

KAMLOOPS ALLIANCE CHURCH

Financial Statements

Year Ended June 30, 2024

KAMLOOPS ALLIANCE CHURCH

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Year Ended June 30, 2024

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of KAMLOOPS ALLIANCE CHURCH

We have reviewed the accompanying financial statements of KAMLOOPS ALLIANCE CHURCH (the Church) that comprise 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.

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 KAMLOOPS ALLIANCE CHURCH as at June 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Kamloops, British Columbia
September 5, 2024

KEY Financial Group LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

KAMLOOPS ALLIANCE CHURCH

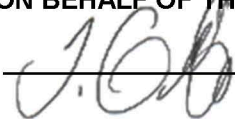
Statement of Financial Position

June 30, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 328,798	\$ 409,356
Term deposits (Note 4)	176,109	168,482
Accounts receivable	515	1,052
Goods and services tax recoverable	4,398	3,602
Prepaid expenses and deposits	36,356	34,133
	546,176	616,625
PROPERTY, PLANT AND EQUIPMENT (Note 5)	3,698,706	3,842,306
TOTAL ASSETS	\$ 4,244,882	\$ 4,458,931
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 76,041	\$ 80,618
Deferred revenue (Note 7)	21,369	43,528
TOTAL LIABILITIES	97,410	124,146
NET ASSETS		
Equity in capital assets	3,698,706	3,842,306
Restricted	16,101	16,101
Unrestricted	432,665	476,378
	4,147,472	4,334,785
TOTAL LIABILITIES AND NET ASSETS	\$ 4,244,882	\$ 4,458,931

COMMITMENTS (Note 6)

ON BEHALF OF THE BOARD



Thomas Gibson

KAMLOOPS ALLIANCE CHURCH

Statement of Operations

Year Ended June 30, 2024

	2024	2023
REVENUES		
General	\$ 1,674,971	\$ 1,514,133
Church Ministries:		
Children's	13,404	8,837
Youth and Young Adults	25,824	20,349
Adults	39,131	14,139
Care and Connections	83,140	67,124
Missions and Outreach (Note 8)	101,371	149,057
Facility Rentals	11,445	7,923
Interest income (Note 9)	24,167	16,626
	1,973,453	1,798,188
EXPENSES		
Building Operations	146,217	139,309
Church ministries:		
Communications and Creative	8,074	4,535
Production Arts	103,677	32,515
Worship Arts	4,107	3,804
Children's	15,261	7,049
Youth and Young Adults	48,593	41,516
Adults	51,611	23,560
Care and Connections	83,140	68,967
Missions and Outreach	157,952	193,436
Office and Administration	212,303	152,089
Online fees and bank charges (Note 9)	28,246	24,348
Wages and benefits (Note 10)	1,045,500	1,128,589
	1,904,681	1,819,717
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE CAPITAL RESERVE FUND OFFERINGS AND AMORTIZATION	68,772	(21,529)
OTHER INCOME (EXPENSES)		
Amortization	(322,903)	(397,934)
Capital reserve fund offerings	66,818	131,969
	(256,085)	(265,965)
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (187,313)	\$ (287,494)

KAMLOOPS ALLIANCE CHURCH

Statement of Changes in Net Assets

Year Ended June 30, 2024

	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 4,334,785	\$ 4,622,279
DEFICIENCY OF REVENUES OVER EXPENSES	(187,313)	(287,494)
NET ASSETS - END OF YEAR	\$ 4,147,472	\$ 4,334,785

KAMLOOPS ALLIANCE CHURCH

Statement of Cash Flows

Year Ended June 30, 2024

	2024	2023
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (187,313)	\$ (287,494)
Item not affecting cash:		
Amortization of property, plant and equipment	322,903	397,934
	135,590	110,440
Changes in non-cash working capital:		
Accounts receivable	537	(1,052)
Accounts payable	(4,579)	(3,231)
Deferred income	(22,159)	(17,178)
Prepaid expenses and deposits	(2,223)	(627)
Goods and services tax payable	(796)	2,972
	(29,220)	(19,116)
Cash flow from operating activities	106,370	91,324
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(179,301)	(20,801)
Term deposits	(7,627)	(4,024)
Cash flow used by investing activities	(186,928)	(24,825)
INCREASE (DECREASE) IN CASH FLOW	(80,558)	66,499
Cash - beginning of year	409,356	342,857
CASH - END OF YEAR	\$ 328,798	\$ 409,356

KAMLOOPS ALLIANCE CHURCH

Notes to Financial Statements

Year Ended June 30, 2024

1. PURPOSE OF THE ORGANIZATION

KAMLOOPS ALLIANCE CHURCH (the "Church") is a member of the Christian and Missionary Alliance - Canadian Pacific District, a Society incorporated under the Societies Act of British Columbia. The Church is a registered charity under the Income Tax Act (Canada) and accordingly is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

Accounting transactions are recorded using the restricted fund accounting method generally in use for not-for-profit organizations. A fund is established for the purpose of carrying on a specific activity or attaining certain objectives in accordance with special regulations, restrictions or limitations. The restricted fund method is used in accounting for all Funds. The Church maintains the following Funds:

- a) The Operating Fund which accounts for the Church's regular activities including but not limited to regular Ministry expenses, human resource expenses, operational supplies and building maintenance;
- b) The Capital Reserve Fund which accounts for the Church's ongoing substantial improvements and acquisitions of real property.

