

Consolidated Financial Statements

**British Columbia Conference,
The United Church of Canada**
December 31, 2011

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, 2011 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 consolidated financial position of **British Columbia Conference, The United Church of Canada** as at December 31, 2011 and the consolidated results of its operations, the consolidated changes in its net assets and its consolidated cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada,
May 1, 2012.

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	2011	2010
	\$	\$	\$	\$	\$
ASSETS					
Current					
Cash	234,673	—	—	234,673	45,090
Accounts receivable	450,360	—	—	450,360	556,862
Prepaid expenses	30,609	—	—	30,609	12,717
Total current assets	715,642	—	—	715,642	614,669
Investments <i>[note 7]</i>	5,158,645	12,369,713	8,249,109	25,777,467	23,778,238
Loans <i>[note 8]</i>					
Congregation loans	72,746	—	—	72,746	73,545
Minister loans	12,645	—	—	12,645	17,242
Property expenditures receivable <i>[note 9]</i>	26,475	—	—	26,475	25,316
Camp Futures Building and Equipment <i>[note 11]</i>	—	11,425,981	—	11,425,981	11,224,616
Equipment, net <i>[note 11]</i>	123,136	—	—	123,136	152,878
Total assets	6,109,289	23,795,694	8,249,109	38,154,092	35,886,504
LIABILITIES AND NET ASSETS					
Current					
Accounts payable and accrued liabilities	603,921	—	—	603,921	845,984
Total current liabilities	603,921	—	—	603,921	845,984
Due to Property Development Council <i>[note 10]</i>	884,795	—	—	884,795	1,691,958
Total liabilities	1,488,716	—	—	1,488,716	2,537,942
Liabilities and commitments <i>[notes 13 and 14]</i>					
Net assets					
Internally restricted for building and equipment	123,136	11,425,981	—	11,549,117	11,377,494
Unrestricted	4,497,437	—	—	4,497,437	4,621,187
Internally restricted administered funds <i>[schedule 1]</i>	—	—	1,157,688	1,157,688	1,888,395
Externally restricted administered funds <i>[schedule 1]</i>	—	—	7,091,421	7,091,421	6,116,342
Internally restricted - Camp Futures Fund	—	12,369,713	—	12,369,713	9,345,144
Total net assets	4,620,573	23,795,694	8,249,109	36,665,376	33,348,562
Total liabilities and net assets	6,109,289	23,795,694	8,249,109	38,154,092	35,886,504

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	2011	2010
	Equipment	Unrestricted	Property development	Internally restricted	Fund		
					\$		
Balance, beginning of year	152,878	4,621,187	11,224,616	9,345,144	8,004,737	33,348,562	25,665,025
Excess (deficiency) of revenues over expenses for the year	—	(153,492)	—	—	—	(153,492)	2,113,764
Allocated amortization	(32,811)	32,811	(486,397)	486,397	—	—	—
Administered Funds	—	—	—	—	244,372	244,372	4,909,574
Camp Futures Fund	—	—	—	3,225,934	—	3,225,934	660,199
Purchase of equipment, net	3,069	(3,069)	—	—	—	—	—
Camp Futures - addition to buildings and equipment	—	—	687,762	(687,762)	—	—	—
Balance, end of year	123,136	4,497,437	11,425,981	12,369,713	8,249,109	36,665,376	33,348,562

