

**Grant Memorial Baptist  
Church Inc.**

Non-consolidated Financial Statements  
**June 30, 2023**



## Independent auditor's report

To the Board of Trustees of Grant Memorial Baptist Church Inc.

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### Our opinion

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of Grant Memorial Baptist Church Inc. (the Church) as at June 30, 2023 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.

#### What we have audited

The Church's non-consolidated financial statements comprise:

- the non-consolidated statement of financial position as at June 30, 2023;
- the non-consolidated statement of changes in fund balances for the year then ended;
- the non-consolidated statement of operations for the year then ended;
- the non-consolidated statement of cash flows for the year then ended; and
- the notes to the non-consolidated financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

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 non-consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Church in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Responsibilities of management and those charged with governance for the non-consolidated financial statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers LLP  
Richardson Building, One Lombard Place, Suite 2300, Winnipeg, Manitoba, Canada R3B 0X6  
T: +1 204 926 2400, F: +1 204 944 1020, ca\_winnipeg\_main\_fax@pwc.com



In preparing the non-consolidated 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.

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### **Auditor's responsibilities for the audit of the non-consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Church to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
October 16, 2023

**Grant Memorial Baptist Church Inc.**  
 Non-consolidated Statement of Financial Position  
 As at June 30, 2023

|  |                   |                 |                         | 2023      | 2022      |
|--|-------------------|-----------------|-------------------------|-----------|-----------|
|  | Operating Fund \$ | Capital Fund \$ | Sundry Programs Fund \$ | Total \$  | Total \$  |
| <b>Assets</b>                              |                   |                 |                         |           |           |
| <b>Current assets</b>                      |                   |                 |                         |           |           |
| Cash                                       | 546,212           | -               | -                       | 546,212   | 499,265   |
| Accounts receivable                        | 17,051            | -               | -                       | 17,051    | 11,390    |
| Due from related parties (note 9)          | 27,841            | -               | -                       | 27,841    | 75,028    |
| Prepaid expenses                           | 22,808            | -               | -                       | 22,808    | 16,190    |
|  | 613,912           | -               | -                       | 613,912   | 601,873   |
| <b>Due from other funds</b>                | -                 | -               | 105,118                 | -         | -         |
| <b>Capital assets</b> (note 4)             | -                 | 9,164,581       | -                       | 9,164,581 | 9,286,250 |
|  | 613,912           | 9,164,581       | 105,118                 | 9,778,493 | 9,888,123 |
| <b>Liabilities and Fund Balances</b>       |                   |                 |                         |           |           |
| <b>Current liabilities</b>                 |                   |                 |                         |           |           |
| Accounts payable and accrued liabilities   | 100,016           | -               | -                       | 100,016   | 75,229    |
| Accrued vacation pay                       | 77,064            | -               | -                       | 77,064    | 80,312    |
| Due to related parties (note 9)            | -                 | -               | -                       | -         | 175       |
| Current portion of long-term debt (note 6) | -                 | 516,842         | -                       | 516,842   | 570,718   |
|  | 177,080           | 516,842         | -                       | 693,922   | 726,434   |
| <b>Due to other funds</b>                  | 105,118           | -               | -                       | -         | -         |
| <b>Long-term debt</b> (note 6)             | -                 | 431,646         | -                       | 431,646   | 534,714   |
|  | 282,198           | 948,488         | -                       | 1,125,568 | 1,261,148 |
| <b>Fund balances</b>                       |                   |                 |                         |           |           |
| Invested in capital assets                 | -                 | 8,216,093       | -                       | 8,216,093 | 8,188,818 |
| Externally restricted                      | -                 | -               | 105,118                 | 105,118   | 116,823   |
| Unrestricted                               | 331,714           | -               | -                       | 331,714   | 321,334   |
|  | 331,714           | 8,216,093       | 105,118                 | 8,652,925 | 8,626,975 |
|  | 613,912           | 9,164,581       | 105,118                 | 9,778,493 | 9,888,123 |

Commitments and contingencies (note 8)

Approved by the Board of Directors

 Director  Director

The accompanying notes are an integral part of these non-consolidated financial statements.