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 at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. All other financial instruments are subsequently reported at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument. These instruments are tested for impairment at each reporting date.

Cash and cash equivalents

The Church's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, and term deposits with a maturity period of three months or less at the date of acquisition.

(continues)

KAMLOOPS ALLIANCE CHURCH

Notes to Financial Statements

Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is based on the estimated useful life of the assets at the following rates and methods:

Buildings	25 years	straight-line method
Mechanical	12 years	straight-line method
Parking and landscaping	10 years	straight-line method
Furniture and fixtures	10 years	straight-line method
Kitchen equipment	10 years	straight-line method
Audio/visual equipment	3 years	straight-line method
Musical instruments	10 years	straight-line method
Signage	10 years	straight-line method
Maintenance equipment	5 years	straight-line method
Computer equipment	3 years	straight-line method
Computer software & licences	3 years	straight-line method

The Church reviews the useful lives and the carrying values of its capital assets at least annually or more frequently if events or changes in circumstances indicate that the assets might be impaired. When assets no longer have any long-term service potential to the organization, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceed their fair value, which is estimated as the expected service potential of the asset.

Deferred revenue

Revenue is recorded in the period to which it relates. These funds relate to amounts received prior to June 30, 2024, which are earmarked for future expenditures. Deferred revenue is recognized as revenue in the year the expenditures relating thereto are incurred.

Revenue recognition

Unrestricted contributions are recognized as revenue of the Operating Fund in the year when received or receivable, if the amount to be received can be reasonably estimated, and collection is reasonably assured. Restricted contributions are recognized as revenue of the appropriate restricted fund in the year received, unless allocated to deferred revenue. Investment income is recorded as earned. Rental income is recorded as earned when received.

Government assistance

The Church recognizes government assistance toward current expenses in the statement of earnings.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

(continues)

KAMLOOPS ALLIANCE CHURCH

Notes to Financial Statements

Year Ended June 30, 2024

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

Use of estimates

The preparation of financial statements in conformity with Canada 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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The Church is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Church's risk exposure and concentration as of June 30, 2024.

Credit risk

The Church is exposed to credit risk by its funding agencies, cost sharing partners and suppliers. The majority is from Church members and there is a large number of different suppliers. Therefore credit risk concentration is reduced to a minimum.

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. In seeking to minimize the risks from interest rate fluctuations, the Church manages exposure through its normal operating and financing activities. The Church does not believe it is subject to any significant concentration of interest risk as it has no debt.

4. TERM DEPOSITS

The Church has invested in a Loan Development Fund with the Canadian Pacific District of the Christian and Missionary Alliance in Canada. Interest is calculated at the Royal Bank of Canada's 179 day redeemable GIC rate plus 2% as of April 30th and October 31st. Interest is paid on April 30th and October 31st of each year and there is no specified maturity date. The funds are accessible at any time.

KAMLOOPS ALLIANCE CHURCH

Notes to Financial Statements

Year Ended June 30, 2024

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 1,097,312	\$ -	\$ 1,097,312	\$ 1,097,312
Buildings	4,273,073	2,194,476	2,078,597	2,249,520
Mechanical	267,851	176,557	91,294	113,567
Parking and landscaping	403,341	221,576	181,765	70,572
Furniture and fixtures	390,240	200,278	189,962	226,076
Kitchen equipment	48,628	44,164	4,464	5,827
Audio/visual equipment	507,756	482,987	24,769	44,137
Musical instruments	43,427	27,864	15,563	13,411
Signage	30,450	25,253	5,197	6,800
Maintenance equipment	27,095	25,876	1,219	2,127
Computer equipment	117,415	108,961	8,454	12,636
Computer software & licences	1,933	1,823	110	321
	\$ 7,208,521	\$ 3,509,815	\$ 3,698,706	\$ 3,842,306

The land and building are registered in the name of the Christian and Missionary Alliance - Canadian Pacific District.

6. COMMITMENTS

The Church leases a photocopier under a long-term lease which expires December 2025. Future minimum lease payments as of June 30, 2024 are as follows:

2025	\$ 2,826
2026	1,413
	<u>\$ 4,239</u>

7. DEFERRED REVENUE

Deferred revenue consists of the following offerings:

	2024	2023
New Canadian Initiative	\$ -	\$ 2,761
Student Ministry - Essentials	15,697	17,355
Community Care	4,386	18,647
Market Place Leaders	-	3,479
City Wide	1,286	1,286
	\$ 21,369	\$ 43,528

KAMLOOPS ALLIANCE CHURCH

Notes to Financial Statements

Year Ended June 30, 2024

8. MISSIONS AND OUTREACH

The missions and outreach revenues were designated as follows:

	2024	2023
Global Advance	\$ 51,635	\$ 52,735
New Canadian Initiative	16,389	23,257
Market Place Leaders	4,036	21,804
Ukraine Relief Support	-	8,957
Canadian Ministries	12,460	15,568
Local Missions	6,130	7,645
Extreme Weather Shelter	-	6,426
Local Events	8,396	3,804
Indigenous Ministries	825	1,448
Turkey Earthquake Relief	-	7,414
Short-term missions	1,500	-
	\$ 101,371	\$ 149,058

9. CASH FLOW INFORMATION

During the year, \$28,245 (2023 - \$24,348) of online fees and bank charges were disbursed and \$24,167 (2023 - \$16,626) of interest income was received.

