

**SOUTH DELTA BAPTIST CHURCH**  
**ANNUAL GENERAL MEETING**

Friday, April 26, 2024

6PM at SDBC

AGENDA

1. Celebration Dinner
2. Songs of Praise
3. Approval of Agenda – Dave Sowerby
4. Approval of Minutes
  - a. Business Meeting – November 22, 2023
5. Report of the Nominating Committee – Trevor Bakken
  - a. Election of Elder
  - b. Election of Moderator
  - c. Election of 2024-2025 Nominating Committee
6. Audit Committee Report – Joost van den Brink
7. Appointment of Auditor – Joost van den Brink
8. YTD Financial Report – Jordan Scott
9. Elder Board Report – Dave van Til
10. Lead Pastor Report – Paul Park
11. Motion to Adjourn

Close in Prayer



**SOUTH DELTA BAPTIST CHURCH**  
**Annual Business Meeting**  
**Wednesday, November 22, 2023 – 7PM**

**Draft Minutes – SDBC 2023 Annual Business Meeting**

Date: Wednesday, November 22, 2023

Time: 7PM

Location: SDBC Chapel and online via Microsoft Teams

Opening Prayer and Praise

Jayson Oldham opened in prayer.

Worship team led the members in worship.

Call to Order:

Moderator, Dave Sowerby, called the meeting to order at 7:10PM.

Dave described the directions for voting by Microsoft Teams.

Establishing a Quorum

Membership List: 326

Quorum (10%): 33

Members Present: 67

Approval of the Agenda

**MOTION:** Moved by Dayle Krahn and seconded by Phil Cox that the Agenda be adopted as corrected. **CARRIED.**

Approval of the Minutes of the 2023 AGM

**MOTION:** Moved by Wayne Connorton and seconded by Gerard van Dop that the minutes of the April 18, 2023 Annual General Meeting be approved as distributed. **CARRIED.**

Board Report – Dave van Til

Dave van Til shared the board report, including a highlight of the Global Missions Team and an update on the Southpointe Academy parking agreement.

Financial Update - Pastor Jordan Scott

Report received and filed for audit.

Pastor Jordan updated the membership on the current state of the church's finances to the end of October and heading into the final two months of the year.

2024 Budget Presentation – Pastor Jordan Scott

Pastor Jordan gave an overview of the proposed 2024 Budget.

**MOTION:** Moved by Joost van den Brink and seconded by Mario Marcopoulos that the membership, as recommended by the Board of Elders and the staff, approve the SDBC 2024 Budget as presented. **CARRIED**

Lead Pastor's Report – Pastor Paul Park

Pastor Paul shared his report, highlighting the need for a Facility Director and Senior's Pastor, and provided an update on hospitality; thanked the congregation for partnering with the staff in our gospel work.

Worship team led everyone in a couple songs of worship.

Adjournment

Dave Sowerby adjourned the meeting at 8:20PM.

Dave Sowerby closed the meeting in prayer.

# RECOMMENDATION FORM

## ELDER

NAME OF COMMITTEE: Nominating Committee

DATE OF MEETING: April 26, 2024

PRESENTED BY: Trevor Bakken, Committee Chair

### CONSIDERATION:

The Nominating Committee is tasked with seeking out, evaluating, and recommending to the congregation candidates for Elder and Moderator. The committee is comprised of seven members, three of which are appointed by the Elected Elders and four of which are elected by the members present at a general meeting. The Nominating Committee is recommending one candidate (Dylan Kruger) for his second term as Elected Elder commencing at the close of the 2024 AGM.

### RECOMMENDATION:

As recommended by the Nominating Committee, that Dylan Kruger be affirmed as Elected Elder of South Delta Baptist Church for a three-year term commencing at the close of the 2024 AGM.

## DYLAN KRUGER



Born and raised in Delta, Dylan grew up attending Sunday school classes and youth nights at South Delta Baptist Church. Dylan became a Christian while attending Camp Qwanoes as a youth. Years later, Dylan met his wife, Katie, at Qwanoes while they were both serving as camp counsellors. Today, Dylan and Katie live in Ladner with their daughter, Sophia, and yellow lab, Kobe. They are expecting their second child this May.

