

Chalice (Canada)
Non-Consolidated Financial Statements
June 30, 2024

Chalice (Canada)
Contents

For the year ended June 30, 2024

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To the Board of Chalice (Canada):

Opinion

We have audited the non-consolidated financial statements of Chalice (Canada) (the "Organization"), which comprise the non-consolidated statement of financial position as at June 30, 2024, and the non-consolidated statements of operations, changes in fund balances, and cash flows and the related schedules for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Organization as at June 30, 2024, and the results of its non-consolidated operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 opinion.

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.

In preparing the non-consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

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 Organization'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 Organization'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 Organization 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.

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.

Dartmouth, Nova Scotia

December 9, 2024

MNP LLP

Chartered Professional Accountants

MNP

Chalice (Canada)
Non-Consolidated Statement of Financial Position
As at June 30, 2024

	General Fund	Invested in Capital Assets	HDP/CP Fund	Urgency Fund	Christmas Fund	Endowment Fund	2024	2023
Assets								
Current								
Cash	3,435,041	-	-	-	-	-	3,435,041	7,659,723
Short-term investments (Note 3)	2,658,378	-	-	-	-	-	2,658,378	2,519,609
Prepaid expenses and deposits	5,443	-	-	-	-	-	5,443	18,740
HST receivable	63,765	-	-	-	-	-	63,765	71,217
Other receivable	36,668	-	-	-	-	-	36,668	364
Due from (to) funds (Note 5)	(5,197,120)	-	3,416,403	484,793	(14,799)	1,310,723	-	-
	1,002,175	-	3,416,403	484,793	(14,799)	1,310,723	6,199,295	10,269,653
Investments (Note 3)	9,160,388	-	-	-	-	-	9,160,388	6,487,738
Due from Chalice, Inc. (Note 4)	594,894	-	-	-	-	-	594,894	454,035
Capital assets (Note 6)	-	2,736,734	-	-	-	-	2,736,734	2,889,830
Intangible asset (Note 7)	-	844,933	-	-	-	-	844,933	239,041
	10,757,457	3,581,667	3,416,403	484,793	(14,799)	1,310,723	19,536,244	20,340,297

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Chalice (Canada)
Non-Consolidated Statement of Financial Position
As at June 30, 2024

	General Fund	Invested in Capital Assets	HDP/CP Fund	Urgency Fund	Christmas Fund	Endowment Fund	2024	2023
Liabilities								
Current								
Accounts payable and accrued liabilities	1,050,266	-	-	-	-	-	1,050,266	2,391,027
Deferred contributions (Note 8)	3,038,925	-	-	-	-	-	3,038,925	4,084,331
	4,089,191	-	-	-	-	-	4,089,191	6,475,358
Deferred contributions (Note 8)	933,424	-	-	-	-	-	933,424	779,322
	5,022,615	-	-	-	-	-	5,022,615	7,254,680
Commitments (Note 9)								
Fund Balances								
Invested in capital assets	-	3,581,667	-	-	-	-	3,581,667	3,128,870
Restricted	-	-	3,416,403	484,793	(14,799)	1,310,723	5,197,120	5,088,502
Unrestricted general	5,734,842	-	-	-	-	-	5,734,842	4,868,245
	5,734,842	3,581,667	3,416,403	484,793	(14,799)	1,310,723	14,513,629	13,085,617
	10,757,457	3,581,667	3,416,403	484,793	(14,799)	1,310,723	19,536,244	20,340,297

Approved on behalf of the Board of Directors


Director


Director

Chalice (Canada)
Non-Consolidated Statement of Operations
For the year ended June 30, 2024

