

McDougall United Church
Financial Statements
December 31, 2023

Compilation Engagement Report

To Management of McDougall United Church

On the basis of information provided by management, I have compiled the statement of operations of McDougall United Church as at December 31, 2023, the statement of operations, the statement of cash flows, the statement of restricted McDougall Foundation Fund, and statement of changes in fund balances for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information (“financial information”).

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

I performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

I did not perform an audit engagement or a review engagement, nor was I required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Okotoks, Alberta
February 12, 2024

Cornerstone Professional Corporation
Chartered Professional Accountant

McDougall United Church
Statement of Financial Position
December 31, 2023

| | <u>2023</u> | Statement A <u>2022</u> |
|--|----------------------------|-----------------------------------|
| <u>Assets</u> | | |
| Current | | |
| Cash and GIC investments | | |
| Unrestricted | \$ 50,320 | \$ 116,437 |
| Restricted by church | 59,000 | 59,000 |
| Restricted by donors | <u>82,100</u> | <u>73,576</u> |
| | 191,420 | 249,013 |
| Accounts receivable | - | - |
| GST receivable | <u>2,519</u> | <u>1,327</u> |
| Total current assets | 193,939 | 250,340 |
| Capital | <u>2,722,261</u> | <u>2,805,297</u> |
| Total assets | \$ <u><u>2,916,200</u></u> | \$ <u><u>3,055,637</u></u> |
| <u>Liabilities and Net Assets</u> | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 2,810 | \$ 2,277 |
| Deposits received | 2,451 | 2,510 |
| CEBA bank loan | <u>-</u> | <u>40,000</u> |
| Total liabilities | <u>5,261</u> | <u>44,787</u> |
| Net Assets | | |
| Unrestricted funds | 957 | 26,356 |
| Reserve funds | 59,000 | 59,000 |
| Donor restricted funds | 82,100 | 73,577 |
| Capital fund | <u>2,768,882</u> | <u>2,851,917</u> |
| Total net assets | <u>2,910,939</u> | <u>3,010,850</u> |
| Total Liabilities and Net Assets | \$ <u><u>2,916,200</u></u> | \$ <u><u>3,055,637</u></u> |

Approved on behalf of the Board

McDougall United Church
Statement of Operations
For the Year Ended December 31, 2023

| | <u>2023</u> | Statement B <u>2022</u> |
|---|---------------------|-----------------------------------|
| Operating Income | | |
| Congregation contributions | | |
| Regular offering | \$ 330,963 | \$ 347,954 |
| Mission and service | <u>29,743</u> | <u>93,434</u> |
| Contribution Income | 360,706 | 441,388 |
| Other | | |
| Interest income | 9,222 | 3,511 |
| Fundraising income (net) | 11 | (73) |
| Gift Card Commission | 625 | 1,174 |
| Extraordinary building repairs income | 96,000 | - |
| Rental income | 69,306 | 56,083 |
| Funeral/wedding income | <u>850</u> | <u>1,666</u> |
| Total Income | <u>536,720</u> | <u>503,749</u> |
| Operating Expenditures | | |
| Outreach | 29,144 | 92,694 |
| Ministry and personnel | 280,150 | 278,310 |
| Pastoral Care Evangelism | 624 | 621 |
| Christian Education | 2,664 | 3,505 |
| Office Expenses | 14,532 | 23,233 |
| Stewardship and Finance | 18,697 | 16,831 |
| Affirming Committee | 419 | 1,885 |
| Building and Grounds | 112,780 | 82,609 |
| Communications | 592 | 1,262 |
| Worship and Music | 6,295 | 3,352 |
| Extraordinary building repairs | <u>96,222</u> | <u>-</u> |
| Total Expenses | <u>562,119</u> | <u>504,302</u> |
| Operating income before amortization of capital assets | (25,399) | (553) |
| Amortization of capital assets | <u>83,035</u> | <u>83,035</u> |
| Deficiency of income over expenditures for the year | \$ <u>(108,434)</u> | \$ <u>(83,588)</u> |