Dylan is currently serving in his second term as a municipal councillor with the City of Delta. Dylan also serves as Chair of the Regional Flood Resiliency Committee and Vice Chair of the Regional Planning Committee. Previously, Dylan has worked in communications for Canadian cabinet ministers, MPs, senators, and MLAs.

# RECOMMENDATION FORM

## MODERATOR

NAME OF COMMITTEE: Nominating Committee

DATE OF MEETING: April 26, 2024

PRESENTED BY: Trevor Bakken, Committee Chair

### CONSIDERATION:

The Nominating Committee is tasked with recommending to the congregation a candidate for Moderator for a one-year term commencing at the close of the 2024 AGM.

### RECOMMENDATION:

As recommended by the Nominating Committee, that Dave Sowerby be affirmed as Moderator of South Delta Baptist Church for a one-year term commencing at the close of the 2024 AGM.

# RECOMMENDATION FORM

## APPOINTMENT OF AUDITOR

NAME OF COMMITTEE: Audit Committee

DATE OF MEETING: April 26, 2024

PRESENTED BY: Joost van den Brink, Committee Chair

### CONSIDERATION:

In order to verify that the finances of South Delta Baptist Church are being managed appropriately and transparently, an independent financial audit is conducted annually.

### RECOMMENDATION:

That the firm of OakTree Chartered Professional Accountants Inc. be appointed as auditors for South Delta Baptist Church for the fiscal year 2024.



**SOUTH DELTA BAPTIST CHURCH**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2023**

**SOUTH DELTA BAPTIST CHURCH**  
**INDEX TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of South Delta Baptist Church

*Report on the Financial Statements*

*Qualified Opinion*

We have audited the financial statements of South Delta Baptist Church (the "Church"), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Church as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Qualified Opinion*

In common with many charitable organizations, the Church derives revenue from donations, and the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Church and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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 Financial Statements* section of our report. We are independent of the Church in accordance with ethical requirements that are relevant to our audit of the 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 qualified audit opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

*(continues)*

Independent Auditor's Report to the Members of South Delta Baptist Church *(continued)*

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Burnaby, British Columbia  
March 11, 2024

OakTree Chartered Professional Accountants Inc.

**SOUTH DELTA BAPTIST CHURCH**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2023**

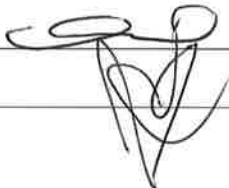
	General Fund	Designated Fund	2023 Total	2022 Total
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash	\$ 189,911	\$ -	\$ 189,911	\$ 194,754
Internally restricted term deposits (Notes 3, 8)	37,785	-	37,785	29,170
Inventory	4,213	-	4,213	5,163
GST recoverable	2,757	-	2,757	2,446
Prepaid expenses	20,157	-	20,157	29,540
Pastoral mortgage loan (Note 4)	-	150,000	150,000	150,000
	254,823	150,000	404,823	411,073
PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 5)	1,407,002	-	1,407,002	1,483,948
RESTRICTED CASH (Notes 7, 8)	13,895	138,340	152,235	170,293
RESTRICTED TERM DEPOSITS (Notes 3, 8)	269,803	-	269,803	239,754
UNRESTRICTED TERM DEPOSIT (Note 3)	137,982	-	137,982	41,629
	\$ 2,083,505	\$ 288,340	\$ 2,371,845	\$ 2,346,697

See notes to financial statements

**SOUTH DELTA BAPTIST CHURCH**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2023**

	General Fund	Designated Fund	2023 Total	2022 Total
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT</b>				
Accounts payable	\$ 19,681	\$ -	\$ 19,681	\$ 18,948
Other payroll liabilities	5,311	-	5,311	5,003
Employee deductions payable	15,056	-	15,056	16,735
	40,048	-	40,048	40,686
<b>DEFERRED</b>				
REVENUE (Note 7)	-	138,340	138,340	157,296
<b>DEFERRED CAPITAL CONTRIBUTION</b>				
	12,772	-	12,772	12,772
	52,820	138,340	191,160	210,754
<b>NET ASSETS</b>				
Unrestricted general	388,037	-	388,037	242,639
Externally restricted (Note 4)	-	150,000	150,000	150,000
Invested in capital assets	1,321,165	-	1,321,165	1,483,948
Internally restricted (Note 8)	321,483	-	321,483	259,356
	2,030,685	150,000	2,180,685	2,135,943
	\$ 2,083,505	\$ 288,340	\$ 2,371,845	\$ 2,346,697

