

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY  
ALLIANCE**

**Financial Statements**

**Year Ended August 31, 2024**

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY  
ALLIANCE**

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**Year Ended August 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Tenth Avenue Alliance Church of the Christian and Missionary Alliance

*Report on the Financial Statements*

*Qualified Opinion*

We have audited the financial statements of Tenth Avenue Alliance Church of the Christian and Missionary Alliance (the Church), which comprise the statement of financial position as at August 31, 2024, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Church as at August 31, 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 not-for-profit organizations, the Church derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Church. Therefore, we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, and cash flows from operations for the year ended August 31, 2024, current assets and net assets as at August 31, 2024. Our audit opinion on the financial statements for the year ended August 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Church in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Church's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Church or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report to the Members of Tenth Avenue Alliance Church of the Christian and Missionary Alliance (*continued*)

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Church's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Church to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Report on Other Legal and Regulatory Requirements*

As required by the Societies Act of British Columbia, 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.

Vancouver, BC  
November 18, 2024

  
CHARTERED PROFESSIONAL ACCOUNTANTS

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE**

**Statement of Financial Position**

**August 31, 2024**

|                                    | General             | Internally Restricted | Externally Restricted | Endowment         | Daycare           | 2024                | 2023                |
|------------------------------------|---------------------|-----------------------|-----------------------|-------------------|-------------------|---------------------|---------------------|
| <b>ASSETS</b>                      |                     |                       |                       |                   |                   |                     |                     |
| <b>Current</b>                     |                     |                       |                       |                   |                   |                     |                     |
| Cash and cash equivalents          | \$ 1,491,772        | \$ -                  | \$ -                  | \$ -              | \$ 174,495        | \$ <b>1,666,267</b> | \$ 1,425,630        |
| Term deposits (Note 3)             | 1,460,884           | -                     | -                     | -                 | -                 | <b>1,460,884</b>    | 1,498,612           |
| Amounts receivable                 | 63,721              | -                     | -                     | -                 | 6,124             | <b>69,845</b>       | 45,083              |
| Goods and services tax recoverable | 27,544              | -                     | -                     | -                 | 678               | <b>28,222</b>       | 20,052              |
| Prepaid expenses                   | 51,394              | 7,519                 | -                     | -                 | 4,797             | <b>63,710</b>       | 67,883              |
| Interfund (payable)/receivable     | (971,073)           | 379,726               | 589,690               | -                 | 1,657             | -                   | -                   |
|                                    | 2,124,242           | 387,245               | 589,690               | -                 | 187,751           | <b>3,288,928</b>    | 3,057,260           |
| Term deposits (Note 3)             | 214,442             | -                     | -                     | -                 | -                 | <b>214,442</b>      | 314,246             |
| Restricted cash (Note 4)           | -                   | -                     | -                     | 155,478           | -                 | <b>155,478</b>      | 148,202             |
| Housing loan (Note 5)              | -                   | 25,000                | -                     | -                 | -                 | <b>25,000</b>       | 25,000              |
| Tangible capital assets (Note 6)   | -                   | 2,760,138             | -                     | -                 | 1,708             | <b>2,761,846</b>    | 2,955,883           |
|                                    | <b>\$ 2,338,684</b> | <b>\$ 3,172,383</b>   | <b>\$ 589,690</b>     | <b>\$ 155,478</b> | <b>\$ 189,459</b> | <b>\$ 6,445,694</b> | <b>\$ 6,500,591</b> |

