

Celebration Christian Church
Summary Financial Statements
For the year ended December 31, 2017

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Independent Auditor's Report

To the Board of Directors of
Celebration Christian Church

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2017, and the summary statements of changes in net assets, operations and cash flows for the year then ended, are derived from the audited financial statements of Celebration Christian Church for the year ended December 31, 2017. We expressed a qualified audit opinion on those financial statements in our report dated April 19, 2018 (See below).

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Celebration Christian Church.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Audit Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Celebration Christian Church for the year ended December 31, 2017 are a fair summary of those financial statements, on the basis described in Note 1. However, the summary financial statements are qualified in a similar manner as the audited financial statements of Celebration Christian Church for the year ended December 31, 2017.

The scope limitation in the audited financial statements is described in the Basis for Qualified Opinion paragraph in our audit report dated April 19, 2018. Our qualified audit opinion is based on the fact that, in common with many charitable organizations, Celebration Christian Church derives revenue from donations in the form of offerings, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of Celebration Christian Church. Therefore, we were not able to determine whether any adjustments might be necessary to offering revenue, excess (deficiency) of revenue over expenditures and cash flows from operations for the years ended December 31, 2017 and December 31, 2016, current assets as at December 31, 2017 and December 31, 2016, and net assets as at December 31, 2017, January 1, 2017, December 31, 2016 and January 1, 2016. Our qualified opinion states that, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, those financial statements present fairly, in all material respects, the financial position of Celebration Christian Church as at December 31, 2017, 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.

BDO Canada LLP
Chartered Professional Accountants

Edmonton, Alberta
April 25, 2018

Celebration Christian Church Summary Statement of Financial Position

December 31	2017	2016
Assets		
Current		
Cash - unrestricted	\$ 280,936	\$ 331,064
Cash - restricted	98,182	-
Accounts receivable	19,714	18,145
Inventory	4,174	15,231
Prepaid expenses	24,214	41,695
	427,220	406,135
Capital assets	13,186,921	13,592,997
	\$ 13,614,141	\$ 13,999,132

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 62,380	\$ 88,613
Unearned revenue	2,700	11,134
Current portion of callable debt	209,468	212,769
	274,548	312,516
Current liabilities before callable debt	5,696,282	5,894,775
Callable debt	5,970,830	6,207,291
	5,970,830	6,207,291
Net assets		
Legacy fund	98,182	-
Capital fund	7,281,169	7,485,452
Unrestricted fund	263,960	306,389
	7,643,311	7,791,841
	\$ 13,614,141	\$ 13,999,132

Approved on behalf of the board:

_____, Director

The accompanying note and schedule is an integral part of these summary financial statements.

Celebration Christian Church Summary Statement of Changes in Net Assets

For the year ended December 31

2017

	Legacy fund	Capital fund	Unrestricted fund	Total
Balance, beginning of year	\$ -	\$ 7,485,452	\$ 306,389	\$ 7,791,841
Excess (deficiency) of revenue over expenditures for the year	196,797	(606,136)	260,809	(148,530)
Purchase of capital assets	(98,615)	202,759	(104,144)	-
Payments on callable debt	-	201,794	(201,794)	-
Proceeds on disposal of capital assets	-	(2,700)	2,700	-
Balance, end of year	\$ 98,182	\$ 7,281,169	\$ 263,960	\$ 7,643,311

For the year ended December 31

2016

	Legacy fund	Capital fund	Unrestricted fund	Total
Balance, beginning of year	\$ 287,792	\$ 6,571,185	\$ 927,010	\$ 7,785,987
Excess (deficiency) of revenue over expenditures for the year	328,189	(520,765)	198,430	5,854
Purchase of capital assets	(2,627,773)	2,762,905	(135,132)	-
Payments on callable debt	-	213,765	(213,765)	-
Transfers	473,654	-	(473,654)	-
Proceeds on disposal of capital assets	-	(3,500)	3,500	-
Proceeds from callable debt	1,538,138	(1,538,138)	-	-
Balance, end of year	\$ -	\$ 7,485,452	\$ 306,389	\$ 7,791,841

The accompanying note and schedule is an integral part of these summary financial statements.

