



**UNAUDITED**

**Financial Report**

Year Ended December 31, 2023



**Grace Presbyterian Church**Statement of Financial Position  
December 31, 2023**UNAUDITED**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	468,119	807,176
Accounts Receivable	42,050	24,940
Prepaid Expenses	-	-
Restricted Short -Term Investments	<u>1,604,593</u>	<u>1,377,539</u>
	2,114,762	2,209,655
Long-Term Investments		
PCC Consolidated Portfolio	1,495,430	1,335,182
Grace Legacy Fund (see Note 7)	2,000,000	-
Investment in Ridge Rentals (see Note 8)	<u>2,137,316</u>	<u>2,137,316</u>
	5,632,746	3,472,498
<b>TOTAL ASSETS</b>	<b><u>7,747,508</u></b>	<b><u>5,682,153</u></b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable & Accrued Liabilities	6,546	7,831
Deferred Restricted Contributions (See Notes 3, 7)	<u>5,737,874</u>	<u>3,671,359</u>
	5,744,420	3,679,190
<b>NET ASSETS</b>		
Net Assets before Prior Period Adjustment	2,003,088	1,937,615
Prior Period Adjustments (see Note 9)	<u>-</u>	<u>65,348</u>
	2,003,088	2,002,963
<b>LIABILITIES &amp; NET ASSETS</b>	<b><u>7,747,508</u></b>	<b><u>5,682,153</u></b>

Accepted by the Congregation May 5, 2024

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Clerk of Session\_\_\_\_\_  
Treasurer

**Grace Presbyterian Church**

Statement of Receipts and Disbursements  
For the Year Ended December 31, 2023

**UNAUDITED**

	<b>2023</b>	<b>2023 Budget</b>	<b>2022</b>
	\$	\$	\$
<b>RECEIPTS</b>			
Operating Revenues			
Offerings	579,701	749,400	686,122
Programs	15,946	42,000	6,498
Rentals	95,980	108,000	72,572
Other	578	33,000	4,161
	<u>692,205</u>	<u>932,400</u>	<u>769,353</u>
Investment Revenue (See Note 3)	122,381	46,000	73,707
Realized Investment Gain (Loss)	<u>-</u>	<u>-</u>	<u>(35,487)</u>
<b>TOTAL RECEIPTS</b>	<b>814,586</b>	<b>978,400</b>	<b>807,573</b>
<b>DISBURSEMENTS</b>			
Ministerial Resources	220,937	333,410	246,288
Session Committees (See Note 5)	933,814	1,117,700	969,664
PCC Commitments (See Note 4)	151,369	151,567	153,927
Pastoral Expenses	17,065	24,800	15,210
	<u>1,323,185</u>	<u>1,627,477</u>	<u>1,385,089</u>
Surplus (Deficit) from Operations	<u>(508,599)</u>	<u>(649,077)</u>	<u>(577,516)</u>
<b>Capital Expenditures</b>	<u>58,515</u>	<u>50,000</u>	<u>27,304</u>
<b>Surplus (Deficit) after Capital Expenditures</b>	<b>(567,114)</b>	<b>(699,077)</b>	<b>(604,820)</b>
Use of Deferred Contributions	<u>446,692</u>	<u>425,000</u>	<u>605,257</u>
<b>Surplus (Deficit) after Use of Deferred Contributions</b>	<b>(120,422)</b>	<b>(247,077)</b>	<b>437</b>
Unrealized Investment Gain (Loss)	<u>120,547</u>	<u>20,000</u>	<u>(213,556)</u>
<b>Surplus (Deficit)</b>	<b><u>125</u></b>	<b><u>(254,077)</u></b>	<b><u>(213,119)</u></b>

**Grace Presbyterian Church**Net Asset Continuity  
For the Year Ended December 31, 2023**UNAUDITED**

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	<b>2023</b>	<b>2022</b>
	\$	\$
Net Assets, Beginning of the Year	2,002,963	2,150,734
Surplus (Deficit)	125	(213,119)
Net Assets before Prior Period Adjustment	<u>2,003,088</u>	<u>1,937,615</u>
Prior Period Adjustment (see Note 9)	-	65,348
Net Assets, End of the Year	<u><u>2,003,088</u></u>	<u><u>2,002,963</u></u>