See notes to financial statements

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE**

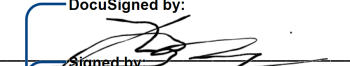
**Statement of Financial Position**

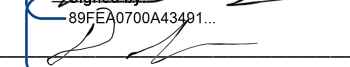
**August 31, 2024**

|                                                          | General             | Internally Restricted | Externally Restricted | Endowment         | Daycare           | 2024                | 2023                |
|----------------------------------------------------------|---------------------|-----------------------|-----------------------|-------------------|-------------------|---------------------|---------------------|
| <b>LIABILITIES AND FUND BALANCES</b>                     |                     |                       |                       |                   |                   |                     |                     |
| <b>Current</b>                                           |                     |                       |                       |                   |                   |                     |                     |
| Accounts payable and accrued liabilities <i>(Note 7)</i> | \$ 215,375          | \$ -                  | \$ -                  | \$ -              | \$ 14,967         | \$ 230,342          | \$ 204,242          |
| Deferred revenue                                         | -                   | -                     | -                     | -                 | 19,548            | 19,548              | 19,575              |
| Current portion of obligations under capital lease       | -                   | -                     | -                     | -                 | -                 | -                   | 3,061               |
|                                                          | <u>215,375</u>      | <u>-</u>              | <u>-</u>              | <u>-</u>          | <u>34,515</u>     | <u>249,890</u>      | <u>226,878</u>      |
| <b>Deposits</b>                                          | <u>-</u>            | <u>-</u>              | <u>-</u>              | <u>-</u>          | <u>13,058</u>     | <u>13,058</u>       | <u>10,350</u>       |
|                                                          | <u>215,375</u>      | <u>-</u>              | <u>-</u>              | <u>-</u>          | <u>47,573</u>     | <u>262,948</u>      | <u>237,228</u>      |
| <b>Fund balances</b>                                     |                     |                       |                       |                   |                   |                     |                     |
| General                                                  | 2,123,309           | -                     | -                     | -                 | -                 | 2,123,309           | 1,837,008           |
| Internally restricted                                    | -                   | 3,172,383             | -                     | -                 | -                 | 3,172,383           | 3,614,856           |
| Externally restricted                                    | -                   | -                     | 589,690               | -                 | -                 | 589,690             | 542,643             |
| Endowment                                                | -                   | -                     | -                     | 155,478           | -                 | 155,478             | 148,202             |
| Daycare                                                  | -                   | -                     | -                     | -                 | 141,886           | 141,886             | 120,654             |
|                                                          | <u>2,123,309</u>    | <u>3,172,383</u>      | <u>589,690</u>        | <u>155,478</u>    | <u>141,886</u>    | <u>6,182,746</u>    | <u>6,263,363</u>    |
|                                                          | <u>\$ 2,338,684</u> | <u>\$ 3,172,383</u>   | <u>\$ 589,690</u>     | <u>\$ 155,478</u> | <u>\$ 189,459</u> | <u>\$ 6,445,694</u> | <u>\$ 6,500,591</u> |

LEASE COMMITMENT *(Note 8)*

**ON BEHALF OF THE BOARD**

DocuSigned by:  
  
