

# **Red Deer Lake United Church**

## **2022 Financial Statements**

## Review Engagement Report

I have reviewed the statement of financial position of Red Deer Lake United Church as at December 31,2022, and the statement of operations and the statement of changes in the fund balances for the year then ended. My review was made in accordance with Section 6.3 of the United Church of Canada "Financial Handbook for Congregations 2017" and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by Red Deer Lake United Church.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Section 6.3 of the United Church of Canada "Financial Handbook for Congregations 2017.

Date: February 14,2022

A handwritten signature in black ink that reads "Karen Clark". The signature is written in a cursive style with a large, prominent "K" and "C".

Karen Clark  
CGA,CPA

**Red Deer Lake United Church**  
**Balance Sheet Comparison**  
**As of December 31, 2022**  
*(Unaudited)*

	Operating Fund	Internally Restricted Funds	Externally Restricted Funds	Total 2022	Total 2021
<b>ASSETS</b>					
<b>Current</b>					
Cash and cash equivalents (Note 1 and 2)	\$ 125,310	\$113,181	\$ 22,801	\$ 261,292	\$ 307,479
Goods and service tax recoverable	1,259			1,259	1,406
Accounts receivable	8,095			8,095	5,378
	134,664	113,181	22,801	270,646	314,263
<b>Fixed Assets (Note 3)</b>	3,223,233	-	-	3,223,233	3,223,233
<b>TOTAL ASSETS</b>	<b>\$3,357,897</b>	<b>\$113,181</b>	<b>\$22,801</b>	<b>\$3,493,879</b>	<b>\$3,537,496</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	4,112			4,112	17,569
Current portion of long term debt (Note 5)	25,300			25,300	24,254
Deferred Revenue (Note 4 and 8)	1,905		6,000	7,905	7,964
	31,317	-	6,000	37,317	49,788
<b>Long-term Liabilities (Note5)</b>	233,927		16,801	250,728	276,376
<b>Investment in property (Note 6)</b>	2,554,087			2,554,087	2,538,995
<b>United Church of Canada Deferred Mortgage (Note 7)</b>	393,118			393,118	383,607
<b>Fund balances (See statement of Changes in Fund Balances)</b>	145,449	113,181		258,629	288,729
	<b>\$ 3,357,897</b>	<b>\$ 113,181</b>	<b>\$ 22,801</b>	<b>\$3,493,879</b>	<b>\$3,537,495</b>

**Red Deer Lake United Church**  
**Receipts and Disbursements Statement**  
**January - December 2022**  
*(Unaudited)*

	Jan - Dec. 2022	Jan - Dec. 2021	Change	% Change
<b>Receipts</b>				
<b>Donations</b>				
Operating	\$260,422	\$250,115	\$10,307	4.12%
Mission & Service Fund	8,215	10,655	(2,440)	-22.90%
Capital Fund	360	360	0	0.00%
Memorial Fund	1,095	7,545	(6,450)	-85.49%
Planned Giving Fund	1,187	727	460	63.19%
Other Donations	0	(1,000)	1,000	-100.00%
<b>Total Donations</b>	<b>\$271,279</b>	<b>\$268,403</b>	<b>\$2,877</b>	<b>1.07%</b>
<b>Building Usage</b>				
Memorials	3,839	(425)	4,264	-1003.20%
Weddings		500	(500)	-100.00%
Building Rentals	36,960	16,794	20,166	120.08%
<b>Total Building Usage</b>	<b>\$40,799</b>	<b>\$16,869</b>	<b>\$23,930</b>	<b>141.86%</b>
<b>Fundraising</b>				
Turkey Supper	\$7,803	\$0	\$7,803	
Silent Auction	7,407		7,407	
Handcraft Market	4,046		4,046	
Poinsettias and Wreaths	560		560	
Fundscrip	1,406	1,362	44	3.22%
OTE Concerts	13,427	14,382	(955)	-6.64%
<b>Total Fundraising</b>	<b>\$34,649</b>	<b>\$15,744</b>	<b>\$18,905</b>	<b>-3.41%</b>
<b>Program Receipts</b>				
Community	\$0	\$393	-\$393	-100.00%
Congregational Care	1,527	3,275	(1,748)	-53.38%
Faith & Spirituality	0	20	(20)	-100.00%
Hospitality	1,122	109	1,013	929.92%
Property	10,470	856	9,614	1123.02%
Outreach	984	779	204	26.21%
Administration	1,411	565	846	149.66%
<b>Total Program Receipts</b>	<b>\$15,514</b>	<b>\$5,998</b>	<b>\$9,516</b>	<b>1975.43%</b>