	General Fund	Invested in Capital Assets	HDP/CP Fund	Urgency Fund	Christmas Fund	Endowment Fund	2024	2023
Revenue								
Sponsorship contributions	23,181,320	-	-	-	-	-	23,181,320	22,943,825
Special gift contributions	1,697,934	-	-	-	-	-	1,697,934	1,709,656
General contributions	2,702,820	-	-	-	-	-	2,702,820	1,906,372
Community projects fund contributions	-	-	3,102,478	-	-	-	3,102,478	2,731,480
Urgency fund contributions	-	-	-	908,399	-	-	908,399	1,498,873
Christmas contributions	-	-	-	-	392,524	-	392,524	203,876
Endowment contributions	-	-	-	-	-	286,559	286,559	256,000
Catalogue contributions	2,875,944	-	-	-	-	-	2,875,944	1,860,184
Investment income	566,238	-	-	-	-	-	566,238	368,397
Unrealized loss on investments	(36,680)	-	-	-	-	-	(36,680)	(6,832)
Fundraising contributions and other revenues	100,714	-	-	-	-	-	100,714	1,181,601
Prayer ministry contributions	-	-	-	-	-	-	-	2,600
	31,088,290	-	3,102,478	908,399	392,524	286,559	35,778,250	34,656,032
Program expenditures (Schedule 1)								
Marketing expenditures (Schedule 1)	26,298,909	-	2,941,784	1,057,396	407,323	-	30,705,412	29,781,792
Administrative expenditures (Schedule 1)	2,165,525	-	-	-	-	-	2,165,525	2,070,401
Amortization	1,310,090	-	-	-	-	-	1,310,090	1,240,944
	-	169,211	-	-	-	-	169,211	149,892
	29,774,524	169,211	2,941,784	1,057,396	407,323	-	34,350,238	33,243,029
Excess (deficiency) of revenue over expenditures	1,313,766	(169,211)	160,694	(148,997)	(14,799)	286,559	1,428,012	1,413,003

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

Chalice (Canada)
Non-Consolidated Statement of Changes in Fund Balances
For the year ended June 30, 2024

	General Fund	Invested in Capital Assets	HDP/CP Fund	Urgency Fund	Christmas Fund	Endowment Fund	2024	2023
Fund balances, beginning of year	4,868,245	3,128,870	3,460,424	513,490	-	1,114,588	13,085,617	11,672,614
Excess (deficiency) of revenue over expenditures	1,313,766	(169,211)	160,694	(148,997)	(14,799)	286,559	1,428,012	1,413,003
Interfund transfers (Note 10)	(447,169)	622,008	(204,715)	120,300	-	(90,424)	-	-
Fund balances, end of year	5,734,842	3,581,667	3,416,403	484,793	(14,799)	1,310,723	14,513,629	13,085,617

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

Chalice (Canada)
Non-Consolidated Statement of Cash Flows
For the year ended June 30, 2024

	2024	2023
Cash provided by the following activities		
Operating		
Excess of revenue over expenditures	1,428,012	1,413,003
Amortization	169,211	149,892
Unrealized loss on investments	36,680	6,832
	1,633,903	1,569,727
Changes in working capital accounts		
Prepaid expenses and deposits	13,297	(11,185)
HST receivable	7,452	19,827
Other receivable	(36,304)	15,011
Accounts payable and accrued liabilities	(1,340,761)	1,731,252
Deferred contributions	(891,304)	38,905
	(613,717)	3,363,537
Investing		
Advances to a related party	(282,780)	(239,415)
Net repayment from a related party	141,921	603,043
Proceeds on disposal of investments	3,622,938	3,758,373
Purchase of investments	(6,471,037)	(3,255,405)
Purchase of capital assets	(16,115)	(69,871)
Purchase of intangible assets	(605,892)	(236,356)
	(3,610,965)	560,369
Change in cash during the year	(4,224,682)	3,923,906
Cash resources, beginning of year	7,659,723	3,735,817
Cash resources, end of year	3,435,041	7,659,723

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

1. Incorporation and nature of the organization

Chalice (Canada) (the "Organization") was incorporated on June 30, 1992 under the Canada Corporation Act and is a registered charitable organization and qualifies for tax-exempt status pursuant to paragraph 149 (1) (f) of the Income Tax Act.

