

**WHYTE RIDGE BAPTIST CHURCH INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**Draft**

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of  
Whyte Ridge Baptist Church Inc.

### Report on the Financial Statements

We have reviewed the accompanying financial statements of Whyte Ridge Baptist Church Inc. that comprise the statement of financial position as at December 31, 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, 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.

### Conclusion

Based on our review, 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 Whyte Ridge Baptist Church Inc. as at December 31, 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.

(Date of Approval)  
Winnipeg, Canada

Chartered Professional Accountants

# WHYTE RIDGE BAPTIST CHURCH INC.

## Statement of Financial Position

December 31, 2023

	General fund	Capital fund	2023 Total	2022 Total
<b>Assets</b>				
Current assets:				
Cash	\$ 125,963	\$ 10,142	\$ 136,105	\$ 281,314
Goods and services tax recoverable	1,869	-	1,869	1,970
Prepaid expenses	995	-	995	965
Interfund balances	1,024,787	(1,024,787)	-	-
	1,153,614	(1,014,645)	138,969	284,249
Capital assets (Note 3)	-	9,512,727	9,512,727	9,919,814
	\$ 1,153,614	\$ 8,498,082	\$ 9,651,696	\$ 10,204,063
<b>Liabilities and Net Assets</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 24,148	\$ -	\$ 24,148	\$ 29,087
Scheduled current portion of callable debt (Note 6)	-	136,000	136,000	156,000
	24,148	136,000	160,148	185,087
Callable debt (Note 6)	-	2,006,535	2,006,535	2,366,437
	24,148	2,142,535	2,166,683	2,551,524
Deferred contributions (Note 4)	11,940	3,248,382	3,260,322	3,484,448
Canada Emergency Business Account loan, net of forgivable portion (Note 6)	-	-	-	40,000
	36,088	5,390,917	5,427,005	6,075,972
Net assets:				
Invested in capital assets	-	3,107,165	3,107,165	3,198,332
Unrestricted	1,117,526	-	1,117,526	929,759
	1,117,526	3,107,165	4,224,691	4,128,091
	\$ 1,153,614	\$ 8,498,082	\$ 9,651,696	\$ 10,204,063

See accompanying notes to financial statements.

**APPROVED ON BEHALF OF THE BOARD OF CHURCH MANAGEMENT:**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# WHYTE RIDGE BAPTIST CHURCH INC.

## Statement of Operations

Year Ended December 31, 2023

	General fund	Capital fund	2023 Total	2022 Total
<b>Revenue:</b>				
Offerings	\$ 1,070,361	\$ -	\$ 1,070,361	\$ 974,509
Recognition of deferred contributions (Note 4)	56,232	400,599	456,831	444,407
Rental	17,850	-	17,850	13,253
Investment income	3,678	1,900	5,578	4,898
Other revenue	71,456	-	71,456	36,415
	1,219,577	402,499	1,622,076	1,473,482
<b>Expenses:</b>				
Amortization	-	407,001	407,001	436,602
Children's ministries	14,693	-	14,693	11,526
Deacon ministries	2,352	-	2,352	1,157
Facility ministries	171,474	-	171,474	144,658
Fellowship ministries	12,042	-	12,042	6,856
Finance and administration	61,123	-	61,123	59,068
Interest on long-term debt	-	86,665	86,665	97,205
Lifepath ministries	23,242	-	23,242	16,847
Mission trips	46,606	-	46,606	4,870
Outreach ministries	143,107	-	143,107	152,352
Salaries and benefits	525,660	-	525,660	470,535
Special funds expenses	9,598	-	9,598	16,540
Staff allowances	14,336	-	14,336	15,556
Worship ministries	4,118	-	4,118	3,591
Youth and young adult ministries	3,459	-	3,459	6,710
	1,031,810	493,666	1,525,476	1,444,073
Excess (deficiency) of revenue over expenses before other income (expenses)	187,767	(91,167)	96,600	29,409
Other income (expenses):				
(Loss) on disposal of capital assets	-	-	-	(102)
Excess (deficiency) of revenue over expenses for the year	\$ 187,767	\$ (91,167)	\$ 96,600	\$ 29,307

See accompanying notes to financial statements.

