

*Aperture*  
CHARTERED PROFESSIONAL ACCOUNTANTS

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**ROCKPOINTE CHURCH**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2023**



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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of:  
RockPointe Church

We have reviewed the accompanying financial statements of RockPointe Church that comprise of the statement of financial position as at June 30, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and a 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 (ASNPO), 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.

### **Practitioner's 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.

### **Basis for qualified conclusion**

In common with many not-for-profit organizations, the Church derives a portion of its revenues in the form of donations, the completeness of which is not, by nature, susceptible to satisfactory review. Accordingly, our review of these revenues was limited to the amounts recorded in the records of the Church, and we were not able to determine whether any adjustment might be necessary to revenues, excess of revenues over expenses, assets and net assets.

**Qualified conclusion**

Based on our review, except for the effects of adjustments, if any, which we may have determined to be necessary had we been able to review the completeness of donations, as discussed above under the Basis for Qualified Conclusion, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of RockPointe Church as at June 30, 2023 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 (ASNPO).

CALGARY, ALBERTA  
September 11, 2023

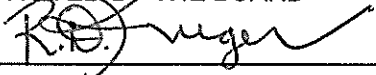


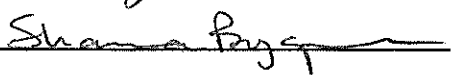
CHARTERED PROFESSIONAL ACCOUNTANTS

**ROCKPOINTE CHURCH  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2023**

	Ministry Fund	Capital Fund	(Note 3) Other Funds	Total 2023	Total 2022
<b><u>ASSETS</u></b>					
<b>CURRENT</b>					
Cash (Note 3)	\$ 319,176	\$ -	\$ 865,179	\$ 1,184,355	\$ 1,238,004
Accounts receivable	57,538	-	-	57,538	27,533
Goods and services tax recoverable	6,622	-	10,326	16,948	9,159
Prepaid expenses	<u>18,632</u>	<u>-</u>	<u>4,160</u>	<u>22,792</u>	<u>17,004</u>
	401,968	-	879,665	1,281,633	1,291,700
Capital assets (Note 4)	<u>-</u>	<u>8,415,382</u>	<u>-</u>	<u>8,415,382</u>	<u>8,396,597</u>
	<u>\$ 401,968</u>	<u>\$ 8,415,382</u>	<u>\$ 879,665</u>	<u>\$ 9,697,015</u>	<u>\$ 9,688,297</u>
<b><u>LIABILITIES</u></b>					
<b>CURRENT</b>					
Accounts payable and accrued liabilities	\$ 54,350	\$ -	\$ 63,185	\$ 117,535	\$ 98,397
Unearned revenue	260	-	6,988	7,248	50,849
Long term debts due within one year	<u>-</u>	<u>130,369</u>	<u>325,000</u>	<u>455,369</u>	<u>146,066</u>
	54,610	130,369	395,173	580,152	295,312
Long term debts (Note 5)	<u>-</u>	<u>922,739</u>	<u>-</u>	<u>922,739</u>	<u>1,039,482</u>
	<u>54,610</u>	<u>1,053,108</u>	<u>395,173</u>	<u>1,502,891</u>	<u>1,334,794</u>
Commitments (Note 6)					
Pension costs (Note 7)					
Subsequent event (Note 8)					
<b><u>FUND BALANCES</u></b>					
Internally restricted	-	-	320,668	320,668	313,150
Externally restricted	-	-	163,824	163,824	363,307
Unrestricted	<u>347,358</u>	<u>7,362,274</u>	<u>-</u>	<u>7,709,632</u>	<u>7,677,046</u>
	<u>347,358</u>	<u>7,362,274</u>	<u>484,492</u>	<u>8,194,124</u>	<u>8,353,503</u>
	<u>\$ 401,968</u>	<u>\$ 8,415,382</u>	<u>\$ 879,665</u>	<u>\$ 9,697,015</u>	<u>\$ 9,688,297</u>

