

SOUTH DELTA BAPTIST CHURCH ANNUAL GENERAL MEETING

Date: Tuesday, April 28, 2026

Time: 6PM

Location: South Delta Baptist Church (Chapel)

Agenda

Celebration Dinner

Songs of Praise

Call to Order

1. Approval of Agenda – Moderator
2. Approval of Minutes
 - a. Business Meeting – November 27, 2025
3. Nominating Committee Report – Abigail Uher
 - a. Election of Recommended Elders
 - b. Election of Moderator
 - c. Election of 2026-2027 Nominating Committee
4. Audit Committee Report – Rob Bogress
5. YTD Financial Report – Jordan Scott
6. Elder Board Report – Dayle Krahn
7. Lead Pastor Report – Paul Park
8. Adjournment

Closing Prayer

SOUTH DELTA BAPTIST CHURCH
Annual Business Meeting
Thursday, November 27, 2025 – 7PM

Draft Minutes – SDBC 2025 Annual Business Meeting

Date: Thursday, November 27, 2025

Time: 7PM

Location: SDBC Chapel

Due to the Moderator's inability to perform their duties, the Temporary President announced the need to elect a Chair. By unanimous consent, and without any objections, Dave van Til was declared the Chair of the November 27, 2025 Business Meeting.

Welcome and Opening Prayer

Terry Weatherly opened in prayer.

Jayson Oldham led the members in worship.

Call to Order:

Chairperson, Dave van Til, called the meeting to order at 7:14PM and appointed the following members to serve as scrutineers: Gina Simpson, June Haley, and Doug Thomson.

Establishing a Quorum

Membership List: 333

Quorum (10%): 33

Members Present: 72

Approval of the Agenda

MOTION: Moved by Chelsea McKenzie and seconded by Joost van den Brink that the Agenda be adopted as distributed. **CARRIED.**

Approval of the Minutes of the 2025 AGM

MOTION: Moved by Gerard van Dop and seconded by Trevor Bakken that the minutes of the April 25, 2025 Annual General Meeting be approved as distributed.

CARRIED.

Pastoral Call - Terry Weatherly, Vice-chair

MOTION: Moved and seconded that the membership affirm the call of Jacob Harder as Pastor at South Delta Baptist Church, as recommended by the Board of Elders and Staff.

The 75% Bylaw requirement was met to affirm the call.

CARRIED

Board Report – Terry Weatherly, Vice-chair

Terry shared the board report, including an update on the Southpointe Parking Lot Agreement, recent upgrades (grease trap, HVAC replacements), and new members. Terry also announced Pastor Paul’s upcoming three-month sabbatical starting in January.

Terry invited the elders and pastors up to pray for Paul.

Terry invited the elders and pastors up to pray for Jacob and Madi.

Financial Update - Pastor Jordan Scott

Report received and filed for audit.

2026 Budget Presentation – Pastor Jordan Scott

Pastor Jordan gave an overview of the proposed 2026 Budget, expanding on a few line items.

MOTION: Moved and seconded that the membership approve the SDBC 2026 Budget, as recommended by the Board of Elders and Staff.

CARRIED

Lead Pastor’s Report – Pastor Paul Park

Pastor Paul shared his report and gave updates on different ministries. Paul announced Sue Gibson’s retirement which will take place in 2026.

Jayson Oldham led the members in worship.

Paul Park closed the meeting in prayer.

Adjournment

Whereas all business items on the agenda were concluded, Dave van Til adjourned the meeting at 8:30PM.

RECOMMENDATION FORM

ELDERS

NAME OF COMMITTEE: Nominating Committee

DATE OF MEETING: April 28, 2026

PRESENTED BY: Abigail Uher, 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 three candidates (Trevor Bakken, Philip Grierson, and David van Til) for Elected Elders for a three-year term commencing at the close of the 2026 AGM. In addition, the Nominating Committee is recommending two candidates (David Dobson and Dayle Krahn) for a second term as Elected Elder commencing at the close of the 2026 AGM.

RECOMMENDATION:

As recommended by the Nominating Committee, that Trevor Bakken be affirmed as Elected Elder of South Delta Baptist Church for a three-year term commencing at the close of the 2026 AGM.