# Grant Memorial Baptist Church Inc.

## Non-consolidated Statement of Changes in Fund Balances

For the year ended June 30, 2023

|  |                                  |                                |  | <u>2023</u>         | <u>2022</u>         |
|--|----------------------------------|--------------------------------|--|---------------------|---------------------|
|  | <b>Operating<br/>Fund<br/>\$</b> | <b>Capital<br/>Fund<br/>\$</b> | <b>Sundry<br/>Programs<br/>Fund<br/>\$<br/>(note 13)</b> | <b>Total<br/>\$</b> | <b>Total<br/>\$</b> |
| <b>Fund balance – Beginning of year</b>          | 329,334                          | 8,180,818                      | 116,823  | 8,626,975           | 8,672,147           |
| <b>Excess of revenue (expenses) for the year</b> | 240,208                          | (202,553)                      | (11,705)   | 25,950              | (45,172)            |
| <b>Interfund transfer (note 11)</b>              | (237,828)                        | 237,828                        | -  | -                   | -                   |
| <b>Fund balance – End of year</b>                | <u>331,714</u>                   | <u>8,216,093</u>               | <u>105,118</u>   | <u>8,652,925</u>    | <u>8,626,975</u>    |

The accompanying notes are an integral part of these non-consolidated financial statements.

# Grant Memorial Baptist Church Inc.

## Non-consolidated Statement of Operations

For the year ended June 30, 2023

|  |                         |                       |                               | 2023        | 2022        |
|--|-------------------------|-----------------------|-------------------------------|-------------|-------------|
|  | Operating<br>Fund<br>\$ | Capital<br>Fund<br>\$ | Sundry<br>Programs Fund<br>\$ | Total<br>\$ | Total<br>\$ |
| <b>Revenue</b>   |                         |                       |                               |             |             |
| Donations  |                         |                       |                               |             |             |
| General  | 2,099,860               | -                     | -                             | 2,099,860   | 1,902,839   |
| Capital  | -                       | -                     | -                             | -           | 1,200       |
| Designated   | -                       | -                     | 304,530                       | 304,530     | 287,797     |
|  | 2,099,860               | -                     | 304,530                       | 2,404,390   | 2,191,836   |
| Program activities   | -                       | -                     | -                             | -           | 6,922       |
| Grants   | 4,135                   | -                     | -                             | 4,135       | 84,987      |
| Other  | 5,021                   | 1,936                 | -                             | 6,957       | 10,448      |
|  | 2,109,016               | 1,936                 | 304,530                       | 2,415,482   | 2,294,193   |
| <b>Expenses</b>  |                         |                       |                               |             |             |
| Ministries   |                         |                       |                               |             |             |
| Salaries and benefits  | 975,258                 | -                     | -                             | 975,258     | 887,326     |
| Programming  | 126,887                 | -                     | -                             | 126,887     | 163,067     |
| Supported ministries (missions)                                | 181,931                 | -                     | 316,235                       | 498,166     | 456,066     |
|  | 1,284,076               | -                     | 316,235                       | 1,600,311   | 1,506,459   |
| Property costs   |                         |                       |                               |             |             |
| Utilities  | 304,388                 | -                     | -                             | 304,388     | 304,020     |
| Maintenance  | 625,471                 | -                     | -                             | 625,471     | 593,485     |
| Insurance  | 29,621                  | -                     | -                             | 29,621      | 26,115      |
| Property taxes   | 12,897                  | -                     | -                             | 12,897      | 12,036      |
|  | 972,377                 | -                     | -                             | 972,377     | 935,656     |
| Less: Cost recovery from Linden Christian School Inc. (note 9) | (622,770)               | -                     | -                             | (622,770)   | (643,342)   |
|  | 349,607                 | -                     | -                             | 349,607     | 292,314     |
| General administration   |                         |                       |                               |             |             |
| Salaries and benefits  | 289,898                 | -                     | -                             | 289,898     | 381,371     |
| Office and printing  | 75,767                  | -                     | -                             | 75,767      | 81,954      |
| Professional fees  | 15,864                  | -                     | -                             | 15,864      | 16,123      |
|  | 381,529                 | -                     | -                             | 381,529     | 479,448     |
| Other expenses   |                         |                       |                               |             |             |
| Interest   | -                       | 35,344                | -                             | 35,344      | 44,306      |
| Financial processing fees                                      | 33,836                  | -                     | -                             | 33,836      | 30,031      |
| Amortization   | -                       | 169,145               | -                             | 169,145     | 181,869     |
|  | 33,836                  | 204,489               | -                             | 238,325     | 256,206     |
|  | 2,049,048               | 204,489               | 316,235                       | 2,569,772   | 2,534,427   |
| <b>Excess of revenue (expenses) before the following</b>       | 59,968                  | (202,553)             | (11,705)                      | (154,290)   | (240,234)   |
| <b>Auxiliary service operations – net (note 14)</b>            | 149,306                 | -                     | -                             | 149,306     | 160,261     |
| <b>Recovery from Lindenholt Ministries Inc. (note 9)</b>       | 30,934                  | -                     | -                             | 30,934      | 34,801      |
| <b>Excess of revenue (expenses) for the year</b>               | 240,208                 | (202,553)             | (11,705)                      | 25,950      | (45,172)    |