# WHYTE RIDGE BAPTIST CHURCH INC.

Statement of Changes in Net Assets

Year Ended December 31, 2023

	Invested in Capital assets	Unrestricted	2023 Total	2022 Total
<b>General fund:</b>				
Net assets, beginning of year	\$ -	\$ 929,759	\$ 929,759	\$ 794,410
Excess of revenue over expenses for the year	-	187,767	187,767	135,349
Net assets, end of year	-	1,117,526	1,117,526	929,759
<b>Capital fund:</b>				
Net assets, beginning of year	3,198,332	-	3,198,332	3,304,374
(Deficiency) of revenue over expenses for the year	(91,167)	-	(91,167)	(106,042)
Net assets, end of year	3,107,165	-	3,107,165	3,198,332
Total	\$ 3,107,165	\$ 1,117,526	\$ 4,224,691	\$ 4,128,091

See accompanying notes to financial statements.

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# WHYTE RIDGE BAPTIST CHURCH INC.

## Statement of Cash Flows

Year Ended December 31, 2023

	2023	2022
<i>Cash flows from (used in)</i>		
Operating activities:		
Excess of revenue over expenses for the year	\$ 96,600	\$ 29,307
Adjustments for:		
Amortization	407,001	436,602
Recognition of deferred contributions	(456,831)	(444,407)
Loss on disposal of capital assets	-	102
	46,770	21,604
Changes in the following:		
Goods and services tax recoverable	101	(522)
Prepaid expenses	(30)	(45)
Accounts payable and accrued liabilities	(4,853)	(837)
	41,988	20,200
Financing activities:		
Deferred capital contributions received	182,460	120,055
Deferred general contributions received	50,245	8,961
Repayment of callable debt	(379,902)	(272,358)
Repayment of Canada Emergency Business Account loan	(40,000)	-
	(187,197)	(143,342)
Change in cash	(145,209)	(123,142)
Cash, beginning of year	281,314	404,456
Cash, end of year	\$ 136,105	\$ 281,314

See accompanying notes to financial statements.

# WHYTE RIDGE BAPTIST CHURCH INC.

Notes to Financial Statements

Year ended December 31, 2023

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## 1. Nature of entity

Whyte Ridge Baptist Church Inc. (the "Church") is a not-for-profit organization incorporated without share capital under the laws of Manitoba for the purpose to honour God by making disciples at home and around the world who clearly demonstrate changed lives in their worship, fellowship and witness. The Church's vision is to reach families in Whyte Ridge and surrounding communities by presenting and modelling the relevance of Jesus Christ.

The Church is a registered charity and is exempt from income taxes pursuant to the provisions of *The Income Tax Act* (Canada).

## 2. Basis of accounting and summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the following significant accounting policies:

### (a) Fund accounting

The Church uses fund accounting and has established the following funds:

#### (i) General fund:

The general fund is used to account for the assets, liabilities, revenues and expenses relating to the primary programs, activities and administration of the Church as described in Note 1.

#### (ii) Capital fund:

The capital fund is used to account for the assets, liabilities, revenues and expenses relating to capital expenditures incurred by the Church and related activities.

### (b) Financial instruments

#### *Measurement*

The Church initially measures its financial assets and liabilities at fair value, except for certain financial instruments arising from transactions with related parties (non-arm's length transactions).

For financial instruments arising from arm's length transactions, the Church subsequently measures its financial assets and liabilities at amortized cost, except for any investments in equity instruments that are quoted in an active market and certain derivative instruments, which are subsequently measured at fair value. For any arm's length financial instruments subsequently measured at fair value, changes in fair value are recognized in the excess (deficiency) of revenue over expenses for the year.

Financial instruments originated, acquired or assumed in a related party transaction are initially measured based on the nature of the financial instrument and may be either at fair value, cost or the cost of the consideration exchanged for the related party financial instrument, with subsequent measurement based on how the related party financial instrument was initially measured. Related party financial instruments initially measured at fair value include investments in equity instruments quoted in an active market, debt instruments quoted in an active market or when inputs significant to the determination of fair value are observable either directly or indirectly, or derivative contracts. All other related party financial instruments are initially measured at cost.

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# WHYTE RIDGE BAPTIST CHURCH INC.

