
**FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

INDEPENDENT AUDITORS' REPORT

To the Members of First United Church Community Ministry Society

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of First United Church Community Ministry Society (the "Society"), which comprise the statement of financial position as at September 30, 2024, and the statements of changes in net assets, operations 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 Society as at September 30, 2024, 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation revenue was limited to the amounts recorded in the records of the Society and we were unable to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, and cash flows from operations for the years ended September 30, 2024 and September 30, 2023, total assets as at September 30, 2024 and September 30, 2023, and net assets at both the beginning and end of the September 30, 2024 and September 30, 2023 years. Our audit opinion on the financial statements for the year ended September 30, 2023 also contained a qualification because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society 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 Canadian accounting standards for not-for-profit organizations, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

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

Auditors' 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 auditors' 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Society 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.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Manning Elliott LLP

Chartered Professional Accountants
Vancouver, British Columbia
February 25, 2025

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Operating	Redevelopment	Internally restricted	2024	2023
ASSETS					
CURRENT					
Cash and cash equivalents	\$ 467,865	\$ 1,008,989	\$ -	\$ 1,476,854	\$ 2,121,221
Term deposits (Note 3)	400,000	10,000	-	410,000	11,500,000
Investments (Notes 4, 12)	153,771	-	1,060,148	1,213,919	914,276
Accounts receivable (Note 5)	12,172	150,191	-	162,363	373,774
Prepaid expenses	51,420	20,534	-	71,954	101,116
	1,085,228	1,189,714	1,060,148	3,335,090	15,010,387
CAPITAL ASSETS (Note 6)	3,000,000	1,064,077	-	4,064,077	4,662,437
DEVELOPMENT COSTS (Note 7)	-	32,754,522	-	32,754,522	9,428,711
	\$ 4,085,228	\$ 35,008,313	\$ 1,060,148	\$ 40,153,689	\$ 29,101,535

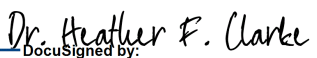
**FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024**

	Operating	Redevelopment	Internally restricted	2024	2023
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	\$ 342,036	\$ 2,748,328	\$ -	\$ 3,090,364	\$ 1,767,389
Government remittances payable	38,698	-	-	38,698	36,717
Deferred revenue (Note 8)	318,151	-	-	318,151	188,878
	698,885	2,748,328	-	3,447,213	1,992,984
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 9)	-	715,229	-	715,229	1,192,049
DEFERRED CONTRIBUTIONS RELATED TO DEVELOPMENT COSTS (Note 10)	-	30,175,519	-	30,175,519	21,339,597
HOLDBACK PAYABLE	-	1,369,237	-	1,369,237	382,206
	698,885	35,008,313	-	35,707,198	24,906,836
NET ASSETS	3,386,343	-	1,060,148	4,446,491	4,194,699
	\$ 4,085,228	\$ 35,008,313	\$ 1,060,148	\$ 40,153,689	\$ 29,101,535

ECONOMIC DEPENDENCE (Note 2)

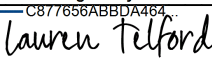
OPERATING LEASE COMMITMENTS (Note 13)

ON BEHALF OF THE BOARD



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 _____ Director



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 _____ Director

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Operating	Redevelopment	Internally restricted	2024 Balance
NET ASSETS - BEGINNING OF YEAR	\$ 3,280,423	\$ -	\$ 914,276	\$ 4,194,699
Excess of revenue over expenses	55,920	-	195,872	251,792
Interfund transfers (<i>Note 16</i>)	50,000	-	(50,000)	-
NET ASSETS - END OF THE YEAR	\$ 3,386,343	\$ -	\$ 1,060,148	\$ 4,446,491

	Operating	Redevelopment	Internally restricted	2023 Balance
NET ASSETS - BEGINNING OF YEAR	\$ 3,148,961	\$ 6,688	\$ 936,354	\$ 4,092,003
Excess (deficiency) of revenue over expenses	31,464	(6,688)	77,920	102,696
Interfund transfers (<i>Note 16</i>)	99,998	-	(99,998)	-
NET ASSETS - END OF THE YEAR	\$ 3,280,423	\$ -	\$ 914,276	\$ 4,194,699

