

OFFICE COPY

**ROCKPOINTE CHURCH
FINANCIAL STATEMENTS
JUNE 30, 2024**



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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Elders 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, 2024, 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, 2024 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).

Restatement of Comparative Information

Without modifying our conclusion, we draw attention to (Note 10) to the financial statements, which describes that certain comparative information presented for the year ended June 30, 2023 has been restated.

CALGARY, ALBERTA
September 9, 2024

The logo for Aperture Chartered Professional Accountants, featuring the word "Aperture" in a stylized, cursive script font.

CHARTERED PROFESSIONAL ACCOUNTANTS

ROCKPOINTE CHURCH
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

| | Ministry Fund | Capital Fund | (Note 3) Other Funds | Total 2024 | (Note 10) Total 2023 |
|---|-------------------|---------------------|----------------------------|---------------------|----------------------------|
| <u>ASSETS</u> | | | | | |
| CURRENT | | | | | |
| Cash (Note 3) | \$ 290,107 | \$ - | \$ 950,996 | \$ 1,241,103 | \$ 1,184,355 |
| Accounts receivable | 14,931 | - | - | 14,931 | 57,538 |
| Goods and services tax recoverable | 7,200 | - | 1,305 | 8,505 | 16,948 |
| Prepaid expenses | 20,075 | - | 6,306 | 26,381 | 22,792 |
| | <u>332,313</u> | <u>-</u> | <u>958,607</u> | <u>1,290,920</u> | <u>1,281,633</u> |
| Capital assets (Note 4), (Note 5) | <u>-</u> | <u>7,634,153</u> | <u>-</u> | <u>7,634,153</u> | <u>8,022,463</u> |
| | <u>\$ 332,313</u> | <u>\$ 7,634,153</u> | <u>\$ 958,607</u> | <u>\$ 8,925,073</u> | <u>\$ 9,304,096</u> |
| <u>LIABILITIES</u> | | | | | |
| CURRENT | | | | | |
| Accounts payable and accrued liabilities | \$ 64,642 | \$ - | \$ 57,473 | \$ 122,115 | \$ 117,535 |
| Unearned revenue | - | - | 6,988 | 6,988 | 7,248 |
| Long term debts due within one year (Note 6) | <u>-</u> | <u>177,497</u> | <u>-</u> | <u>177,497</u> | <u>455,369</u> |
| | 64,642 | 177,497 | 64,461 | 306,600 | 580,152 |
| Long term debts (Note 6) | <u>-</u> | <u>258,515</u> | <u>-</u> | <u>258,515</u> | <u>922,739</u> |
| | <u>64,642</u> | <u>436,012</u> | <u>64,461</u> | <u>565,115</u> | <u>1,502,891</u> |
| Commitments (Note 7) | | | | | |
| Pension costs (Note 8) | | | | | |
| <u>FUND BALANCES</u> | | | | | |
| Internally restricted | - | - | 352,984 | 352,984 | 121,185 |
| Externally restricted | - | - | 541,162 | 541,162 | 363,307 |
| Unrestricted | 267,671 | 7,198,141 | - | 7,465,812 | 7,316,713 |
| | <u>267,671</u> | <u>7,198,141</u> | <u>894,146</u> | <u>8,359,958</u> | <u>7,801,205</u> |
| | <u>\$ 332,313</u> | <u>\$ 7,634,153</u> | <u>\$ 958,607</u> | <u>\$ 8,925,073</u> | <u>\$ 9,304,096</u> |