As recommended by the Nominating Committee, that David Dobson be affirmed as Elected Elder of South Delta Baptist Church for a three-year term commencing at the close of the 2026 AGM.

As recommended by the Nominating Committee, that Philip Grierson be affirmed as Elected Elder of South Delta Baptist Church for a three-year term commencing at the close of the 2026 AGM.

As recommended by the Nominating Committee, that Dayle Krahn be affirmed as Elected Elder of South Delta Baptist Church for a three-year term commencing at the close of the 2026 AGM.

As recommended by the Nominating Committee, that David van Til be affirmed as Elected Elder of South Delta Baptist Church for a three-year term commencing at the close of the 2026 AGM.

TREVOR BAKKEN



Trevor, who was born in Kelowna, grew up in a Christian home and moved to Richmond with his family at the age of two, where they started attending Richmond Pentecostal Church. He married his high school sweetheart, Michelle, and they have three adult children: Taylor, married to Tanner with daughter Brooklyn; Bowen, married to Hannah with daughter Monroe; and Colton, married to Bree.

Trevor has been self-employed for the past 27 years and continues to run his own business.

After moving from Richmond to Tsawwassen, Trevor and his family started attending SDBC and have been here for 14 years. They came to this side of the tunnel because having their kids plugged into a Christ-filled youth group was a high priority and they have been thankful to call SDBC their home church ever since!

Along with recently serving on the SDBC Board of Elders for six years, Trevor also serves at the Welcome Tent and on different committees. He looks forward to the opportunity to serve on the board again in whichever capacity God leads him.

Trevor enjoys golf, curling, and spending time with his family.

DAVID DOBSON



David became a Christian and was baptised as a young man. The influence of his grandfather, with whom he lived (a bible-teaching board member at the church where they were members) had a profound impact on his spiritual formation. He grew up in that same church, met Sonya at a College and Career event, and were married eleven months later. They have two married daughters.

David and Sonya have been attending and involved at SDBC for 23 years (with a five-year gap while they lived in Illinois and on Vancouver Island).

Dave has served the churches they have attended in a number of ways, including teaching adult and high school Sunday School classes, leading community groups, and participating on several boards, including a church board in Ontario, Camp Qwanoes, and four different terms on the SDBC Board of Elders, where he served on the Board Effectiveness and Lead Pastor Assessment committees.

David has spent his entire career working in several roles for product and technology development consultancies and corporations.

David views leadership in the church, in whatever role God calls a person, as a special way to serve the Body of Christ.

PHILIP GRIERSON



Phil lives in Ladner with his wife, Mary, and daughter, Jayne. He has been attending South Delta Baptist Church since he was eighteen months old and has been an active member for much of his life. Phil is passionate about loving people like Jesus, and this has driven his desire to serve the Lord in youth ministry and worship ministry throughout his life, including a period of serving on church staff for two years.

Phil is looking forward to serving SDBC in a new way and continuing to see SDBC grow in exciting ways.

DAYLE KRAHN



Dayle was raised in a Christian home. He was baptized when he was a teenager at Killarney Park Mennonite Brethren Church in Vancouver where he attended with his family.

Dayle met his wife, Kelley, while studying for his degree in Business Administration at Trinity Western University. They married in July of 1983 and have two children, Adam (39) (wife Melissa), and Morgan (35), and one granddaughter, Georgia (5).

He has career experience in construction, land development, maintenance, and Occupational Health and Safety in residential construction and commercial development. Dayle joined Baptist Housing Ministries in December 2006 and is currently their VP Property Maintenance and Development. He plans to retire in June.

Dayle and Kelley have been a part of South Delta for 45 years. In 1984, they became members at South Delta Baptist. Since that time, Dayle has been involved in Boy's Brigade, children's church, junior high ministry, choir, ushering, teaching Sunday school, and numerous bible studies and small groups. Currently, Dayle and Kelley host a community group in their home. He sees his spiritual gifts as service, encouragement, and teaching.