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Operating	Redevelopment	Internally restricted	2024	2023
REVENUE					
BC Housing Management Commission (<i>Schedule</i>)	\$ 2,393,125	\$ -	\$ -	\$ 2,393,125	\$ 2,075,510
Donations (<i>Note 11</i>)	1,555,859	4,290	-	1,560,149	1,560,486
Grants and Government funding	1,151,839	230,000	-	1,381,839	1,161,502
Amortization of deferred contributions related to capital assets (<i>Note 9</i>)	-	476,820	-	476,820	476,820
Amortization of deferred contributions related to development costs (<i>Note 10</i>)	-	556,794	-	556,794	746,334
Sponsorships and fees	96,145	-	-	96,145	59,600
Bequest funds received	57,996	-	-	57,996	39,000
Sundry income	47,992	-	-	47,992	64,839
Special projects	10,018	-	-	10,018	10,240
Property management services	-	-	-	-	23,048
	5,312,974	1,267,904	-	6,580,878	6,217,379

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
STATEMENT OF OPERATIONS *(continued)*
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Operating	Redevelopment	Internally restricted	2024	2023
EXPENSES					
Salaries and benefits <i>(Notes 14, 15)</i>	4,180,914	466,992	-	4,647,906	4,190,528
Amortization of capital assets	-	610,826	-	610,826	603,289
Rent	19,947	431,751	-	451,698	452,158
General and program <i>(Note 11)</i>	315,936	-	-	315,936	273,653
Fundraising	115,917	185,220	-	301,137	218,716
Office	261,392	23,539	-	284,931	266,597
Property taxes	101,597	-	-	101,597	89,219
Repairs and maintenance - buildings	94,111	333	-	94,444	97,664
Professional fees	43,748	29,098	-	72,846	67,918
Utilities	52,846	7,505	-	60,351	67,536
Insurance	25,471	4,073	-	29,544	23,540
Vehicle	13,636	14,961	-	28,597	24,629
Telephone	24,184	4,154	-	28,338	30,441
Legal	18,114	-	-	18,114	38,732
Special projects	10,018	-	-	10,018	10,240
	5,277,831	1,778,452	-	7,056,283	6,454,860
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	35,143	(510,548)	-	(475,405)	(237,481)
OTHER INCOME (EXPENSES)					
Investment income	21,249	510,642	-	531,891	261,856
Unrealized gain on investments	-	-	165,090	165,090	36,809
Gain (loss) on sale of investments	(472)	(94)	37,019	36,453	48,007
Investment management fees	-	-	(6,237)	(6,237)	(6,495)
	20,777	510,548	195,872	727,197	340,177
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 55,920	\$ -	\$ 195,872	\$ 251,792	\$ 102,696

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 251,792	\$ 102,696
Items not affecting cash:		
Amortization of capital assets	610,826	603,289
Amortization of deferred contributions related to capital assets	(476,820)	(476,820)
Amortization of deferred contributions related to development costs	(556,794)	(746,334)
Unrealized gain on investments	(165,090)	(36,809)
Gain on sale of investments	(36,453)	(48,007)
	(372,539)	(601,985)
Changes in non-cash working capital:		
Accounts receivable	211,411	(313,276)
Prepaid expenses	29,162	(22,049)
Accounts payable and accrued liabilities	1,322,975	1,272,636
Government remittances payable	1,981	(4,932)
Deferred revenue	129,273	9,812
Holdback payable	987,031	336,031
	2,681,833	1,278,222
	2,309,294	676,237
INVESTING ACTIVITIES		
Redemption (purchase) of term deposits	11,090,000	(6,200,000)
Proceeds from sale of investments	401,477	462,568
Purchase of investments	(499,577)	(355,674)
Purchase of capital assets	(12,466)	(13,068)
Development costs incurred	(23,325,811)	(5,918,380)
	(12,346,377)	(12,024,554)
FINANCING ACTIVITIES		
Deferred contributions related to development costs received	9,392,716	12,252,325
Due from related party	-	171,697
	9,392,716	12,424,022
(DECREASE) INCREASE IN CASH FLOW	(644,367)	1,075,705
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,121,221	1,045,516
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,476,854	\$ 2,121,221

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

PURPOSE OF THE SOCIETY

First United Church Community Ministry Society (the "Society") is incorporated under the British Columbia Societies Act. The Society's activities consist of work related to the ministry of social justice, hospitality and pastoral care in the Downtown Eastside of Vancouver. The Society is a registered charity under the Income Tax Act (Canada) and as such is exempt from income taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion been prepared within reasonable limits of materiality using the significant accounting policies noted below:

(a) Fund accounting

The accounts of the Society are maintained in accordance with the principles of fund accounting following the deferral method of accounting for contributions. These funds are held in accordance with the objectives specified by the funders, donors or in accordance with directives issued by the Board of Directors ("the Board").