The accompanying notes are an integral part of these non-consolidated financial statements.

# Grant Memorial Baptist Church Inc.

## Non-consolidated Statement of Cash Flows

For the year ended June 30, 2023

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|  | 2023<br>\$          | 2022<br>\$          |
|--|---------------------|---------------------|
| <b>Cash provided by (used in)</b>                  |                     |                     |
| <b>Operating activities</b>                        |                     |                     |
| Excess of revenue (expenses) for the year          | 25,950              | (45,172)            |
| Items not affecting cash                           |                     |                     |
| Amortization                                       | 169,145             | 181,869             |
|  | <hr/> 195,095       | <hr/> 136,697       |
| Change in non-cash working capital items           | 56,272              | 36,659              |
|  | <hr/> 251,367       | <hr/> 173,356       |
| <b>Financing activities</b>                        |                     |                     |
| Repayment of long-term debt                        | <hr/> (156,944)     | <hr/> (323,157)     |
| <b>Investing activities</b>                        |                     |                     |
| Purchase of capital assets                         | <hr/> (47,476)      | <hr/> (64,904)      |
| <b>Increase (decrease) in cash during the year</b> | 46,947              | (214,705)           |
| <b>Cash – Beginning of year</b>                    | <hr/> 499,265       | <hr/> 713,970       |
| <b>Cash – End of year</b>                          | <hr/> <hr/> 546,212 | <hr/> <hr/> 499,265 |

The accompanying notes are an integral part of these non-consolidated financial statements.



# Grant Memorial Baptist Church Inc.

## Notes to Non-consolidated Financial Statements

June 30, 2023

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### 1 Incorporation and purpose

Grant Memorial Baptist Church Inc. (the Church) is a Bible-centred church known for its emphasis on teaching the Scriptures, its choice of traditional and contemporary worship, its strong sense of community and its commitment to reach beyond its walls. The Church is a not-for-profit organization and is a registered charity under the Income Tax Act (Canada). It was incorporated without share capital under Articles of Continuance in the Corporations Act of Manitoba, on June 3, 2009.

### 2 Basis of presentation

These non-consolidated financial statements are prepared in accordance with accounting standards for not-for-profit organizations (ASNPO).

### 3 Summary of significant accounting policies

#### Fund accounting

The accounts of the Church are maintained in accordance with the principles of fund accounting. Fund accounting is a procedure whereby a self-balancing group of accounts is provided for each accounting fund established by the Church.

For financial reporting purposes, the accounts have been classified into three funds. The activities carried out by each fund are as follows:

- Operating Fund – reports the assets, liabilities, revenue and expenses related to general and auxiliary operations;
- Capital Fund – reports the acquisition, disposition, amortization and liabilities related to capital assets; and
- Sundry Programs Fund – reports the assets, liabilities, revenue and expenses related to special ministry events, groups and programs, which are largely self-funded through designated donations and program revenues.

