

**Riverwood Church Community Inc.**  
**Financial Statements**  
*December 31, 2024*

To the Members of Riverwood Church Community Inc.:

## Qualified Opinion

We have audited the financial statements of Riverwood Church Community Inc. (the "Church"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Church as at December 31, 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.

## Basis for Qualified Opinion

In common with many charitable organizations, the Church derives revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation revenue was limited to the amounts recorded in the records of the Church and we were not able to determine whether any adjustments might be necessary to donation revenue, current assets or net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Church in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Other Matter - Basis of Accounting and Restriction on Distribution or Use

Without modifying our opinion, we draw attention to Note 2, which describes the basis of accounting. The financial statements have been prepared by management to comply with the mortgage agreement dated April 12, 2021 between Riverwood Church Community Inc. and Canada Mortgage Housing Corporation (C.M.H.C.). As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Members of River Church Community Inc. and C.M.H.C. and should not be used by parties other than the Members of Riverwood Church Community Inc. or C.M.H.C.

## Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Church's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Church or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Church's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Church's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Church to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Winnipeg, Manitoba

March 19, 2025

*MNP LLP*

Chartered Professional Accountants

**Riverwood Church Community Inc.**  
**Statement of Financial Position**

*As at December 31, 2024*

	<i>General Fund</i>	<i>Eswatini</i>	<i>Capital Fund</i>	<i>Refugee Collective Fund</i>	<i>Community Fund</i>	<i>Riverwood House Fund</i>	<b>2024</b>	<b>2023</b>
<b>Assets</b>								
<b>Current</b>								
Cash (Note 3)	1,610,519	-	-	-	-	451,140	<b>2,061,659</b>	1,738,203
Restricted cash for replacement reserve	-	-	-	-	-	22,859	<b>22,859</b>	11,356
Accounts receivable	1,275	-	-	-	-	181,912	<b>183,187</b>	162,498
Due from (to) Funds	(178,272)	91,144	14,136	52,747	32,903	(12,658)	-	-
GST receivable	6,577	-	-	-	-	1,839	<b>8,416</b>	7,492
Prepaid expenses and deposits	29,111	-	-	-	-	16,277	<b>45,388</b>	47,919
Short-term investments (Note 4)	-	-	-	-	-	526,545	<b>526,545</b>	200,000
	<b>1,469,210</b>	<b>91,144</b>	<b>14,136</b>	<b>52,747</b>	<b>32,903</b>	<b>1,187,914</b>	<b>2,848,054</b>	2,167,468
<b>Long-term Investments (Note 4)</b>	-	-	-	-	-	1,400,000	<b>1,400,000</b>	1,500,000
<b>Capital assets (Note 5)</b>	4,784,095	-	-	-	-	8,082,450	<b>12,866,545</b>	12,999,247
<b>Construction in progress (Note 6)</b>	9,450	-	-	-	-	-	<b>9,450</b>	2,224
	<b>6,262,755</b>	<b>91,144</b>	<b>14,136</b>	<b>52,747</b>	<b>32,903</b>	<b>10,670,364</b>	<b>17,124,049</b>	16,668,939

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*The accompanying notes are an integral part of these financial statements*