McDougall United Church
Statement of Cash Flows
For the Year Ended December 31, 2023

| | <u>2023</u> | Statement C <u>2022</u> |
|--|--------------------------|-----------------------------------|
| Cash provided by | | |
| Operations | | |
| (Deficiency) excess of income over expenditures | \$ (108,434) | \$ (83,588) |
| Items not requiring cash outlay | | |
| Amortization of capital assets | 83,035 | 83,035 |
| Changes in non-cash working capital | <u>(718)</u> | <u>(387)</u> |
| Increase (decrease) of cash and GIC investments from general operations | (26,117) | (940) |
| Increase (decrease) of cash and GIC investments from restricted funds operations | <u>8,523</u> | <u>(6,024)</u> |
| | (17,594) | (6,964) |
| Financing | | |
| CEBA loan repaid | (40,000) | - |
| Non-operating cash uses | | |
| Investment in building, land, and equipment | <u>-</u> | <u>-</u> |
| Net increase (decrease) in cash and GIC investments | (57,594) | (6,964) |
| Cash and GIC investments - beginning of year | <u>249,014</u> | <u>255,977</u> |
| Cash and GIC investments - end of year | \$ <u><u>191,420</u></u> | \$ <u><u>249,013</u></u> |

McDougall United Church
Statement of Restricted McDougall Foundation Fund
For the Year Ended December 31, 2023

| | <u>2023</u> | Statement D <u>2022</u> |
|--|----------------------------|-----------------------------------|
| Revenue | | |
| McDougall United Church Foundation - Congregation Donations | \$ 3,875 | \$ 300 |
| | <hr/> | <hr/> |
| Payments | | |
| McDougall United Church Foundation | - | 2,375 |
| | <hr/> | <hr/> |
| Excess of revenue over payments | 3,875 | (2,075) |
| Opening Balance | 25 | 2,100 |
| Transfer from project fund | <hr/> | <hr/> |
| Ending Balance | \$ <u><u>3,900</u></u> | \$ <u><u>25</u></u> |

McDougall United Church
Statement of Changes in Fund Balances
For the year ended December 31, 2023

Statement E

| | <u>Unrestricted</u> | <u>McDougall Foundation</u> | <u>Restricted by Church</u> | <u>Restricted by Donor</u> | <u>Investments in Building, land and equipment</u> | <u>2023</u> |
|------------------------------|---------------------|---------------------------------|---------------------------------|--------------------------------|--|---------------------|
| Fund balances, start of year | \$ 26,356 | \$ 25 | \$ 59,000 | \$ 73,552 | \$ 2,851,917 | \$ 3,010,850 |
| Income/(loss) | (108,434) | 3,875 | - | 4,648 | - | (99,911) |
| Transfers | 83,035 | - | - | - | (83,035) | - |
| Additions to capital assets | | | | | | |
| General funds | - | - | - | - | - | - |
| Restricted funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | \$ <u>957</u> | \$ <u>3,900</u> | \$ <u>59,000</u> | \$ <u>78,200</u> | \$ <u>2,768,882</u> | \$ <u>2,910,939</u> |

McDougall United Church
Statement of Changes in Fund Balances
For the year ended December 31, 2023