 Signed by:  
 89FEA0700A43491... *Director*

  
 2C02323F8DEB48B... *Director*

See notes to financial statements

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE**

**Statement of Operations**

**Year Ended August 31, 2024**

|                                                                      | General           | Internally<br>Restricted | Externally<br>Restricted | Endowment       | Daycare          | 2024               | 2023             |
|----------------------------------------------------------------------|-------------------|--------------------------|--------------------------|-----------------|------------------|--------------------|------------------|
| <b>REVENUES</b>                                                      |                   |                          |                          |                 |                  |                    |                  |
| Contributions                                                        | \$ 4,376,337      | \$ -                     | \$ 1,125,178             | \$ -            | \$ -             | \$ 5,501,515       | \$ 5,165,480     |
| Daycare income                                                       | -                 | -                        | -                        | -               | 450,675          | 450,675            | 400,748          |
| Other operational income                                             | 39,576            | -                        | 25,114                   | -               | -                | 64,690             | 124,559          |
|                                                                      | <u>4,415,913</u>  | <u>-</u>                 | <u>1,150,292</u>         | <u>-</u>        | <u>450,675</u>   | <u>6,016,880</u>   | <u>5,690,787</u> |
| <b>EXPENSES</b>                                                      |                   |                          |                          |                 |                  |                    |                  |
| Payroll and benefits                                                 | 3,033,707         | -                        | 411,137                  | -               | 388,493          | 3,833,337          | 3,516,809        |
| Pastoral ministries, net                                             | 479,217           | -                        | 362,452                  | -               | 17,234           | 858,903            | 588,970          |
| Disbursements (Note 13)                                              | 77,561            | -                        | 277,898                  | -               | -                | 355,459            | 516,325          |
| Facilities                                                           | 378,123           | 75,715                   | 73,839                   | -               | 1,014            | 528,691            | 499,444          |
| Administration (Note 13)                                             | 455,979           | 22                       | 7,736                    | -               | 7,916            | 471,653            | 433,385          |
| Amortization                                                         | -                 | 211,457                  | -                        | -               | 523              | 211,980            | 233,038          |
|                                                                      | <u>4,424,587</u>  | <u>287,194</u>           | <u>1,133,062</u>         | <u>-</u>        | <u>415,180</u>   | <u>6,260,023</u>   | <u>5,787,971</u> |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b> | <u>(8,674)</u>    | <u>(287,194)</u>         | <u>17,230</u>            | <u>-</u>        | <u>35,495</u>    | <u>(243,143)</u>   | <u>(97,184)</u>  |
| Other income (expenses)                                              |                   |                          |                          |                 |                  |                    |                  |
| Investment income                                                    | 129,414           | -                        | (183)                    | 7,276           | 3,737            | 140,244            | 109,883          |
| Government subsidies                                                 | 33,161            | -                        | 30,000                   | -               | -                | 63,161             | 33,475           |
| Unrealized (loss) gain on foreign exchange                           | (16,939)          | -                        | -                        | -               | -                | (16,939)           | 21,311           |
| Loss on disposal of tangible capital assets (Note 6)                 | -                 | (23,940)                 | -                        | -               | -                | (23,940)           | (3,717)          |
|                                                                      | <u>145,636</u>    | <u>(23,940)</u>          | <u>29,817</u>            | <u>7,276</u>    | <u>3,737</u>     | <u>162,526</u>     | <u>160,952</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>                 | <u>\$ 136,962</u> | <u>\$ (311,134)</u>      | <u>\$ 47,047</u>         | <u>\$ 7,276</u> | <u>\$ 39,232</u> | <u>\$ (80,617)</u> | <u>\$ 63,768</u> |

See notes to financial statements

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE**

**Statement of Changes in Fund Balances**

**Year Ended August 31, 2024**

|                                               | General             | Internally<br>Restricted<br><i>(Schedule 1)</i> | Externally<br>Restricted<br><i>(Schedule 2)</i> | Endowment         | Daycare           | <b>2024</b>         | 2023                |
|-----------------------------------------------|---------------------|-------------------------------------------------|-------------------------------------------------|-------------------|-------------------|---------------------|---------------------|
| <b>FUND BALANCES - BEGINNING OF YEAR</b>      | \$ 1,837,008        | \$ 3,614,856                                    | \$ 542,643                                      | \$ 148,202        | \$ 120,654        | <b>\$ 6,263,363</b> | \$ 6,199,595        |
| Excess (deficiency) of revenues over expenses | 136,962             | (311,134)                                       | 47,047                                          | 7,276             | 39,232            | <b>(80,617)</b>     | 63,768              |
| Interfund transfers <i>(Note 9)</i>           | 149,339             | (131,339)                                       | -                                               | -                 | (18,000)          | -                   | -                   |
| <b>FUND BALANCES - END OF YEAR</b>            | <b>\$ 2,123,309</b> | <b>\$ 3,172,383</b>                             | <b>\$ 589,690</b>                               | <b>\$ 155,478</b> | <b>\$ 141,886</b> | <b>\$ 6,182,746</b> | <b>\$ 6,263,363</b> |