APPROVED BY THE BOARD

  
Elder

  
Elder

**ROCKPOINTE CHURCH  
STATEMENT OF OPERATIONS  
YEAR ENDED JUNE 30, 2023**

	<u>Ministry Fund</u>	<u>Capital Fund</u>	<u>Other Funds</u>	<u>Total 2023</u>	<u>Total 2022</u>
<b>REVENUE</b>					
Donations	\$ 2,583,890	\$ -	\$ 199,345	\$ 2,783,235	\$ 2,861,924
Missions	-	-	347,313	347,313	409,461
Rental income	272,073	-	-	272,073	193,492
Subsidies and sundry	122,787	-	69,910	192,697	141,020
Compassion fund	-	-	184,544	184,544	267,196
Investment income	<u>39,908</u>	<u>-</u>	<u>-</u>	<u>39,908</u>	<u>18,973</u>
	<u>3,018,658</u>	<u>-</u>	<u>801,112</u>	<u>3,819,770</u>	<u>3,892,066</u>
<b>EXPENSES</b>					
Personnel (Note 9)	2,031,403	-	73,444	2,104,847	2,673,128
Amortization	-	371,082	-	371,082	368,156
Missions	-	-	337,489	337,489	413,157
Facilities	328,198	-	-	328,198	276,369
Ministries	153,150	-	-	153,150	142,517
Administration	147,626	-	-	147,626	152,229
Development fund	-	-	119,755	119,755	87,676
Compassion fund	-	-	105,436	105,436	151,974
Information technology/audio visual	92,843	-	-	92,843	98,781
Refugee sponsorship	-	-	90,805	90,805	11,032
Mortgage interest	71,560	-	1,061	72,621	39,985
RPI	-	-	41,094	41,094	20,167
Communications	14,203	-	-	14,203	6,720
	<u>2,838,983</u>	<u>371,082</u>	<u>769,084</u>	<u>3,979,149</u>	<u>4,441,891</u>
Excess (deficiency) of revenue over expenses	<u>\$ 179,675</u>	<u>\$ ( 371,082)</u>	<u>\$ 32,028</u>	<u>\$ ( 159,379)</u>	<u>\$ ( 549,825)</u>

**ROCKPOINTE CHURCH  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2023**

	Ministry Fund	Capital Fund	(Note 10) Other Funds	Net Assets 2023	Net Assets 2022
Balance, beginning of year	\$ 465,997	\$ 7,211,049	\$ 676,457	\$ 8,353,503	\$ 8,903,328
Excess (deficiency) of revenue over expenses	179,675	( 371,082)	32,028	( 159,379)	( 549,825)
Interfund transfers	( 298,314) <sup>1</sup>	522,307 <sup>2</sup>	( 223,993) <sup>3</sup>	-	-
Balance, end of year	<u>\$ 347,358</u>	<u>\$ 7,362,274</u>	<u>\$ 484,492</u>	<u>\$ 8,194,124</u>	<u>\$ 8,353,503</u>

<sup>1</sup>Consists of:

Transfer from Ministry Fund to Capital Fund for purchase of capital assets	\$( 13,958)
Transfer from Ministry Fund for long term debts repayment (principal)	( 132,440)
Transfer from Ministry Fund to CRRF	( 62,503)
Transfer from Ministry Fund to Development Fund	( 87,959)
Transfer from Ministry Fund to RPI	( 1,454)
	<u>\$( 298,314)</u>

<sup>2</sup>Consists of:

Transfer from Ministry Fund for purchase of capital assets	\$ 13,958
Transfer from Ministry Fund for long term debts repayment (principal)	132,440
Transfer from Development fund to Capital fund for purchase of assets	320,927
Transfer from CRRF for purchase of capital assets	<u>54,982</u>
	<u>\$ 522,307</u>

<sup>3</sup>Consists of:

Transfer from Development Fund to Capital Fund for purchase of assets	\$( 320,927)
Transfer from CRRF for purchase of capital assets	( 54,982)
Transfer from Ministry Fund to CRRF	62,503
Transfer from Ministry Fund to Development Fund	87,959
Transfer from Ministry Fund to RPI	<u>1,454</u>
	<u>\$( 223,993)</u>

**ROCKPOINTE CHURCH  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
(Deficiency) of revenue over expenses	\$( 159,379)	\$( 549,825)
Items not involving cash		
Amortization	371,082	368,157
Net change in non-cash working capital balances related to operations		
Accounts receivables	( 30,005)	28,460
Goods and services tax recoverable	( 7,789)	( 4,567)
Housing loan receivable	-	39,167
Prepaid expenses	( 5,788)	3,506
Accounts payable and accrued liabilities	19,138	( 3,821)
Unearned revenue	<u>( 43,601)</u>	<u>35,625</u>
	<u>143,658</u>	<u>( 83,298)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	<u>( 389,867)</u>	<u>( 77,241)</u>
<b>FINANCING ACTIVITIES</b>		
Long term debt proceeds	325,000	-
Long term debts repayment	<u>( 132,440)</u>	<u>( 164,015)</u>
<b>Change in cash</b>	<b>( 53,649)</b>	<b>( 324,554)</b>
Cash, beginning of year	<u>1,238,004</u>	<u>1,562,558</u>
Cash, end of year	<u>\$ 1,184,355</u>	<u>\$ 1,238,004</u>
Supplemental cash flows information:		
Cash interest paid	<u>\$ 72,621</u>	<u>\$ 39,985</u>

