

Consolidated Financial Statements

**British Columbia Conference,
The United Church of Canada**
December 31, 2010

INDEPENDENT AUDITORS' REPORT

To the Members of
British Columbia Conference, The United Church of Canada

We have audited the accompanying consolidated financial statements of **British Columbia Conference, The United Church of Canada**, which comprise the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **British Columbia Conference, The United Church of Canada** as at December 31, 2010 and the results of its operations, the changes in its net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada,
April 13, 2011.

Ernst & Young LLP

Chartered Accountants

British Columbia Conference, The United Church of Canada

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Conference and Metropolitan Council

As at December 31

	Operating Fund \$	Camp Futures Fund \$	Administered Fund \$	2010 \$	2009 \$
ASSETS					
Current					
Cash	45,090	—	—	45,090	—
Accounts receivable	556,862	—	—	556,862	538,720
Prepaid expenses	12,717	—	—	12,717	4,894
Total current assets	614,669	—	—	614,669	543,614
Investments <i>[note 7]</i>	5,898,400	9,875,101	8,004,737	23,778,238	31,687,827
Loans <i>[note 8]</i>					
Congregation loans	73,545	—	—	73,545	111,719
Minister loans	17,242	—	—	17,242	10,662
Property expenditures receivable <i>[note 9]</i>	25,316	—	—	25,316	148,006
Camp Futures - property under development <i>[note 11]</i>	—	11,224,616	—	11,224,616	1,721,747
Equipment, net <i>[note 12]</i>	152,878	—	—	152,878	139,974
Total assets	6,782,050	21,099,717	8,004,737	35,886,504	34,363,549
LIABILITIES AND NET ASSETS					
Current					
Bank indebtedness	—	—	—	—	4,438
Accounts payable and accrued liabilities	316,027	529,957	—	845,984	813,683
Total current liabilities	316,027	529,957	—	845,984	818,121
Due to Property Development Council <i>[note 10]</i>	1,691,958	—	—	1,691,958	7,880,403
Total liabilities	2,007,985	529,957	—	2,537,942	8,698,524
Commitments and contingent liability <i>[notes 14, 15 and 16]</i>					
Net assets					
Internally restricted for building and equipment	152,878	11,224,616	—	11,377,494	1,861,721
Unrestricted	4,621,187	—	—	4,621,187	2,520,327
Internally restricted administered funds <i>[schedule 1]</i>	—	—	1,888,395	1,888,395	1,737,456
Externally restricted administered funds <i>[schedule 1]</i>	—	—	6,116,342	6,116,342	1,357,707
Internally restricted - Camp Futures Fund	—	9,345,144	—	9,345,144	18,187,814
Total net assets	4,774,065	20,569,760	8,004,737	33,348,562	25,665,025
Total liabilities and net assets	6,782,050	21,099,717	8,004,737	35,886,504	34,363,549

See accompanying notes

On behalf of the Board:

Executive Secretary

Financial Manager

British Columbia Conference, The United Church of Canada

**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
Conference and Metropolitan Council**

Year ended December 31

	Operating Fund		Camp Futures Fund		Administered	2010	2009
	Equipment	Unrestricted	Property development	Internally restricted	Fund		
	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	139,974	2,520,327	1,721,747	18,187,814	3,095,163	25,665,025	23,189,224
Excess of revenues over expenses for the year	—	2,113,764	—	—	—	2,113,764	350,451
Allocated amortization	(35,562)	35,562	—	—	—	—	—
Administered Funds	—	—	—	—	4,909,574	4,909,574	364,722
Camp Futures Fund	—	—	—	660,199	—	660,199	1,760,628
Purchase of equipment, net	48,466	(48,466)	—	—	—	—	—
Camp Futures - property under development	—	—	9,502,869	(9,502,869)	—	—	—
Balance, end of year	152,878	4,621,187	11,224,616	9,345,144	8,004,737	33,348,562	25,665,025