See notes to financial statements



**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY  
ALLIANCE**

**Statement of Cash Flows  
Year Ended August 31, 2024**

|                                                  | 2024                | 2023                |
|--------------------------------------------------|---------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>                      |                     |                     |
| Excess (deficiency) of revenues over expenses    | \$ (80,617)         | \$ 63,768           |
| Items not affecting cash:                        |                     |                     |
| Amortization of tangible capital assets          | 211,980             | 233,037             |
| Loss on disposal of tangible capital assets      | 23,940              | 3,717               |
|                                                  | <u>155,303</u>      | <u>300,522</u>      |
| Changes in non-cash working capital:             |                     |                     |
| Amounts receivable                               | (24,759)            | (467)               |
| Goods and services tax recoverable               | (8,171)             | (7,733)             |
| Prepaid expenses                                 | 4,183               | (43,132)            |
| Accounts payable and accrued liabilities         | 26,090              | 44,033              |
| Deferred revenue                                 | (29)                | 11,586              |
| Deposits                                         | 2,708               | 1,890               |
|                                                  | <u>22</u>           | <u>6,177</u>        |
| Cash flow from operating activities              | <u>155,325</u>      | <u>306,699</u>      |
| <b>INVESTING ACTIVITIES</b>                      |                     |                     |
| Purchase of tangible capital assets              | (74,285)            | (599,447)           |
| Proceeds on disposal of tangible capital assets  | 32,402              | 45,873              |
| Purchase of term deposits                        | (1,366,650)         | (885,450)           |
| Proceeds on maturity of term deposits            | 1,504,182           | -                   |
| Cash flow from (used by) investing activities    | <u>95,649</u>       | <u>(1,439,024)</u>  |
| <b>FINANCING ACTIVITIES</b>                      |                     |                     |
| Restricted cash                                  | (7,276)             | (5,003)             |
| Repayment of obligations under capital lease     | (3,061)             | (10,386)            |
| Cash flow used by financing activities           | <u>(10,337)</u>     | <u>(15,389)</u>     |
| <b>INCREASE (DECREASE) IN CASH FLOW</b>          | <b>240,637</b>      | <b>(1,147,714)</b>  |
| Cash and cash equivalents -<br>beginning of year | <u>1,425,630</u>    | <u>2,573,344</u>    |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>   | <b>\$ 1,666,267</b> | <b>\$ 1,425,630</b> |
| <b>CASH CONSISTS OF:</b>                         |                     |                     |
| Cash                                             | \$ 984,077          | \$ 339,665          |
| Short term investments                           | 682,190             | 1,085,965           |
|                                                  | <u>\$ 1,666,267</u> | <u>\$ 1,425,630</u> |

See notes to financial statements

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY  
ALLIANCE**

**Notes to Financial Statements**

**Year Ended August 31, 2024**

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**1. INCORPORATION AND NATURE OF ORGANIZATION**

Tenth Avenue Alliance Church of Christian and Missionary Alliance (the "Church") is a not-for-profit organization incorporated provincially under the Societies Act of British Columbia. The Church is a registered charity and is exempt from the payment of income taxes under Section 149(1) of the Income Tax Act.

The Church's primary purpose is to be a place where people of all different backgrounds can discover Christ, a community of spiritual transformation that seeks justice for all.

The Church is affiliated with the Christian and Missionary Alliance in Canada and the Christian and Missionary Alliance - Canadian Pacific District.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

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

Revenue recognition

Tenth Avenue Alliance Church of the Christian and Missionary Alliance follows the restricted fund method of accounting for contributions. Contributions are recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions are recorded in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenue in the General Fund. Donor restricted contributions for specific purposes are recognized as revenue in the Externally Restricted Fund unless the principal is to be maintained permanently, in which case the contributions are recognized as revenue in the Endowment Fund.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Interest and other income is recognized as earned.

Government subsidies have been recognized as revenue in the same period as the related expenses have been incurred.

*(continues)*

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY  
ALLIANCE**

**Notes to Financial Statements**

**Year Ended August 31, 2024**

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

Fund accounting

Tenth Avenue Alliance Church of the Christian and Missionary Alliance follows the restricted fund method of accounting for contributions.