DAVID VAN TIL



David was born in Amsterdam, Holland and moved to Canada just before his first birthday. He grew up in West Richmond and faithfully attended the Richmond Christian Reformed Church with his family. David started attending SDBC around 1991, and quickly became involved in the Young Adult ministry, where he met his future wife, Jeannette.

David and Jeannette were married in 1997. They have two children, Caleb (25) and Natalie (22) who is getting married to Elias Salles this coming July.

David and Jeannette have served at SDBC together in a variety of areas over the years but are currently serving on the tech team (David) and hospitality team (Jeannette) on Sunday mornings, as well as the Shepherd on Call ministry. They have also been involved in leading and participating in several community groups. David has previously served on the board for four, three-year terms, beginning in 2012.

David has recently retired from his position as a Manager, Workforce Planning with Air Canada after 29 years. He is taking some time to consider where God may be leading him in this next chapter of life. Personal interests include listening to music, cycling, and gardening.

RECOMMENDATION FORM

MODERATOR

NAME OF COMMITTEE: Nominating Committee

DATE OF MEETING: April 28, 2026

PRESENTED BY: Abigail Uher, 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 2026 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 2026 AGM.

RECOMMENDATION FORM

AUDITOR'S REPORT

NAME OF COMMITTEE: Audit Committee

DATE OF MEETING: April 28, 2026

PRESENTED BY: Rob Bogress

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:

WHEREAS the audited financial statements of South Delta Baptist Church for the fiscal year ended December 31, 2025, together with the auditor's report, have been presented to the members at this Annual General Meeting;

BE IT RESOLVED THAT the 2025 audited financial statements and the auditor's report, as presented at this Annual General Meeting, are received by the members for information.

SOUTH DELTA BAPTIST CHURCH
FINANCIAL STATEMENTS
Year Ended December 31, 2025

SOUTH DELTA BAPTIST CHURCH
INDEX TO FINANCIAL STATEMENTS
Year Ended December 31, 2025

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3 - 4
Statement of Revenues and Expenditures	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 13
Preschool Operations (<i>Schedule 1</i>)	14
Administration and Salaries (<i>Schedule 2</i>)	15
Children, Youth and Adult Ministries (<i>Schedule 3</i>)	16
Facility Care and Maintenance (<i>Schedule 4</i>)	17
Missions (<i>Schedule 5</i>)	18
Worship Arts (<i>Schedule 6</i>)	19
Pastoral Care and Leadership (<i>Schedule 7</i>)	20



INDEPENDENT AUDITOR'S REPORT

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, 2025, 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, 2025, 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, 2024 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 judgement 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 controls 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
April 1, 2026

OakTree Chartered Professional Accountants Inc.

SOUTH DELTA BAPTIST CHURCH
STATEMENT OF FINANCIAL POSITION
December 31, 2025

	General Fund	Designated Fund	2025 Total	2024 Total
ASSETS				
CURRENT				
Cash	\$ 279,029	\$ -	\$ 279,029	\$ 242,417
Restricted cash (<i>Note 6</i>)	-	202,523	202,523	291,802
Externally restricted term deposits (<i>Notes 3, 6</i>)	-	37,170	37,170	36,224
Inventory	1,123	-	1,123	2,725
GST recoverable	4,381	-	4,381	4,829
Prepaid expenses	33,186	-	33,186	35,859
Pastoral mortgage loan (<i>Note 4</i>)	-	150,000	150,000	150,000
	317,719	389,693	707,412	763,856
PROPERTY, PLANT AND EQUIPMENT (<i>Net of accumulated amortization</i>) (<i>Note 5</i>)	1,274,267	-	1,274,267	1,337,497
UNRESTRICTED TERM DEPOSIT (<i>Note 3</i>)	311,478	-	311,478	301,864
	\$ 1,903,464	\$ 389,693	\$ 2,293,157	\$ 2,403,217