APPROVED BY THE BOARD

 Elder
 Elder

**ROCKPOINTE CHURCH
STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2024**

| | Ministry Fund | Capital Fund | Other Funds | Total 2024 | (Note 10) Total 2023 |
|--|-------------------|-------------------|------------------|-------------------|----------------------------|
| REVENUE | | | | | |
| Donations | | | | | |
| Ministry | \$ 2,435,878 | \$ - | \$ - | \$ 2,435,878 | \$ 2,583,890 |
| Missions | - | - | 300,698 | 300,698 | 347,313 |
| Compassion fund | - | - | 154,162 | 154,162 | 184,544 |
| Other funds | - | - | 232,078 | 232,078 | 199,345 |
| Rental income | 149,238 | - | - | 149,238 | 272,073 |
| Investment income | 50,059 | - | - | 50,059 | 39,908 |
| Subsidies and sundry | 48,925 | - | - | 48,925 | 192,697 |
| | <u>2,684,100</u> | <u>-</u> | <u>686,938</u> | <u>3,371,038</u> | <u>3,819,770</u> |
| EXPENSES | | | | | |
| Operating Expenditures | | | | | |
| Administration | 149,249 | - | - | 149,249 | 147,625 |
| Facilities | 361,664 | - | - | 361,664 | 328,543 |
| Information technology/audio visual | 84,973 | - | - | 84,973 | 92,843 |
| Communications | 2,322 | - | - | 2,322 | 14,203 |
| Mortgage interest | 54,843 | - | 22,695 | 77,538 | 72,621 |
| Personnel | 1,737,227 | - | 55,745 | 1,792,972 | 2,104,967 |
| Ministries | 129,504 | - | - | 129,504 | 152,686 |
| Amortization | - | 348,329 | - | 348,329 | 371,082 |
| Missions | - | - | 320,972 | 320,972 | 337,489 |
| Compassion fund | - | - | 129,001 | 129,001 | 105,436 |
| Development fund | - | - | 91,868 | 91,868 | 119,755 |
| RPI | - | - | 41,818 | 41,818 | 41,094 |
| Refugee sponsorship | - | - | 12,022 | 12,022 | 90,805 |
| New Ventures | - | - | 879 | 879 | - |
| | <u>2,519,782</u> | <u>348,329</u> | <u>675,000</u> | <u>3,543,111</u> | <u>3,979,149</u> |
| (Deficiency) of operating revenue over expenses | <u>164,318</u> | <u>(348,329)</u> | <u>11,938</u> | <u>(172,073)</u> | <u>(159,379)</u> |
| Gain on disposal of assets (Note 5) | <u>-</u> | <u>730,826</u> | <u>-</u> | <u>730,826</u> | <u>-</u> |
| Excess (deficiency) of revenue over expenses | <u>\$ 164,318</u> | <u>\$ 382,497</u> | <u>\$ 11,938</u> | <u>\$ 558,753</u> | <u>\$ (159,379)</u> |

**ROCKPOINTE CHURCH
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2024**

| | Ministry Fund | (Note 9) Capital Fund | Other Funds | (Note 10) Net Assets 2024 | Net Assets 2023 |
|---|-------------------------|-----------------------------|----------------------|---------------------------------|---------------------|
| Balance, beginning of year | \$ 347,358 | \$ 6,969,355 | \$ 484,492 | \$ 7,801,205 | \$ 7,960,584 |
| Excess (deficiency) of revenue over expenses | 164,318 | 382,497 | 11,938 | 558,753 | (159,379) |
| Interfund transfers | (244,005) ¹ | (153,711) ² | 397,716 ³ | - | - |
| Balance, end of year | <u>\$ 267,671</u> | <u>\$ 7,198,141</u> | <u>\$ 894,146</u> | <u>\$ 8,359,958</u> | <u>\$ 7,801,205</u> |

¹Consists of:

| | |
|--|---------------------|
| Transfer from RPI to Ministry Fund | \$ 1,222 |
| Transfer from Ministry Fund to New Ventures | (3,390) |
| Transfer from Ministry Fund to Capital Fund for purchase of capital assets | (12,680) |
| Transfer from Ministry Fund to CRRF | (80,000) |
| Transfer from Ministry Fund for long term debts repayment (principal) | (149,157) |
| | <u>\$(244,005)</u> |

²Consists of:

| | |
|---|---------------------|
| Transfer from Development fund to Capital Fund for purchase of assets | \$ 517,829 |
| Transfer from Ministry Fund for long term debts repayment (principal) | 149,157 |
| Transfer from CRRF to Capital Fund for purchase of capital assets | 47,684 |
| Transfer from Ministry Fund for purchase of capital assets | 12,680 |
| Transfer from Capital fund to Development fund for sale of assets | (881,061) |
| | <u>\$(153,711)</u> |