#### Revenue recognition

The Church follows the restricted fund method of accounting for contributions. Unrestricted contributions are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for which a corresponding restricted fund has been established are recognized as revenue of that fund in the current period. Restricted contributions for which there is no corresponding restricted fund are recognized in the Operating Fund in accordance with the deferral method.

Sundry Programs Fund activities and auxiliary services revenue are recognized in the fiscal year to which they relate.

# Grant Memorial Baptist Church Inc.

## Notes to Non-consolidated Financial Statements

June 30, 2023

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### Capital assets

Capital assets are recorded at cost and are amortized, after adjusting for estimated residual value, over their estimated useful lives using the declining balance method with the half-year rule applied to acquisitions, at the following rates:

|                           |     |
|---------------------------|-----|
| Site improvements         | 5%  |
| Furnishings and equipment | 10% |
| Computer equipment        | 33% |
| Computer software         | 50% |

The building is amortized on a straight-line basis over 40 years with certain building renovations amortized on a declining balance basis at the rate of 7.5% per year.

Contributed capital assets are recorded at fair value on the date of contribution.

### Non-consolidation of controlled organizations

The Church controls three not-for-profit organizations as detailed in note 11. These non-consolidated financial statements have been prepared on a non-consolidated basis.

### Contributed services

Volunteers are an integral part of carrying out the activities of the Church. Contributed services are not recognized in the financial statements due to the difficulty in determining their fair value.

### Financial instruments

#### *Measurement of financial instruments*

The Church initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. The Church subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities, accrued vacation pay, due to (from) related parties and long-term debt.

#### *Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a writedown is recognized in the non-consolidated statement of operations. When events occurring after the impairment confirm a reversal is necessary, the reversal is recognized in the non-consolidated statement of operations.

# Grant Memorial Baptist Church Inc.

## Notes to Non-consolidated Financial Statements

June 30, 2023

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### Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the non-consolidated financial statements and the reported amounts of revenues, and expenses during the reporting period. Actual amounts could differ from those estimates.

### 4 Capital assets

|                                 |            |                                   | 2023      | 2022      |
|---------------------------------|------------|-----------------------------------|-----------|-----------|
|                                 | Cost<br>\$ | Accumulated<br>amortization<br>\$ | Net<br>\$ | Net<br>\$ |
| Land                            | 676,152    | -                                 | 676,152   | 676,152   |
| Site improvements               | 599,005    | 396,461                           | 202,544   | 205,780   |
| Building                        | 9,051,660  | 1,508,668                         | 7,542,992 | 7,606,774 |
| Furnishings and equipment       | 2,595,918  | 1,875,326                         | 720,592   | 769,694   |
| Computer equipment and software | 168,150    | 145,849                           | 22,301    | 27,850    |
|                                 | 13,090,885 | 3,926,304                         | 9,164,581 | 9,286,250 |

In addition to the capital assets listed above, the Church has legal title to classroom buildings that have been added since 1993 by Linden Christian School Inc. (the School) onto the property owned by the Church. The cost of these additions made over the years total \$11.8 million. As the School has financed and operates these capital assets for its own beneficial interest, these assets have been recorded on the financial statements of the School and are not reflected above.

### 5 Credit facility

The Church has a \$200,000 line of credit facility available bearing interest at bank prime plus 1.5%, secured by a general security agreement. As at June 30, 2023 and 2022, the Church had not utilized any portion of the line of credit.

# Grant Memorial Baptist Church Inc.

## Notes to Non-consolidated Financial Statements

June 30, 2023

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### 6 Long-term debt

|  | 2023<br>\$ | 2022<br>\$ |
|--|------------|------------|
| Mortgage, due January 1, 2027, bearing interest at 3.15%, secured by a demand promissory note, repayable in monthly principal and interest payments of \$6,090 | 192,052    | 257,994    |
| Mortgage, due April 1, 2026, bearing interest at 3.15%, secured by a demand promissory note, repayable in monthly principal and interest payments of \$3,800   | 342,890    | 377,175    |
| Mortgage, due May 31, 2024, bearing interest at 6.05%, secured by a demand promissory note, repayable in monthly principal and interest payments of \$6,208    | 413,546    | 470,263    |
|  | <hr/>      | <hr/>      |
|  | 948,488    | 1,105,432  |
| Less: Current portion  | 516,842    | 570,718    |
|  | <hr/>      | <hr/>      |
|  | 431,646    | 534,714    |
|  | <hr/>      | <hr/>      |

A general security agreement over all of the assets of the School and the Church, an assignment of fire insurance and an assignment of the lease agreement between the School and the Church have been given as collateral for the mortgages payable.