**On behalf of the Board**

 \_\_\_\_\_ Director  
 \_\_\_\_\_ Director

See notes to financial statements

**SOUTH DELTA BAPTIST CHURCH**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**Year Ended December 31, 2023**

	General Fund <i>December 31</i> 2023	Designated Fund <i>December 31</i> 2023	<b>2023</b> <i>December 31</i> <b>2023</b>	2022 <i>December 31</i> 2022
<b>REVENUES</b>				
Tithes and offerings	\$ 1,162,072	\$ -	\$ 1,162,072	\$ 1,050,854
Tithes and offerings - designated <i>(Note 7)</i>	-	182,226	<b>182,226</b>	101,787
Facility rental	169,049	-	<b>169,049</b>	94,609
Interest income	13,658	-	<b>13,658</b>	6,295
Federal wage subsidy	-	-	-	633
Preschool net (loss)/income <i>(Schedule 1)</i>	(944)	-	<b>(944)</b>	7,858
	1,343,835	182,226	<b>1,526,061</b>	1,262,036
<b>EXPENSES</b>				
Administration and Salaries <i>(Schedule 2)</i>	823,734	-	<b>823,734</b>	810,843
Catering and hospitality <i>(note 2j)</i>	19,695	-	<b>19,695</b>	10,964
Communications	11,742	-	<b>11,742</b>	7,965
Children, Youth and Adult Ministries <i>(Schedule 3)</i>	18,266	-	<b>18,266</b>	11,973
Designated expenses <i>(Note 7)</i>	-	182,226	<b>182,226</b>	101,787
Facility Care and Maintenance <i>(Schedule 4)</i>	179,889	-	<b>179,889</b>	154,585
FEBPAC	15,000	-	<b>15,000</b>	15,000
Missions <i>(Schedule 5)</i>	95,248	-	<b>95,248</b>	102,017
Pastoral Care and Leadership <i>(Schedule 7)</i>	27,229	-	<b>27,229</b>	11,790
Worship Arts <i>(Schedule 6)</i>	31,343	-	<b>31,343</b>	21,712
	1,222,146	182,226	<b>1,404,372</b>	1,248,636
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	121,689	-	<b>121,689</b>	13,400
<b>OTHER INCOME</b>				
Unrealized gain on foreign exchange	-	-	-	21,680
Parking lease revenue <i>(Note 6)</i>	-	-	-	23,000
Amortization <i>(Note 5)</i>	(76,947)	-	<b>(76,947)</b>	(85,837)
	(76,947)	-	<b>(76,947)</b>	(41,157)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ 44,742	\$ -	\$ 44,742	\$ (27,757)

See notes to financial statements

**SOUTH DELTA BAPTIST CHURCH**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**Year Ended December 31, 2023**

	Unrestricted general fund	Externally restricted fund	Invested in capital assets	Internally restricted fund	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 242,639	\$ 150,000	\$ 1,483,948	\$ 259,356	\$ 2,135,943	\$ 2,161,984
Excess (deficiency) of revenues over expenses	44,742	-	-	-	44,742	(26,041)
Transfer to (from) funds	100,656	-	(162,783)	62,127	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 388,037</b>	<b>\$ 150,000</b>	<b>\$ 1,321,165</b>	<b>\$ 321,483</b>	<b>\$ 2,180,685</b>	<b>\$ 2,135,943</b>