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 2011 \$	Operating Fund 2011 \$	Camp Futures Fund 2011 \$	Actual		Total 2010 \$
				Administered Fund 2011 \$	Total 2011 \$	
REVENUES						
Presbytery allocations	566,400	566,415	—	—	566,415	552,942
General Council staff grants	335,000	340,551	—	—	340,551	355,458
Campus ministries	72,500	72,500	—	—	72,500	72,500
Mobile Councillor Grant	116,000	122,358	—	—	122,358	16,895
Transfer contingency fund	200,000	200,000	—	—	200,000	—
Grants and contributions [schedule 1]	—	—	—	1,065,444	1,065,444	4,877,679
Conference annual meeting	115,000	115,000	—	—	115,000	115,000
Investment income	878,000	239,177	406,095	—	645,272	1,039,596
Loan interest	2,100	2,550	—	—	2,550	2,841
Other income	300	86	—	—	86	3,977
R & M Cherry income	19,750	19,091	—	—	19,091	—
Van Dusen income	89,000	146,912	—	—	146,912	84,062
	2,394,050	1,824,640	406,095	1,065,444	3,296,179	7,120,950
EXPENSES						
Amortization	—	32,811	486,397	—	519,208	35,562
Archives committee	3,500	3,286	—	—	3,286	2,285
Campus ministries	72,500	72,500	—	—	72,500	72,500
Communications committee	4,000	1,320	—	—	1,320	3,859
Conference annual meeting	115,000	115,000	—	—	115,000	115,000
Children's Ministry	2,500	1,021	—	—	1,021	1,300
Leadership Development	—	4,649	—	—	4,649	—
Ethnic Ministries committee	10,000	5,004	—	—	5,004	169
Global & Societal committee	10,000	—	—	—	—	656
Outdoor Ministries committee	7,000	8,321	—	—	8,321	4,521
Staffing committee	500	765	—	—	765	573
Conference executive	24,500	29,557	—	—	29,557	20,363
Events, committees and other [schedule 1]	—	—	—	481,520	481,520	40,676
Finance council	21,100	20,310	—	—	20,310	15,529
Grants [schedule 1]	—	—	—	427,326	427,326	157,570
Investment income disbursed [schedule 1]	—	87,774	—	(87,774)	—	—
Investment management fees	—	75,498	75,526	—	151,024	173,721
Ministry and personnel council	90,500	99,882	—	—	99,882	59,124
Native Ministries council	27,000	29,121	—	—	29,121	25,114
Presbytery office support	100,000	78,037	—	—	78,037	81,086
Presbytery travel	37,000	37,000	—	—	37,000	37,000
Staff and office expenditures [schedule 2]	1,868,169	1,195,475	704,708	—	1,900,183	1,408,812
Youth Ministry	27,500	38,059	—	—	38,059	25,775
	2,420,769	1,935,390	1,266,631	821,072	4,023,093	2,281,195
Excess (deficiency) of revenues over expenses before the following	(26,719)	(110,750)	(860,536)	244,372	(726,914)	4,839,755
Other grant revenue	—	—	—	—	—	—
Property grant income [note 12]	—	—	4,354,105	—	4,354,105	2,281,973
Unrealized investment gain (loss)	—	(42,742)	(267,635)	—	(310,377)	561,809
Excess (deficiency) of revenues over expenses for the year	(26,719)	(153,492)	3,225,934	244,372	3,316,814	7,683,537

See accompanying notes

British Columbia Conference, The United Church of Canada

CONSOLIDATED STATEMENT OF CASH FLOWS
Conference and Metropolitan Council

Year ended December 31

	2011	2010
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	3,316,814	7,683,537
Add (deduct) items not affecting cash		
Amortization of equipment	519,208	35,562
Unrealized loss (gain) on investments	310,377	(561,809)
	<u>4,146,399</u>	<u>7,157,290</u>
Changes in non-cash working capital balances related to operations		
Accounts receivable	106,502	(18,142)
Prepaid expenses	(17,892)	(7,823)
Accounts payable and accrued liabilities	(242,063)	(350,450)
Cash provided by operating activities	<u>3,992,946</u>	<u>6,780,875</u>
INVESTING ACTIVITIES		
Sale (purchase) of investments, net	(2,309,606)	8,471,398
Purchase of equipment	(3,069)	(48,466)
Investment in Camp Futures - addition to buildings	(687,762)	(9,120,118)
Property expenditures receivable	(1,159)	122,690
Cash used in investing activities	<u>(3,001,596)</u>	<u>(574,496)</u>
FINANCING ACTIVITIES		
Congregation and minister loans	5,396	31,594
Loan to Property Development Council	(807,163)	(6,188,445)
Cash used in financing activities	<u>(801,767)</u>	<u>(6,156,851)</u>
Net increase in cash during the year	189,583	49,528
Cash (bank indebtedness), beginning of year	45,090	(4,438)
Cash, end of year	<u>234,673</u>	<u>45,090</u>

See accompanying notes

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011

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, 2011

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

	2011 \$	2010 \$
Total assets	7,272,888	5,682,478
Total liabilities	20,368	20,369
Net assets	<u>7,252,520</u>	<u>5,662,109</u>
Revenues		
Other income	2,300	—
Investment income	23,176	759,364
Net realized gain on disposal of land and building	4,251,054	2,787,930
	<u>4,276,530</u>	<u>3,547,294</u>
Expenses		
Grants made	5,181,170	7,169,702
Grant of land - Eagle Ridge	—	2,832,600
Professional fees related to land and building	5,237	35,270
Office and other	23,212	18,837
	<u>5,209,619</u>	<u>10,056,409</u>
Deficiency of revenues over expenses for the year	<u>(933,089)</u>	<u>(6,509,115)</u>
Direct increases in net assets	<u>2,523,500</u>	<u>1,362,300</u>
Cash provided by (used in):		
Operating activities	—	(250,000)
Investing activities	—	250,000

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

December 31, 2011

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 - Buildings

The Camp Futures buildings located at Camp Fircom and Camp Pringle were used in the operations of the camps during 2011. Buildings are amortized on a straight-line basis over 25 years.