The Organization's main purpose is to provide financial sponsorship to children and the aging in developing countries and to advance religion through the promotion of prayer by providing spiritual and educational resources nationally and internationally.

The Organization controls a related entity, Chalice, Inc. Related party transactions are disclosed in note 4.

These non-consolidated financial statements reflect the assets, liabilities and operations of the Organization. The non-consolidated financial statements do not reflect the assets, liabilities, and operations of Chalice, Inc. The financial statements of Chalice, Inc. are readily available to management. See note 13 for additional information relating to Chalice, Inc's statement of financial position and statement of operations for the year ended June 30, 2024.

2. Significant accounting policies

The non-consolidated 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 Board in Canada and include the following significant accounting policies:

Fund accounting

The Organization follows the restricted fund method of accounting for contributions, and maintains five funds: General Fund, Human Development Programs and Capital Projects Fund (HDP/CP Fund), Urgency Fund, Christmas Fund and Endowment Fund.

The General Fund reports the Organization's program delivery and administrative activities. The fund reports unrestricted resources and restricted resources for which there is not an appropriate restricted fund.

The Human Development Program and Capital Projects Fund (HDP/CP Fund) reports the Organization's restricted resources that are to be used to provide funding for specific community projects under the following categories: education, nutrition, water, health care, community development and emergency funding.

The Urgency Fund reports the Organization's restricted resources that are to be used to provide funding to projects when urgent circumstances arise. Within the Urgency Fund, contributions may be restricted to be used at specific locations. When there is no longer a need for those resources at the specific locations, the remaining resources, which are usually minimal, can be used at any location when urgent circumstances arise. Amounts restricted to specific locations are described in note 9.

The Christmas Fund reports the Organization's restricted resources that are to be used in providing additional resources at Christmas time.

The Endowment Fund reports the Organization's resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the General Fund and is used for expenses which achieve the purpose of the endowment to which it relates.

Invested in Capital Assets

Net assets invested in capital assets are presented as a separate component of fund balances.

Revenue recognition

The Organization uses the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Rental revenue is recognized on a monthly basis as it is earned.

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

Revenue recognition *(Continued from previous page)*

Endowment contributions are recognized as revenue in the Endowment Fund when funds are received.

Investment income is recognized as revenue in the General Fund when earned.

Investments

Investments include investments in guaranteed investment certificates, equities and mutual fund units.

The investments in guaranteed investment certificates are recorded at principal plus accrued interest, which approximates market value.

Equity investments and mutual fund units are recognized initially at fair value and transaction costs are taken directly to the statement of operations. They are subsequently remeasured at each year end at their fair value on the statement of financial position, with unrealized gains and losses recorded in the statement of operations. Publicly traded securities are valued based on the latest bid prices and pooled funds are valued based on reported unit values. Such indicated fair values do not necessarily represent the realizable value subsequent to year end, which may be more or less than that indicated by market quotations.

Capital assets

Purchased capital assets are recorded at cost.

Amortization is provided using the diminishing balance method at the following rates intended to amortize the cost of assets over their estimated useful lives.

Buildings	6 %
Computer equipment	30 %
Furniture and equipment	20 %

Intangible asset

Specified intangible assets are recognized and reported apart from goodwill.

An intangible asset recognized separately from goodwill and subject to amortization is recorded at cost. Contributed intangible assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the diminishing balance method at a rate intended to amortize the cost of the intangible asset over its estimated useful life.

Computer software	30 %
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When an intangible asset no longer contributes to the Organization's ability to provide goods or services, or the value of future economic benefits or service potential associated with the intangible asset is less than its net carrying amount, its carrying amount is written down to fair value.

Long-lived assets

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

The Organization writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Organization's ability to provide goods and services. The assets 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 Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Contributed services

A number of volunteers contribute their time each year. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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

Allocation of expenses

Wages and salaries for some employees have been allocated between programming, marketing and administration based on the estimated proportion of time spent by these employees. For the total wages and salaries of \$3,716,413 (2023 - \$3,390,227), \$1,014,580 (2023 - \$1,082,935) was allocated between the three functions, and of this amount, \$429,287 (2023 - \$448,688) was allocated to program expenditures.