General Fund

The General Fund accounts for the Church's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

Internally Restricted Funds

Internally Restricted Funds have been set aside from the General Fund by, and at the discretion of the board and including the following funds:

- The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the Church's capital assets.
- The Deferred Maintenance Fund is to be used for major maintenance costs, such as roof replacement and building upkeep.
- The Parsonage Fund is to be used to assist pastors to secure housing.

Externally Restricted Funds

Externally Restricted Funds are from contributions that have been designated to a fund other than the General Fund by the donor and such designation is accepted by the board and include the following funds:

- The Benevolent Fund supports the ministries of Oasis Café, Kits Cares Café, Extreme Weather Response Shelter, and other non-profit organizations and individuals within Canada. The Benevolent Fund also serves the financial needs for people who are expecting financial hardship in the areas of rent, groceries, medical expenses and counselling.
- The Building Fund provides funding for new capital assets and renovations to the existing building.
- The Mission Fund includes giving to career missionaries locally and internationally, and Canadian ministries of the Christian & Missionary Alliance Church in Canada, as well as international charitable programs.
- The Mission Book Fund includes activities related to the books "God in my Everything," "Survival Guide for the Soul" and "Now I Become Myself," the proceeds of which are to be used for alleviating poverty.

Endowment Fund

The Endowment Fund reports resources contributed for endowment.

*(continues)*

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY  
ALLIANCE**

**Notes to Financial Statements**

**Year Ended August 31, 2024**

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

**Daycare Fund**

The Daycare Fund relates to the licensed daycare program called Wee Care Daycare that supports families by providing quality daycare and education in a safe, nurturing environment. Wee Care Daycare operates on the premises of the Church.

Cash equivalents

Highly liquid investments with maturities of three months or less at date of purchase are classified as cash equivalents.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

|                         |                   |                          |
|-------------------------|-------------------|--------------------------|
| Buildings               | 40 years          | straight-line method     |
| Building improvements   | 20 years          | straight-line method     |
| Computers               | 30%               | declining balance method |
| Furniture and equipment | 20%               | declining balance method |
| Leased equipment        | term of the lease | straight-line method     |

The Church regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year are not amortized until they are placed into use.

Allocation of expenses

All expenses directly attributable to a fund are expensed to the applicable fund. Any indirect costs are allocated to the General Fund.

Contributed services

The operations of the Church depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. The Church's principal estimate is the useful life of tangible capital assets. Actual results could differ from these estimates.

**3. TERM DEPOSITS**

The Church holds two (2023 - two) short term deposits and two (2023 - three) long-term deposits which mature on August 2026 and August 2027. The interest rates on the term deposits range from 1.55% to 4.60% (2023 - 1.20% to 4.60%) per annum.

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY  
ALLIANCE**

**Notes to Financial Statements**

**Year Ended August 31, 2024**

**4. RESTRICTED CASH**

The funds are held on demand in the Loan Development Fund of the Christian and Missionary Alliance - Canadian Pacific District bearing interest currently at 4.60% per annum (2023 - 3.49%).

**5. HOUSING LOAN**

The home equity housing loan is a demand loan registered against an employee's property. The loan is non-interest bearing and becomes due within 90 days if the employee ceases to be employed by the Church or the property is sold at fair market value, at which time the amount of the loan to be repaid is increased or decreased based on the then current value of the property used to secure the loan.