Notes to Financial Statements

Year ended December 31, 2023

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## 2. Basis of accounting and summary of significant accounting policies (continued)

### (b) Financial instruments (continued)

#### *Transaction costs*

For arm's length transactions, transaction costs for financial instruments subsequently measured at cost or amortized cost are added to the cost of the financial instrument; transaction costs for any financial instruments subsequently measured at fair value are expensed when incurred. For non-arm's length transactions, all transaction costs incurred on initial measurement of a related party financial instrument are recognized in the excess (deficiency) of revenue over expenses for the year.

#### *Impairment*

For financial assets from both arm's length and non-arm's length transactions, financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment with any impairment losses recognized in the excess (deficiency) of revenue over expenses for the year.

### (c) Interfund transfers

On an annual basis, an amount as determined by the Board of Church Governance is transferred from the general fund to the capital fund to cover any planned capital expenditures. Any other interfund transfers are typically temporary transfers to cover cash flow requirements in the various funds as necessary throughout the year.

### (d) Capital assets

Capital assets are recorded at cost. Any contributed capital assets are recorded at fair value at the date of contribution when fair value can be reasonably determined, otherwise contributed capital assets are recorded at nominal value. Capital assets are amortized on the basis of their estimated useful lives using the following rates and method:

	<u>Rate</u>	<u>Method</u>
Building	2% - 4%	Declining balance
Computer equipment	30%	Declining balance
Furniture and equipment	20%	Declining balance
Land improvements	15%	Declining balance

The Church's policy is to capitalize interest and other carrying costs directly attributable to the acquisition, construction or development of any capital assets acquired or constructed over time.

### (e) Impairment of capital assets

Capital assets are assessed for impairment when events or conditions indicate that the asset no longer contributes to the Church's ability to provide goods and services or that the value of future benefits or service potential associated with the asset may be less than its carrying value. An impairment loss is recognized when the carrying amount of the asset exceeds its fair value or replacement cost as determined on an asset by asset basis. Any impairment losses are recognized in the excess (deficiency) of revenue over expenses in the period the impairment occurs. Impairment losses are not reversed.

### (f) Net assets invested in capital assets

Net assets invested in capital assets represents the unamortized portion of capital assets, less deferred capital contributions, long-term debt and related accounts payable and cash and interfund balances to the extent that these amounts relate to assets that have been acquired.

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# WHYTE RIDGE BAPTIST CHURCH INC.

Notes to Financial Statements

Year ended December 31, 2023

## 2. Basis of accounting and summary of significant accounting policies (continued)

### (g) Revenue recognition

The Church follows the deferral method of accounting for offerings and contributions. Externally restricted contributions are deferred and recognized as revenue in the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the general fund when received or receivable when the amounts involved are readily determinable and when collection is reasonably assured.

Restricted contributions for the purchase of capital assets are deferred and recognized as revenue in the capital fund on the same basis as the amortization expense related to the acquired capital assets.

Rental revenue is recognized on a straight-line basis over the term of the underlying lease and when collection is reasonably assured.

Investment income is recognized on the accrual basis.

### (h) Contributed material and services

The Church receives volunteer services and assistance in carrying out its service delivery activities. Contributed services are not recognized in the financial statements due to difficulties associated with the determination of fair value. Contributed materials used in the normal course of operations that would otherwise be purchased are recognized in the financial statements at fair value when fair value can be reasonably estimated, otherwise no amounts are recognized. The total contributed materials and services recognized during the year are \$Nil (2022 - \$Nil).

### (i) Use of estimates

The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates are reviewed periodically and adjustments are recognized in the excess (deficiency) of revenue over expenses in the period they become known. Actual results may differ from these estimates.

## 3. Capital assets

	2023		
	Cost	Accumulated amortization	Net book value
Land	\$ 950,824	\$ -	\$ 950,824
Building	10,174,991	1,870,491	8,304,500
Computer equipment	61,490	49,032	12,458
Furniture and equipment	514,125	329,939	184,186
Land improvements	129,865	69,106	60,759
	<u>\$ 11,831,295</u>	<u>\$ 2,318,568</u>	<u>\$ 9,512,727</u>