Measurement uncertainty (use of estimates)

The preparation of non-consolidated 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period.

Amortization is based on the estimated useful lives of capital assets and impairment of the related party loan owing from Chalice Inc. is based on review of the unaudited financial statements.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenues over expenditures in the periods in which they become known.

Financial instruments

The Organization recognizes financial instruments when the Organization 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 Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. With the exception of financial liabilities indexed to a measure of the Organization'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 expenditures. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

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

Financial instruments *(Continued from previous page)*

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Organization has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Organization subsequently measures all financial instruments using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenues over expenditures.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization 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 initially measured at cost, the Organization 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 and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization 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, the present value of cash flows expected to be generated by holding the assets and the amount expected to be realized by exercising any rights to collateral held against those assets.

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

The Organization 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 expenditures in the year the reversal occurs.

3. Investments

SHORT-TERM

Fixed income - Guaranteed Investment Certificates:

	2024	2023
Scotiabank, redeemable guaranteed investment certificates, matured during the year.	-	2,519,609
Credit Union Atlantic, redeemable guaranteed investment certificate, maturing March 11, 2025 with a yield to maturity of 4.87%.	507,405	-
East Coast Credit Union, non-redeemable guaranteed investment certificate, maturing February 1, 2025 with a yield to maturity of 5.35%.	2,150,973	-
	2,658,378	2,519,609

Chalice (Canada)
Notes to the Non-Consolidated Financial Statements
For the year ended June 30, 2024

LONG-TERM

	2024	2023
CIBC Investor's Edge, equity investments (cost - \$3,053,380; 2023 - \$2,880,793).	3,268,639	3,149,057
Investment in mutual funds (cost - \$204,763; 2023 - \$199,724).	278,576	257,212
Scotiabank, redeemable guaranteed investment certificates, maturing between March 7, 2026 and June 20, 2026 with yields to maturity of 4.80% to 5.25%.	3,521,564	-
East Coast Credit Union, redeemable guaranteed investment certificate, maturing February 1, 2025 included in short-term investments.	-	2,043,679
Credit Union Atlantic, redeemable guaranteed investment certificate, maturing July 31, 2025 with a yield to maturity of 5.25%.	1,048,472	1,037,790
CIBC, redeemable guaranteed investment certificate, maturing July 31, 2025 with a yield to maturity of 4.70%.	1,043,137	-
	9,160,388	6,487,738

4. Related party transactions

The following table summarizes the Organization's related party transactions for the year:

	2024	2023
Administration fees charged to Chalice, Inc., a commonly controlled entity	30,190	32,335

These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of the consideration established and agreed to by the related parties.

At the end of the year, the long-term amount due from a related party is as follows:

	2024	2023
Due from Chalice, Inc., a commonly controlled entity	594,894	454,035

This amount bears no interest and has no fixed terms of repayment and, therefore, this loan has been classified as long-term. (See note 11)

5. Due from (to) funds

The transactions of the HDP / CP, Urgency, Christmas and Endowment Funds are administered through the main operating and investment accounts of the General Fund. As a result, at June 30, 2024, the balances of the respective funds have been set up as owing from (to) the General Fund. These loans are non-interest bearing, have no set terms of repayment and have been classified as current items on the statement of financial position.

Chalice (Canada)
Notes to the Non-Consolidated Financial Statements
For the year ended June 30, 2024

6. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	868,503	-	868,503	868,503
Buildings	2,950,000	1,151,676	1,798,324	1,936,636
Computer equipment	356,563	316,342	40,221	47,584
Furniture and equipment	307,843	278,157	29,686	37,107
	4,482,909	1,746,175	2,736,734	2,889,830

Buildings include an asset with a cost of \$2,950,000 (2023 - \$2,947,644) and accumulated amortization of \$1,151,676 (2023 - \$1,011,008) of which approximately 0% (2023 - 6%) of the building was being leased to a third party. The related rental revenue of \$nil (2023 - \$25,384) is included in 'Fundraising Contributions and other revenues' on the Statement of Operations.