**Riverwood Church Community Inc.**  
**Statement of Financial Position**

*As at December 31, 2024*

	<i>General Fund</i>	<i>Eswatini</i>	<i>Capital Fund</i>	<i>Refugee Collective Fund</i>	<i>Community Fund</i>	<i>Riverwood House Fund</i>	<i>2024</i>	<i>2023</i>
<b>Liabilities</b>								
<b>Current</b>								
Accounts payable and accruals (Note 7)	160,304	-	-	-	-	83,957	<b>244,261</b>	201,677
Deferred contributions	13,377	-	-	-	-	-	<b>13,377</b>	11,864
Deferred rental income	-	-	-	-	-	18,376	<b>18,376</b>	5,700
Current portion of term loan due on demand (Note 8)	41,711	-	-	-	-	-	<b>41,711</b>	21,774
Current portion of long-term debt (Note 9)	-	-	-	-	-	427,919	<b>427,919</b>	427,575
	<b>215,392</b>	-	-	-	-	<b>530,252</b>	<b>745,644</b>	668,590
Term loan due on demand (Note 8)	913,972	-	-	-	-	-	<b>913,972</b>	965,295
	<b>1,129,364</b>	-	-	-	-	<b>530,252</b>	<b>1,659,616</b>	1,633,885
<b>Long-term debt (Note 9)</b>	-	-	-	-	-	4,569,053	<b>4,569,053</b>	4,935,999
<b>Deferred contributions (Note 10)</b>	-	-	-	-	-	292,612	<b>292,612</b>	340,607
	<b>1,129,364</b>	-	-	-	-	<b>5,391,917</b>	<b>6,521,281</b>	6,910,491
<b>Net Assets</b>								
Unrestricted	893,928	-	-	-	-	2,327,723	<b>3,221,651</b>	2,782,292
Invested in long-lived assets (Note 11)	3,837,863	-	-	-	-	2,792,865	<b>6,630,728</b>	6,310,221
Internally restricted (Note 12) (Note 13)	401,600	-	-	-	-	135,000	<b>536,600</b>	470,985
Externally restricted	-	91,144	14,136	52,747	32,903	-	<b>190,930</b>	183,594
Replacement reserve (Note 14)	-	-	-	-	-	22,859	<b>22,859</b>	11,356
	<b>5,133,391</b>	<b>91,144</b>	<b>14,136</b>	<b>52,747</b>	<b>32,903</b>	<b>5,278,447</b>	<b>10,602,768</b>	9,758,448
	<b>6,262,755</b>	<b>91,144</b>	<b>14,136</b>	<b>52,747</b>	<b>32,903</b>	<b>10,670,364</b>	<b>17,124,049</b>	16,668,939

Approved on behalf of the Board of Elders

*"Signed by Jay Biber"*

Elder

*"Signed by Kristin Kuik"*

Elder

*The accompanying notes are an integral part of these financial statements*

**Riverwood Church Community Inc.**  
**Statement of Operations**

*For the year ended December 31, 2024*

	<i>General Fund</i>	<i>Eswatini</i>	<i>Capital Fund</i>	<i>Refugee Collective Fund</i>	<i>Community Fund</i>	<i>Riverwood House Fund</i>	<i>2024</i>	<i>2023</i>
<b>Revenue</b>								
Donations	2,424,286	121,977	3,243	12,073	20,554	302,228	2,884,361	2,656,193
Interest	38,535	-	-	-	-	484,197	522,732	417,786
Other	172,337	9,290	-	-	390	37,150	219,167	171,131
Government assistance (Note 15)	28,131	-	-	-	2,190	439,200	469,521	478,245
Manitoba employment and income assistance (EIA)	-	-	-	-	-	75,549	75,549	63,427
Canada Manitoba Housing Benefit (CMHB)	-	-	-	-	-	121,347	121,347	104,667
Rental income	-	-	-	-	-	90,673	90,673	62,255
	<b>2,663,289</b>	<b>131,267</b>	<b>3,243</b>	<b>12,073</b>	<b>23,134</b>	<b>1,550,344</b>	<b>4,383,350</b>	<b>3,953,704</b>
<b>Expenses</b>								
Administrative	165,365	-	-	-	-	48,257	213,622	187,987
Allocation to replacement reserve	-	-	-	-	-	11,503	11,503	2,046
Amortization	207,088	-	-	-	-	23,326	230,414	212,714
Bad debts	-	-	-	-	-	-	-	1,687
Compensation	1,425,365	-	-	-	-	383,060	1,808,425	1,607,277
Facilities	253,552	-	-	-	-	183,402	436,954	348,868
Interest	71,916	-	-	-	-	42,303	114,219	119,861
Missions	59,398	129,059	-	12,004	1,661	-	202,122	175,926
Programming	303,182	-	-	-	148	153,084	456,414	372,473
Weekend services	90,862	-	-	-	-	-	90,862	89,062
	<b>2,576,728</b>	<b>129,059</b>	<b>-</b>	<b>12,004</b>	<b>1,809</b>	<b>844,935</b>	<b>3,564,535</b>	<b>3,117,901</b>
<b>Excess of revenue over expenses before other items</b>	<b>86,561</b>	<b>2,208</b>	<b>3,243</b>	<b>69</b>	<b>21,325</b>	<b>705,409</b>	<b>818,815</b>	<b>835,803</b>