**Grace Presbyterian Church**Statement of Cash Flows  
For the Year Ended December 31, 2023**UNAUDITED**

	2023 \$	2022 \$
Net Income (Loss)	125	(213,119)
Cash Provided by (Used In) Other Operating Activities		
Accounts Receivable	(17,109)	(11,790)
Prepaid Expenses	-	19,404
Accounts Payable & Accrued Liabilities	(1,286)	(39,042)
Restricted Short-Term Investments	<u>(227,054)</u>	<u>307,975</u>
Net Cash Provided by (Used In) Operating Activities	(245,449)	276,547
Cash Provided by (Used In) Investing Activities		
PCC Investment	(160,248)	220,047
Grace Legacy Fund	(2,000,000)	-
Investment in Ridge Rentals	<u>-</u>	<u>-</u>
Net Cash Provided by (Used In) Investing Activities	(2,160,248)	220,047
Cash Provided by (Used In) Financing Activities		
Deferred Restricted Revenue Contributions & Transfers	2,779,160	929,206
Deferred Restricted Revenue Withdrawals & Transfers	<u>(712,645)</u>	<u>(975,809)</u>
Net Cash Provided by (Used In) Financing Activities	2,066,515	(46,603)
Cash Provided by (Used in) Prior Period Adjustments (see Note 9)	-	65,348
Net Cash Increase (Decrease) for the Period	(339,057)	302,220
Cash, Beginning of the Period	807,176	504,956
Cash, End of the Period	<u>468,119</u>	<u>807,176</u>

See Accompanying Notes

**1. Purpose of the Organization**

Grace Presbyterian Church of Calgary Alberta (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 2022 balances have been restated to conform with the 2023 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 2023, expenditures of \$77,718 (2022-\$56,024) 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.)

	2023	2022
	\$	\$
Presbyterian Sharing	40,000	40,000
Presbytery/Synod Dues	48,802	50,180
Congregational Assessment	62,567	63,747
	<u>151,369</u>	<u>153,927</u>



**Grace Presbyterian Church**Notes to the Financial Report  
December 31, 2023**UNAUDITED****5. Session Committee Disbursements**

	2023	Budget 2023	2022
	\$	\$	\$
Spiritual Growth	150,247	165,875	148,308
Engagement & Service	42,042	145,790	21,190
Pastoral Care Committee	7,005	11,500	5,981
Preaching Grace	19,706	17,700	11,404
Governance & Planning	2,765	3,500	4,306
Human Resources	935	3,500	2,765
Finance	-	1,000	-
Facilities	260,128	301,645	313,800
Administration/Office	440,063	457,190	442,928
Session Ad Hoc Committee	10,923	10,000	18,982
	<u>933,814</u>	<u>1,117,700</u>	<u>969,664</u>

Property, furniture and equipment includes the following expenditures:

Capital Expenditures	58,515	50,000	27,304
HVAC	14,997	15,000	13,868
Furniture, Computers and Equipment	4,206	9,500	14,852
	<u>75,148</u>	<u>74,500</u>	<u>56,024</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 \$1,280 plus GST plus insurance of \$122 plus GST. Grace's payments for 2023 and obligations for the remaining term of the lease are outlined below:

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.

**Capital Replacement Reserve**

The purpose of the fund is to accumulate funds for replacement of significant building infrastructure. The capital replacement requirements for the next 20 years have been determined by an engineering study and require that a minimum of \$80,000 be added to the fund annually.

**Operations**

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

**Grace Legacy Fund**

The Grace Legacy Fund was established to allow donors to sustain and enhance Grace's ministries beyond their lifetime. Annual income generated by the fund may be used, if needed, in the year following its generation. The capital in the fund may only be accessed by unanimous approval of the Session plus two thirds of the attendees at a congregational meeting. The intent is to only access capital when all other reasonable options have been exhausted.