Interest on long-term debt, which is being expensed in the Capital Fund, for the year ended June 30, 2023 amounted to \$35,344 (2022 – \$44,306).

Based on current terms, the aggregate of principal payments required and mortgage balances coming due in each of the next three years is:

|      | \$      |
|------|---------|
| 2024 | 516,842 |
| 2025 | 106,625 |
| 2026 | 325,021 |
|      | <hr/>   |
|      | 948,488 |
|      | <hr/>   |

During the year, in accordance with the terms of its mortgage agreement, the Church made principal repayments in excess of monthly requirements for the mortgages. Based on the assumption that the mortgages are renewed when they come due at similar terms and rates, the estimated aggregate principal payments to be made in the year ending June 30, 2024 would be \$154,094.

# Grant Memorial Baptist Church Inc.

## Notes to Non-consolidated Financial Statements

June 30, 2023

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### 7 Group RRSP

The Church sponsors a voluntary defined contribution group RRSP for eligible employees. The Church currently matches participants' contributions up to a maximum of 5% of participants' earnings depending on length of service with the Church. Matching contributions of \$39,936 (2022 – \$37,455) have been expensed during the year and are included in salaries and benefits.

### 8 Commitments and contingencies

The Church is committed under operating leases for office equipment, with minimum lease payments over the next five years as follows:

|      | \$     |
|------|--------|
| 2024 | 33,906 |
| 2025 | 22,686 |
| 2026 | 18,424 |
| 2027 | 12,680 |
| 2028 | 5,283  |

### 9 Related party transactions

Related party transactions with subsidiary organizations of the Church are included in the non-consolidated financial statements at the exchange amounts as follows:

|                                       | 2023<br>\$ | 2022<br>\$ |
|---------------------------------------|------------|------------|
| Current assets                        |            |            |
| Due from Linden Christian School Inc. | 16,241     | 63,428     |
| Due from Lindenholt Ministries Inc.   | 11,600     | 11,600     |
| Current liabilities                   |            |            |
| Due to related parties                | -          | 175        |
| Auxiliary services revenue            |            |            |
| Rent                                  | 171,849    | 183,048    |
| Cost recovery                         |            |            |
| Property costs                        | 622,770    | 643,342    |
| Café shared loss                      | 5,988      | 15,235     |

In addition, during the year the Church recovered \$30,934 (2022 – \$34,801) from Lindenholt Ministries Inc. for interest on a loan that had previously been written off as it was deemed uncollectible.

# Grant Memorial Baptist Church Inc.

## Notes to Non-consolidated Financial Statements

June 30, 2023

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### 10 Non-consolidation of controlled organizations

The Church controls Linden Christian School Inc., Lindenholt Ministries Inc. and Lindenlake Terrace Inc. by virtue of the fact that the members of the Board of Trustees of the Church are the only members of these organizations.

Linden Christian School Inc. operates an independent school for early years through senior years school-aged children on property owned by and in facilities attached to the Church. It is a not-for-profit organization, incorporated without share capital under the Corporations Act of Manitoba and is a tax-exempt registered charity under the Income Tax Act, (Canada).

Lindenholt Ministries Inc. owns, manages and maintains residential housing properties for seniors on property adjacent to the Church, which was formerly owned by the Church. It is a not-for-profit organization, incorporated without share capital under the Corporations Act of Manitoba and is tax exempt under the Income Tax Act (Canada).

Lindenlake Terrace Inc. manages and maintains residential housing properties for seniors through the acquisition of leasehold interests in a housing complex owned by Lindenholt Ministries Inc. It is a not-for-profit organization, incorporated without share capital under the Corporations Act of Manitoba and is tax exempt under the Income Tax Act (Canada).