See accompanying notes

British Columbia Conference, The United Church of Canada

CONSOLIDATED STATEMENT OF OPERATIONS
Conference and Metropolitan Council

Year ended December 31

	Operating budget 2010 \$	Operating Fund 2010 \$	Camp Futures Fund 2010 \$	Actual		Total 2009 \$
				Administered		
				Fund 2010 \$	Total 2010 \$	
REVENUES						
Presbytery allocations	552,879	552,942	—	—	552,942	538,346
General Council staff grants	335,000	355,458	—	—	355,458	378,024
Campus ministries	72,500	72,500	—	—	72,500	72,500
Mobile Councilor Grant	—	16,895	—	—	16,895	1,635
Transfer contingency fund	92,000	—	—	—	—	—
Grants and contributions [schedule 1]	—	—	—	4,877,679	4,877,679	365,917
Conference annual meeting	115,000	115,000	—	—	115,000	115,000
Investment income	285,000	274,080	765,516	—	1,039,596	1,173,914
Loan interest	8,000	2,841	—	—	2,841	9,663
Other income	3,000	3,977	—	—	3,977	—
Van Dusen Fund	54,240	84,062	—	—	84,062	54,000
	1,517,619	1,477,755	765,516	4,877,679	7,120,950	2,708,999
EXPENSES						
Amortization	—	35,562	—	—	35,562	30,356
Archives committee	3,150	2,285	—	—	2,285	3,387
Campus ministries	72,500	72,500	—	—	72,500	72,500
Communications committee	4,000	3,859	—	—	3,859	2,405
Conference annual meeting	115,000	115,000	—	—	115,000	115,000
Childrens Ministry	2,300	1,300	—	—	1,300	1,556
ELTC meeting	—	—	—	—	—	3,276
Ethnic Ministries committee	3,000	169	—	—	169	770
Global & Societal committee	500	656	—	—	656	1,612
Outdoor Ministries committee	5,000	4,521	—	—	4,521	1,981
Resource management library	—	—	—	—	—	21,410
Staffing committee	500	573	—	—	573	1,628
Conference executive	30,500	20,363	—	—	20,363	21,832
Events, committees and other [schedule 1]	—	—	—	40,676	40,676	216,910
Finance council	17,000	15,529	—	—	15,529	13,665
Grants [schedule 1]	—	—	—	157,570	157,570	117,089
Investment income disbursed [schedule 1]	—	230,141	—	(230,141)	—	—
Investment management fees	—	77,961	95,760	—	173,721	150,143
Ministry and personnel council	78,000	59,124	—	—	59,124	67,516
Native Ministries council	20,000	25,114	—	—	25,114	28,713
Presbytery office support	100,000	81,086	—	—	81,086	61,927
Presbytery travel	37,000	37,000	—	—	37,000	37,000
Staff and office expenditures [schedule 2]	1,002,136	998,235	410,577	—	1,408,812	1,137,151
Youth Ministry	27,000	25,775	—	—	25,775	30,510
	1,517,586	1,806,753	506,337	(31,895)	2,281,195	2,138,337
Excess (deficiency) of revenues over expenses before the following	33	(328,998)	259,179	4,909,574	4,839,755	570,662
Other grant revenue (expense)						
Property grant income [note 13]	—	2,281,973	—	—	2,281,973	1,199,617
Property Development Council salary grant	—	—	—	—	—	41,799
Grants to others [note 13]	—	—	—	—	—	(906,858)
Net other grant revenue	—	2,281,973	—	—	2,281,973	334,558
Unrealized investment gain	—	160,789	401,020	—	561,809	1,570,581
Excess of revenues over expenses for the year	33	2,113,764	660,199	4,909,574	7,683,537	2,475,801