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*The accompanying notes are an integral part of these financial statements*

**Riverwood Church Community Inc.**  
**Statement of Operations**

*For the year ended December 31, 2024*

	<i>General Fund</i>	<i>Eswatini</i>	<i>Capital Fund</i>	<i>Refugee Collective Fund</i>	<i>Community Fund</i>	<i>Riverwood House Fund</i>	<b>2024</b>	<b>2023</b>
<b>Excess of revenue over expenses before other items</b> <i>(Continued from previous page)</i>	<b>86,561</b>	<b>2,208</b>	<b>3,243</b>	<b>69</b>	<b>21,325</b>	<b>705,409</b>	<b>818,815</b>	835,803
<b>Other items</b>								
Foreign exchange gain	119	-	-	-	-	-	119	441
Gain on disposal of capital assets	485	-	-	-	-	-	485	-
Insurance proceeds	-	-	-	-	-	13,398	13,398	3,869
	<b>604</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,398</b>	<b>14,002</b>	4,310
<b>Excess of revenue over expenses</b>	<b>87,165</b>	<b>2,208</b>	<b>3,243</b>	<b>69</b>	<b>21,325</b>	<b>718,807</b>	<b>832,817</b>	840,113

*The accompanying notes are an integral part of these financial statements*



**Riverwood Church Community Inc.**  
**Statement of Changes in Net Assets**

*For the year ended December 31, 2024*

	<i>General Fund</i>	<i>Eswatini</i>	<i>Capital Fund</i>	<i>Refugee Collective Fund</i>	<i>Community Fund</i>	<i>Riverwood House Fund</i>	<i>2024</i>	<i>2023</i>
<b>Net assets, beginning of year</b>	<b>5,026,717</b>	<b>105,445</b>	<b>10,893</b>	<b>52,678</b>	<b>14,578</b>	<b>4,548,137</b>	<b>9,758,448</b>	8,916,289
<b>Excess of revenue over expenses</b>	<b>87,165</b>	<b>2,208</b>	<b>3,243</b>	<b>69</b>	<b>21,325</b>	<b>718,807</b>	<b>832,817</b>	840,113
<b>Allocation to Replacement reserve (Note 14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,503</b>	<b>11,503</b>	2,046
<b>Transfers (Note 16)</b>	<b>19,509</b>	<b>(16,509)</b>	<b>-</b>	<b>-</b>	<b>(3,000)</b>	<b>-</b>	<b>-</b>	-
<b>Net assets, end of year</b>	<b>5,133,391</b>	<b>91,144</b>	<b>14,136</b>	<b>52,747</b>	<b>32,903</b>	<b>5,278,447</b>	<b>10,602,768</b>	9,758,448

*The accompanying notes are an integral part of these financial statements*

# Riverwood Church Community Inc.

## Statement of Cash Flows

For the year ended December 31, 2024

	2024	2023
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	832,817	840,113
Amortization	230,414	212,714
Allocation to replacement reserve	11,503	2,046
Implied interest apportioned to revenue	(55,952)	(64,795)
Forgiveness of long term debt	(328,193)	(240,838)
	<b>690,589</b>	<b>749,240</b>
Changes in working capital accounts		
Accounts receivable	(20,689)	(50,444)
GST receivable	(924)	10,036
Prepaid expenses and deposits	2,531	(7,031)
Accounts payable and accruals	42,584	26,686
Deferred contributions	1,513	11,864
Deferred rental income	12,676	5,700
	<b>728,280</b>	<b>746,051</b>
<b>Financing</b>		
Repayment of long-term debt	(30,452)	(20,000)
Repayment of term loan due on demand	(31,386)	(23,143)
	<b>(61,838)</b>	<b>(43,143)</b>
<b>Investing</b>		
Purchase of capital assets	(97,712)	(68,730)
Purchase of investments	(226,545)	(700,000)
Increase in restricted cash	(11,503)	(2,046)
Additions to construction in progress	(7,226)	-
	<b>(342,986)</b>	<b>(770,776)</b>
<b>Increase (decrease) in cash resources</b>	<b>323,456</b>	<b>(67,868)</b>
<b>Cash resources, beginning of year</b>	<b>1,738,203</b>	<b>1,806,071</b>
<b>Cash resources, end of year</b>	<b>2,061,659</b>	<b>1,738,203</b>