**ROCKPOINTE CHURCH  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

## **1. PURPOSE OF THE SOCIETY**

RockPointe Church is a congregation located in, and focused on serving Calgary and Area Communities. RockPointe Church is also involved in serving various communities around the world through Global Outreach initiatives. The congregation's vision is to be a growing community moving into God's future – following Jesus, thriving by the Spirit, connecting with each other, and sharing God's love with everyone.

RockPointe Church presently operates multiple expressions in Calgary referred to as Bowridge Site, Bearspaw Site, Westhills Site, Tuscan/Rocky Ridge Missional Communities and RP Intercultural. These financial statements include the operations of all expressions.

RockPointe Church is constituted as a branch society of the Western Canadian District of the Christian and Missionary Alliance denomination (the "District"). RockPointe Church qualifies as a charitable organization for income tax purposes which is exempt from income tax, and as such is registered to issue charitable donation receipts for income tax purposes.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **Revenue recognition**

Contributions are recognized as revenue of the ministry or appropriate restricted funds when received. Designated contributions to the ministry funds are recorded as revenue in the year in which the related expenses are incurred. Rental income is recognized as revenue when services are delivered. Subsidies and investment income is recognized as revenue in the period which they are earned.

### **Fund accounting**

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

The Ministry Fund accounts for the general operation and administrative activities of the organization. The fund is unrestricted.

The Capital Fund accounts for the net assets of the organization.

The Other Fund accounts for the Missions, Compassion, Development, Capital Replacement Reserve Fund (CRRF), RPI and Refugee Sponsorship activities of the organization.

Externally restricted donations are funds received designated for a specific purpose and are recorded and used for the specific designated fund.

Internally restricted funds are funds designated by the Board of Elders for a specific purpose and are recorded and used for the specific purposes. The internally restricted funds are not available for operating purposes.



**ROCKPOINTE CHURCH  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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

**Measurement uncertainty**

The preparation of the financial statements of RockPointe Church are in conformity with Canadian generally accepted accounting principles for not-for-profit organizations that requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Significant items subjected to such estimates and assumptions include the carrying amount of accrued receivables, capital assets, and accrued liabilities.

Actual results could differ from those estimates.

**Capital assets**

Capital assets purchased are recorded at cost and capital assets donated are recorded at fair market value when received. Acquisitions with a per unit cost under \$5,000 are expensed in the year of acquisition. Amortization is recorded on a straight-line basis, beginning in the year of acquisition, at the following annual rates:

Building and parking lot	4%
Furniture and equipment	10%
Landscaping costs	10%
Computers	20%

The Church regularly reviews its capital assets to eliminate obsolete items and determine any impairment.

**Contributed services**

Volunteers assist RockPointe Church in carrying out certain activities. Because of the difficulty of determining the fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

**Financial instruments**

RockPointe Church's financial instruments consist mainly of cash, accounts receivable, accounts payable, accrued liabilities and long term debts. Unless otherwise indicated, it is management's opinion that RockPointe Church is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value, unless otherwise noted.

**Interest Rate Risk**

RockPointe Church is exposed to interest rate risk with respect to its financing. Should interest rates increase significantly, RockPointe Church's operations would be negatively impacted by the increased interest payments required on this debt.

**ROCKPOINTE CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**3. OTHER FUNDS RESTRICTED CASH**

Restricted cash items are restrictions placed on cash by the Board of Elders. These cash balances are not available for use for operational purposes.