The Society presents its financial statements using the following funds:

i) Operating Fund

The Operating Fund is for the Society's operating activities.

ii) Redevelopment Fund

The Redevelopment Fund is externally restricted and to be used for the redevelopment of the Society's property.

iii) Internally Restricted Fund

The Internally Restricted Fund is to be used for specific purposes determined by the Board.

(b) Cash and cash equivalents

Cash includes cash on hand and balances held with banks.

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

(c) Financial instruments

i) Measurement

The Society's financial instruments consist of cash and cash equivalents, term deposits, investments, accounts receivable, accounts payable and holdback payable. The Society initially measures all of its financial assets and liabilities at fair value. The Society subsequently measures all of its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of equity instruments carried at fair value are recognized in the statement of operations in the period incurred.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations in the period in which it is determined.

iii) Transaction costs

Transaction costs are recognized in the statement of operations in the period incurred, except for financial instruments that will be subsequently measured at amortized cost. Transaction costs associated with the financial instruments measured at amortized cost are capitalized and are included in the acquisition cost or deducted against proceeds on disposal.

(d) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenue and expenses as at the end of, or during, the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the valuation of accounts receivable, the determination of the useful lives of capital assets used for calculating amortization, measurement of deferred revenue, deferred contributions related to capital assets and deferred contributions related to development costs and the amounts recorded as accrued liabilities.

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

(e) Capital assets and development costs

Capital assets are stated at cost less accumulated amortization and amortized over their estimated useful lives on the straight line basis as follows:

Furniture and equipment	10 years
Leasehold improvements	term of the lease
Computer equipment	5 years
Automobiles	2 to 10 years

The Society's policy is to record a write-down to a capital asset's fair value or replacement cost when conditions indicate that a capital asset is impaired. Such conditions include when the capital asset no longer contributes to the Society's ability to provide goods and services or when the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. Write-downs are recognized as an expense in the statement of operations and are not reversed.

The Society continues to incur development costs for the re-development of the building. No amortization will be recorded on the building until the building is substantially put into use.

(f) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income, including realized and unrealized capital gains, is recognized in the period the investment income is earned.

Deferred revenue represents operating funding received in the current period that is designated for a subsequent period.

Deferred contributions related to capital assets represent contributions that are restricted for the purchase of capital assets. These contributions are amortized and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Deferred contributions related to development costs represent contributions that are restricted for the future re-development of the building. These contributions are recognized on the same basis as the related development costs and are not amortized at this time, unless the costs relate to expenditures expensed during the year.

(g) Contributed services and materials

The Society benefits from contributed services in the form of volunteer time and contributed materials. Contributed services are not recognized in the financial statements. Contributed materials are recorded at their fair value only when a realizable value of the related benefit can be reasonably estimated and the materials are used in the normal course of operations and would otherwise have been purchased.

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

(h) Employee future benefits

Eligible employees of the Society participate in a defined benefit plan administered by the United Church of Canada as disclosed in Note 14. Pension benefits are expensed during the period that the contributions are made. Although the benefits have been earned under defined benefit plans, because they are multi-employer plans, sufficient information to follow the accounting standards on defined benefit plans is not available. Accordingly, the Society accounts for its employees' pension benefits by following accounting standards for defined contribution plans whereby the costs for the period are recognized as an expense.

2. FINANCIAL INSTRUMENTS RISKS

The Society's financial instruments are described in Note 1(c). In management's opinion, the Society is not exposed to significant credit, liquidity, market, currency, interest rate or other price risks arising from these financial instruments, except as described below. In addition, there has been no significant change in risk exposure from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's main credit risk relates to its accounts receivable. The Society maintains, if deemed necessary, a provision for potential credit losses, and any such losses to date have been within management's expectations. Based on the nature of the Society's accounts receivable, management has determined the Society's credit risk to be minimal and will continue to monitor receivables to mitigate any potential credit risk. As at September 30, 2024 and 2023, an allowance for doubtful accounts was not considered necessary by management.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and holdback payable. The Society's objective is to have sufficient financial liquidity to meet its financial obligations as they become due. The Society's ability to meet obligations depends on the receipt of government funding and the generosity of its donors. The Society controls liquidity risk by working closely with funders to manage its working capital and cash flows.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the Society's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is not exposed to significant currency risk, as all operations and financial instruments are conducted and denominated in Canadian dollars.