The accompanying notes are an integral part of these financial statements

**1. Incorporation and nature of the organization**

The purpose of Riverwood Church Community Inc. (the "Church") is to advance and spread the gospel. Its mission is to reach, teach, and equip people to know, love, and serve Jesus Christ. Its objective is the local environment of Winnipeg, Manitoba, as well as other parts of the country and the world, which it targets through its various mission funds. The Church also attempts to respond to material needs of the surrounding community.

The Church's is incorporated without share capital as a non-profit organization under the name of Riverwood Church Community Inc. and operates under the name of Riverwood Church Community. It is a registered charity and is exempt from income taxes under the Income Tax Act of Canada.

**2. Significant accounting policies**

***Basis of accounting***

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Boards in Canada, except that:

(a) Amortization is not provided on the building purchased from loans recognized by C.M.H.C. over the useful life of these assets but rather at a rate equal to the annual principal reduction of the mortgage;

(b) Capital assets purchased from accumulated surplus are charged to operations in the year the expenditure is incurred, and those purchased from the replacement reserve are charged against the replacement reserve account rather than being capitalized on the statement of financial position and amortized over their estimated useful lives; and

(c) A reserve for future capital replacement is appropriated annually from operations.

***Operating agreement***

The Church has a rental property that is eligible for mortgage assistance from C.M.H.C. subject to the provisions outlined in the operating agreement with C.M.H.C. This assistance will continue to be provided annually as long as the Church complies with the terms of the agreement.

***Cash***

Cash includes balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

***Capital assets***

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives with the exception of the rental property eligible for mortgage assistance from C.M.H.C. Amortization is recorded over the estimated useful lives of these assets at a rate equal to the annual principal reduction of the mortgage.

Buildings	40 years
Automotive	5 years
Equipment	5 years

***Construction in progress***

Construction in progress currently underway are building renovation projects to repurpose a meeting area to include a cafe. Once projects are complete they will be added to the building cost and amortized using the rate noted above.

2. **Significant accounting policies** *(Continued from previous page)*

**Long-lived assets**

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Church writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Church's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Church determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

**Restricted reserve**

The Replacement Reserve account is funded by an annual charge against earnings as opposed to an appropriation of surplus.

**Due from (to) funds**

The Church maintains six funds for accounting purposes. Due from (to) funds accounts for the difference between the net asset balances in each fund and the underlying assets and liabilities attributable to each fund.

**Fund accounting**

The Church follows the restricted fund method of accounting for contributions, and maintains the following funds:

1. The General Fund reports the Church's ministry and administrative activities, it also includes funds invested in long-lived assets.
2. The Eswatini Fund reports on the support of children and their communities in Eswatini, Africa.
3. The Capital Fund reports on the raising and disbursement of funds for capital purchases and improvements
4. The Refugee Collective Fund reports on the support of the ongoing efforts to assist refugee families coming into Canada.
5. The Community Fund reports on the raising and disbursement of funds designated for local community outreach.
6. The Riverwood House Fund reports on the operation of a supportive housing complex.

**Revenue recognition**

The Church uses the restricted fund method of accounting for donations. Restricted contributions related to specified fund are recognized as revenue in that particular fund in the year in which the donation is received. All other restricted donations are recognized as revenue of the General Fund because there is not an appropriate restricted fund.

Unrestricted donations are recognized as revenue of the General Fund in the year received.

Interest and other revenue is recognized as revenue when receivable and collection is reasonably assured.

Revenue from housing charges is recognized when earned in accordance with the rental contract and when collection is reasonably assured.

**Government assistance**

Claims for assistance under various government grant and subsidy programs are included in revenue in the period in which eligible expenditures are incurred.

**Contributed materials**

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Church's operations and would otherwise have been purchased. Volunteer services are not recognized in these financial statements due to the inability to reasonably estimate its fair value.