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, 2011

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. 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, the 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, 2011

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 were not 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 were required to adopt IFRS on January 1, 2011, NPOs were 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, 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

December 31, 2011

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. Twenty-nine percent 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

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.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011

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

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:

	<u>2011</u>		<u>2010</u>	
	<u>Market value</u>	<u>Cost</u>	<u>Market value</u>	<u>Cost</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Fixed income	18,343,504	17,617,753	15,454,790	15,005,925
Equity	7,475,436	8,144,125	8,367,348	8,027,756
Cash equivalents	(41,473)	(41,473)	(43,900)	(43,900)
	<u>25,777,467</u>	<u>25,720,405</u>	<u>23,778,238</u>	<u>22,989,781</u>

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.

Congregation loans are unsecured but the loan agreements allow the Conference to collateralize the loans against property related to the loan.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Congregation loans receivable consist of the following:

	2011	2010
	\$	\$
Colebrook United Church	30,792	37,066
MacKenzie Camp Society	29,774	30,302
St. Andrew's Mission	12,180	6,000
Naramata Centre	—	177
	72,746	73,545

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:

	2011	2010
	\$	\$
Koolaree Camp	1,159	—
Longhouse United Church - 2595 Franklin Street, Vancouver	25,316	25,316
	26,475	25,316

10. DUE TO PROPERTY DEVELOPMENT COUNCIL

The Conference, which controls 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.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011

11. PROPERTY AND EQUIPMENT

Camp Futures – building and equipment

	2011		
	Cost \$	Accumulated amortization \$	Net book value \$
Camp Fircom building	7,869,657	314,786	7,554,871
Camp Pringle building	3,980,830	159,233	3,821,597
Total building	11,850,487	474,019	11,376,468
Camp Pringle equipment	28,906	5,781	23,125
Camp Grafton equipment	32,985	6,597	26,388
Total camp equipment	61,891	12,378	49,513
Total camp building and equipment	11,912,378	486,397	11,425,981
	2010		
	Cost \$	Accumulated amortization \$	Net book value \$
Camp Fircom building	7,297,064	—	7,297,064
Camp Pringle building	3,894,567	—	3,894,567
Total building	11,191,631	—	11,191,631
Camp Grafton equipment	32,985	—	32,985
Total camp equipment	32,985	—	32,985
Total camp building and equipment	11,224,616	—	11,224,616

Camp Futures building and equipment represent building and equipment purchased on behalf of Camps Fircom, Pringle and Grafton as a part of the Camp Futures program. Camps commenced amortization with the start of camping operations in 2011.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011

Equipment

	2011		
	Cost \$	Accumulated amortization \$	Net book value \$
Computer	135,223	128,228	6,995
Office equipment	242,631	217,614	25,017
Leasehold improvements	259,702	168,578	91,124
	637,556	514,420	123,136

	2010		
	Cost \$	Accumulated amortization \$	Net book value \$
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

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

12. GRANT INCOME

During the year, the Conference received a grant of \$4,354,105 from the Property Development Council, which was generated from the sale of Camp Moorecroft. This grant is for the benefit of Camp Futures Fund and has been attributed to that fund.

13. 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.

British Columbia Conference, The United Church of Canada

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011

14. 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.