7. Intangible asset

	2024	2023
Intangible asset having definite lives		
Computer software	844,933	239,041

Computer software includes software with a carrying value of \$844,933 (2023 - \$239,041). No amortization of this asset has been recorded during the current year because it is currently under development.

8. Deferred contributions

Deferred contributions represent sponsorship and other revenue received in the current year that relate to subsequent years. Deferred contributions which relate to periods greater than one year have been presented as long-term.

The deferred contributions balance is comprised of the following externally restricted amounts for which there is not an appropriate restricted fund:

	2024	2023
Deferred sponsorship contributions	3,665,156	3,625,623
Deferred catalogue contributions	307,193	1,238,030
Less: long-term portion	(933,424)	(779,322)
	3,038,925	4,084,331

Changes in deferred sponsorship contributions balance are as follows:

	2024	2023
Balance, beginning of year	3,625,623	3,442,131
Less: amount recognized as revenue during the year	(2,991,732)	(2,654,568)
Add: amount received during the year	3,031,265	2,838,060
Balance, end of year	3,665,156	3,625,623

Chalice (Canada)
Notes to the Non-Consolidated Financial Statements
For the year ended June 30, 2024

Changes in the deferred Chalice children contributions balance are as follows:

	2024	2023
Balance, beginning of year	-	172,106
Add: contributions received during the year	-	27,793
Less: amount recognized as revenue during the year	-	(199,899)
Balance, end of year	-	-

Changes in the deferred catalogue contributions balance are as follows:

	2024	2023
Balance, beginning of year	1,238,030	1,210,511
Contributions received during the year	2,048,020	1,887,703
Contributions recognized as revenue during the year	(2,978,857)	(1,860,184)
Balance, end of year	307,193	1,238,030

9. Commitments

In 2019, the Organization entered into a long-term office equipment lease. The lease term spans from September 1, 2019 to February 28, 2025, with the annual rental being \$4,968. In 2021, the Organization entered into another long-term office equipment lease. The lease term spans from July 23, 2021 to January 22, 2027, with the annual rental being \$5,043.

Community projects

The Organization has committed funds in the amount of \$1,478,314 to various community projects in the following countries: Ghana, Kenya, India, Zambia, Philippines, Bolivia, Guatemala, Paraguay, and Peru. These funds are expected to be paid out as the community projects meet the requirements for the funding to be advanced.

The approximate payout for these community projects within the next four years are as follows:

2025	1,081,742
2026	319,444
2027	67,404
2028	9,724

The HDP / CP Fund has a balance of \$3,416,403; therefore, adequate funds have been set aside for these commitments. The remaining resources of \$1,938,089 in the HDP / CP Fund are uncommitted community project contributions which may be used at any location when circumstances arise.

Disaster relief funds and critical needs

In a prior year, the Organization committed amounts to be paid for disaster relief funds or for critical need purposes totaling \$69,672. The Urgency Fund has a balance of \$484,793; therefore, adequate funds have been set aside for these commitments. The remaining resources of \$451,121 in the Urgency Fund are uncommitted disaster relief or critical need contributions which may be used at any location when urgent circumstances arise.

10. Interfund transfers

The Organization approved interfund transfers from the General Fund to the Urgency Fund and the Invested in Capital Assets Fund, in the amount of \$120,300 and \$622,008, respectively. The Organization also approved transfers from the HDP/CP Fund and the Endowment Fund to the General Fund in the amount of \$204,715, and \$90,424, respectively.

11. Financial instruments

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

Credit concentration

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and investments held by financial institutions. To minimize the risk, the Organization holds cash with high quality Canadian banks.