See notes to financial statements

SOUTH DELTA BAPTIST CHURCH
STATEMENT OF FINANCIAL POSITION
December 31, 2025

	General Fund	Designated Fund	2025 Total	2024 Total
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	\$ 20,548	\$ -	\$ 20,548	\$ 35,591
Other payroll liabilities	6,354	-	6,354	8,473
Employee deductions payable	18,642	-	18,642	18,594
	45,544	-	45,544	62,658
DEFERRED				
REVENUE (Note 6)	-	239,693	239,693	275,817
DEFERRED CAPITAL CONTRIBUTION				
	12,772	-	12,772	12,772
	58,316	239,693	298,009	351,247
NET ASSETS				
Unrestricted general	266,183	-	266,183	132,775
Externally restricted	-	150,000	150,000	186,224
Invested in capital assets	1,274,267	-	1,274,267	1,337,495
Internally restricted (Note 7)	304,698	-	304,698	395,476
	1,845,148	150,000	1,995,148	2,051,970
	\$ 1,903,464	\$ 389,693	\$ 2,293,157	\$ 2,403,217

On behalf of the Board

Dayle Krahn

Director

[Signature]

Director

See notes to financial statements

SOUTH DELTA BAPTIST CHURCH
STATEMENT OF REVENUES AND EXPENDITURES
Year Ended December 31, 2025

	General Fund <i>December 31</i> 2025	Designated Fund <i>December 31</i> 2025	2025 <i>December 31</i> 2025	2024 <i>December 31</i> 2024
REVENUES				
Tithes and offerings	\$ 1,160,625	\$ -	\$ 1,160,625	\$ 1,116,156
Tithes and offerings - designated (<i>Note 6</i>)	-	179,299	179,299	184,852
Facility rental	128,685	-	128,685	100,475
Interest income	7,583	-	7,583	24,688
Revenue from other sources	91,844	-	91,844	91,844
Preschool net (loss)/income (<i>Schedule 1</i>)	(3,916)	-	(3,916)	(3,165)
	1,384,821	179,299	1,564,120	1,514,850
EXPENSES				
Administration and Salaries (<i>Schedule 2</i>)	958,118	-	958,118	923,678
Catering and hospitality (<i>note 2j</i>)	23,331	-	23,331	24,813
Communications	8,039	-	8,039	8,471
Children, Youth and Adult Ministries (<i>Schedule 3</i>)	34,029	-	34,029	28,667
Designated expenses (<i>Note 6</i>)	-	179,299	179,299	184,852
Facility Care and Maintenance (<i>Schedule 4</i>)	197,588	-	197,588	167,533
FEBPAC	15,000	-	15,000	15,000
Missions (<i>Schedule 5</i>)	98,114	-	98,114	104,593
Pastoral Care and Leadership (<i>Schedule 7</i>)	19,789	-	19,789	23,351
Worship Arts (<i>Schedule 6</i>)	22,444	-	22,444	32,432
	1,376,452	179,299	1,555,751	1,513,390
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	8,369	-	8,369	1,460
OTHER EXPENSES				
Amortization (<i>Note 5</i>)	63,231	-	63,231	69,504
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (54,862)	\$ -	\$ (54,862)	\$ (68,044)

See notes to financial statements

SOUTH DELTA BAPTIST CHURCH
STATEMENT OF CHANGES IN NET ASSETS
Year Ended December 31, 2025

	Unrestricted general fund	Externally restricted fund	Invested in capital assets	Internally restricted fund	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 132,774	\$ 186,224	\$ 1,337,496	\$ 395,476	\$ 2,051,970	\$ 2,180,686
Excess (deficiency) of revenues over expenses	(54,862)	-	(63,229)	(19,232)	(137,323)	(128,716)
Transfer to (from) funds	188,271	(36,224)	-	(71,546)	80,501	-
NET ASSETS - END OF YEAR	\$ 266,183	\$ 150,000	\$ 1,274,267	\$ 304,698	\$ 1,995,148	\$ 2,051,970

See notes to financial statements

SOUTH DELTA BAPTIST CHURCH
STATEMENT OF CASH FLOWS
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Cash receipts	\$ 1,524,357	\$ 1,799,814
Cash paid for expenses	(1,574,047)	(1,663,053)
Interest received	7,583	24,688
Cash flow from (used by) operating activities	(42,107)	161,449
INCREASE (DECREASE) IN CASH FLOW	(42,107)	161,449
Cash - beginning of year	872,307	710,858
CASH - END OF YEAR	\$ 830,200	\$ 872,307
CASH CONSISTS OF:		
Cash - unrestricted	\$ 279,029	\$ 258,402
Cash - externally restricted	202,523	275,817
Term deposits - unrestricted	311,478	301,864
Term deposits - externally restricted	37,170	36,224
	\$ 830,200	\$ 872,307

See notes to financial statements

SOUTH DELTA BAPTIST CHURCH
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2025

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.
-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting principles

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

(b) 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.

