



UNAUDITED

Financial Report

Year Ended December 31, 2021

Grace Presbyterian ChurchStatement of Financial Position
December 31, 2021**UNAUDITED**

	2021	2020
	\$	\$
ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted	504,956	481,872
Accounts Receivable	13,150	32,872
Prepaid Expenses	19,404	21,811
Restricted Short -Term Investments	<u>1,685,514</u>	<u>2,756,163</u>
	2,223,024	3,292,718
Long-Term Investments		
PCC Consolidated Portfolio	1,555,229	1,396,582
Investment in Ridge Rentals (see Note 8)	<u>2,137,316</u>	<u>1,888,425</u>
	3,692,545	3,285,007
TOTAL ASSETS	<u>5,915,569</u>	<u>6,577,725</u>
LIABILITIES		
Current Liabilities		
Accounts Payable & Accrued Liabilities	46,873	112,303
Deferred Restricted Contributions (See Notes 3, 7)	<u>3,717,962</u>	<u>4,314,810</u>
	3,764,835	4,427,113
NET ASSETS		
Net Assets	<u>2,150,734</u>	<u>2,150,612</u>
	<u>5,915,569</u>	<u>6,577,725</u>

See Accompanying Notes

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Grace Presbyterian ChurchStatement of Receipts and Disbursements
For the Year Ended December 31, 2021**UNAUDITED**

	2021	2021	2020
	\$	Budget \$	\$
RECEIPTS			
Operating Revenues			
Offerings	632,793	612,264	652,739
Programs	39,213	3,750	21,316
Facilities Rental	50	10,500	16,800
Parking	32,903	14,800	20,458
Other	3,032	0	137
	<u>707,991</u>	<u>641,314</u>	<u>711,450</u>
Investment Revenue (See Note 3)	99,990	49,200	87,528
Government Wage Subsidy (CEWS)	104,840	0	253,827
Recognition of Deferred Restricted Contributions (See Notes 3, 7)	711,373	526,995	286,827
	<u>1,624,194</u>	<u>1,217,509</u>	<u>1,339,632</u>
DISBURSEMENTS			
Ministerial Resources	255,326	242,947	309,966
Session Committees (See Note 5)	1,229,763	1,202,230	874,255
PCC Commitments (See Note 4)	200,132	208,223	251,255
Pastoral Expenses	<u>20,674</u>	<u>48,000</u>	<u>35,355</u>
	<u>1,705,895</u>	<u>1,701,400</u>	<u>1,470,831</u>
Surplus (Deficiency) Before Unrealized Gain (Loss)	(81,701)	(483,891)	(131,199)
Unrealized Gain (Loss)	<u>81,823</u>	<u>20,000</u>	<u>131,244</u>
	<u>122</u>	<u>(463,891)</u>	<u>45</u>
Surplus (Deficiency)			
Net Assets, Beginning of the Year	2,150,612		2,150,567
Net Assets, End of the Year	<u>2,150,734</u>		<u>2,150,612</u>

See Accompanying Notes

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Grace Presbyterian ChurchStatement of Cash Flows
For the Year Ended December 31, 20201**UNAUDITED**

	2021	2020
	\$	\$
Net Income (Loss)	122	46
Cash Provided by Other Operating Activities		
Accounts Receivable	19,722	(21,288)
Prepaid Expenses	2,407	(1,242)
Accounts Payable & Accrued Liabilities	(65,430)	61,502
Restricted Short-Term Investments	<u>1,070,649</u>	<u>(912,808)</u>
Net Cash Provided by (Used In) Operating Activities	1,027,470	(873,790)
Cash Provided by (Used In) Investing Activities		
PCC Investment	(158,647)	(189,924)
Investment in Ridge Rentals	<u>(248,891)</u>	<u>0</u>
Net Cash Provided by (Used In) Investing Activities	(407,538)	(189,924)
Cash Provided by (Used In) Financing Activities		
Deferred Restricted Revenue Contributions	140,490	1,363,232
Deferred Restricted Revenue Recognition	<u>(737,338)</u>	<u>(286,826)</u>
Net Cash Provided by (Used In) Financing Activities	(596,848)	1,076,406
Net Cash Increase (Decrease) for the Period	23,084	12,692
Cash, Beginning of the Period	481,872	469,180
Cash, End of the Period	<u><u>504,956</u></u>	<u><u>481,872</u></u>

See Accompanying Notes

1. Purpose of the Organization

Grace Presbyterian Church of Calgary (Grace) is a congregation within the Presbyterian Church in Canada (PCC) and is incorporated under “The Religious Societies’ Land Act” of the Province of Alberta. Grace is a registered charity under the Income Tax Act.