**6. TANGIBLE CAPITAL ASSETS**

|                         | Cost                | Accumulated<br>amortization | 2024<br>Net book<br>value |
|-------------------------|---------------------|-----------------------------|---------------------------|
| Land                    | \$ 107,631          | \$ -                        | \$ 107,631                |
| Building                | 4,167,968           | 2,230,051                   | 1,937,917                 |
| Building improvements   | 415,357             | 10,384                      | 404,973                   |
| Computers               | 166,697             | 106,950                     | 59,747                    |
| Furniture and equipment | 1,061,644           | 810,066                     | 251,578                   |
|                         | <b>\$ 5,919,297</b> | <b>\$ 3,157,451</b>         | <b>\$ 2,761,846</b>       |

During the year-ended August 31, 2024, the Church disposed of tangible capital assets, recognizing a loss of \$23,940 (2023 - \$3,717).

|                         | Cost                | Accumulated<br>amortization | 2023<br>Net book<br>value |
|-------------------------|---------------------|-----------------------------|---------------------------|
| Land                    | \$ 107,631          | \$ -                        | \$ 107,631                |
| Building                | 4,167,968           | 2,127,289                   | 2,040,679                 |
| Building improvements   | 415,357             | 10,384                      | 404,973                   |
| Computers               | 165,654             | 102,857                     | 62,797                    |
| Furniture and equipment | 1,135,046           | 797,787                     | 337,259                   |
| Leased equipment        | 55,980              | 53,436                      | 2,544                     |
|                         | <b>\$ 6,047,636</b> | <b>\$ 3,091,753</b>         | <b>\$ 2,955,883</b>       |

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY  
ALLIANCE**

**Notes to Financial Statements**

**Year Ended August 31, 2024**

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|                                          | 2024       | 2023       |
|------------------------------------------|------------|------------|
| Accounts payable and accrued liabilities | \$ 190,052 | \$ 158,529 |
| Government remittances payable           | 40,290     | 45,713     |
|                                          | \$ 230,342 | \$ 204,242 |

**8. LEASE COMMITMENT**

The Church entered into a lease agreement for a copy machine that commenced in January 2024 and completes in December 2028. The following is a schedule of future lease payments:

|      |           |
|------|-----------|
| 2025 | \$ 7,916  |
| 2026 | 7,916     |
| 2027 | 7,916     |
| 2028 | 7,916     |
| 2029 | 1,979     |
|      | \$ 33,643 |

**9. INTERFUND TRANSFERS**

During the year, \$Nil (2023 - \$20,000) was transferred from the General Fund to the Deferred Maintenance Fund, \$Nil (2023 - \$70,000) was transferred from the General Fund to the Building Fund, and \$Nil (2023 - \$527,472) was transferred from the General Fund to the Capital Asset Fund.

Furthermore, \$131,339 (2023 - \$Nil) was transferred from the Capital Asset Fund to the General Fund, \$Nil (2023 - \$415,357) was transferred from the Building Fund to the General Fund, \$Nil (2023 - \$5,517) was transferred from the Benevolent Fund to the General Fund, and \$Nil (2023 - \$66,921) was transferred from the Deferred Maintenance Fund to the General Fund to purchase equipment. For the use of the shared Church premises, \$12,000 (2023 - \$12,000) was transferred from the Daycare Fund to the General Fund. Additionally, \$6,000 (2023 - \$6,000) was transferred from the Daycare Fund to the General Fund for bookkeeping services provided by staff.

**10. ENDOWMENT FUNDS**

The initial endowment contribution of \$132,000 may not be distributed. Investment income earned on resources of the Endowment Fund is reported in the Impact Fund, which provides the funds for youth evangelism and missions in Vancouver, British Columbia and around the World.

During the current year, the Church did not contribute an amount (2023 - \$Nil) to the Impact Fund. Since inception of this program, the Church has contributed an aggregate amount of \$132,000. The amount of income earned and reinvested to the fund for the year was \$7,276 (2023 - \$5,002), and no amount of grants were distributed to the Church from the fund for the year and the prior year. The market value of the fund as at August 31, 2024 is \$155,478 (2023 - \$148,202).

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY  
ALLIANCE**

**Notes to Financial Statements**

**Year Ended August 31, 2024**

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**11. REMUNERATION PAID TO EMPLOYEES AND CONTRACTORS**

Under the Societies Act of British Columbia regulations, all Societies, which are not designated as a member funded Society, are required to disclose any remuneration paid to employees and contractors that earn over \$75,000, and disclose any payments made to Directors of the Society.