**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 Event.

**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.

**Grace Presbyterian Church**

Notes to the Financial Report  
December 31, 2023

**UNAUDITED**

**Deferred Restricted Contributions  
Continuity Schedule**

	Opening Balance December 31, 2022 \$	Contributions & Transfers \$	Withdrawals & Transfers \$	Ending Balance December 31, 2023 \$
Capital - General	397,223	-	86,940	310,283
Capital – Stained Glass Windows	-	91,920	11,535	80,385
Capital – Chapel Window	-	5,600	-	5,600
Capital - Total	<u>397,223</u>	<u>97,520</u>	<u>98,475</u>	<u>396,268</u>
Capital Replacement Reserve	201,697	152,758	-	354,455
Operations	1,760,601	473,169	330,486	1,903,288
Grace Legacy Fund	-	2,000,000	-	2,000,000
Missional/Outreach				
Discipleship/Community Outreach	705,135	170	92,049	613,256
Cake Bake - Donations	25,001	15,415	8,691	31,725
Cake Bake - Proceeds	-	13,157	-	13,157
Preaching Grace	43,794	21,440	19,078	46,156
Grace Bethany	1,589	2,362	2,853	1,098
	<u>775,519</u>	<u>52,544</u>	<u>122,671</u>	<u>705,392</u>
Ministerial/Congregational Support				
Pastoral Assistance	201,854	1,120	17,065	185,909
Ministerial Support	107,924	-	108,096	(172)
Children & Youth	151,073	2,049	35,185	117,937
Music	22,242	-	-	22,242
Rose Baltrusaitis Scholarship	10,477	-	-	10,477
Women’s Legacy Fund	12,000	-	-	12,000
ELL	22,784	-	667	22,117
	<u>528,354</u>	<u>3,169</u>	<u>161,013</u>	<u>370,510</u>
Grace House (see Note 12)	7,965	-	-	7,965
	<u>3,671,359</u>	<u>2,779,160</u>	<u>712,645</u>	<u>5,737,874</u>

**8. Investment in Ridge Rentals**

Grace is the 100% shareholder of Ridge Rentals Ltd.(Ridge). Upon legal and accounting advice, to maintain Grace’s charitable status, Grace is required to maintain an arm’s length relationship

**Grace Presbyterian Church**Notes to the Financial Report  
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with Ridge. Consequently, Grace records its investment in Ridge as the cash outlays to acquire the property and its advances to Ridge.

Ridge's year end is March 31. Select financial information from Ridge's March 31, 2023 financial statements is listed below.

	2023	2022
	\$	\$
Revenue	197,152	195,187
Expenses (including amortization)	209,699	(79,723)
Net Income (loss) for the year	(12,547)	274,910
Current Assets	42,233	38,696
Property and equipment, at net book value	2,887,138	2,957,942
Current Liabilities, including loan payable	3,588,088	3,642,808
Shareholder's Deficit	(658,717)	(646,170)

**9. Prior Period Adjustments**

Prior period adjustment arise from the identification and correction of recording errors in prior years or the result of transactions occurring in the current year that relate to events of past years. In 2022, three such events occurred. There was no prior period adjustment in 2023.

Refund of overpayment of Synod dues from 2019-2021	\$26,493
Adjustment to Accounts Payable – Presbytery adjusted assessment for 2019 based on assessment of dues on funds that should have been classed as deferred contributions.	39,539
Adjustment to retained earnings with new chart of accounts	(684)
	<u>65,348</u>
	<u>\$65,348</u>

**10. Off-Balance Sheet Assets**

Consistent with Grace’s accounting policy on property, furniture, and equipment (see Note 3), the books of account do not reflect property that Grace has acquired over the years. The most significant of these assets are:

<b>Asset</b>	<b>Appraised Value \$</b>
Land on which the Church is situated	9,650,000
South Parking Lot	5,350,000
North Parking Lot	4,100,000
Grace house	700,000

While these assets have a significant appraised value, they are only liquid in the event that they are put up for sale. The Church building is not included in the appraised values as it is fully depreciated.

**11. Risk Management**

Risk management encompasses the identification, analysis, and response to risk factors that form part of the life of any organization. Effective risk management means attempting to control, as much as possible, future outcomes by acting proactively rather than reactively. Therefore, effective risk management offers the potential to reduce both the possibility of a risk occurring and its potential impact.

Session and each committee frequently identifies and assesses the risks that they face and determines the most effective strategy to manage/mitigate the risk. The Governance and Planning Committee reviews the overall risk assessment process to ensure that it continues to be robust.

Loss to Grace’s assets and personal injury are mitigated through comprehensive insurance, based on an assessment of the building and operations, and through Worker’s Compensation.

**12. Subsequent Event**

At the congregational meeting held in December 2023, the congregation gave their approval to sell Grace House. Allocation of the proceeds from the sale are to be approved by Session and the congregation.