See notes to financial statements



**SOUTH DELTA BAPTIST CHURCH**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Cash receipts	\$ 1,595,911	\$ 1,317,172
Cash paid for expenses	(1,469,427)	(1,350,426)
Interest received	11,315	6,295
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>137,799</b>	<b>(26,959)</b>
Cash - beginning of year	573,059	600,018
<b>CASH - END OF YEAR</b>	<b>\$ 710,858</b>	<b>\$ 573,059</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 189,911	\$ 194,754
Term deposits	80,766	70,798
Restricted cash - designated fund <i>(Note 7)</i>	364,803	239,754
Restricted cash and term deposits - general fund <i>(Note 8)</i>	75,378	67,753
	<b>\$ 710,858</b>	<b>\$ 573,059</b>

See notes to financial statements

**SOUTH DELTA BAPTIST CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2023**

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**1. PURPOSE OF THE ORGANIZATION**

South Delta Baptist Church (the "Church", "SDBC") was incorporated on December 24, 1984 under the British Columbia Societies Act as a not-for-profit organization, and is a registered charity and a non-taxable entity under the Income Tax Act.

The purposes of the Church are:

- a) To glorify God in teaching, worship, and fellowship. The Church commits to make disciples of our Lord Jesus Christ and dedicate its spiritual and physical resources to reach a needy world.
  - b) To operate for the purposes of being a local body of Christian believers who present a Biblical, Christian ministry of the Gospel, hope, encouragement, and strength to as many people as possible, both locally and worldwide.
  - c) To contribute to and support charitable organizations which carry out programs, projects, or activities that, in the opinions of the directors of the Church, bring the message of Christ to the world.
  - d) To enter into agency or other arrangements for cooperation, joint venture or otherwise, with any other charitable entity, non-profit organization, society or national or international agencies carrying on or engaged in or about to carry on or engage in any activity capable of being conducted so as directly or indirectly to further the purposes of the Church.
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accounting principles

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash, restricted cash, and cash equivalents

Cash, restricted cash, and cash equivalents include bank balances and highly liquid term deposits readily convertible to known amounts of cash and are subject to an insignificant change in value.

Revenue recognition

The Church follows the deferral method of accounting for contributions. Accordingly, externally restricted contributions are recognized as revenue in the year which related expenditures are incurred. Contributions for the purchase of capital assets that are amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Unrestricted contributions are recognized at the earlier of when received or when collection is probable.

Fees collected for the rental of facilities and preschool are recorded as revenue in the periods the facilities are used and when programs are delivered.

Lease revenue derived from the use of the Church's parking lot is recognized over the lease term on a straight line basis.

Interest revenue is recognized as revenue when earned.

Fund accounting

The financial statements include the General Fund and Designated Fund.

The General Fund accounts for the Church's program delivery and administrative activities. This fund reports unrestricted resources and restricted resources, and the assets, liabilities, revenues and expenses related to the Church's capital assets.

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**SOUTH DELTA BAPTIST CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2023**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The Internally Restricted Fund, within the General Fund, represents funds available for emergency, program enhancement or other purposes approved by SDBC Members from time to time. Such approval comes in the form of a members-only vote following two successive Sundays notice of said vote.

The Designated Fund represents externally restricted funds. The use of these funds is restricted to their designation.

Use of estimates

When preparing financial statements in accordance with Canadian ASNPO, management is required to make certain estimates and assumptions relating to the useful life of assets.

Assumptions are based on a number of factors, including historical experience, current events, actions that the Church may undertake in the future, and other assumptions believed reasonable under the circumstances. These estimates are periodically reviewed and, accordingly, adjustments made to these estimates are taken into income in the year in which it is determined. These estimates are subject to measurement uncertainty, and actual results may therefore differ from those estimates.

Impairment of long lived assets

Capital assets are reviewed for impairment when they no longer contribute to the Church's operations. If impaired, the net carrying amount of the capital asset is written down to its fair value or replacement cost.

Capital Assets

Capital assets are recorded at cost less amortization and impairment. The cost for contributed assets is consider to be fair value at the date of contribution. Amortization is provided using estimates of useful lives on a declining balance basis at the following rates and methods:

Buildings	4%	declining balance method
Vehicles	30%	declining balance method
Computer hardware	30%	declining balance method
Furniture and equipment	20%	declining balance method
Paving	8%	declining balance method

Donated services

The Church and its members benefit greatly from donated services in the form of volunteer time. Because of the difficulty in determining their fair value, the value of donated services is not recognized in these financial statements.