³Consists of:

| | |
|---|-------------------|
| Transfer from Capital fund to Development fund for sale of asset | \$ 881,061 |
| Transfer from Ministry Fund to CRRF | 80,000 |
| Transfer from Ministry Fund to New Ventures | 3,390 |
| Transfer from RPI to Ministry Fund | (1,222) |
| Transfer from CRRF to Capital Fund for purchase of capital assets | (47,684) |
| Transfer from Development Fund to Capital Fund for purchase of assets | (517,829) |
| | <u>\$ 397,716</u> |

**ROCKPOINTE CHURCH
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

| | <u>2024</u> | <u>2023</u> |
|---|---------------------|---------------------|
| CASH FLOWS PROVIDED BY (USED IN): | | |
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenue over expenses | \$ 558,753 | \$(159,379) |
| Items not involving cash | | |
| Amortization | 348,329 | 371,083 |
| (Gain) on disposal of assets | (730,826) | - |
| Net change in non-cash working capital balances related to operations | | |
| Accounts receivables | 42,606 | (30,006) |
| Goods and services tax recoverable | 8,443 | (7,789) |
| Prepaid expenses | (3,589) | (5,788) |
| Accounts payable and accrued liabilities | 4,580 | 19,138 |
| Unearned revenue | (260) | (43,601) |
| | <u>228,036</u> | <u>143,658</u> |
| INVESTING ACTIVITIES | | |
| Purchase of capital assets | (578,192) | (389,867) |
| Proceeds from disposal of assets | <u>1,349,000</u> | <u>-</u> |
| | <u>770,808</u> | <u>(389,867)</u> |
| FINANCING ACTIVITIES | | |
| Long term debts proceeds | - | 325,000 |
| Long term debts repayment | (942,096) | (132,440) |
| | <u>(942,096)</u> | <u>192,560</u> |
| Change in cash | 56,748 | (53,649) |
| Cash, beginning of year | <u>1,184,355</u> | <u>1,238,004</u> |
| Cash, end of year | <u>\$ 1,241,103</u> | <u>\$ 1,184,355</u> |
| Supplemental cash flows information: | | |
| Cash interest paid | <u>\$ 77,538</u> | <u>\$ 72,621</u> |

**ROCKPOINTE CHURCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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 sites in Calgary referred to as Bowridge Site, Bearspaw Site, Westhills Site, Tuscany Missional Communities and RP Intercultural. These financial statements include the operations of all sites.

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, New Ventures, 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, 2024**

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, 2024**

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>2024</u> | <u>2023</u> |
|--------------------------------------|-------------------|-------------------|
| Capital Replacement Reserve Fund | \$ 352,984 | \$ 320,493 |
| Compassion Fund | 330,121 | 320,024 |
| RP Intercultural Development Fund | 89,796 | 74,322 |
| Missions Fund | 87,729 | 48,374 |
| New Ventures | 81,762 | 101,966 |
| | <u>8,604</u> | <u>-</u> |
| | <u>\$ 950,996</u> | <u>\$ 865,179</u> |

4. CAPITAL ASSETS

| | <u>2024 Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> |
|-------------------------------------|----------------------|-------------------------------------|-----------------------|
| Land | \$ 4,072,659 | \$ - | \$ 4,072,659 |
| Buildings and property improvements | 7,327,931 | 4,094,910 | 3,233,021 |
| Equipment | 1,973,096 | 1,810,690 | 162,406 |
| Parking lot | 379,612 | 229,771 | 149,841 |
| Computer | <u>31,755</u> | <u>15,529</u> | <u>16,226</u> |
| | <u>\$ 13,785,053</u> | <u>\$ 6,150,900</u> | <u>\$ 7,634,153</u> |

| | <u>2023 Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> |
|------------------------------------|----------------------|-------------------------------------|-----------------------|
| Land | \$ 4,690,832 | \$ - | \$ 4,690,832 |
| Building and property improvements | 6,845,050 | 3,818,770 | 3,026,280 |
| Equipment | 1,973,096 | 1,761,624 | 211,472 |
| Parking lot | 296,980 | 214,586 | 82,394 |
| Computer | <u>19,075</u> | <u>7,590</u> | <u>11,485</u> |
| | <u>\$ 13,825,033</u> | <u>\$ 5,802,570</u> | <u>\$ 8,022,463</u> |