CONSOLIDATED SCHEDULE OF ADMINISTERED FUNDS
Conference and Metropolitan Council

Year ended December 31

	Revenue			Expenses		Transfers	Balance 2011 \$
	Balance 2010 \$	Grants and contributions \$	Investment income \$	Grants \$	Events, committees and other costs \$	Fund Transfers \$	
Externally restricted							
Bob Stewart Memorial (Archives) Fund	335,242	—	3,872	—	17,265	—	321,849
Archives (Operations) Fund	14,362	3,595	160	—	4,978	—	13,139
Comox-Nanaimo Presbytery	68,614	—	803	—	—	—	69,417
Victoria Presbytery Trust Fund	50,313	—	589	—	—	—	50,902
Annual Meeting Fund	151,511	115,000	—	—	174,452	—	92,059
Adams Trust	3,000	—	—	—	—	—	3,000
Campership Fund	750	125	—	—	—	—	875
Charlotte Sullivan DLM Program	20,760	—	—	—	760	—	20,000
Congregational Learning Fund	5,017	9,545	—	12,074	—	—	2,488
Evans Memorial	4,966	—	58	—	—	—	5,024
Imagine Fund	13,230	6,585	132	16,396	—	—	3,551
Frontier Continuing Education	1,932	—	16	—	1,083	—	865
Melba Johnstone - Campus Ministries	74,647	—	672	27,500	—	—	47,819
Mission Support (B.C.)	561,701	—	6,547	—	4,205	—	564,043
Native Bursary	3,413	—	40	—	—	—	3,453
Parlons Francais Par Coeur Bursary	400	—	—	—	—	—	400
Refugee Emergency Support	340	—	4	—	—	—	344
Refugee Sponsorship	8,984	—	105	—	—	—	9,089
Residential Workers' Gathering	4,732	—	—	—	—	—	4,732
Stewardship Revenue Generating Fund	3,258	1,242	—	—	4,500	—	—
Thomas Crosby Fund	745,289	48,132	8,245	122,358	6,879	—	672,429
Thomas Crosby Leadership	784	—	9	—	—	—	793
ProVision First United Capital Fund	2,000,000	—	—	—	198,996	—	1,801,004
ProVision First United Income Fund	281,973	—	25,024	—	67,390	—	239,607
ProVision Van Burrard Endowment Fund	2,000,000	—	—	—	—	(100,000)	1,900,000
ProVision Van Burrard Income Fund	281,973	—	21,227	28,357	—	100,000	374,843
ProVision Mission Fund Income	—	—	5,307	—	—	—	5,307
ProVision Westminster Endowment Fund	—	750,000	—	—	—	—	750,000
ProVision Westminster Fund Income	—	77,065	—	—	—	—	77,065
Van Dusen Fund	40,380	36,728	566	20,641	182	—	56,851
VB/VS Youth Trust Fund	473	—	—	—	—	—	473
Total Externally Restricted	6,678,044	1,048,017	73,376	227,326	480,690	—	7,091,421
Internally Restricted							
1955 West 4th	653,114	—	7,641	—	—	—	660,755
Personnel Emergency	1,606	—	—	—	830	—	776
Gambier Island Road Fund	59,858	—	700	—	—	—	60,558
Ministry & Personnel Fund	3,156	—	—	—	—	—	3,156
Price Mission Support Fund	11,422	17,427	236	—	—	—	29,085
Stabilization - R. & M. Cherry Fund	597,537	—	5,821	200,000	—	—	403,358
Total Internally Restricted	1,326,693	17,427	14,398	200,000	830	—	1,157,688
Total All Funds	8,004,737	1,065,444	87,774	427,326	481,520	—	8,249,109

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

Year ended December 31

	Budget 2011 \$	Actual 2011 \$	Actual 2010 \$
Operating Fund			
Computer and internet	35,000	33,658	40,659
Equipment purchases	5,000	2,001	896
Equipment rent and maintenance	7,000	8,993	4,445
Miscellaneous	7,000	6,157	5,093
Mobile councillor	116,000	122,358	16,895
Office rent and maintenance	38,000	37,519	35,174
Postage and courier	10,000	11,284	9,054
Professional fees	52,000	65,370	63,850
Staff salaries and benefits - operations	931,152	862,943	863,238
Stationery and printing	10,000	8,338	9,133
Telecommunications	15,000	10,939	13,096
Travel	24,000	25,915	21,702
Total Operating Fund	1,250,152	1,195,475	1,083,235
Camp Futures Fund			
Camp			
Camp operating grants	500,000	537,500	207,000
Office operations and miscellaneous	2,000	1,225	2,527
Professional fees	20,000	33,795	13,275
Property management fees	—	41,314	—
Staff salaries and benefits	91,517	87,438	98,208
Travel	4,500	3,436	4,567
Total Camp Futures Fund	618,017	704,708	325,577
Total Operating Fund and Camp Futures Fund	1,868,169	1,900,183	1,408,812