For the year ended August 31, 2024, the Church had fifteen (2023 - twelve) employees who earned over \$75,000 in total remuneration for the year amounting to \$1,424,344 (2023 - \$1,228,014) which comprise of wages and benefits. This includes \$190,801 (2023 - \$186,626) of remuneration paid to one (2023 - one) director, who was paid in the capacity as an employee, for the year.

**12. PENSION PLAN**

The Church makes contribution to the Alliance Retiral Fund, which is a multiemployer plan, on behalf of some members of its staff. The plan is a defined contribution pension plan. The Church is required to contribute a fixed percentage of employees' salaries to the pension plan. The amount contributed to the plan for the year ended August 31, 2024 was \$136,054 (2023 - \$122,751).

**13. ALLOCATION OF EXPENSES**

Operating costs that are directly attributable to a fund are expensed to the applicable fund. Any indirect costs are allocated to the General Fund.

The Church incurs a number of general support expenses that are common to the administration and are allocated in the statement of operations as follows:

|                            | <u>2024</u>       | <u>2023</u>       |
|----------------------------|-------------------|-------------------|
| <u>Expense allocation:</u> |                   |                   |
| Administration             | \$ 399,248        | \$ 429,885        |
| Disbursements              | <u>77,561</u>     | <u>74,766</u>     |
|                            | <u>\$ 476,809</u> | <u>\$ 504,651</u> |

See schedules 1 and 2 for further details.

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY  
ALLIANCE**

**Notes to Financial Statements**

**Year Ended August 31, 2024**

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**14. FINANCIAL INSTRUMENTS**

Financial assets and liabilities are initially measured at fair value. Subsequent measurement of financial assets and liabilities are at cost or amortized cost. Financial assets include cash and cash equivalents, term deposits and amounts receivable and are measured at amortized cost as presented on the statement of financial position. Financial liabilities include accounts payable, government remittances and accrued liabilities measured at cost as presented on the statement of financial position.

The Church is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Church's risk exposure and concentration as of August 31, 2024.

**(a) Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Church is exposed to credit risk from cash, term deposits and restricted cash. The Church mitigates its exposure to credit loss by holding its cash, term deposits and restricted cash with Royal Bank of Canada, RBC Dominion Securities and the Christian and Missionary Alliance - Canadian Pacific District.

**(b) Currency risk**

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Church is exposed to foreign currency exchange risk on cash held in U.S. dollars. The Church does not use derivative instruments to reduce its exposure to foreign currency risk.

|                                | <u>2024</u>       |    | <u>2023</u>    |
|--------------------------------|-------------------|----|----------------|
| RBC Bank - USD                 | \$ 239,825        | \$ | 54,430         |
| RBC Dominions Securities - USD | 474,793           |    | 611,890        |
|                                | <u>\$ 714,618</u> | \$ | <u>666,320</u> |

**(c) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Church manages exposure through its normal operating and financing activities.



**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY  
ALLIANCE**

**Notes to Financial Statements**

**Year Ended August 31, 2024**

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**15. RELATED PARTY DISCLOSURES**

In addition to the matters discussed earlier in the financial statements, the Church had the following related party transactions:

|                                                                   | <u>2024</u>       | <u>2023</u>       |
|-------------------------------------------------------------------|-------------------|-------------------|
| Christian and Missionary Alliance - Canadian Pacific District     |                   |                   |
| General Fund administration - District operating expense          | \$ 77,561         | \$ 74,766         |
| Mission Fund disbursements - contributions to Canadian Ministries | <u>18,376</u>     | <u>19,251</u>     |
|                                                                   | <u>95,937</u>     | <u>94,017</u>     |
| <br>                                                              |                   |                   |
| Christian and Missionary Alliance in Canada                       |                   |                   |
| Mission Fund disbursements - contributions to Global Advance Fund | <u>55,122</u>     | <u>57,758</u>     |
|                                                                   | <u>\$ 151,059</u> | <u>\$ 151,775</u> |