See accompanying notes

British Columbia Conference, The United Church of Canada

CONSOLIDATED STATEMENT OF CASH FLOWS
Conference and Metropolitan Council

Year ended December 31

	2010	2009
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	7,683,537	2,475,801
Add (deduct) items not affecting cash		
Amortization of equipment	35,562	30,356
Unrealized gain on investments	(561,809)	(1,570,851)
	<u>7,157,290</u>	<u>935,306</u>
Changes in non-cash working capital balances related to operations		
Accounts receivable	(18,142)	(363,578)
Prepaid expenses	(7,823)	19,445
Accounts payable and accrued liabilities	(350,450)	599,438
Cash provided by operating activities	<u>6,780,875</u>	<u>1,190,611</u>
INVESTING ACTIVITIES		
Sale (purchase) of investments, net	8,471,398	(8,096,145)
Purchase of equipment	(48,466)	(13,813)
Investment in Camp Futures - property under development	(9,120,118)	(1,502,654)
Property expenditures receivable	122,690	87,615
Cash used in investing activities	<u>(574,496)</u>	<u>(9,524,997)</u>
FINANCING ACTIVITIES		
Congregation and minister loans	31,594	180,808
Loan from (to) Property Development Council	(6,188,445)	8,123,404
Cash provided by (used in) financing activities	<u>(6,156,851)</u>	<u>8,304,212</u>
Net increase (decrease) in cash during the year	49,528	(30,174)
Cash (bank indebtedness), beginning of year	(4,438)	25,736
Cash (bank indebtedness), end of year	<u>45,090</u>	<u>(4,438)</u>

See accompanying notes

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010

1. PURPOSE OF THE ORGANIZATION

British Columbia Conference, The United Church of Canada [the “Conference”] is an organization operating programs and administering funds with the aim of promoting the health of congregations and other ministries of The United Church of Canada within the bounds of British Columbia, encouraging effective church leadership and supporting faithful public witness. The Conference is a registered Canadian charity and was established by United Church of Canada Act. It is not subject to income taxation.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of the consolidated financial statements.

Principles of consolidation

The consolidated financial statements include the financial statements of the Conference and the Metropolitan Council of The United Church of Canada [the “Metropolitan Council”], which is considered to be controlled by the Conference. The Metropolitan Council is currently inactive and its mandates have been assumed by the Conference.

The British Columbia Conference Property Development Council of The United Church of Canada [the “Property Development Council”], which is also considered to be controlled by the Conference, is not consolidated in these financial statements and separate financial statements have been prepared. The mandate of the Property Development Council is to locate, erect and acquire land and buildings to carry on the work of The United Church of Canada and to receive contributions and grants and to apply these as the Property Development Council sees fit.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010

As at December 31, a summary of the financial position, operations and cash flows of the Property Development Council is as follows:

	2010 \$	2009 \$
Total assets	5,682,478	10,829,293
Total liabilities	20,369	20,369
Net assets	<u>5,662,109</u>	<u>10,808,924</u>
Revenues		
Option fee – Bethany Newton United Church agreement	—	32,000
Investment income	759,364	299,788
Realized gain on land and building transactions	2,787,930	3,714,800
	<u>3,547,294</u>	<u>4,046,588</u>
Expenses		
Grants and loans made	7,169,702	1,906,968
Grant of land – Eagle Ridge	2,832,600	—
Professional fees related to land and building transactions	35,270	296,832
Other operating expenses	18,837	65,453
	<u>10,056,409</u>	<u>2,269,253</u>
Excess (deficiency) of revenues over expenses for the year	<u>(6,509,115)</u>	<u>1,777,335</u>
Direct increases in net assets	<u>1,362,300</u>	<u>—</u>
Cash provided by (used in):		
Operating activities	(250,000)	(10,025,000)
Investing activities	250,000	10,025,000
Financing activities	<u>—</u>	<u>—</u>

There are no significant differences in accounting policies between the Property Development Council and the Conference.

Volunteer services

The Conference receives the benefit of the contribution of significant time by many volunteers. Because of the difficulty in determining the fair value of the time, volunteer services are not recognized in these consolidated financial statements.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Cash

Cash includes all balances held at banks, excluding overdraft amounts, with an original maturity of less than three months.