# WHYTE RIDGE BAPTIST CHURCH INC.

Notes to Financial Statements

Year ended December 31, 2023

## 3. Capital assets (continued)

	2022		
	Cost	Accumulated amortization	Net book value
Land	\$ 950,824	\$ -	\$ 950,824
Building	10,174,991	1,524,349	8,650,642
Computer equipment	61,490	44,942	16,549
Furniture and equipment	514,209	283,892	230,317
Land improvements	129,865	58,383	71,482
	<u>\$ 11,831,379</u>	<u>\$ 1,911,566</u>	<u>\$ 9,919,814</u>

## 4. Deferred contributions

### General fund

Deferred contributions in the general fund relate to externally restricted contributions received for which the related expenditures have not been incurred. Changes in deferred contributions during the year are as follows:

	2023	2022
<i>Mission purposes:</i>		
Balance, beginning of year	\$ 12,481	\$ 8,856
Add: Capital contributions received during the year	36,931	3,625
Less: Amounts recognized as revenue	(46,634)	-
Balance, end of year	<u>\$ 2,778</u>	<u>\$ 12,481</u>
<i>Benevolent purposes:</i>		
Balance, beginning of year	\$ 5,446	\$ 16,650
Add: Contribu	13,314	5,336
Less: Amoun	(9,598)	(16,540)
Balance, end	<u>9,162</u>	<u>5,446</u>
Total	<u>\$ 11,940</u>	<u>\$ 17,927</u>

### Capital fund

Deferred contributions in the capital fund represent externally restricted funds that have been contributed for the purchase of capital assets. Changes in deferred capital contributions during the year are as follows:

	2023	2022
Balance, beginning of year	\$ 3,466,521	\$ 3,774,333
Add: Capital contributions received during the year	182,460	120,055
Less: Amounts recognized as revenue	(400,599)	(427,867)
Balance, end of year	<u>\$ 3,248,382</u>	<u>\$ 3,466,521</u>

# WHYTE RIDGE BAPTIST CHURCH INC.

Notes to Financial Statements

Year ended December 31, 2023

## 5. Available financing - line of credit

The Church has a line of credit available authorized to a maximum of \$75,000 (2022 - \$75,000) bearing interest at the financial institution's standard rate plus 1%. The line of credit is secured by a first charge over the land and building. As at December 31, 2023, the total amount used by the Church under this available line of credit was \$Nil (2022 - \$Nil).

## 6. Long-term debt

	2023	2022
Callable mortgage payable - payable in monthly instalments of \$17,711 including interest at 3.74%, due February 2025 [see (i) below]	\$ 2,142,535	\$ 2,522,437
Canada Emergency Business Account loan [see (ii) below]	-	40,000
	2,142,535	2,562,437
Less: Scheduled current repayments [see (iii) below]	136,000	156,000
Less: Balance of callable debt	2,006,535	2,366,437
	\$ -	\$ 40,000

- (i) The callable mortgage payable is secured by a first charge on the property located at 2405 McGillivray Boulevard, Winnipeg, Manitoba, a first charge general security agreement covering all assets of the Church, an assignment of comprehensive property loss insurance and an assignment of fire insurance coverage.
- (ii) The Canada Emergency Business Account loan is non-interest bearing with no principal payments required until December 31, 2026, at which time the loan must be repaid in full. If \$40,000 of the initial proceeds is repaid prior to January 19, 2024, the remaining \$20,000 will be forgiven; otherwise, the principal balance outstanding at January 19, 2024 is automatically converted to a term loan bearing interest at 5% with interest only payable monthly, maturing on December 31, 2026. Principal payments can be made at any time without fees or penalties. This loan was repaid during the year.
- (iii) Management does not believe that the demand feature of the callable debt will be exercised. Assuming payment of the callable debt is not demanded, approximate scheduled principal repayments over the next five years, or until maturity, are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 136,000
2025	2,006,535

## 7. Commitments

The Church has no significant non-routine operating leases or other commitments as at year end.

# WHYTE RIDGE BAPTIST CHURCH INC.

Notes to Financial Statements

Year ended December 31, 2023

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## **8. Financial risks and concentrations of risk**

Management is of the opinion that the Church is not exposed to any significant unusual or non-routine liquidity, credit, market, currency, interest rate or other price risks or concentrations of risk resulting from its financial instruments that are not readily determinable from information provided in these financial statements. The carrying value of any secured financial liabilities at year end as well as the approximate carrying value of any assets pledged as security is readily determinable from information provided in these financial statements.

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