Linden Christian School Inc., Lindenholt Ministries Inc. and Lindenlake Terrace Inc. have not been consolidated in the Church's non-consolidated financial statements. Financial statements of these organizations have been prepared and issued to their members. Financial summaries of these organizations as at their respective year-ends are as follows.

#### Linden Christian School Inc.

|   | <b>2023</b>       | <b>2022</b>       |
|---|-------------------|-------------------|
|   | <b>\$</b>         | <b>\$</b>         |
| <b>Financial position – as at June 30</b>                 |                   |                   |
| Total assets  | 15,726,325        | 15,292,756        |
| Total liabilities   | 4,631,360         | 5,220,033         |
| Total fund balances                                       | <u>11,094,965</u> | <u>10,072,723</u> |
| <b>Results of operations – for the year ended June 30</b> |                   |                   |
| Total revenue   | 13,585,291        | 12,483,514        |
| Total expenses  | 12,563,049        | 11,581,147        |
| Excess of revenue for the year                            | <u>1,022,242</u>  | <u>902,367</u>    |
| <b>Cash flows – for the year ended June 30</b>            |                   |                   |
| Cash from operating activities                            | 1,421,879         | 1,712,459         |
| Cash used in financing and investing activities           | (1,425,669)       | (846,544)         |
| (Decrease) increase in cash                               | <u>(3,790)</u>    | <u>865,915</u>    |

# Grant Memorial Baptist Church Inc.

## Notes to Non-consolidated Financial Statements

June 30, 2023

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### Lindenholm Ministries Inc.

|   | 2022<br>\$       | 2021<br>\$       |
|---|------------------|------------------|
| <b>Financial position – as at December 31</b>                 |                  |                  |
| Total assets  | 2,247,999        | 1,758,313        |
| Total liabilities   | 473,915          | 465,406          |
| Fund balances   | <u>1,774,084</u> | <u>1,292,907</u> |
| <b>Results of operations – for the year ended December 31</b> |                  |                  |
| Total revenue   | 1,360,115        | 1,126,700        |
| Total expenses  | 878,938          | 830,782          |
| Excess of revenue for the year                                | <u>481,177</u>   | <u>295,918</u>   |
| <b>Cash flows – for the year ended December 31</b>            |                  |                  |
| Cash from operating activities                                | 201,667          | 153,936          |
| Cash (used in) from financing and investing activities        | (257,290)        | 491,461          |
| (Decrease) increase in cash                                   | <u>(55,623)</u>  | <u>645,397</u>   |

### Lindenlake Terrace Inc.

|   | 2022<br>\$       | 2021<br>\$     |
|---|------------------|----------------|
| <b>Financial position – as at December 31</b>                 |                  |                |
| Total assets  | 1,298,960        | 1,415,402      |
| Total liabilities   | 1,240,691        | 1,223,742      |
| Fund balances   | <u>58,269</u>    | <u>191,660</u> |
| <b>Results of operations – for the year ended December 31</b> |                  |                |
| Total revenue   | 395,754          | 394,110        |
| Total expenses  | 529,145          | 326,972        |
| Excess of revenue for the year                                | <u>(133,391)</u> | <u>67,138</u>  |
| <b>Cash flows – for the year ended December 31</b>            |                  |                |
| Cash (used in) from operating activities                      | (138,261)        | 80,438         |
| Cash from (used in) financing and investing activities        | 244,928          | (21,091)       |
| Increase in cash  | <u>106,667</u>   | <u>59,347</u>  |

# Grant Memorial Baptist Church Inc.

## Notes to Non-consolidated Financial Statements

June 30, 2023

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### 11 Interfund transfer

The interfund transfer is comprised of the following:

|                             | 2023    | 2022    |
|-----------------------------|---------|---------|
|                             | \$      | \$      |
| Repayment of long-term debt | 156,944 | 323,157 |
| Purchase of capital assets  | 47,476  | 64,904  |
| Interest on long-term debt  | 35,344  | 44,306  |
| Less: Capital fund revenue  | 1,936   | 16,702  |
|                             | <hr/>   | <hr/>   |
|                             | 237,828 | 415,665 |
|                             | <hr/>   | <hr/>   |

### 12 Financial instruments

#### Credit risk

Credit risk is the risk one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. It is management's opinion that the Church is not exposed to significant credit risk from financial instruments.