Grace’s vision is to “transform lives through God’s grace”.

2. Comparative Numbers

Some 2020 balances have been restated to conform with the 2021 presentation.

3. Significant Accounting Policies

Revenue Recognition

Grace follows the deferred method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Investment income is recognized as revenue when earned.

Deferred Restricted Contributions

Grace receives contributions designated by donors for specific purposes. If the funds are not used during the year in which they were donated, they become deferred restricted contributions. Deferred restricted contributions are drawn down as expenditures matching the restrictions or conditions of giving are incurred.

Contributed Services

Volunteers provide extensive support to assist Grace in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Property, furniture and equipment

Property, furniture and equipment are charged as expenses when acquired and accordingly, no asset or amortization is recorded in the accounts. During 2021, expenditures of \$348,143 (2020 - \$66,522) relating to property and equipment were incurred.

Internally Restricted Funds

Grace may restrict contributions or an operating surplus for specific purposes. Internally restricted funds are included as part of the Deferred Restricted Contributions balances.

4. PCC Commitments

As a member of the Presbyterian Church in Canada (PCC), Grace is obligated to support the operations and programs of the denomination. Remittances are made as follows:

- Presbyterian Sharing – an amount determined by the Finance Committee and Session, but based on a suggested amount determined by a formula. These funds are used to cover PCC administrative costs and to support denominational programs.
- Presbytery and Synod Dues – an obligatory formula-based amount to fund operations of the presbytery/synod. (Currently 4.5% of prior year’s revenues reduced by funds sent to Presbyterian Sharing, PWS&D, and used for refugee sponsorship.)
- Congregational Assessment – an obligatory formula-based amount to fund the ministers’ pension plan. (Currently 5% of prior year’s revenues reduced by funds sent to Presbyterian Sharing, PWS&D, and used for refugee sponsorship.)

	2021	2020
	\$	\$
Presbyterian Sharing	55,000	50,000
Presbytery/Synod Dues	68,747	89,447
Congregational Assessment	<u>76,385</u>	<u>111,808</u>
	<u>200,132</u>	<u>251,255</u>

5. Session Committee Disbursements

	2021	Budget 2021	2020
	\$	\$	\$
Spiritual Growth	149,491	139,280	118,132
Engagement & Service	48,778	66,345	22,305
Pastoral Care Committee	1,215	7,530	2,518
Grace Leadership Initiative	10,534	16,625	4,133
Governance & Planning	7,742	13,700	13,088
Human Resources	2,512	4,300	3,130
Finance	41,805	42,000	34,348
Operations			
Salaries & Benefits	398,667	330,240	412,807
Facilities	475,073	513,080	181,415
Administration/Office	93,946	69,130	82,379
	<u>1,229,763</u>	<u>1,202,230</u>	<u>874,255</u>

The facilities balances include the following capital expenditures:

Major Projects	309,581	377,000	17,932
HVAC	29,567	10,000	45,255
Computer Equipment	4,789	0	1,830
Furniture & Equipment	4,206	5,900	1,505
	<u>348,143</u>	<u>392,900</u>	<u>66,522</u>

6. Long-Term Commitments

In May 2019, Grace entered into a leasing agreement with CBSC Capital Inc. (a member of the Canon Group of Companies) to replace the existing photocopier. The lease is for 62 months with payments each quarter for 20 quarters of \$1280 plus GST plus insurance of \$122 plus GST. Grace's payments for 2021 and obligations for the remaining term of the lease are outlined below:

2021	\$5,889
2022	\$5,889
2023	\$5,889
2024	\$2,945

7. Deferred Restricted Contributions

In 2020, Session approved the reclassification of the majority of Deferred Restricted Contributions, and subsequently in 2021, approved how these funds can be disbursed. These actions were undertaken in accordance with the report prepared in 2019 by the accounting firm Pricewaterhouse Coopers.