(c) 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.

(d) 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.

(continues)

SOUTH DELTA BAPTIST CHURCH
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2025

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.

(e) 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.

(f) 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.

(g) 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

(h) 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.

(i) 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.

(j) 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.

(k) 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, 2025

3. TERM DEPOSITS

	2025	2024
Envision Credit Union redeemable term deposit bearing interest at 2.8% per annum, repayable upon maturity. The loan matures on October 22, 2026. The term deposit is held for the purpose of building reserve.	\$ 211,663	\$ -
Envision Credit Union non-redeemable term deposit bearing interest at 2.28% per annum, repayable upon maturity. The loan matures on October 22, 2026. The entire term deposit is held for the purpose of building reserve.	98,088	-
Envision Credit Union non-redeemable term deposit bearing interest at 2.28% per annum, repayable upon maturity. The loan matures on October 22, 2026. The term deposit is held for the purpose of externally restricted building fund.	37,170	-
Envision Credit Union term deposit bearing interest at 3.25% per annum, repayable upon maturity. The term deposit matured on October 22, 2025. The term deposit is held for the purpose of internally restricted building reserve.	-	205,000
Envision Credit Union term deposit bearing interest at 3.25% per annum, repayable upon maturity. The term deposit matured on October 22, 2025. The term deposit is held for general purpose.	-	95,000
Envision Credit Union term deposit bearing interest at 3.25% per annum, repayable upon maturity. The term deposit matured on October 22, 2025. The term deposit is held for the purpose of externally restricted building fund.	-	36,000
	346,921	336,000
Accrued interest receivable	1,728	2,088
	\$ 348,649	\$ 338,088

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, 2025

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Buildings	\$ 4,774,953	\$ 3,678,665	\$ 1,096,288	\$ 1,141,967
Computer equipment	44,429	39,682	4,747	5,933
Computer software	1,310	1,310	-	-
Furniture and Equipment	1,523,684	1,458,792	64,892	81,115
Land	106,811	-	106,811	106,811
Leasehold improvements	32,978	31,478	1,500	1,631
Vehicles	29,945	29,916	29	41
	\$ 6,514,110	\$ 5,239,843	\$ 1,274,267	\$ 1,337,498

The 2024 BC Property Assessment for Land and Buildings located at 1988 & 1880 56th Street was \$17,243,000 (2024: \$17,190,000).

6. 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	\$ -	\$ 260	\$ 258	\$ 2
First Steps Preschool	3,846	6,007	6,262	3,591
Land sale	36,396	2,000	-	38,396
Missions - short term	50	-	-	50
Missions - youth	490	-	-	490
Pastoral housing assistance (held in cash)	7,088	-	-	7,088
Pickleball designated funds	594	15,951	11,052	5,493
Starfish Pack	88,354	23,504	46,580	65,278
Share- benevolent funds	9,448	15,381	21,482	3,347
SDBC Tutoring	19,967	24,385	24,271	20,081
60th anniversary funds	2,755	-	1,779	976
Korean ministry fund	8,484	36,450	35,451	9,483
Refugee sponsorship fund	98,345	-	17,595	80,750
Summer internship	-	14,569	14,569	-
Fundraising	-	4,668	-	4,668
Total deferred revenue - designated fund	\$ 275,817	\$ 143,175	\$ 179,299	\$ 239,693

SOUTH DELTA BAPTIST CHURCH
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2025

7. INTERNALLY RESTRICTED FUNDS

Internally restricted funds consist of:

	2025	2024
<u>Building Reserve</u>		
Balance, beginning of year	\$ 395,476	\$ 321,483
Designated gifts	50,000	147,484
Interest	1,195	1,591
Operating Expenditures	(70,427)	(97,209)
Transfer to operating fund (net)	(71,546)	22,127
Balance, end of year	304,698	395,476

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

8. CAPITAL MANAGEMENT

The Church's capital is comprised of its net assets, which had a balance of \$1,995,148 at December 31, 2025 (2024: \$2,051,970).