**2. Significant accounting policies** *(Continued from previous page)*

***Measurement uncertainty (use of estimates)***

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. With the exception of the building purchased using C.M.H.C funding, amortization is based on the estimated useful lives of capital assets.

The deferred portion on interest free loans accounts for the balance the loan would have been stated at if it were interest bearing. The deferred portion of the interest free loan is amortized over the life of the loan by the portion of interest the loan would have incurred during the year. Deferred contributions are recorded based on management's analysis of the extent to which eligibility requirements have been met to recognize those contributions.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the period in which they become known.

***Financial instruments***

The Church recognizes financial instruments when the Church becomes party to the contractual provisions of the financial instrument.

***Arm's length financial instruments***

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Church may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Church has not made such an election during the year.

The Church subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Church's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

***Financial asset impairment***

The Church assesses impairment of all its financial assets measured at cost or amortized cost. The Church groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Church determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Church reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

**Riverwood Church Community Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**2. Significant accounting policies** *(Continued from previous page)*

**Financial instruments** *(Continued from previous page)*

For related party debt instruments initially measured at cost, the Church reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Church reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Church reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenues over expenses in the year the reversal occurs.

**3. Cash**

The Church has an available line of credit to a maximum of \$15,000 (2023 - \$15,000), bearing interest at the prime lending rate, for a rate of 5.45% at year-end (2023 - prime lending rate for a rate of 7.20% at year-end), secured by buildings and a general security agreement. The line of credit balance at December 31, 2024 was \$nil (2023 - \$nil).

The Church also has an available line of credit for Riverwood House Project to a maximum of \$300,000 (2023 - \$300,000), bearing interest at the prime lending rate plus 0.50%, for a rate of 5.95% at year-end (2023 - prime lending rate plus 0.75% for a rate of 7.95%), secured by buildings and a general security agreement. The line of credit balance at December 31, 2024 was \$nil (2023 - \$nil).

**4. Investments**

	<b>2024</b>	<b>2023</b>
<b>Short-term investments</b>		
GIC, bearing interest at 5.60% per annum, maturing November 2025	<b>316,846</b>	-
GIC, bearing interest at 4.85% per annum, maturing January 2025	<b>209,699</b>	-
GIC, bearing interest at 4.75% per annum, maturing January 2024	-	200,000
	<b>526,545</b>	200,000
<b>Long-term investments</b>		
GIC, bearing interest at 5.10% per annum, maturing July 2027	<b>1,000,000</b>	1,000,000
GIC, bearing interest at 5.00% per annum, maturing April 2026	<b>400,000</b>	-
GIC, bearing interest at 4.85% per annum, maturing January 2025	-	200,000
GIC, bearing interest at 5.60% per annum, maturing November 2025	-	300,000
	<b>1,400,000</b>	1,500,000

**Riverwood Church Community Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**5. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2024 Net book value</i>
Land	1,154,018	-	1,154,018
Buildings	13,038,441	1,565,540	11,472,901
Automotive	14,000	8,500	5,500
Equipment	771,468	537,342	234,126
	<b>14,977,927</b>	<b>2,111,382</b>	<b>12,866,545</b>

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2023 Net book value</i>
Land	1,154,018	-	1,154,018
Buildings	13,027,636	1,425,023	11,602,613
Automotive	14,000	6,300	7,700
Equipment	684,561	449,645	234,916
	<b>14,880,215</b>	<b>1,880,968</b>	<b>12,999,247</b>

**6. Construction in progress**

	<i>2024</i>	<i>2023</i>
Buildings - General Fund	<b>9,450</b>	2,224

**7. Accounts payable and accruals**

	<i>2024</i>	<i>2023</i>
Trade accounts payable	<b>28,609</b>	33,897
Accrued liabilities	<b>9,030</b>	9,100
Credit card payable	<b>57,249</b>	58,294
Source deductions payable	<b>13,501</b>	8,621
Salary and benefits accrual	<b>38,212</b>	37,476
Vacation accrual	<b>61,532</b>	54,289
CMHB service liability	<b>36,128</b>	-
	<b>244,261</b>	201,677