10. EMPLOYEE REMUNERATION

During the year, two employees were paid in excess of \$75,000 for a total of \$204,457 (2023 - 2 employees for a total of \$189,321).

KAMLOOPS ALLIANCE CHURCH
SCHEDULE 1
Statement of Financial Position By Fund
June 30, 2024

ASSETS	Operating Fund	Capital Reserve Fund	2024	2023
CURRENT ASSETS:				
Cash	\$ 274,175	\$ 54,623	\$ 328,798	\$ 409,356
Term deposits	176,109	-	176,109	168,482
Accounts receivable	515	-	515	1,052
Goods and services tax receivable	4,372	26	4,398	3,602
Prepaid expenses and deposits	<u>31,356</u>	<u>5,000</u>	<u>36,356</u>	<u>34,133</u>
	486,527	59,649	546,176	616,625
 PROPERTY, PLANT AND EQUIPMENT (Note 5)	 <u>55,310</u>	 <u>3,643,396</u>	 <u>3,698,706</u>	 <u>3,842,306</u>
	\$ 541,837	\$ 3,703,045	\$ 4,244,882	\$ 4,458,931

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 76,041	\$ -	\$ 76,041	\$ 80,618
Deferred revenue (Note 7)	<u>21,369</u>	<u>-</u>	<u>21,369</u>	<u>43,528</u>
	97,410	-	97,410	124,146

NET ASSETS

Equity in capital assets	55,310	3,643,396	3,698,706	3,842,306
Restricted	26	16,075	16,101	16,101
Unrestricted	<u>389,091</u>	<u>43,574</u>	<u>432,665</u>	<u>476,378</u>
Ending	<u>444,427</u>	<u>3,703,045</u>	<u>4,147,472</u>	<u>4,334,785</u>
	\$ 541,837	\$ 3,703,045	\$ 4,244,882	\$ 4,458,931

KAMLOOPS ALLIANCE CHURCH
Schedule 2
Statement of Operations By Fund
Year ended June 30, 2024

	Operating Fund	Capital Reserve Fund	2024	2023
REVENUES:				
General	\$ 1,674,971	\$ -	\$ 1,674,971	\$ 1,514,133
Church ministries:				
Children's	13,404	-	13,404	8,837
Youth and Young Adults	25,824	-	25,824	20,349
Adults	39,131	-	39,131	14,139
Care and Connections	83,140	-	83,140	67,124
Missions and Outreach (Note 8)	101,371	-	101,371	149,057
Facility Rentals	11,445	-	11,445	7,923
Interest income (Note 9)	20,706	3,461	24,167	16,626
Government assistance (Note 10)	-	-	-	-
Loss on disposal of assets	-	-	-	-
	<u>1,969,992</u>	<u>3,461</u>	<u>1,973,453</u>	<u>1,798,188</u>
EXPENSES:				
Building Operations	146,217	-	146,217	139,309
Church ministries:				
Communications and Creative	8,074	-	8,074	4,535
Production Arts	103,677	-	103,677	32,515
Worship Arts	4,107	-	4,107	3,804
Children's	15,261	-	15,261	7,049
Youth and Young Adults	48,593	-	48,593	41,516
Adults	51,611	-	51,611	23,560
Care and Connections	83,140	-	83,140	68,967
Missions and Outreach	157,952	-	157,952	193,436
Office and Administration	212,303	-	212,303	152,089
Online fees and bank charges (Note 9)	28,246	-	28,246	24,348
Wages and benefits (Note 11)	1,045,500	-	1,045,500	1,128,589
	<u>1,904,681</u>	<u>-</u>	<u>1,904,681</u>	<u>1,819,717</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE CAPITAL RESERVE FUND OFFERINGS AND AMORTIZATION	65,311	3,461	68,772	(21,529)
Amortization	(47,875)	(275,028)	(322,903)	(397,934)
Capital reserve fund offerings	-	66,818	66,818	131,969
	<u>(47,875)</u>	<u>(208,210)</u>	<u>(256,085)</u>	<u>(265,965)</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>17,436</u>	<u>(204,749)</u>	<u>(187,313)</u>	<u>(287,494)</u>
NET ASSETS, begininng of year	426,767	3,908,018	4,334,785	4,622,279
INTERFUND TRANSFERS	<u>224</u>	<u>(224)</u>	<u>-</u>	<u>-</u>
NET ASSETS, end of year	<u>\$ 444,427</u>	<u>\$ 3,703,045</u>	<u>\$ 4,147,472</u>	<u>\$ 4,334,785</u>