| | Statement F | | | | | | |
|---------------------------------------|-------------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|-------------------------|
| | Balance | Receipts | Transfers | Expenditures | | Balance | |
| | Dec 31 | | | McDougall | Capital | Total | Dec 31 |
| | <u>2022</u> | <u>2023</u> | <u>2023</u> | <u>Programs</u> | <u>Assets</u> | <u>2023</u> | <u>2023</u> |
| Christian Education | | | | | | | |
| Camp Kasota | \$ 2,257 | \$ 4,528 | \$ - | \$ 3,950 | \$ - | \$ 3,950 | \$ 2,835 |
| Messy Church Mural Grant | - | 4,600 | - | 4,029 | - | 4,029 | 571 |
| Scholarship/bequests | 15,434 | 2,301 | - | 8,100 | - | 8,100 | 9,635 |
| | <u>17,691</u> | <u>11,429</u> | <u>-</u> | <u>16,079</u> | <u>-</u> | <u>16,079</u> | <u>13,041</u> |
| Outreach | | | | | | | |
| Christmas hampers | 3,349 | 3,285 | - | 5,550 | - | 5,550 | 1,084 |
| Feed hungry dinner | 850 | 2,894 | - | 3,000 | - | 3,000 | 744 |
| Inn from the cold | 558 | - | - | - | - | - | 558 |
| | <u>4,757</u> | <u>6,179</u> | <u>-</u> | <u>8,550</u> | <u>-</u> | <u>8,550</u> | <u>2,386</u> |
| Pastoral Care & Evangelism | | | | | | | |
| Benevolent | 710 | 200 | - | 100 | - | 100 | 810 |
| Healing Pathways | 791 | - | - | 300 | - | 300 | 491 |
| Intergenerational Program | - | 4,995 | - | - | - | - | 4,995 |
| Memorial Garden | 2,179 | 403 | - | 261 | - | 261 | 2,321 |
| | <u>3,680</u> | <u>5,598</u> | <u>-</u> | <u>661</u> | <u>-</u> | <u>661</u> | <u>8,617</u> |
| Worship & Music | | | | | | | |
| General decorating | 75 | - | - | 21 | - | 21 | 54 |
| Memorial fund | 5,473 | 885 | - | 1,523 | - | 1,523 | 4,835 |
| Worship & music | 797 | - | - | - | - | - | 797 |
| | <u>6,345</u> | <u>885</u> | <u>-</u> | <u>1,544</u> | <u>-</u> | <u>1,544</u> | <u>5,686</u> |
| Other | | | | | | | |
| Acadia Pantry | 12,566 | 26,110 | - | 22,340 | - | 22,340 | 16,336 |
| Affirming fund | 1,664 | 353 | - | - | - | - | 2,017 |
| Church-ish income | 1,938 | - | - | - | - | - | 1,938 |
| Embracing the Spirit 2022 | 4,067 | - | - | 4,041 | - | 4,041 | 26 |
| Indigenous Healing Grant | - | 15,656 | - | 12,175 | - | 12,175 | 3,481 |
| Labyrinth | 600 | - | - | - | - | - | 600 |
| Men's club | 1,547 | - | - | - | - | - | 1,547 |
| Refugee fund | 15,241 | 5,683 | - | 7,962 | - | 7,962 | 12,962 |
| Right Relations | 1,707 | 2,019 | - | 1,200 | - | 1,200 | 2,526 |
| Special donations | 1,074 | 8,313 | - | 3,000 | - | 3,000 | 6,387 |
| Youth fund | 675 | - | - | 25 | - | 25 | 650 |
| | <u>41,079</u> | <u>58,134</u> | <u>-</u> | <u>50,743</u> | <u>-</u> | <u>50,743</u> | <u>48,470</u> |
| Total | \$ <u>73,552</u> | \$ <u>82,225</u> | \$ <u>-</u> | \$ <u>77,577</u> | \$ <u>-</u> | \$ <u>77,577</u> | \$ <u>78,200</u> |

McDougall United Church
Notes to the Financial Statements
For the Year Ended December 31, 2023

Schedule 1

1. Basis of accounting

The basis of accounting applied in the preparation of the statement of financial position of McDougall United Church as at December 31, 2023, and the statement of operations for the year then ended, reflects cash transactions with the addition of:

- amounts receivable
- investments recorded at cost
- capital assets amortized on a straight line basis
- accounts payable and accrued liabilities

2. Summary of significant accounting policies

Restricted by church

In 1995, McDougall United Church passed a resolution to transfer \$36,000 to an operating reserve fund. The balance of this fund at December 31, 2023, is \$40,000 (2022 - \$40,000)

Restricted by donor

McDougall United Church receives contributions designated to specific ministries. These funds are commingled with the unrestricted and restricted by church funds, but are accounted for within their respective fund.

Goods and services tax

The church as a charitable entity is entitled to obtain a refund of 50% of the GST paid. This amount has been allocated to the expense to which it pertains.

3. Building, land, and equipment

The building prior to 2006 is recorded at carried value and the additions are at cost, furniture and equipment prior to 2007 were written off in the year acquired, additions subsequent to 2006 are recorded at cost.

Buildings are amortized on a straight-line basis with an estimated useful life of 50 years and furniture and equipment are amortized on a straight line basis with an estimated useful life of 25 years.

| | Cost | Accum. Amort. | Net Book Value |
|----------------------------|--------------|------------------|-------------------|
| Land | \$ 18,000 | \$ - | \$ 18,000 |
| Building | | | |
| Prior to 2006 | 481,811 | | |
| Addition 2017 | 3,404,061 | | |
| | 3,885,872 | 1,242,966 | 2,642,906 |
| Furniture and Equipment | 132,945 | 71,589 | 61,356 |
| | \$ 4,036,817 | \$ 1,314,555 | \$ 2,722,262 |