**8. Term loan due on demand**

	<i>2024</i>	<i>2023</i>
Access Credit Union demand loan repayable in monthly payments of \$9,132 including interest, maturing June 2039, bearing interest at the prime lending rate plus 0.60% for a rate of 5.70% at year-end (2023 - 8.30%), secured by buildings and a general security agreement.	<b>955,683</b>	987,069
Less: current portion	<b>(41,711)</b>	(21,774)
	<b>913,972</b>	965,295

**Riverwood Church Community Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**8. Term loan due on demand** *(Continued from previous page)*

Principal repayments on term loans due on demand in each of the next five years, assuming demand is not made, are estimated as follows:

2025	41,711
2026	40,622
2027	43,863
2028	47,362
2029	51,140
	224,698

**9. Long-term debt**

	2024	2023
Private loan repayable in annual payments of \$20,000 non-interest bearing, maturing April 2025. Subsequent to May 1, 2025 any loan balance remaining will bear interest at 4.0%, secured by a general security agreement.	<b>20,000</b>	40,000
CMHC loan bearing interest at 1.72% per annum payable in monthly instalments of \$6,140, with a renewal date July 1, 2031, maturing on August 8, 2074 and secured by a general security agreement.	<b>2,462,607</b>	2,473,060
CMHC forgivable loan for Riverwood Housing Project, recorded at fair value as noted below, non-interest bearing, forgivable over 20 year term based on meeting certain requirements. Total amount received of \$2,524,314.	<b>2,013,912</b>	2,108,822
MHRC forgivable mortgage for Riverwood Housing Project, recorded at fair value as noted below, non-interest bearing, forgivable monthly over a 48 month period from the term following final holdback release based on meeting certain requirements, secured by unexpended contribution received from Shared Health Inc.	<b>500,453</b>	741,692
	<b>4,996,972</b>	5,363,574
Less: current portion	<b>427,919</b>	427,575
	<b>4,569,053</b>	4,935,999

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2025	427,919
2026	408,910
2027	159,014
2028	159,571
2029	160,167
	1,315,581



**Riverwood Church Community Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**9. Long-term debt** *(Continued from previous page)*

The CMHC non-interest bearing forgivable loan and the MHRC non-interest bearing forgivable mortgage are presented at their estimated fair value when received as the cash consideration received during the year is not stated in the same manner that a loan bearing an interest rate would have been presented. Information on the interest portion of the loans that have been deferred and will be subsequently amortized over the length of the terms is presented in Note 10. The CMHC and MHRC loans are being forgiven as management has complied with specific requirements through the terms of the agreement.

The forgivable principal payments are included in interest revenue on the statement of operations.

**10. Deferred portion of interest-free loans**

The Church received an interest-free loan and an interest free mortgage in 2021. Below is the portion of interest that the loan would have incurred throughout the length of the term, calculated at a rate of 1.72% on the C.M.H.C loan, which is the same rate as the repayable C.M.H.C loan and 2.95% rate on the initial MHRC loan, which is the same rate as the term loan due on demand at the time the funds were advanced. In 2022, the Church received additional funds from MHRC where the deferred portion was calculated using 6.95%, which is the same rate as the term loan due on demand at the onset of the loan. The Church will amortize the interest portion of the C.M.H.C loan over the 20 year period the loan will be forgiven and the MHRC mortgage over the 4 year period the mortgage will be forgiven.

The implied interest apportioned to income is included in interest revenue on the statement of operations.

	<b>2024</b>	<b>2023</b>
<b>CMHC</b>		
Balance, beginning of year	312,119	346,223
Implied interest	1,230	1,230
Implied interest apportioned to income	(33,738)	(35,334)
<hr/>		
Balance, end of year	279,611	312,119
<hr/>		
<b>MHRC</b>		
Balance, beginning of year	28,488	51,223
Implied interest	6,727	6,727
Implied interest apportioned to income	(22,214)	(29,462)
<hr/>		
	13,001	28,488
<hr/>		
	292,612	340,607
<hr/>		

**11. Invested in long-lived assets**

	<b>2024</b>	<b>2023</b>
Balance, beginning of year	6,310,221	6,105,429
Increase in construction in progress	7,226	-
Purchases of capital assets	97,712	68,730
Amortization	(230,414)	(212,714)
Forgiveness of long term debt	328,193	240,838
Repayments of demand loan payable	31,386	23,143
Repayments of long term debt	30,452	20,000
Implied interest apportioned to revenue	55,952	64,795
<hr/>		
Balance, end of year	6,630,728	6,310,221
<hr/>		