Donated goods

The Church is from time to time the beneficiary of goods gifted to it by its members. Gifts of goods are reported, when they are received, at their fair market value if the fair market value can be reasonably estimated and if the goods and services are used in the normal course of operations and would have been purchased otherwise.

Expenses

The Church reports catering and hospitality expense, children and adult ministries expense, and youth and young adults expense balances net of reimbursements received from participants.

Foreign currency transactions

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

**SOUTH DELTA BAPTIST CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2023**

3. TERM DEPOSITS

	2023	2022
Envision Credit Union redeemable term deposit bearing interest at 3.1% per annum, repayable upon maturity. The loan matures on October 17, 2024. The term deposit is held for the purpose of building reserve.	\$ 65,048	\$ -
Envision Credit Union non-redeemable term deposit bearing interest at 5.5% per annum, repayable upon maturity. The loan matures on October 4, 2024. Of the total term deposit, \$204,755 is held for the purpose of building reserve, and \$95,000 is held for general purpose.	299,755	-
Envision Credit Union non-redeemable term deposit bearing interest at 5.5% per annum, repayable upon maturity. The loan matures on October 4, 2024. The term deposit is held for general purpose.	42,982	-
Envision Credit Union non-redeemable term deposit bearing interest at 5.5% per annum, repayable upon maturity. The loan matures on October 4, 2024. The term deposit is held for the purpose of building reserve.	32,396	-
Envision Credit Union term deposit bearing interest at 3.25% per annum, repayable upon maturity. The term deposit matured on October 4, 2023. The term deposit is held for the purpose of building reserve.	-	176,754
Envision Credit Union term deposit bearing interest at 3.25% per annum, repayable upon maturity. The term deposit matured on October 4, 2023. The term deposit is held for general purpose.	-	41,629
Envision Credit Union term deposit bearing interest at 3.25% per annum, repayable upon maturity. The term deposit matured on October 4, 2023. The term deposit is held for general purpose.	-	26,124
Envision Credit Union term deposit bearing interest at 3.25% per annum, repayable upon maturity. The term deposit matured on October 17, 2023. The term deposit is held for the purpose of building reserve.	-	63,000
	<b>440,181</b>	<b>307,507</b>
Accrued interest receivable	<b>5,387</b>	<b>3,045</b>
	<b>\$ 445,568</b>	<b>\$ 310,552</b>

4. PASTORAL MORTGAGE ASSISTANCE (PMA) LOAN

Members of the congregation had donated money in support of alleviating the financial burden of housing of the Lead Pastor. In April 2022, an amount of \$150,000 was lent to the Lead Pastor; this mortgage has been registered against the property as a second financial charge (registration date of April 22, 2022). The loan is non-interest bearing with no fixed repayment terms. In lieu of repayment of the loan, a taxable benefit equal to interest at the Canada Revenue Agency prescribed rate is reported by the employee. The mortgage is a demand loan, currently with a five year term, with the possibility of consecutive renewal of an additional five years. After the balance due date, all outstanding amounts will bear interest at the Prime Rate plus 1% per annum compounded monthly from the balance due date until repaid in full. It is currently classified as an externally restricted net asset.

**SOUTH DELTA BAPTIST CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2023**

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Buildings	\$ 4,774,953	\$ 3,585,404	\$ 1,189,549	\$ 1,239,113
Computer equipment	44,429	37,012	7,417	9,271
Computer software	1,310	1,310	-	-
Furniture and Equipment	1,523,684	1,422,290	101,394	126,742
Land	106,811	-	106,811	106,811
Leasehold improvements	32,978	31,206	1,772	1,927
Vehicles	29,945	29,886	59	85
	<b>\$ 6,514,110</b>	<b>\$ 5,107,108</b>	<b>\$ 1,407,002</b>	<b>\$ 1,483,949</b>

The 2023 BC Property Assessment for Land and Buildings located at 1988 & 1880 56th Street was \$16,731,000 (2022: \$14,031,000).