#### Liquidity risk

Liquidity risk is the risk the Church will not be able to meet its financial obligations associated with financial liabilities. Management expects the Church to be able to meet its financial obligations in the foreseeable future.

#### Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes in the Church's cash flows. The Church is exposed to interest rate risk on the line of credit facility which bears interest at a variable rate.



# Grant Memorial Baptist Church Inc.

## Notes to Non-consolidated Financial Statements

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### 13 Sundry programs fund

Activity includes the following:

|                           | Balance –<br>June 30,<br>2022<br>\$ | Donation<br>revenue<br>\$ | Program<br>revenue<br>\$ | Expenses<br>\$ | Balance –<br>June 30,<br>2023<br>\$ |
|---------------------------|-------------------------------------|---------------------------|--------------------------|----------------|-------------------------------------|
| <b>Program activities</b> |                                     |                           |                          |                |                                     |
| CD and resources          | 39                                  | -                         | -                        | -              | 39                                  |
| Choirs and music groups   | 7,137                               | -                         | -                        | 2,044          | 5,093                               |
| Chinese ministries        | 3,890                               | -                         | -                        | -              | 3,890                               |
| Fellowship fund           | 9,173                               | 6,143                     | -                        | 4,485          | 10,831                              |
| Library                   | -                                   | -                         | 521                      | 381            | 140                                 |
| Mens' ministries          | 270                                 | -                         | 3,169                    | 3,144          | 295                                 |
| Seniors' ministries       | 525                                 | 374                       | -                        | 899            | -                                   |
| Womens' ministries        | 2,942                               | -                         | 1,315                    | 1,174          | 3,083                               |
| Young adults              | 392                                 | -                         | 1,025                    | 1,025          | 392                                 |
| Youth                     | 335                                 | 120                       | -                        | 174            | 281                                 |
|                           | <hr/> 24,703                        | <hr/> 6,637               | <hr/> 6,030              | <hr/> 13,326   | <hr/> 24,044                        |
| <b>Mission activities</b> |                                     |                           |                          |                |                                     |
| Mission projects          | 61,751                              | 199,840                   | 6,320                    | 246,455        | 21,456                              |
| World missions            | 30,202                              | 75,733                    | 4,147                    | 51,577         | 58,505                              |
| Youth trip                | 167                                 | 5,823                     | -                        | 4,877          | 1,113                               |
|                           | <hr/> 92,120                        | <hr/> 281,396             | <hr/> 10,467             | <hr/> 302,909  | <hr/> 81,074                        |
|                           | <hr/> 116,823                       | <hr/> 288,033             | <hr/> 16,497             | <hr/> 316,235  | <hr/> 105,118                       |

# Grant Memorial Baptist Church Inc.

## Notes to Non-consolidated Financial Statements

June 30, 2023

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### 14 Auxiliary service operations

|  |            |                           | 2023        | 2022        |
|--|------------|---------------------------|-------------|-------------|
|  | Café<br>\$ | Property<br>rentals<br>\$ | Total<br>\$ | Total<br>\$ |
| <b>Revenue</b>                         |            |                           |             |             |
| Sales and services                     | 91,553     | -                         | 91,553      | 50,469      |
| Internal rentals                       | -          | 171,849                   | 171,849     | 183,048     |
| External rentals                       | -          | 3,999                     | 3,999       | 6,536       |
|  | 91,553     | 175,848                   | 267,401     | 240,053     |
| <b>Direct expenses</b>                 |            |                           |             |             |
| Purchased services and supplies        | 119,654    | 4,198                     | 123,852     | 94,758      |
| Office and promotion                   | 231        | -                         | 231         | 269         |
| Café shared loss recovery (note 10)    | (5,988)    | -                         | (5,988)     | (15,235)    |
|  | 113,897    | 4,198                     | 118,095     | 79,792      |
| <b>Excess of revenue over expenses</b> | (22,344)   | 171,650                   | 149,306     | 160,261     |