**Riverwood Church Community Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**12. General Fund internally restricted funds**

Internally restricted funds are comprised of:

	<i>Operational</i>	<i>Emergency</i>	<i>Capital</i>	<b>2024</b>	2023
Balance, beginning of year	135,850	97,150	138,985	371,985	334,297
Funds added	52,150	9,650	103,877	165,677	99,183
Funds utilized	-	-	(136,062)	(136,062)	(61,495)
Balance, end of year	188,000	106,800	106,800	401,600	371,985

Operational funds are intended to cover any deficits throughout the year as giving lessens during summer months. Emergency funds are intended for use in case of an emergency which are to be used as required before insurance proceeds. Capital funds are intended for capital purchases greater than \$1,000.

**13. Riverwood House Fund internally restricted funds**

Internally restricted funds are comprised of:

	<i>Operational</i>	<i>Emergency</i>	<i>Capital</i>	<b>2024</b>	2023
Balance, beginning of year	33,000	33,000	33,000	99,000	-
Funds added	12,000	12,000	12,000	36,000	99,000
Balance, end of year	45,000	45,000	45,000	135,000	99,000

Operational funds are intended to cover any deficits throughout the year should they occur. Emergency funds are intended for use in case of an emergency which are to be used as required before insurance proceeds. Capital funds are intended for capital purchases greater than \$1,000.

**14. Replacement reserve**

The Replacement reserve account is funded by an annual charge against earnings as opposed to an appropriation of accumulated surplus. Expenditures are charged directly against, the reserve.

Under the terms of the agreement with C.M.H.C., the replacement reserve account was credited in the amount of \$11,503 (2023 - \$2,046). The annual credit will be adjusted using 4% of Effective Gross Income generated from both residential and commercial units of the rental property. This reserve must be maintained in accounts or securities guaranteed or insured by the Government of Canada or a province of Canada, or by a Canada Deposit Insurance Corporation or other agency recognized by C.M.H.C. The reserve shall be used for its intended purpose, except that it may be subject to all claims of the mortgagee and C.M.H.C. under the index linked mortgage.

	<b>2024</b>	2023
Balance, beginning of year	11,356	9,310
Allocation for the year	11,503	2,046
Balance, end of year	22,859	11,356

**Riverwood Church Community Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**15. Government assistance**

During the year, the Church qualified for and received a total of \$469,521 (2023 - \$478,245) in government assistance, which consists of the following:

	<b>2024</b>	<b>2023</b>
Canada Revenue Agency Tax Grant	2,190	1,775
Efficiency Manitoba Inc.	-	47,216
Manitoba Harvest Grant	-	5,916
Urban and Hometown Green Team Grants	28,131	34,636
Winnipeg Regional Health Authority Grant	439,200	388,702
	<b>469,521</b>	<b>478,245</b>

These amounts have been reflected in these financial statements as government assistance on the statement of operations.

**16. Interfund transfers**

In 2024, the Board of Elders approved the transfer of \$3,000 (2022- \$2,000) from the Community Fund to the General Fund to help cover the annual Kidz Club budget and \$16,509 from the Eswatini Fund to the General Fund for the "One Brick at a Time" initiative.

**17. Financial instruments**

The Church, as part of its operations, carries a number of financial instruments. It is management's opinion that the Church is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Church is exposed to interest rate risk on its demand loan payable and long-term debt.

The long-term debt payable bears interest at a rate that is fixed which mitigates the exposure of interest rate risk; while the demand loan payable bears interest at a rate that is variable. A 1% change in interest rates could increase interest expense on the demand loan by approximately \$9,557 (2023 - \$9,871).

***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Church receives some donations denominated in US currency for which the related revenues are subject to exchange rate fluctuations. As at December 31, 2024, the following items are denominated in US currency:

	<b>2024</b>	<b>2023</b>
	<b>CAD\$</b>	<b>CAD\$</b>
Cash	-	7,585
	<b>-</b>	<b>7,585</b>