Capital Fund

The purpose of the Capital fund is to provide funds for major enhancements to the building, capital projects, and significant repair and maintenance costs.

Operations

The purpose of the Operations Fund is to support the day-to-day costs of the ongoing operations of Grace.

Missional/Outreach

There are several separate Missional/Outreach Funds. While all of the funds are intended to support the outreach work of Grace, each category has separate restrictions on their use.

Discipleship

The purpose of the Discipleship Funds is to support the missional activities of Grace.

Cake Bake

The purpose of the Cake Bake Funds is to provide funds for supplies and equipment for the cake bake as well as to support community organizations assisting the hungry, homeless and less fortunate.

Preaching Grace

The purpose of the Preaching Grace Funds is to provide funds for the cost of the annual activities associated with the Preaching Grace Program.

Grace Bethany

The purpose of the Grace Bethany Fund is to support charitable and missional activities as determined by the Grace Bethany Group.

Ministerial/Congregational Support

There are several separate Ministerial/Congregational Support Funds. While all of the funds are intended to support the worship and congregational activities of Grace, each category has separate restrictions on their use.

Pastoral Assistance

The purpose of the Pastoral Assistance Fund is to provide funds to members and adherents of Grace's congregation or members of the community who find themselves in need.

Ministerial Support

The purpose of the Ministerial Support Fund is to provide funds to members of the clergy as they further their studies or well-being during a sabbatical.

Children & Youth

The purpose of the Children & Youth Fund is to provide funds for the education of Grace's and the community's children and youth.

Music

The purpose of the Music Fund is to provide funds for Grace's music programs.

Rose Baltrusaitis Scholarship

The purpose of the Rose Baltrusaitis Scholarship Fund is to provide funds for individuals studying music.

Women's Legacy Fund

The purpose of the Women's Legacy Fund is to provide opportunities for a significant group of women made up of members and adherents of Grace, to set up and organize programs to serve the ministry and outreach of Grace.

ELL

The purpose of the ELL Fund is to provide funds for Grace's ministry of assisting individuals whose first language is not English to become conversant in the English language.

**Deferred Restricted Contributions
Continuity Schedule**

	Restated Opening Balance December 31, 2020	Additions	Disbursements	Ending Balance December 31, 2021
Capital	\$790,982	\$63,082	\$372,072	\$481,992
Operations	1,334,182	7,000	0	1,341,182
Missional/Outreach				
Discipleship	862,862	3,437	6,683	859,616
Cake Bake	55,420	27,287	34,787	47,920
Preaching Grace	29,141	17,659	10,934	35,866
Grace Bethany	1,350	2,235	2,507	1,078
	948,773	50,618	54,911	944,480
Ministerial/Congregational Support				
Pastoral Assistance	221,075	15,910	20,974	216,011
Ministerial Support	118,449	0	3,600	114,849
Children & Youth	238,586	20	20,142	218,464
Music	18,162	3,700	0	21,862
Rose Baltrusaitis Scholarship	15,783	0	0	15,783
Women's Legacy Fund	12,000	0	0	12,000
ELL	27,929	0	0	27,929
	651,984	19,630	44,716	626,898
Grace House	13,742	160	5,937	7,965
Centennial Funds	213,747	0	0	213,747
Parking Lot	361,400	0	259,702	101,698
	4,314,810	140,490	737,338	3,717,962

8. Investment in Ridge Rentals

In 2021, Grace's investment in Ridge Rentals (Ridge) increased by \$248,891. Grace, as sole shareholder of Ridge, advanced funds to retire Ridge's mortgage to Cornerstone Investments. This increased Grace's equity in Ridge by the amount of the advance. The funds for the advance were provided from deferred restricted contributions that had been designated for that purpose.