6. DEFERRED REVENUE- GENERAL FUND

In 2013, the Church entered into a 10 year parking easement agreement with a Tsawwassen Independent School. The total value of the agreement is \$230,000 and was offered as settlement for accrued shared land development costs. One tenth of the lease, \$23,000 is to be realized annually until December 31, 2022.

7. DEFERRED REVENUE- DESIGNATED FUND

Deferred revenue in the designated fund consists of funding received that are restricted by external funders. The Church follows the deferral method of accounting for contributions, therefore, only the amounts disbursed are recognized as revenue.

	Beginning Balance	Receipts & Transfers	Disbursements	Ending Balance
Education and leadership development	\$ 2,208	\$ 6,426	\$ 8,551	\$ 83
First Steps Preschool	3,242	5,872	5,819	3,295
Land sale	32,396	4,000	-	36,396
Missions - short term	50	-	-	50
Missions - youth	490	-	-	490
Pastoral housing assistance (held in cash)	7,088	-	-	7,088
Pickleball designated funds	368	7,351	7,500	219
Starfish Pack	57,790	30,463	50,200	38,053
Share- benevolent funds	15,235	6,858	12,856	9,237
SDBC Tutoring	22,743	18,081	21,781	19,043
60th anniversary funds	2,755	-	-	2,755
Korean ministry fund	12,931	77,755	75,518	15,168
Refugee sponsorship fund	-	6,463	-	6,463
Total deferred revenue - designated fund	<b>\$ 157,296</b>	<b>\$ 163,269</b>	<b>\$ 182,225</b>	<b>\$ 138,340</b>

**SOUTH DELTA BAPTIST CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2023**

8. INTERNALLY RESTRICTED FUNDS

Internally restricted funds consist of:

	2023	2022
<u>Building Reserve</u>		
Balance, beginning of year	\$ 239,754	\$ 174,003
Operating Expenditures	-	-
Transfer from operating fund (net)	65,786	63,000
Interest	2,048	2,751
Balance, end of year	307,588	239,754
<u>Land Sale Funds:</u>		
Balance beginning of year	12,996	12,391
Interest	899	605
Balance, end of year	13,895	12,996
	<b>\$ 321,483</b>	<b>\$ 252,750</b>

Funds are held in a term deposit with values in accordance with note 3.

9. CAPITAL MANAGEMENT

The Church's capital is comprised of its net assets, which had a balance of \$2,180,683 at December 31, 2023 (2022: \$2,135,943)

The Church's objectives when managing capital is to maintain financial strength and stability, and to protect its ability to continue as a going concern.

Senior management and the finance committee developed the capital strategy and oversee capital management.

The only externally imposed restriction is to maintain sufficient capital to fund the designated fund which had a balance of \$138,340 at December 31, 2023 (2022: \$157,296). The Church complied with this restriction during the year.

10. FINANCIAL INSTRUMENTS

The Church uses risk management to monitor and manage its risk arising from financial instruments. These risks include credit risk, interest rate risk, liquidity risk, and market risk. The Church does not use any derivative financial information to mitigate these risks.

Credit risk

Credit risks arise from three sources: cash and cash equivalents, accounts receivable, and term deposits. Cash and cash equivalents are deposited with reputable, major financial institutions to limit the credit risk exposure. The credit risk from customers not paying accounts receivable is not considered to be significant. The pastoral mortgage has a signed agreement in place to be repaid within 180 days of employment termination. The term deposits are issued by a high-credit quality financial institution, and we consider the risk of non-performance of these instruments to be low.

Liquidity risk

Liquidity risk exposure is dependent on the receipt of funds from congregation tithes and offerings, rental income and other sources to enable the Church to pay its liabilities as they become due.

(continues)

**SOUTH DELTA BAPTIST CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2023**

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10. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

The Church is exposed to interest rate risk with respect to the following financial instruments: cash and cash equivalents, and investments in term deposits. Changes in interest rates can affect the fair value of investments and the cash flows related to interest income.

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11. SOCIETIES ACT OF BRITISH COLUMBIA

As part of the disclosure requirements of the B.C. Societies Act, the Church reports they had three employees who earned in excess of \$75,000 (2022: three) per year. Total remuneration (which includes wages and taxable benefits) for these employees for the calendar year 2023 was \$290,853 (2022: \$296,813)

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12. COMPARATIVE FIGURES

Prior year balances have been restated to reflect current year presentation.

