MORNINGSTAR CHRISTIAN FELLOWSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2024

INDEX

Page 1-2. Independent Auditor's Report

3. Statement of Financial Position

4. Statement of Changes in Fund Balances

5. Statement of Operations - Unrestricted Fund

6. Statement of Cash Flows

7-15. Notes to Financial Statements

NORTONMcMULLEN
CHARTERED PROFESSIONAL ACCOUNTANTS | LLP

Those charged with governance are responsible for overseeing the entity'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 entity'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 entity'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 entity 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.

Norton McMullen LLP

NORTON McMULLEN LLP
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada
February 19, 2025

MORNINGSTAR CHRISTIAN FELLOWSHIP

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended December 31, 2024

	Balances Beginning	Revenues	Expenses	Transfers (Note 6)	Balances Ending
Unrestricted Fund (Page 5)	$ 3,327,367	$ 1,393,193	$ 1,421,208	$ (14,774)	$ 3,284,578
Internally Restricted Funds					
Board Designated	$ 114,942	$ -	$ 9,355	$ 14,774	$ 120,361
School of Music	24,226	9,060	8,968	-	24,318
Sports Ministries	4,209	-	-	-	4,209
Dramatic Productions	2,107	-	-	-	2,107
	$ 145,484	$ 9,060	$ 18,323	$ 14,774	$ 150,995
Externally Restricted Funds					
Short Term Missions	$ 61,045	$ 20,564	$ 8,936	$ -	$ 72,673
Benevolent	49,829	25,027	10,340	-	64,516
Eternal Equity	-	120,568	-	-	120,568
Refugee Assistance	4,260	3,804	-	-	8,064
Special Offerings	414	-	-	-	414
	$ 115,548	$ 169,963	$ 19,276	$ -	$ 266,235
TOTAL	$ 3,588,399	$ 1,572,216	$ 1,458,807	$ -	$ 3,701,808
PRIOR YEAR TOTAL	$ 3,705,253	$ 1,402,836	$ 1,519,690	$ -	$ 3,588,399

See accompanying notes

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MORNINGSTAR CHRISTIAN FELLOWSHIP

STATEMENT OF CASH FLOWS

For the year ended December 31,	2024	2023
CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses		
Unrestricted Fund	$ **(28,015)**	$ (73,682)
Board Designated Fund	**(9,355)**	(52,300)
School of Music	**92**	1,187
Benevolent	**14,687**	3,083
Short Term Missions	**11,628**	598
Eternal Equity	**120,568**	-
Refugee Assistance	**3,804**	4,260
	$ **113,409**	$ (116,854)
Items not affecting cash:		
Amortization	**127,839**	134,674
Unrealized gains in fair value of investments	**(3,659)**	(1,338)
	$ **237,589**	$ 16,482
Net change in non-cash working capital balances:		
Receivables	$ **4,828**	$ -
PSB rebate recoverable	**3,589**	(1,891)
Prepaid expenses	**(4,409)**	(351)
Accounts payable and accrued liabilities	**27,419**	(22,479)
	$ **31,427**	$ (24,721)
	$ **269,016**	$ (8,239)
INVESTING ACTIVITIES		
Purchase of capital assets	$ **(25,226)**	$ (59,678)
Purchase of investment	**(16,863)**	(9,349)
	$ **(42,089)**	$ (69,027)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ **226,927**	$ (77,266)
CASH AND CASH EQUIVALENTS - Beginning	**256,656**	333,922
CASH AND CASH EQUIVALENTS - Ending	$ **483,583**	$ 256,656

See accompanying notes

1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

b) **Revenue Recognition**

The Church follows the restricted fund method whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which there is no fund are recorded in accordance with the deferral method. Unrestricted contributions are recognized as revenues in the Unrestricted Fund.

Investment income, including dividends and interest earned on any restricted investments held in support of a restricted fund is recognized as revenue in the appropriate fund when earned. Investment income earned on unrestricted investments is recognized as revenue in the unrestricted fund.

Revenue from facilities rental and other miscellaneous services is recognized when services are provided and collection is reasonably assured.

Government assistance is recognized when received and any conditions as to its use have been met.

c) **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 amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from the estimates used.

Significant estimates include the estimated useful life of capital assets.

d) **Cash and Cash Equivalents**

It is the Church's policy to present bank balances and the DUCA guaranteed investment certificate with a maturity period of three months or less from the date of acquisition as cash and cash equivalents. Other guaranteed investment certificates are considered to be held for investment purposes and are excluded from cash and cash equivalents.

e) **Investments**

Marketable Securities
Marketable securities, which are investments traded in an active market, are recorded at fair value.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank balances holding unrestricted and restricted cash.