Investments

Investments are classified as held-for-trading and are recorded at fair market values based on year-end quoted bid prices and reported values. Investment income, which consists of interest, dividends, interest distributions from pooled funds, and realized and unrealized gains and losses, is recorded as revenue in the consolidated statement of operations. Transaction costs are expensed as incurred.

Camp Futures - property under development

The Camp Futures - property under development is recorded at cost and is not being amortized. When the project under development is complete, the Camp Futures - property under development project will be transferred to the appropriate asset category and amortized over its useful life.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is determined on a straight-line basis over the following periods:

Computer	4 years
Office equipment	4 - 10 years
Leasehold improvements	Term of current lease

Fund accounting

The Conference follows the restricted fund method of accounting for contributions.

The Internally Restricted for Building and Equipment Fund includes the cost of land, buildings and equipment of the Conference and related amortization of these assets. Additions are funded through financing activities, or transfers from the Unrestricted Fund as approved by the Board of Trustees.

The Unrestricted Fund accounts for the Conference's program delivery and administrative activities. This fund reports unrestricted resources and operating grants designated for a particular purpose within Conference operations.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010

The Camp Futures Fund was established through the sale of camp properties. Funds are internally restricted for the construction of camps and the generation of income to fund camp and mission initiatives.

The Administered Fund accounts for various internally and externally restricted funds which are administered by the Conference and are to be used for a particular purpose.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the Administered Fund or Camp Futures Fund, as appropriate.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income includes dividend and interest income, and realized and unrealized investment gains and losses. Investment income earned on the Administered Funds that must be used for specific purposes is recognized as revenue of the appropriate Administered Fund. A management fee of 1.5% is applied against fund investment income except for the Vancouver Burrard Endowment investment and First United Funds. Other investment income is recognized as revenue of the Operating Fund when earned.

Unrealized gains and losses on held-for-trading investments are recognized as gains or losses in the consolidated statement of operations.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles ["GAAP"] requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010

Financial instruments

The Conference has chosen to continue to apply the Canadian Institute of Chartered Accountants' ["CICA"] Handbook Section 3861, *Financial Instruments – Disclosure and Presentation* in place of CICA Handbook Section 3862, *Financial Instruments – Disclosures* and CICA Handbook Section 3863, *Financial Instruments – Presentation*.

3. FUTURE DIRECTION OF STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

The CICA has determined that not-for-profit organizations ["NPOs"] do not meet the definition of "publicly accountable" organizations for purposes of consideration of International Financial Reporting Standards ["IFRS"]. This means that NPOs will not be required to adopt IFRS in 2011. In December 2010, the CICA approved the incorporation of the standards set out in Part III of the Handbook as the accounting standards applicable to NPOs. Part III comprises the core standards, often referred to as the 4400 series of the CICA Handbook, which will remain the primary source of Canadian GAAP for NPOs. In addition, an NPO would be directed to Part II, the accounting standards for private enterprises, to the extent they are of general applicability or pertain to the NPO's circumstances when there is no relevant standard in Part III. The CICA has stated that any NPO could elect to follow IFRS, if that approach meets the needs of the users of its financial statements. It is important to note that although Canadian publicly accountable enterprises are required to adopt IFRS on January 1, 2011, NPOs are not required to make a choice or to follow the same transition schedule. First time adoption of Part III of the Handbook is mandatory for financial statements relating to fiscal years beginning on or after January 1, 2012. Management has determined that these changes will have no material impact on the financial statement presentation.

4. FINANCIAL INSTRUMENTS

The Conference's financial instruments consist of cash, accounts receivable, investments, congregation and minister loans, property expenditures receivable, due to Property Development Council, bank indebtedness and accounts payable and accrued liabilities. The fair values of the financial instruments approximate their carrying values, unless otherwise noted. The fair value of the property expenditures receivable is not readily determinable as these will only be repaid if the congregation disbands or an alternative repayment plan is arranged. The fair values of the property expenditures receivable and due to Property Development Council balances are not readily determinable as there are no stated terms of repayment. It is management's opinion that the Conference is not exposed to significant interest, currency or credit risks arising from these financial instruments.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The Conference investments are held in professionally administered funds. These funds are subject to fluctuating returns based on the market and are exposed to the risk of market volatility. Risk has been assessed by management and an investment policy adopted to mitigate such market risk. 35% of the portfolio is invested in equities with the balance being held in bonds or cash equivalents. The fair values of these financial instruments approximate their carrying values.