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 \$239,693 at December 31, 2025 (2024: \$275,817). The Church complied with this restriction during the year.

9. 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, 2025

9. 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.

10. 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 (2024: three) per year. Total remuneration (which includes wages and taxable benefits) for these employees for the calendar year 2025 was \$318,150 (2024: \$312,680).

11. COMPARATIVE FIGURES

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

SOUTH DELTA BAPTIST CHURCH
PRESCHOOL OPERATIONS
Year Ended December 31, 2025

(Schedule 1)

	2025	2024
REVENUES		
Fees	\$ 79,442	\$ 87,787
EXPENSES		
Salaries and benefits	83,018	90,339
Administration	340	519
Equipment and supplies	-	94
	83,358	90,952
LOSS FROM OPERATIONS	\$ (3,916)	\$ (3,165)

See notes to financial statements

**SOUTH DELTA BAPTIST CHURCH
ADMINISTRATION AND SALARIES
Year Ended December 31, 2025**

(Schedule 2)

	2025	2024
EXPENSES		
Accounting and legal	\$ 16,966	\$ 17,365
Administrative	15,418	14,838
Building reserve	50,000	50,000
Interest and bank charges	9,525	9,634
Office	13,049	11,823
Salaries and wages	849,505	812,706
Telephone	1,840	5,473
Transportation	1,815	1,839
	\$ 958,118	\$ 923,678

See notes to financial statements

SOUTH DELTA BAPTIST CHURCH
CHILDREN, YOUTH AND ADULT MINISTRIES
Year Ended December 31, 2025

(Schedule 3)

	2025	2024
Family ministries (<i>note 2j</i>)	\$ 15,924	\$ 11,557
Men's ministries (recovery) (<i>note 2j</i>)	(9)	-
Resource centre (<i>note 2j</i>)	405	973
Senior ministry (<i>note 2j</i>)	3,621	3,803
Small group and adult fellowship (<i>note 2j</i>)	495	272
Women's ministries (<i>note 2j</i>)	2,900	2,980
Youth and young adults programs (<i>note 2j</i>)	10,693	9,082
	\$ 34,029	\$ 28,667

See notes to financial statements

SOUTH DELTA BAPTIST CHURCH
FACILITY CARE AND MAINTENANCE
Year Ended December 31, 2025

(Schedule 4)

	2025	2024
Facility projects	\$ 4,736	\$ 3,183
Insurance	45,290	46,185
Landscaping	16,291	11,729
Repair and maintenance	48,547	50,641
Utilities	82,724	55,795
	\$ 197,588	\$ 167,533

See notes to financial statements

SOUTH DELTA BAPTIST CHURCH**MISSIONS****(Schedule 5)****Year Ended December 31, 2025**

	2025	2024
Fellowship	\$ 14,264	\$ 11,264
First Nations	11,898	18,126
Local missions	15,909	15,049
Global	54,993	59,365
Mission luncheons	-	789
Mission response fund	1,050	-
	\$ 98,114	\$ 104,593

See notes to financial statements

SOUTH DELTA BAPTIST CHURCH**WORSHIP ARTS****(Schedule 6)****Year Ended December 31, 2025**

	2025	2024
Multimedia and video	\$ 61	\$ 1,976
Music	3,110	2,760
Ordinances	773	566
Sound and lighting	9,101	8,583
Special event	6,444	3,543
Worship atmosphere	2,955	15,004
	\$ 22,444	\$ 32,432

See notes to financial statements

SOUTH DELTA BAPTIST CHURCH
PASTORAL CARE AND LEADERSHIP
Year Ended December 31, 2025

(Schedule 7)

	2025	2024
Congregational development	\$ 4,271	\$ 1,100
Pastoral and leadership development	13,034	16,413
Pulpit supply & honorarium	1,200	2,411
Subscriptions and books	1,284	3,427
	\$ 19,789	\$ 23,351

See notes to financial statements