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 Organization is exposed to interest rate cash flow risk with respect to its guaranteed investment certificates, which are fixed interest rate financial instruments. The Organization is subject to a fair value risk on its fixed-rate instruments.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments in equities and mutual fund units.

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. As at June 30, 2024 the following items are denominated in US currency:

	2024	2023
Due from Chalice, Inc. - US dollars	439,008	340,164
Cash - US dollars	781,807	887,531

During the year, the value of the Canadian dollar appreciated by 1% against the US dollar. The above items have been translated to Canadian using the year end rate of \$1.369 (2023 - \$1.324).

12. Non-monetary contributions

During the year, the Organization received \$1,033,760 (2023 - \$1,222,712) of donated stocks based on fair market value on the date they were received. Revenues realized from these non-monetary transactions totaled \$982,375 (2023 - \$1,221,629) and are measured at the carrying amount of the asset given up, adjusted by the fair value of the monetary consideration. A loss of \$51,385 (2023 - \$1,083) associated with these transactions has been recorded in excess of revenue over expenditures for the year.

Chalice (Canada)
Notes to the Non-Consolidated Financial Statements
For the year ended June 30, 2024

13. Unconsolidated not-for-profit organization

Chalice, Inc. was incorporated under the State Department of Assessments and Taxation of Maryland at Baltimore on October 14, 2009. It is a non-stock corporation charitable organization, tax exempt under section 501 (c) (3) of the Internal Revenue Code of 1986. Chalice, Inc.'s main purpose is to provide financial sponsorship to children and the aging in developing countries and to advance religion through the promotion of prayer by providing spiritual and educational resources nationally.

Summary of unaudited financial information of Chalice, Inc. as at June 30, 2024 and June 30, 2023 is as follows:

	2024	2023
	US \$	US \$
Financial Position		
Total assets	336,701	270,956
Total liabilities	467,251	371,477
Total net deficiency	(130,550)	(100,521)
Results of Operations		
Total revenue	224,034	211,932
Total expenses	254,062	235,045
Deficiency of revenue over expenses	(30,028)	(23,113)
Cash Flows Provided by (Used in):		
Operating activities	(33,103)	(20,585)
Financing activities	98,848	(286,837)
Increase (decrease) in cash	65,745	(307,422)

14. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

Chalice (Canada)

Schedule 1 - Non-Consolidated Schedule of General Fund Expenditures

For the year ended June 30, 2024

	Program Expenditures	Marketing Expenditures	Administrative Expenditures	2024	2023
General Fund Expenditures					
Paid to Projects - Unrestricted Funds	24,584,016	-	-	24,584,016	23,542,676
Wages and salaries	1,477,553	1,486,653	752,207	3,716,413	3,390,227
Postage and courier	80,156	119,053	38,262	237,471	214,351
Bank charges and interest	16,052	305,445	(238)	321,259	300,671
Office	1,652	36,734	218,108	256,494	359,150
Printing	31,226	83,698	12,977	127,901	123,665
Travel and meetings	66,623	11,415	10,891	88,929	90,610
Printing and postage - newsletter	-	51,132	-	51,132	57,274
Professional fees	14,980	2,800	124,310	142,090	271,976
Rent and utilities	4,426	-	45,770	50,196	49,865
Property Taxes	-	-	25,444	25,444	24,944
Miscellaneous	435	3,883	9,402	13,720	9,203
Other	1,627	2,989	9,954	14,570	8,208
Advertising and promotion	-	48,093	790	48,883	30,260
Prayer ministry	18,389	-	-	18,389	45,635
Telecommunications	1,774	4,391	25,814	31,979	34,099
Mission appeals - stipends	-	2,750	-	2,750	2,200
Insurance	-	-	36,399	36,399	30,613
Mission appeals - travel	-	6,489	-	6,489	6,425
Conferences	-	-	-	-	1,398
	26,298,909	2,165,525	1,310,090	29,774,524	28,593,450