The Conference has classified its financial instruments as follows:

Financial instrument	Classification
Cash	Held-for-trading
Investments	Held-for-trading
Accounts receivable	Loans and receivables
Congregation and minister loans	Loans and receivables
Property expenditures receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Due to Property Development Council	Other financial liabilities
Bank indebtedness	Other financial liabilities

Financial assets and liabilities classified as held-for-trading are measured at fair values at each reporting period with changes in fair value in subsequent periods included in the consolidated statement of operations.

Financial assets classified as loans and receivables and liabilities classified as other financial liabilities are measured at amortized cost using the effective interest method.

Transaction costs are expensed as incurred.

5. CAPITAL DISCLOSURES

The mandate of the Conference is to operate programs and administer funds with the aim of promoting the health of congregations and other ministries of The United Church of Canada within the bounds of British Columbia, encouraging effective church leadership and supporting faithful public witness.

Objectives are to maximize the return or opportunity to the Conference or the Church community based on the mission of the Conference. The assessment of return may be based on Church values that differ from the normal maximization of profit.

The Conference is not subject to externally imposed capital requirements and its capital management strategy has not changed from the previous year.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010

6. GOING CONCERN

Management believes the Conference has a strong financial position and is able to continue as a going concern over the next 12 months.

7. INVESTMENTS

Investments consist of the following:

	2010		2009	
	Market value \$	Cost \$	Market value \$	Cost \$
Fixed income	15,454,790	15,005,925	19,132,882	18,762,630
Equity	8,367,348	8,027,756	7,852,435	8,166,569
Cash equivalents	(43,900)	(43,900)	4,702,510	4,707,935
	23,778,238	22,989,781	31,687,827	31,637,134

Part of the investments balance is restricted for use of the Camp Futures Fund and the Administered Funds as disclosed on the consolidated statement of financial position.

8. LOANS

The Conference offers one year term loans to congregations and ministries at interest rates equivalent to the bank's prime rate plus 1% per annum. The loans have varying amortization terms. Loans and interest rates are reviewed upon renewal. The loans are unsecured but the loan agreements allow the Conference to collateralize the loans against property related to the loan.

Congregation loans receivable consist of the following:

	2010 \$	2009 \$
Colebrook United Church	37,066	41,178
MacKenzie Camp Society	30,302	31,774
Korean United Church of Vancouver	—	32,720
Naramata Centre	6,177	6,047
	73,545	111,719

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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9. PROPERTY EXPENDITURES RECEIVABLE

From time to time the Conference makes payments to third parties for expenditures in respect of properties owned by congregations for repairs, maintenance, property taxes, insurance and other items. These properties are registered in the name of The United Church of Canada. The expenditures are recorded as receivables from the congregation at the time of payment by the Conference until such time in the future when the property is sold and the amounts can be repaid to the Conference. These loans would not normally be recoverable unless the congregation disbands or an alternative repayment plan is arranged.

Property expenditures receivable consist of the following:

	2010	2009
	\$	\$
Eagle Ridge Church	—	123,467
Longhouse - 2595 Franklin, Vancouver	25,316	24,539
	<u>25,316</u>	<u>148,006</u>

10. DUE TO PROPERTY DEVELOPMENT COUNCIL

The Conference, which is considered to control the Property Development Council, provides funds to the Property Development Council to fund the acquisition of properties and to cover operating costs and has received funds generated by the Property Development Council through the sale of properties. These amounts have no specific terms of repayment and bear no interest.