**Red Deer Lake United Church**  
**Receipts and Disbursements Statement**  
**January - December 2022**  
*(Unaudited)*

	Jan - Dec. 2022	Jan - Dec. 2021	Change	% Change
Other Receipts				
Interest	\$740	\$329	\$412	125.28%
Grants (Note 8)	6,423	101,333	(94,910)	-93.66%
Total Other Receipts	\$7,163	\$101,661	-\$94,498	-92.95%
<b>Total Receipts</b>	<b>\$369,404</b>	<b>\$408,675</b>	<b>-\$39,271</b>	<b>-9.61%</b>
Operating Disbursements				
Administration	\$9,857	\$15,202	-\$5,345	-35.16%
Board	600	1,806	(1,206)	-66.78%
Communication	1,764	1,773	(9)	-0.52%
Community	1,000	1,178	(178)	-15.10%
Congregational Care	5,329	21,714	(16,385)	-75.46%
Faith & Spirituality	630	686	(56)	-8.16%
Finance	8,067	4,303	3,764	87.46%
Hospitality	3,692	210	3,481	1654.25%
Ministry & Personnel	220,289	248,583	(28,295)	-11.38%
Mission & Service	8,215	10,655	(2,440)	-22.90%
United Church of Canada National Assessment	14,657	17,896	(3,239)	-18.10%
United Church of Canada Regional Assessment	733		733	
Property	32,151	17,453	14,699	84.22%
Utilities	19,955	14,925	5,030	33.70%
Insurance	29,088	20,337	8,752	43.03%
Worship	3,444	3,580	(137)	-3.81%
Affirm	550	148	402	270.76%
<b>Total Operating Disbursements</b>	<b>\$360,020</b>	<b>\$380,450</b>	<b>-\$20,430</b>	<b>-5.37%</b>
<b>Total Receipts less Operating Disbursements</b>	<b>\$9,384</b>	<b>\$28,225</b>	<b>-\$18,841</b>	<b>-66.75%</b>
Long-term loan interest expense	\$13,984	\$13,453	\$531	3.94%
Surplus (Deficit)	-\$4,600	\$14,772	-\$19,372	-131.14%
Long-term loan principal payments	24,603	23,131	1,471	6.36%
<b>Total Surplus (Deficit)</b>	<b>-\$29,202</b>	<b>-\$8,359</b>	<b>-\$20,843</b>	<b>249.34%</b>

**Statement of Changes in Fund Balances**  
**Year Ended December 31, 2022**  
*(Unaudited)*

	Opening 2022	Receipts	Expenses	Interfund transfer in	Interfund transfer out	Closing 2022
<b>Unrestricted Fund</b>						
Operating Fund	\$ 150,359	\$326,966	\$389,822	\$59,016	\$1,070	\$145,449
<b>Internally Restricted Funds</b>						
Capital Fund	14,314	360	0	0	0	14,674
Concert Series (Note 9)	18,622	32,189	18,038	0	10,100	22,673
Fund raising	0	18,303	179	0	18,124	0
Healing Ministry	2,802	0	12	0	0	2,790
Ladies Group	4,382	0	1,000	0	0	3,382
Memorial Fund	17,176	132	1	1,070	5,040	13,337
Men's Breakfast	748	0	0	0	0	748
Mission and Service Fund	-	8,215	8,215	0	0	-
Outreach Fund	7,458	875	100	0	1,150	7,083
People's Fund	-	0	-	0	0	-
Planned Giving Fund (Note 10)	71,970	1,125	0	0	24,603	48,492
<b>Total Internally Restricted Fund Balances</b>	<b>\$137,474</b>	<b>\$61,199</b>	<b>\$27,545</b>	<b>\$1,070</b>	<b>\$59,016</b>	<b>\$113,181</b>
<b>Externally Restricted Funds</b>						
	0					0
<b>Total Externally Restricted Fund Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Restricted Fund Balances</b>	<b>\$ 137,474</b>	<b>\$ 61,199</b>	<b>\$ 27,545</b>	<b>\$ 1,070</b>	<b>\$ 59,016</b>	<b>\$ 113,181</b>
<b>Total Fund Balances</b>	<b>\$287,833</b>	<b>\$388,165</b>	<b>\$417,368</b>	<b>\$60,086</b>	<b>\$60,086</b>	<b>\$258,630</b>

**RED DEER LAKE UNITED CHURCH**  
**Notes to the Financial Statements**  
**December 31, 2022**  
*(Unaudited)*

**Notes:**

**1 Cash and cash equivalents**

- a) Funds are kept in chequing accounts, interest bearing savings accounts and Guaranteed Investment Certificates
- b) The line of credit available from the Canadian Western Bank for the operating bank account is \$50,000 of which \$6,500 is reserved for credit cards.