**ROCKPOINTE CHURCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

5. SALE OF BEARSPAW LAND

During the year, RockPointe Church has sold Block 1 Lot 3 (12.13 acres) of its Bearspaw property. Total proceeds of \$1,400,000 was disbursed in the following manner:

| | |
|---|---------------------|
| Commission fees | \$ 48,300 |
| Legal fees | 2,700 |
| Repayment of WCD BP roofing loan | 851,061 |
| Repayment of WCD mortgage | 467,939 |
| Excess cash invested with WCD investments | <u>30,000</u> |
| Total proceeds from sale | <u>\$ 1,400,000</u> |

Gain on sale of property is calculated as:

| | |
|--|-------------------|
| Total proceeds from sale | \$ 1,400,000 |
| Less: | |
| Historical cost of land disposed | |
| \$1,880,000 prorated 12.13/36.89 acres | (618,174) |
| Commission fees | (48,300) |
| Legal fees | <u>(2,700)</u> |
| Gain on sale of property | <u>\$ 730,826</u> |

6. LONG TERM DEBT

| | <u>2024</u> | <u>2023</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. | \$ 436,012 | \$ 1,053,108 |
| 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 fully repaid during the year. | <u>-</u> | <u>325,000</u> |
| Amount due within one year | 436,012 <u>(177,497)</u> | 1,378,108 <u>(455,369)</u> |
| | <u>\$ 258,515</u> | <u>\$ 922,739</u> |

**ROCKPOINTE CHURCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

6. LONG TERM DEBT (continued)

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

| | |
|------|------------|
| 2025 | \$ 177,497 |
| 2026 | 191,181 |
| 2027 | 67,334 |

7. 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 \$6,966 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.

8. PENSION COSTS

Certain employees of RockPointe Church are members of a defined contribution pension plan. During the year, RockPointe Church contributed \$67,890 (2023 - \$69,730) to the plan. As the plan is a defined contribution plan, there is no potential for a contingent liability arising from unfunded contributions.

9. OTHER DESIGNATED FUNDS

| | <u>Opening</u> | <u>Receipts</u> | <u>Disbursement</u> | <u>Transfers</u> | <u>Ending</u> |
|-------------|-------------------|-------------------|---------------------|-------------------|-------------------|
| Compassion | \$ 322,397 | \$ 154,162 | \$ 135,203 | \$(7,810) | \$ 333,546 |
| CRRF | 320,668 | - | - | 32,316 | 352,984 |
| Development | (302,086) | 110,572 | 114,563 | 363,232 | 57,155 |
| Missions | 72,624 | 300,698 | 320,972 | - | 52,350 |
| New Venture | - | 12,959 | 7,986 | 3,390 | 8,363 |
| Refugee | - | 4,212 | \$ 12,022 | 7,810 | - |
| RPI | <u>70,889</u> | <u>104,334</u> | <u>84,253</u> | <u>(1,222)</u> | <u>89,748</u> |
| | <u>\$ 484,492</u> | <u>\$ 686,937</u> | <u>\$ 674,999</u> | <u>\$ 397,716</u> | <u>\$ 894,146</u> |

**ROCKPOINTE CHURCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

10. RESTATEMENT OF PRIOR YEAR FIGURES

In 2012, the Church had gifted 8 acres of land on the Bearspaw property to Rockyview County for construction of a firehall and roadway. The carrying cost of the land was not reduced and associated loss on disposal as not recognized. As such certain comparative figures have been restated retroactively to correct for the error.

| | Original | Restated | Change |
|---|-----------|-----------|---------|
| Statement of Financial Position | | | |
| Capital assets | 8,415,382 | 8,022,463 | 392,919 |
| Unrestricted net assets | 7,709,632 | 7,316,713 | 392,919 |
| Statement of Changes in Net Assets | | | |
| Net assets – 2023 opening | 8,353,503 | 7,960,584 | 392,919 |
| Net assets – 2023 closing | 7,709,632 | 7,316,713 | 392,919 |

Prior year figures have been reclassified to agree with current year's presentation.