The transactions with the Property Development Council are recorded at the exchange amounts established and agreed between the entities.

11. CAMP FUTURES - PROPERTY UNDER DEVELOPMENT

	2010	2009
	\$	\$
Camp Fircom	7,297,064	997,528
Camp Pringle	3,894,567	691,234
Camp Grafton	32,985	32,985
	<u>11,224,616</u>	<u>1,721,747</u>

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The property under development represents amounts spent to date to redevelop Camp Fircom, Camp Pringle and Camp Grafton on behalf of the Conference Camp Futures Program.

It is planned that, on completion, the redevelopment will be sold to a Society tasked with holding the properties on behalf of the Conference Camp Futures Program. The transfer will be made possible by a grant from the Conference.

No amortization has been recorded as the development work undertaken has not been placed into service.

12. EQUIPMENT

	Cost	Accumulated amortization	Net book value
	\$	\$	\$
2010			
Computer	132,207	120,009	12,198
Office equipment	242,579	207,697	34,882
Leasehold improvements	259,700	153,902	105,798
	634,486	481,608	152,878
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
2009			
Computer	128,870	109,113	19,757
Office equipment	225,103	197,703	27,400
Leasehold improvements	232,047	139,230	92,817
	586,020	446,046	139,974

Leasehold improvements represent expenditures related to improvements made to office premises leased and occupied by the Conference.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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13. GRANT INCOME AND OTHER GRANTS MADE

During the year, the Conference received grants of \$2,281,973 from the Property Development Council which were generated from the proceeds of sale of St. John's and Renfrew churches. In 2009, the Conference received grants of \$1,199,617 from the Property Development Council which were generated from the proceeds of the sale of Bethany Newton United Church.

Grant expense

During the year, the Conference provided grants to the following:

	2010	2009
	\$	\$
From the Property Development Council grant funds		
Naramata Conference Centre	—	500,000
Vancouver School of Theology	—	300,000
The Bob Stewart Archives Fund	—	100,000
Total grants from the Property Development Council funds	—	900,000
Other - Oak Avenue	—	6,858
Total grant expense	—	906,858

14. CONTINGENT LIABILITY

The Conference has entered into discussions with the Japanese United Church for compensation for the historic loss of use of their church. Management has no indication at this time of any potential amount that may be paid as a result of the discussions and, accordingly, no amounts have been recorded in the consolidated financial statements.

15. COMMITMENTS

The Conference has a lease agreement for office premises. The terms of the lease include annual rent of \$1 plus operating costs. The term of the lease is 20 years and commenced in March 1998.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010

16. COMMITMENTS TO REFURBISH CAMPS

The Conference has committed to use some of the funds generated through the sale of camp property to refurbish and improve current camp properties. The remaining commitments are as follows:

	<u>\$</u>
Commitments	
Camp Fircom	7,600,000
Camp Pringle	<u>3,900,000</u>
Total commitments	11,500,000
Less amount spent to date	<u>11,200,000</u>
Estimated remaining commitments at December 31, 2010	<u>300,000</u>

17. RECLASSIFICATION OF COMPARATIVE FIGURES

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the current year consolidated financial statements.