	2024	2023
Cash	$ 406,786	$ 256,656
DUCA GIC, 3.55%, maturing March 2025	76,797	-
	$ 483,583	$ 256,656

Cash and cash equivalents are allocated as follows:

Restricted cash and cash equivalents	$ 47,966	$ -
Unrestricted cash and cash equivalents	435,617	256,656
	$ 483,583	$ 256,656

3. CAPITAL ASSETS

Capital assets consist of the following:

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 170,588	$ -	$ 170,588	$ 170,588
Building	4,921,425	2,446,227	2,475,198	2,538,304
Furniture and equipment	1,474,201	1,262,244	211,957	251,464
	$ 6,566,214	$ 3,708,471	$ 2,857,743	$ 2,960,356

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5. FUND BALANCES

Fund balances are composed of the following:

	2024	2023
UNRESTRICTED		
Unrestricted Fund		
Cash and cash equivalents	**$ 435,617**	$ 256,656
Receivables	**18,643**	27,060
Prepaid expenses	**18,613**	14,204
Capital assets	**2,857,743**	2,960,356
Investments	**50**	87,760
Accounts payable and accrued liabilities	**(46,088)**	(18,669)
Fund Balance - Unrestricted Fund	**$ 3,284,578**	$ 3,327,367
INTERNALLY RESTRICTED		
Board Designated		
Current investments	**$ 120,361**	$ 114,942
Fund Balance – Board Designated	**$ 120,361**	$ 114,942
School of Music		
Current investments	**$ 24,318**	$ 24,226
Fund Balance – School of Music	**$ 24,318**	$ 24,226
Sports Ministries		
Current investments	**$ 4,209**	$ 4,209
Fund Balance – Sports Ministries	**$ 4,209**	$ 4,209
Dramatic Productions		
Current investments	**$ 2,107**	$ 2,107
Fund Balance – Dramatic Productions	**$ 2,107**	$ 2,107
TOTAL INTERNALLY RESTRICTED	**$ 150,995**	$ 145,484

7. GOVERNMENT ASSISTANCE

The Church has received $64,809 (2023 - $81,107) Canada Summer Job government assistance for their summer internship program. The purpose of the assistance is to reimburse the payroll expense to the youth internship program.

8. COMMITMENTS

The Church has extended the lease agreement for the photocopier with Konica Minolta Business Solutions (Canada) Ltd. Future annual payments for the next four years are as follows:

2025	$ 11,000
2026	11,000
2027	11,000
2028	8,250
	$ 41,250

9. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Church is exposed to various risks through its financial instruments. The following analysis provides a summary of the Church's exposure to and concentrations of risk at December 31, 2024:

a) **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Church's main credit risks relates to its receivables. There is no allowance for doubtful accounts in the current or prior year. There has been no change in the assessment of credit risk from the prior year.

b) **Liquidity Risk**

Liquidity risk is the risk that the Church will encounter difficulty in meeting obligations associated with financial liabilities. The Church is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Church manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

MORNINGSTAR CHRISTIAN FELLOWSHIP

2025 BUDGET

(with 2024 Actuals and Budget)

MORNINGSTAR CHRISTIAN FELLOWSHIP
RECEIPTS AND DISBURSEMENTS
2025 BUDGET

	2025 Budget	2024 Actual	2024 Budget
FINANCE			
Bank Charges	15,520	12,864	23,280
TOTAL - FINANCE	**15,520**	**12,864**	**23,280**
WORSHIP MINISTRIES DIVISION			
Honorarium (Preaching)	2,000	1,586	2,000
Honorarium (Music)	1,000	600	1,000
License, Membership & Subscriptions	7,388	9,446	7,115
Music - Choir	3,000	356	3,000
Instrumental Equipment Maintenance	3,500	601	3,500
Drama/Productions	13,500	521	1,250
Sound/Lighting/Camera	4,400	1,551	4,400
Special Events & Sundays	1,100	460	800
Décor	200	-	200
TOTAL - WORSHIP MINISTRIES	**36,088**	**15,120**	**23,265**
LIFE & MINISTRY DEVELOPMENT			
Student Assistance Fund	900		900
Resource Centre	1,275	1,005	1,000
Stephen Ministry/Pastoral Care	5,750	3,134	6,300
Inward Ministries	5,100	3,669	4,000
Living Word	1,616	1,325	1,716
Discipleship Material	5,350	3,667	4,400
TOTAL - LIFE & MINISTRY DEV.	**19,991**	**12,801**	**18,316**
CHILDREN MINISTRIES			
Morning Star Kids	8,015	5,300	6,365
Outreach/Midweek	2,100	3,221	5,300
Youth Library	200	-	300
TOTAL CHILDREN MINISTRIES	**10,315**	**8,521**	**11,965**
STUDENT MINISTRIES			
Junior and Senior High	14,000	6,851	13,200
TOTAL STUDENT MINISTRIES	**14,000**	**6,851**	**13,200**