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

2. FINANCIAL INSTRUMENTS RISKS *(continued)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The primary financial risk to the Society lies in the exposure of its investment income stream to the effects of fluctuations in market interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure by maintaining a diversified portfolio actively managed by an investment advisor and through its normal operating and financing activities.

Other price risk

Other price risk is the risk that the fair value or 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 Society is exposed to other price risk through its investments. The Society mitigates this risk by maintaining a diversified portfolio actively managed by an investment advisor and by regularly reviewing its investment structure and strategy.

Concentration of risk and economic dependence

The Society is economically dependent on British Columbia Housing Management Commission ("BCHMC") for its shelter operating funding. In 2024, BCHMC funding comprised 45% of operating revenue (2023 - 42%).

3. TERM DEPOSITS

Term deposits consist of investments in guaranteed investment certificates with maturity dates of May 30, 2025 and September 9, 2025 and interest rates of 3.10% and 4.95% respectively (2023 - 5.20%).

4. INVESTMENTS

Investments within the Operating Fund include mutual funds managed through RBC Direct Investing. Investments are measured at fair value, in accordance with the policy as described in Note 1(c). The investments have a cost base of \$153,771 (2023 - \$Nil).

Internally restricted investments consist of a large diversified long-term fund invested through the Pacific Mountain Region (PMR) of the United Church of Canada by Connor Clark & Lunn (see Note 12). The investments have a cost base of \$959,082 (2023 - \$917,708).

5. ACCOUNTS RECEIVABLE

	2024	2023
Goods and services tax recoverable	\$ 93,319	\$ 67,762
Accounts receivable	57,500	231,979
Interest receivable	8,103	72,447
Other receivables	3,441	1,586
	\$ 162,363	\$ 373,774

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000
Furniture and equipment	202,664	71,131	131,533	152,946
Leasehold improvements	2,328,406	1,512,734	815,672	1,379,008
Computer equipment	12,747	8,923	3,824	6,374
Automobiles	206,349	93,301	113,048	124,109
	\$ 5,750,166	\$ 1,686,089	\$ 4,064,077	\$ 4,662,437

During the year ended September 30, 2024, management revised the estimated useful lives of certain automobiles from ten years to five years (Note 1(e)). This change has been applied prospectively with an effective date of October 1, 2023.

7. DEVELOPMENT COSTS

The Society is redeveloping its property and has incurred development costs as follows:

	2024	2023
Balance at beginning of year	\$ 9,428,711	\$ 3,510,331
Development costs incurred during the year	23,325,811	5,918,380
	\$ 32,754,522	\$ 9,428,711

8. DEFERRED REVENUE

Deferred revenue represents funds received in advance for the purpose of delivering specific programs or special projects, the costs for which have not yet been incurred. The amounts will be recognized as revenue on the statement of operations within BC Housing Management Commission and Grants and Government funding in subsequent years when the expenses are incurred.

	2024	2023
Balance at beginning of year	\$ 188,878	\$ 179,066
Contributions received during the year	312,661	187,364
Contributions recognized as revenue during the year	(183,388)	(177,552)
	\$ 318,151	\$ 188,878

Deferred revenue is comprised of the following:

	2024	2023
BC Housing Management Commission	\$ 194,364	\$ 146,789
BC Housing Management Commission	102,098	35,381
Street to Home Foundation	21,689	6,708
	\$ 318,151	\$ 188,878

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets, represent restricted contributions that have been spent to purchase capital assets. These contributions are amortized at the same rate as the capital assets.

	2024	2023
Balance at beginning of year	\$ 1,192,049	\$ 1,668,869
Contributions recognized as revenue during the year	(476,820)	(476,820)
	\$ 715,229	\$ 1,192,049

10. DEFERRED CONTRIBUTIONS RELATED TO DEVELOPMENT COSTS

Deferred contributions related to development costs represent funds received in advance for the future development of its property and certain related expenditures.

	2024	2023
Balance at beginning of year	\$ 21,339,597	\$ 9,833,606
Contributions received during the year	9,392,716	12,252,325
Contributions recognized as revenue during the year	(556,794)	(746,334)
	\$ 30,175,519	\$ 21,339,597

11. DONATIONS IN-KIND

In addition to monetary donations, the Society receives donations in-kind. During the year, the Society received donations of food and supplies in the amount of \$50,062 (2023 - \$35,046). These amounts have been recorded as donation revenue and a corresponding expense has been included in general and program expense.