CONSOLIDATED SCHEDULE OF ADMINISTERED FUNDS

Conference and Metropolitan Council

Year ended December 31

	Revenue			Expenses		Balance 2010 \$
	Balance 2009 \$	Grants and contributions \$	Investment income \$	Grants \$	Events, committees and other costs \$	
Externally restricted						
Archives Fund	311,563	—	23,679	—	—	335,242
Archives Operating Fund	13,285	3,880	1,012	—	3,816	14,361
Comox Nanaimo Presbytery Fund	63,769	—	4,846	—	—	68,615
Victoria Presbytery Trust Fund	46,759	—	3,554	—	—	50,313
Prince Rupert Presbytery Trust Fund	—	4,203	—	—	4,203	—
Adams Trust Fund	3,000	—	—	—	—	3,000
Annual Meeting Fund	43,265	115,000	—	—	6,755	151,510
Campership Fund	625	125	—	—	—	750
Charlotte Sullivan DLM Program	—	20,000	760	—	—	20,760
Congregational Learning Fund	10,802	9,240	—	15,025	—	5,017
Evans Memorial Fund	4,615	—	351	—	—	4,966
Imagine Fund	18,358	600	1,156	6,884	—	13,230
Frontier Continuing Education Fund	1,584	—	348	—	—	1,932
Melba Johnston Campus Ministries	87,220	—	5,926	18,500	—	74,646
Native Bursary Fund	3,939	—	269	795	—	3,413
Parlons Francais Par Coeur Bursary	400	—	—	—	—	400
Pearl Griffin Memorial Fund	1,930	—	—	1,930	—	—
Refugee Emergency Support Fund	318	—	24	—	—	342
Refugee Sponsorship Fund	6,953	1,448	583	—	—	8,984
Residential School Workers Gathering Fund	4,732	—	—	—	—	4,732
Stewardship Initiative Fund	7,632	14,000	—	16,500	1,874	3,258
Thomas Crosby Fund	691,911	21,494	52,614	(3,200)	23,929	745,290
Thomas Crosby Leadership Fund	728	—	55	—	—	783
Vancouver Burrard Endowment Fund	—	2,000,000	—	—	—	2,000,000
Vancouver Burrard Income Fund	—	281,973	—	—	—	281,973
Vancouver Burrard First United Fund	—	2,281,973	—	—	—	2,281,973
Van Dusen Fund	30,000	105,078	2,577	97,186	89	40,380
VB/VS Youth Trust Fund	4,319	—	—	3,847	—	472
	1,357,707	4,859,014	97,754	157,467	40,666	6,116,342
Internally restricted						
1955 West 4th Fund	606,982	—	46,131	—	—	653,113
Congregation/Personnel Emergency Fund	1,709	—	—	103	—	1,606
Gambier Island Road Proceeds Fund	55,632	—	4,228	—	—	59,860
Ministry and Personnel Fund	3,156	—	—	—	—	3,156
Mission Support (B.C.) Fund	522,027	—	39,674	—	—	561,701
R & M Cherry Fund	537,335	18,665	41,547	—	10	597,537
Price Mission Support Fund	10,615	—	807	—	—	11,422
	1,737,456	18,665	132,387	103	10	1,888,395
	3,095,163	4,877,679	230,141	157,570	40,676	8,004,737

**CONSOLIDATED SCHEDULE OF OPERATING FUND
AND CAMP FUTURES FUND
Staff and Office Expenditures**

Year ended December 31

	Budget 2010 \$	Actual 2010 \$	Actual 2009 \$
Operating Fund			
Computer and internet	30,000	40,659	32,578
Equipment purchases	5,000	896	6,707
Equipment rent and maintenance	7,000	4,445	7,984
Miscellaneous	6,300	5,093	7,249
Mobile Councillor	—	16,895	—
Office rent and maintenance	38,000	35,174	35,410
Postage and courier	12,000	9,054	10,445
Charlotte Sullivan DLM Program			
Professional fees	51,000	63,850	78,429
Staff salaries and benefits	801,836	778,238	680,861
Stationery and printing	10,000	9,133	13,175
Telecommunications	17,000	13,096	13,453
Travel	24,000	21,702	19,240
Total Operating Fund	1,002,136	998,235	905,531
Camp Futures Fund			
Camp			
Camp operating grants	161,000	207,000	—
Office operations and miscellaneous	—	6,013	2,259
Professional fees	36,000	13,275	34,300
Staff salaries and benefits	104,500	98,208	97,289
Camp planning costs	—	—	4,301
Travel	4,500	1,081	4,254
	306,000	325,577	142,403
Mission			
Mission salaries and benefits	85,000	85,000	89,217
Total Camp Futures Fund	391,000	410,577	231,620
Total Operating Fund and Camp Futures Fund	1,393,136	1,408,812	1,137,151