Celebration Christian Church Summary Statement of Operations

For the year ended December 31	2017	2016
Revenue		
Offerings	\$ 2,016,652	\$ 1,953,480
Legacy fund (Schedule 1)	203,361	338,912
Registrations	65,183	84,540
Books and resources	44,029	50,784
Other	20,432	7,823
Rental	27,200	18,400
STEP grant	7,903	-
Interest	3,081	4,123
Gifts-in-kind	1,900	9,412
	<u>2,389,741</u>	<u>2,467,474</u>
Expenditures		
Amortization	605,271	520,547
Books and resources	52,486	32,491
Church administration	207,056	208,538
Facility	195,832	161,243
Gifts to other charities	71,813	90,558
Interest on callable debt	234,062	208,738
Legacy fund (Schedule 1)	6,564	10,722
Ministry	60,735	105,588
Program	413,421	456,036
Salaries and wages	690,166	666,941
	<u>2,537,406</u>	<u>2,461,402</u>
Excess (deficiency) of revenue over expenditures before undernoted item	(147,665)	6,072
Loss on disposal of capital assets	(865)	(218)
Excess (deficiency) of revenue over expenditures for the year	\$ (148,530)	\$ 5,854

The accompanying note and schedule is an integral part of these summary financial statements.

Celebration Christian Church Summary Statement of Cash Flows

For the year ended December 31	2017	2016
Cash flows from operating activities		
Cash receipts from customers and donors	\$ 2,375,966	\$ 2,472,223
Cash paid to suppliers and employees	(1,623,955)	(1,835,083)
Interest paid	(234,062)	(208,738)
Interest received	3,771	6,134
Gifts to other charities	(71,813)	(90,558)
	<u>449,907</u>	<u>343,978</u>
Cash flows from investing activities		
Purchase of capital assets	(202,759)	(2,762,905)
Proceeds on disposal of capital assets	2,700	3,500
	<u>(200,059)</u>	<u>(2,759,405)</u>
Cash flows from financing activities		
Payments on callable debt	(201,794)	(213,765)
Proceeds from callable debt	-	1,538,138
	<u>(201,794)</u>	<u>1,324,373</u>
Increase (decrease) in cash during the year	48,054	(1,091,054)
Cash, beginning of year	331,064	1,422,118
Cash, end of year	\$ 379,118	\$ 331,064
Cash consists of:		
Cash - unrestricted	\$ 280,936	\$ 331,064
Cash - restricted	98,182	-
	<u>\$ 379,118</u>	<u>\$ 331,064</u>

The accompanying note and schedule is an integral part of these summary financial statements.

Celebration Christian Church

Note to the Summary Financial Statements

December 31, 2017

1. Summary financial statements

The summary financial statements are derived from the audited financial statements of Celebration Christian Church, prepared in accordance with Canadian accounting standards for not-for-profit organizations, as at December 31, 2017 and December 31, 2016 and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- (a) the summary financial statements include a statement for each statement included in the audited financial statements;
- (b) information in the summary financial statements agrees with the related information in the audited financial statements;
- (c) major subtotals, totals and comparative information from the audited financial statements are included; and
- (d) the summary financial statements contain the information from the audited financial statements dealing with matters having a pervasive or otherwise significant effect on the summary financial statements.

The audited financial statements of Celebration Christian Church are available upon request by contacting the Church.

**Celebration Christian Church
Schedule 1 - Summary Legacy Fund**

For the year ended December 31	2017	2016
Revenue		
Restricted offerings	\$ 202,671	\$ 336,900
Interest	690	2,012
	<hr/> 203,361	<hr/> 338,912
Expenditures		
Repairs and maintenance	1,897	5,987
Program	4,667	4,735
	<hr/> 6,564	<hr/> 10,722
Excess of revenue over expenditures	<hr/> \$ 196,797	<hr/> \$ 328,190