MORNINGSTAR CHRISTIAN FELLOWSHIP
STATEMENT OF RESTRICTED - External Funds
2025 BUDGET

	2025 Budget	2024 Actual	2024 Budget
BENEVOLENT FUND			
Balance at beginning of the year	$ 64,516	$ 49,829	$ 49,829
Contributions during the year	15,000	25,027	15,000
Benevolent gifts during the year	(18,000)	(10,340)	(18,000)
Balance at end of the year	**61,516**	**64,516**	**46,829**
SHORT TERM MISSION FUND			
Balance at beginning of the year	72,673	61,045	61,045
Contributions during the year	17,554	20,564	7,500
Expenses during the year - local mission trip for 2024 / local & international mission trips for 2025	(26,200)	(8,936)	(10,000)
Balance at end of the year	**64,027**	**72,673**	**58,545**
REFUGEE FUND			
Balance at beginning of the year	8,064	4,260	4,260
Contributions during the year	-	3,804	-
Transfer from Board Designated Fund		-	
Expenses during the year	-	-	-
Balance at end of the year	**8,064**	**8,064**	**4,260**
ETERNAL EQUITY FUND			
Balance at beginning of the year	**120,568**	**-**	
Contributions during the year - God First Campaign	**229,432**	**120,568**	
Capital projects for the year (Note: Although capital projects are for 2025, some or portion may be incurred in 2026)	**(300,000)**	**-**	**-**
Balance at end of the year	**50,000**	**120,568**	**-**
SPECIAL OFFERING FUND			
Balance at beginning of year	$ 414	$ 414	$ 414
Contributions during the year (see note below)		0	
Expenses during the year		0	
Balance at end of the year	**414**	**414**	**414**
BALANCE of RESTRICTED External Funds	**$ 184,021**	**$ 266,235**	**$ 110,048**

MORNINGSTAR CHRISTIAN FELLOWSHIP
MISSIONARY SUPPORT
2025 Budget

Agency	Missionary	2025 Monthly Budget	2025 Annual Budget	Change	2024 Monthly Budget	2024 Annual Budget	2024 Actual
Adam House	Adam House	700	8,400	-	700	8,400	8,400
FEB International	Bechara & Roula Kurkafi (LeadersFor Middle East & Muslim Church Plant in Canada)	417	5,000	-	417	5,000	5,000
FEB International	Indian LeadersFor Training - JC	-		(2,500)	208	2,500	2,500
FEB International	Guadeloupe LeadersFor- Campbell	250	3,000	3,000			
FEB International	Ricardo Castro - FEB Spain	300	3,600	-	300	3,600	3,600
FEB International	Johnson - Outreach Pastor at MCF	2,167	26,000	-	2,167	26,000	26,000
FEB International	Philippines LeadersFor	250	3,000	-	250	3,000	3,000
Association d'Églises baptistes évangéliques au Québec 1	Eglise Hochelaga - Quentin Bernad	250	3,000	(125)	260	3,125	3,125
Association d'Églises baptistes évangéliques au Québec 2	Église Baptiste Évangelique de Chicoutimi-A. Murray	250	3,000	(125)	260	3,125	3,125
Église Le Sentier Gatineau	Alexander Farley	208	2,500	-	208	2,500	2,500
FEBCC	McTaire & Suzanne Wall	375	4,500	-	375	4,500	4,500
Open Doors	Open Doors	50	600	-	50	600	600
Partners International	David Umune	200	2,400	-	200	2,400	2,400
Partners International	Dave & Colleen Hunt	200	2,400	-	200	2,400	2,400
Power to Change	Dan Sherman	83	1,000	-	83	1,000	1,000
Power to Change	Athletes in Action - Kevin & Christine Cuz	150	1,800	-	150	1,800	1,800
SIM	Peter & Rhonda Koropatwa	150	1,800	-	150	1,800	1,800
Training Institutions	Bethlehem	500	6,000	-	500	6,000	6,000
Training Institutions	Heritage	200	2,400	-	200	2,400	2,400
Urban Promise	Julius Naredo	200	2,400	-	200	2,400	2,400
Youth Unlimited	Calvin Russell	100	1,200	-	100	1,200	1,200
OM Canada	J Bautista	200	2,400	-	200	2,400	2,400
Partners International	Nepal - Good Friends of Nepal	200	2,400	-	200	2,400	2,400
Partners International	ChrisFon Pakistan	200	2,400	-	200	2,400	2,400
Partners International	Bangladesh Baptist Church Fellowship	200	2,400	-	200	2,400	2,400
Fellowship International	Ben Porter	100	1,200	-	100	1,200	1,200
Operation Mobilization	Sahil Mahajan	90	1,075	250	69	825	825
		7,990	**95,875**	**500**	**7,948**	**95,375**	**95,375**
MISCELLANEOUS							
Honorarium		83	1,000	-	83	1,000	-
Misc/Meals		100	1,200	500	58	700	(150)
Missions Training/Workshops		83	1,000	500	42	500	-
Missions Conference/Events		417	5,000	5,000	-	-	66
Travel - LeadersFor Cohort (Campbell and Huffman)		583	7,000	3,500	292	3,500	2,232
		1,267	**15,200**	**9,500**	**475**	**5,700**	**2,148**
TOTALS		**9,256**	**111,075**	**10,000**	**8,423**	**101,075**	**97,523**

Then Jesus came to them and said, "All authority in heaven and on earth has been given to me. Therefore go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything I have commanded you. And surely I am with you always, to the very end of the age."- Matthew 28:18 - 20 (NIV)