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**16. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE**

**Internally Restricted Funds Schedule of Operations**

**(Schedule 1)**

**Year Ended August 31, 2024**

|                                             | Capital Asset<br>Fund | Deferred<br>Maintenance<br>Fund | Parsonage Fund | 2024         | 2023         |
|---------------------------------------------|-----------------------|---------------------------------|----------------|--------------|--------------|
| <b>EXPENSES</b>                             |                       |                                 |                |              |              |
| Amortization                                | \$ 211,457            | \$ -                            | \$ -           | \$ 211,457   | \$ 232,504   |
| Facilities                                  | -                     | 75,736                          | -              | 75,736       | 17,327       |
| Loss on disposal of tangible capital assets | 23,940                | -                               | -              | 23,940       | 3,717        |
| Administration <i>(Note 13)</i>             | 22                    | -                               | -              | 22           | 281          |
|                                             | 235,419               | 75,736                          | -              | 311,155      | 253,829      |
| <b>DEFICIENCY OF REVENUE OVER EXPENSES</b>  | (235,419)             | (75,736)                        | -              | (311,134)    | (253,829)    |
| <b>FUND BALANCES - BEGINNING OF YEAR</b>    | 2,914,641             | 338,342                         | 361,873        | 3,614,856    | 3,388,134    |
| Interfund transfers <i>(Note 9)</i>         | (131,339)             | -                               | -              | (131,339)    | 480,551      |
| <b>FUND BALANCES - END OF YEAR</b>          | \$ 2,547,904          | \$ 262,606                      | \$ 361,873     | \$ 3,172,383 | \$ 3,614,856 |

See notes to financial statements

TENTH AVENUE ALLIANCE CHURCH OF THE CHRISTIAN AND MISSIONARY ALLIANCE

Externally Restricted Funds Schedule of Operations

(Schedule 2)

Year Ended August 31, 2024

|                                          | Benevolent Fund | Building Fund | Mission Fund | Mission Book Fund | 2024         | 2023       |
|------------------------------------------|-----------------|---------------|--------------|-------------------|--------------|------------|
| <b>REVENUE</b>                           |                 |               |              |                   |              |            |
| Contributions                            | \$ 716,613      | \$ 28,051     | \$ 380,514   | \$ -              | \$ 1,125,178 | \$ 972,587 |
| Other                                    | (183)           | 30,000        | 178          | 24,936            | 54,931       | 80,086     |
|                                          | 716,430         | 58,051        | 380,692      | 24,936            | 1,180,109    | 1,052,673  |
| <b>EXPENSES</b>                          |                 |               |              |                   |              |            |
| Payroll and benefits                     | 332,730         | -             | 78,407       | -                 | 411,137      | 282,623    |
| Pastoral ministries, net                 | 109,804         | -             | 252,648      | -                 | 362,452      | 134,063    |
| Disbursements (Note 13)                  | 192,743         | -             | 73,498       | 11,657            | 277,898      | 444,533    |
| Facilities                               | 126             | 70,871        | 2,842        | -                 | 73,839       | 9,863      |
| Administration (Note 13)                 | -               | -             | 7,736        | -                 | 7,736        | 3,151      |
|                                          | 635,403         | 70,871        | 415,131      | 11,657            | 1,133,062    | 874,233    |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>   | 81,027          | (12,820)      | (34,439)     | 13,279            | 47,047       | 178,440    |
| <b>FUND BALANCES - BEGINNING OF YEAR</b> | 79,710          | 81,940        | 280,685      | 100,308           | 542,643      | 715,077    |
| Interfund transfers (Note 9)             | -               | -             | -            | -                 | -            | (350,874)  |
| <b>FUND BALANCES - END OF YEAR</b>       | 160,738         | 69,120        | 246,246      | 113,586           | 589,690      | 542,643    |

See notes to financial statements