During the year, the Society received equity shares traded on a public stock exchange. The shares were recorded at fair market value as at the date they were contributed and sold shortly after. Total revenue of \$83,041 (2023 - \$38,604) from these donations in-kind was included in donation revenue in the statement of operations. Additional shares totaling \$318,884 (2023 - \$317,070) were received for the Redevelopment Fund and have been recorded as deferred contributions related to development costs on the statement of financial position.

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

12. INTERNALLY RESTRICTED FUNDS

Internally restricted funds are to be used for specific purposes determined by the Board of Directors and the capital would only be used for general operations on a temporary basis or in extraordinary circumstances. Income earned on the original donations is used to fund charitable program expenses, unless otherwise approved by the Board of Directors.

	2024	2023
Chalmers fund	\$ 873,062	\$ 752,932
Brownridge fund	116,081	100,109
Mountain View fund	71,005	61,235
	\$ 1,060,148	\$ 914,276

13. OPERATING LEASE COMMITMENTS

The Society has entered into agreements for the lease of equipment and properties due to the relocation for the redevelopment expiring at varying dates through October 2028. Minimum lease payments under these agreements during the next five fiscal years are anticipated to be as follows:

2025	\$ 216,348
2026	36,791
2027	7,304
2028	1,325
2029	36
	<u>\$ 261,804</u>

14. PENSION PLAN

Retirement benefits for employees of the Society are provided through the pension plan of The United Church of Canada (the "Plan"). The Plan is a multi-employer pension plan which provides pensions for members of the Ministry personal and lay employees of the Office of the General Council and any Regional Council or Pastoral Charge of the United Church of Canada. The Plan is a contributory defined benefit pension plan which is financed by contributions from participating employers and employees, and by the investment earnings of the Plan.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2021, indicated an actuarial surplus of \$276,000,000 for basic pension benefits. The next valuation will be as at December 31, 2024 with results available in 2025. The actuary does not attribute portions of the unfunded liability to individual employers.

The Society's expense for the year in respect of pension contributions for eligible employees to the defined benefit pension plan amounted to \$141,042 (2023 - \$133,112) and has been recorded as salaries and benefits expense in the statement of operations.

FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

15. SALARIES AND EMPLOYEE BENEFITS

In accordance with the British Columbia Societies Act, the Society is required to provide the total remuneration, if any, paid by the Society to the directors in the period, and the remuneration paid by the Society in the period to the employees of the Society, and to persons under a contract for services with the Society, whose remuneration was at least \$75,000.

Included within salaries and benefits expense are thirteen employees (2023 - ten employees) that earned over \$75,000 for a total of \$1,257,181 (2023 - \$974,281). During fiscal 2024, two persons under a contract (2023 - one person under a contract) earned over \$75,000, for a total of \$157,637 (2023 - \$94,910). No directors were compensated in fiscal 2024 and 2023.

16. INTERFUND TRANSFERS

During the year, interfund transfers were made from the internally restricted fund to the operating fund to cover charitable program expenses. Transfers between the funds are typically made annually with approval of the board. The interfund transfers are recorded in the statement of changes in net assets.

17. COMPARATIVE FIGURES

Certain amounts from the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. Such reclassification does not have any impact on the total assets, total net assets, or excess of revenue over expenses previously reported.

**FIRST UNITED CHURCH COMMUNITY MINISTRY SOCIETY
SCHEDULE OF SHELTER OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

SCHEDULE

	2024	2023
REVENUE		
BC Housing Management Commission - Operational Funding	\$ 2,276,810	\$ 2,001,329
BC Housing Management Commission - Prior Period Adjustments	116,315	74,181
	2,393,125	2,075,510
EXPENSES		
Salaries and benefits	1,891,671	1,706,237
General and program	166,726	152,146
Property taxes	101,597	89,180
Repairs and maintenance - buildings	70,145	71,250
Utilities	41,216	41,589
Office	36,429	38,504
Professional fees	34,600	32,650
Insurance	16,420	17,479
Telephone	5,898	6,607
Legal fees	-	17,808
	2,364,702	2,173,450
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM SHELTER OPERATIONS	\$ 28,423	\$ (97,940)