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**SOUTH DELTA BAPTIST CHURCH  
 PRESCHOOL OPERATIONS  
 Year Ended December 31, 2023**

**(Schedule 1)**

	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Fees	\$ 82,564	\$ 81,928
<b>EXPENSES</b>		
Salaries and benefits	82,080	70,830
Administration	719	347
Premises	41	65
Equipment and supplies	668	2,828
	<b>83,508</b>	<b>74,070</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>\$ (944)</b>	<b>\$ 7,858</b>

See notes to financial statements



**SOUTH DELTA BAPTIST CHURCH  
ADMINISTRATION AND SALARIES  
Year Ended December 31, 2023**

**(Schedule 2)**

	2023	2022
<b>EXPENSES</b>		
Accounting and legal	\$ 17,868	\$ 13,509
Administrative	16,278	13,452
Building reserve	15,000	10,000
Interest and bank charges	8,716	8,795
Office	19,597	11,034
Salaries and wages	740,599	748,813
Telephone	5,676	5,240
	<b>\$ 823,734</b>	<b>\$ 810,843</b>

See notes to financial statements

**SOUTH DELTA BAPTIST CHURCH**  
**CHILDREN, YOUTH AND ADULT MINISTRIES**  
**Year Ended December 31, 2023**

**(Schedule 3)**

	<b>2023</b>	<b>2022</b>
Children's ministries <i>(note 2j)</i>	\$ 8,623	\$ 7,640
Men's ministries <i>(note 2j)</i>	(39)	85
Resource centre and library <i>(note 2j)</i>	417	472
Senior Scene and KinVillage <i>(note 2j)</i>	(918)	(97)
Small group and adult fellowship <i>(note 2j)</i>	2,381	1,079
Women's ministries <i>(note 2j)</i>	563	225
Youth and young adults programs <i>(note 2j)</i>	7,239	2,569
	<b>\$ 18,266</b>	<b>\$ 11,973</b>

See notes to financial statements

**SOUTH DELTA BAPTIST CHURCH  
FACILITY CARE AND MAINTENANCE  
Year Ended December 31, 2023**

**(Schedule 4)**

	<b>2023</b>	<b>2022</b>
Facility projects	\$ 975	\$ 446
Insurance	<b>51,900</b>	35,407
Landscaping	<b>11,548</b>	9,916
Repair and maintenance	<b>50,372</b>	38,759
Utilities	<b>65,094</b>	70,057
	<b>\$ 179,889</b>	<b>\$ 154,585</b>

See notes to financial statements

**SOUTH DELTA BAPTIST CHURCH****MISSIONS****(Schedule 5)****Year Ended December 31, 2023**

	<b>2023</b>	<b>2022</b>
Fellowship Pacific	\$ 7,065	\$ 7,064
First Nations	26,049	26,049
Home church missionary projects	13,422	13,422
International ministries	48,712	55,482
	<b>\$ 95,248</b>	<b>\$ 102,017</b>

See notes to financial statements

**SOUTH DELTA BAPTIST CHURCH****WORSHIP ARTS****(Schedule 6)****Year Ended December 31, 2023**

	<b>2023</b>	<b>2022</b>
Multimedia and video	\$ 7,352	\$ 1,504
Music	2,458	1,731
Ordinances	625	524
Sound and lighting	7,838	7,726
Special programs	4,341	2,679
Transportation	1,896	971
Worship atmosphere	6,833	6,577
	<b>\$ 31,343</b>	<b>\$ 21,712</b>

See notes to financial statements

**SOUTH DELTA BAPTIST CHURCH  
PASTORAL CARE AND LEADERSHIP  
Year Ended December 31, 2023**

**(Schedule 7)**

	2023	2022
Congregational development	\$ 4,468	\$ 3,400
Pastoral and leadership development	19,693	7,127
Pulpit supply & honorarium	2,108	400
Subscriptions and books	960	863
	<b>\$ 27,229</b>	<b>\$ 11,790</b>

See notes to financial statements