**2 Restricted Cash**

- a) Internally Restricted: The Red Deer Lake Board has reserved \$113,181 of it's financial resources for certain purposes as shown in the Statement of Changes in Fund Balances
- b) Externally restricted: In 2022, a Seniors Support Grant of \$6,000 was received from the United Church Chinook Winds Region and was put into Deferred Revenue.
- c) Capital Funds are committed to capital projects. Capital projects priorities are subject to approval by the Church Board.
- d) \$16,801 is held in a separate bank account for future loan payments to Canadian Western Bank.

**3 Fixed Assets**

- a) The Fixed Assets costs relate to those incurred from 2003 to date.

Land	\$ 21,079
Buildings, Fixtures and Equipment	3,202,154
Estimated Volunteer labour	368,585
Sub-total	<u>3,591,818</u>
Less notional Volunteer labour contribution	<u>(368,585)</u>
	<u><u>\$ 3,223,233</u></u>

- b) The congregation holds title to the property through the Trustees of the congregation for as long as the congregation exists as a United Church congregation.

If, at some future date, the congregation were disbanded the property would revert to The United Church of Canada (through Chinook Winds Region). The United Church of Canada has registered a mortgage against the property. (See Note 7) The United Church of Canada's reversionary interest in congregational property was granted under The United Church of Canada Act, 1925, as a matter of public law. The reversionary interest would only ever take effect if the congregation ceased to exist.

The terms upon which the trustees hold title to the property are set out in the Trusts of Model Deed, which was a schedule to The United Church of Canada Act, 1925. Those terms are elaborated upon in The Manual. There is also a Trustees' Handbook, which provides more information and guidance.

The approval of Chinook Winds Region is required for every sale, mortgage, lease, or other major dealing with congregational property.

For as long as the congregation is in existence, the usual practice is for the congregation to record property value on its financial statements.

No depreciation has been recorded in these financial statements. Accordingly, the Church no longer capitalizes costs unless they were to represent major development projects.

- c) The church buildings and contents are insured for \$8,800,000. (2021: \$8,462,500)

**4 Deferred Revenue**

Building usage	\$ 1,905
Chinook Winds Region Grant for Senior's support packages and Transportation	6,000
	<u>\$ 7,905</u>



**RED DEER LAKE UNITED CHURCH**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(Unaudited)**

**5 Long-term liabilities**

Canadian Western Bank	\$ 246,028	a)
Less estimated principal portion due within the next 12 months	(25,300)	
	220,728	
Chinook Winds Region	30,000	b)
	\$ 250,728	

a) Canadian Western Bank

Monthly payments: \$3,449 (Principal and interest)

Interest rate: Variable

Security: Church land and buildings

b) Chinook Winds Region

The loan is interest free and repayable after all current long-term loans have been repaid.

**6 Net investment in property has been funded by the following sources**

Chinook Winds Region	\$ 306,800	
Midlands United Church (Amalgamated with RDLUC January 1, 2008)	499,114	
Red Deer Lake United Church	1,748,173	
	\$ 2,554,087	

**7 United Church of Canada Deferred Mortgage**

During 2014 the United Church of Canada Loan was restructured with no further cash payments.

An escalating claim has been registered on title in the form of a non performing mortgage.

The claim will increase at 3% simple interest (\$9,511) per annum, capped at a maximum of two times the 2014 loan balance.

The mortgage becomes payable if ministry stops.

Chinook Winds Region Council has a commitment to allocate a portion of any surplus funds arising from asset sales towards mortgage payment and resultant investment in new ministry.

At the end of each year (commencing in 2015) \$9,511 will be transferred from Unrestricted funds to the Restricted Net Assets - United Church of Canada Mortgage until the cap of \$634,060 is reached.

**8 Grants**

Funds received during year from the federal government for the wage subsidy under the Tourism & Hospitality Recovery Program in the amount of \$5,874.24.

There was \$548 left from 2021 Seniors' Support Grants that was used during 2022. During 2022 a grant for the Seniors' Support and Transportation Program was received from Chinook Winds Region; this is recorded in deferred revenue pending it being used during 2023.

**9 Concert Series**

The Concert Series receipts include a Alberta Foundation for the Arts grant of \$2,100 for the On The Edge Concert Series.

**10 Planned Giving Fund**

As set out in the Planned Giving Policy, only up to 50% of undesignated donations received by the Planned Giving Fund may be available for distribution during the following year and the balance in the second year.

As at December 31, 2022 there are no such restrictions on these funds which are administered by the Trustees.