHURCH
Notes to Financial Statements
Year Ended June 30, 2020

9. INTERNALLY RESTRICTED FUNDS

	2020	2019
City Missions General		
Reserve balance	\$ 500,000	\$ 500,000
Other Funds		
Appleseed Resource	15,546	13,010
CSC Scholarship Funds	156,730	176,127
Cafe	98,526	90,259
City Mission Opportunity	1,158,991	869,266
Facility Rental	97,716	204,307
Global Mission Opportunity Fund	1,472,504	1,365,531
HR Contingency	250,164	16,000
Musical Training	38,973	41,402
Pastoral Training	71,721	14,781
Wedding	10,445	10,986
	<u>3,371,316</u>	<u>2,801,669</u>
Capital		
City Mission Capital Development	20,162,073	22,191,085
City Mission Sustaining Capital	2,257,125	1,818,495
Global Mission Capital Development	1,036,753	1,794,296
	<u>23,455,951</u>	<u>25,803,876</u>
Grand total	<u>\$ 27,327,267</u>	<u>\$ 29,105,545</u>

10. COMMITMENTS

The Church has leases with respect to church campuses. Future minimum lease payments as at year end are as follows:

2021	\$ 271,364
2022	124,097
2023	100,764
2024	100,764
2025	100,764
Thereafter	217,029
	<u>\$ 914,782</u>

11. PENSIONS

The Church participates in a defined contribution pension plan through the Evangelical Missionary Church of Canada, the funds of which are administered by Sunlife. The current pension expense is \$88,073 (2019:\$89,228). At the year end, the Church had no unrecorded pension liabilities.

CENTRE STREET CHURCH
Notes to Financial Statements
Year Ended June 30, 2020

12. TRANSACTIONS WITH AFFILIATED MINISTRIES

Payments to and support for affiliated ministries of EMCC have been made during the year. These amounts have been recorded as payments in missions, operations and support.

	<u>2020</u>	<u>2019</u>
EMCC and EMCC affiliated camps, schools and mission projects	<u>\$ 389,477</u>	<u>\$ 416,259</u>
	<u>\$ 389,477</u>	<u>\$ 416,259</u>

All these transactions are recorded at the exchange amount, which is the consideration agreed to by the parties.

13. CONTINGENCIES

1. The World Health Organization categorized the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic which has lead to a number of public health and emergency measures which have been put in place by various levels of government to attempt to combat the spread of the virus. At this time, the duration and potential impact of COVID-19 is unknown and it is not possible to reliably estimate the impact these events may have on the financial results and condition of the Church in future periods.
 2. The Church is party to a claim relating to flood damages suffered to a property adjacent to the NW Campus. At this time, the claim amount is not estimable, however, management expects this claim to be substantially covered under the Church's construction insurance policy, therefore no provision was made for this claim.
-

CENTRE STREET CHURCH

Transfers

(Schedule 1)

Year Ended June 30, 2020

	City Mission General Fund 2020	Global Mission General Fund 2020	Other Funds 2020	Capital Funds 2020	Total 2020	Total 2019
Operations subsidies and surplus transfers						
Approved transfer to City Missions Sustaining capital (5%)	\$ (474,506)	\$ -	\$ -	\$ 474,506	\$ -	\$ -
Approved City Missions transfers to Pastoral Training Fund	(75,000)	-	75,000	-	-	-
Approved transfers to City Mission Sustaining Capital fund	(600,000)	-	-	600,000	-	-
Remaining deficit (surplus) transfers to City Mission Opportunity fund	(187,052)	-	187,052	-	-	-
Transfer from Global Missions Opportunity fund to City Mission Sustaining Capital fund	-	-	(200,000)	200,000	-	-
Transfers to close out funds from Global Missions General fund	-	(535,024)	535,024	-	-	-
Facility Rental fund transfer to City Missions Sustaining Capital fund	-	-	(149,706)	149,706	-	-
Transfer from Global Mission to City Mission fund	70,000	-	(70,000)	-	-	-
CEWS support transferred to City Mission Opportunity	\$ (510,319)	\$ -	\$ 510,319	\$ -	\$ -	\$ -
Total Interfund transfers	\$ (1,776,877)	\$ (535,024)	\$ 887,689	\$ 1,424,212	\$ -	\$ -