	<u>2023</u>	<u>2022</u>
Development Fund	\$ 48,374	\$ 12,595
Capital Replacement Reserve Fund	320,493	313,130
Missions Fund	101,966	88,512
Compassion Fund	320,024	278,940
RP Intercultural	74,322	23,147
Refugee Sponsorship	<u>-</u>	<u>3,490</u>
	<u>\$ 865,179</u>	<u>\$ 716,324</u>

**4. CAPITAL ASSETS**

	<u>2023</u> <u>Cost</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Net Book Value</u>
Land	\$ 5,083,751	\$ -	\$ 5,083,751
Buildings and property improvements	6,845,050	3,818,770	3,026,280
Parking lot	296,980	214,586	82,394
Equipment	1,973,096	1,761,624	211,472
Computer	<u>19,075</u>	<u>7,590</u>	<u>11,485</u>
	<u>\$ 14,217,952</u>	<u>\$ 5,802,570</u>	<u>\$ 8,415,382</u>
	<u>2022</u> <u>Cost</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Net Book Value</u>
Land	\$ 5,083,751	\$ -	\$ 5,083,751
Building and property improvements	6,524,123	3,574,782	2,949,341
Parking lot	296,980	202,707	94,273
Equipment	1,911,946	1,651,178	260,768
Computer	<u>11,286</u>	<u>2,822</u>	<u>8,464</u>
	<u>\$ 13,828,086</u>	<u>\$ 5,431,489</u>	<u>\$ 8,396,597</u>

**ROCKPOINTE CHURCH  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

**5. LONG TERM DEBT**

	<u>2023</u>	<u>2022</u>
The Western Canadian District of the Christian and Missionary Alliance loan repayable at \$17,000 per month including interest at prime plus 0.5% per annum, maturing on December 31, 2028.	\$ 1,053,108	\$ 1,185,548
The Western Canadian District of the Christian and Missionary Alliance interim loan payable that could be drawn in multiple installments to a maximum of \$1,000,000 with interest at prime plus 0.5% per annum on outstanding balance. Interest-only payments are due monthly. The loan is to be repaid in full on June 14, 2024 with the proceeds of the sale of a surplus land parcel at RockPointe's Bears paw location. If land is not sold on or before June 14, 2024, the loan will be converted to a 15-year term loan and will require principal and interest payments until land is sold.	<u>325,000</u>	<u>-</u>
	1,378,108	1,185,548
Amount due within one year	<u>( 455,369)</u>	<u>( 146,066)</u>
	<u>\$ 922,739</u>	<u>\$ 1,039,482</u>

Annual principal repayments of long term debt in each of the next five years are estimated to be as follows:

2024	\$ 455,369
2025	140,420
2026	151,246
2027	162,907
2028 and thereafter	468,166

**6. COMMITMENTS**

RockPointe Church has entered into an agreement with Ambrose University expiring August 2025 to lease facilities for use by the Westhills Site for worship and other services with monthly lease payments of:

\$6,450 plus GST for September 2023 through to August 2024 and;  
\$6,966 plus GST for September 2024 through to August 2025.

RockPointe Church has entered into an agreement with Xerox Canada Ltd. expiring May 2027 to lease photocopier equipment with quarterly payments of \$4,508 plus GST.

**ROCKPOINTE CHURCH  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

**7. PENSION COSTS**

Certain employees of RockPointe Church are members of a defined contribution pension plan. During the year, RockPointe Church contributed \$69,730 (2022 - \$87,975) to the plan. As the plan is a defined contribution plan, there is no potential for a contingent liability arising from unfunded contributions.

**8. SUBSEQUENT EVENT**

During the year RockPointe Church contracted ALR Commercial to work on major roof repairs and upgrades for the Bearspaw Building. The contract amount is \$798,926, including GST, with \$320,000 already paid by year end.

Subsequent to the year end, RockPointe Church has paid \$240,000 on July 28, 2023. The remaining balance of \$238,926 will be due as follows:

- \$160,000 by August 26, 2023 and
- \$78,926 within 45 days after the completion date.

**9. PERSONNEL**

Includes costs associated with staffing and one-time end of employment payments for three employees.

**10. OTHER DESIGNATED FUNDS**

	<u>Opening</u>	<u>Receipts</u>	<u>Disbursement</u>	<u>Transfers</u>	<u>Ending</u>
Compassion	\$ 273,442	\$ 184,544	\$ 110,946	\$( 24,643)	\$ 322,397
CRRF	313,150	-	-	7,518	320,668
Development	912	50,784	120,816	( 232,966)	( 302,086)
Missions	62,528	347,313	337,489	272	72,624
RPI	22,935	155,530	109,028	1,452	70,889
Refugee	<u>3,490</u>	<u>62,941</u>	<u>\$ 90,805</u>	<u>24,374</u>	<u>-</u>
	<u>\$ 676,457</u>	<u>\$ 801,112</u>	<u>\$ 769,084</u>	<u>\$( 223,993)</u>	<u>\$ 484,492</u>