

AGM 2024-2025  
SUPPLEMENTAL REPORT

# VERNON ALLIANCE CHURCH ANNUAL GENERAL MEETING

7pm – Tuesday September 23, 2025

Fellowship Hall

**1. Welcome, Opening Comments and Prayer**

**2. Adopt Agenda**

Motion: "To adopt the agenda of the 2025 Vernon Alliance Church Annual General Meeting"

**3. Approval of Minutes**

**VAC AGM September 24, 2024**

Motion: "To approve the minutes of the 2024 Vernon Alliance Church Annual General Meeting as recorded"

**4. Roundtable Discussion**

**5. Nominating Committee Report**

**6. Nominating Committee**

Motion: "To accept the nominations of Mya Parr and Amber Taves to serve on the 2026 nominations committee"

**7. Elections**

**8. Lead Pastor Report**

**9. Approval of Reports**

Motion: "To adopt the 2025 Vernon Alliance Church Annual Report as presented"

**10. Presentation of Financial Statement for the fiscal year July 1, 2024, to June 30, 2025**

Motion: "To adopt the (unaudited) KPMG financial statements for the fiscal year July 1, 2024, to June 30, 2025"

**11. Appoint external financial review**

Motion: "To accept the recommendation from the financial review committee to appoint KPMG as our Independent Review Practitioners for the purpose of reviewing our annual financial statements for the July 1, 2025, to June 30, 2026, fiscal year"

**12. Presentation of the Financial Budget for 2025-26**

**13. By-law Amendment Decision Profile**

Motion: THAT the following revision to bylaw 2.4.1 of the Bylaws of Vernon Alliance Church be adopted:  
2.4.1 Membership in the church must be reaffirmed biennially by a date set by the Board.

**14. Election results**

**15. Destroy Ballots**

Motion: "To destroy ballots"

**16. Adjournment of AGM**

Motion: "To adjourn the 2025 Vernon Alliance Annual General Meeting"

**17. Closing Prayers:** Prayers for New and Existing Elders, Roundtable Prayer

# VERNON ALLIANCE CHURCH ANNUAL GENERAL MEETING

## 7pm – Tuesday September 24, 2024

Members in attendance: 60

### 1. **Welcome, Opening Comments and Prayer** – Meeting called to order officially at 7:03pm

### 2. **Adopt Agenda**

Motion: "To adopt the agenda of the 2024 Vernon Alliance Church Annual General Meeting"

Moved: Bob Elgin

Seconded: Allen Brin

Motion: Carried

### 3. **Approval of Minutes**

#### **VAC AGM September 26, 2023**

Motion: "To approve the minutes of the September 26, 2023 Vernon Alliance Church Annual General Meeting as recorded"

Moved: Andy Nyhuis

Seconded: Christiane Molendyk

Motion: Carried

### 4. **VAC Special General Meeting June 23, 2024**

Motion: "To approve the minutes of the June 23, 2024 Vernon Alliance Church Special General Meeting as recorded"

Moved: Devon Carbol

Seconded: Shelly Reeves

Motion: Carried

5. **Nominating Committee Report** – Jason explained who sat on the committee with him. Thanks to Shelly, Brenda R., Barb Elgin and Dixon for serving on the Committee. He introduced Shaun Hartzell and Dixon Zalit as the nominees, noting Dixon started out serving on the Committee and followed the call to let his name stand as an elder. Following our bylaws, Dixon removed himself from the committee to let his name stand.

### 6. **Elections**

**Caroline Boman and Christie Kroeker are the current nominees being put forth by the Nominating committee. Len asked for any nominations to come from the floor for the 2025 Nominating committee. None were put forward. No one opposed the names provided by the Nominating committee. Caroline Boman and Christie Kroeker are acclaimed as part of the 2025 Nominating Committee.**

**Elders Nomination: via ballot. Votes to be tabulated and results to follow.**

7. **Lead Pastor Report** – Jason referred to his Lead Pastor report in the 2023-2024 Annual Report as he talked about initiatives that took place in the past year. He also provided a snapshot of some things to expect in the coming year. He also referred to the work of the property development committee and acknowledged Devon Carbol and his committee for their great work. It was noted the committee fulfilled their two mandates: (1) assess our current campus, identify inefficiencies and provide a list of projected improvements over the next 20 years. (2) stewardship of the house purchased in 2023.

What's ahead in 2025:

- 1) Renew worship and prayer – corporate prayer the last Sunday of every month;
- 2) BLESS focus – how to live out our spiritual lives in practical ways;
- 3) Conversations around sexuality
- 4) Plans for growth in attendance throughout our Alliance churches locally and globally

### 8. **Approval of Reports:**

Motion: "To adopt the 2024 Vernon Alliance Church Annual Report as presented"

Moved: Karen Gallie

Seconded: Tuck Warner

Motion: Carried

Discussion: Allen Brin expressed his appreciation to the team for taking a close look at our facilities.

### 9. **Presentation of Financial Statement for the fiscal year July 1, 2023, to June 30, 2024**

Motion: "To adopt the (unaudited) KPMG financial statements for the fiscal year July 1, 2023, to June 30, 2024"

Moved: Bob Elgin

Seconded: Andy Nyhuis

Motion: Carried

Discussion:

- Allen Brin – Pointed two errors on the KPMG numbers. Noted - they will be adjusted.
- Evan Winkelaar – suggested a change to the sub heading under Revenue on the Statement of Earnings to state General Ministry Offerings - Noted

**10. Appoint external financial review**

Motion: "To accept the recommendation from the financial review committee to appoint KPMG as our Independent Review Practitioners for the purpose of reviewing our annual financial statements for the July 1, 2024, to June 30, 2025, fiscal year"

Moved: Trudy Kemper    Seconded: Gord Molendyk    Motion: Carried (one member opposed)

Discussion: None

**11. Presentation of the Financial Budget for 2024-25**

Discussion: Expression of thanks to Kelly for her willingness to adjust the budget when unexpected needs arise (i.e. Arbour).

**12. Election results**

Both candidates elected unanimously. Welcome to Sean and Dixon.

**13. Destroy Ballots**

Motion: "To destroy ballots"

Moved: Kelly Johnson

Seconded: Ken Gallie

Motion: Carried

**14. Acknowledge our exiting Elders** – Len expressed his thanks to Jas, Shelly and Keith for their commitment to our church body and faithful service to us as a Board and as a Church.

**15. Commissioning Prayers for Newly Elected Elders** – Jason prayed over the new elders.

**16. Adjournment of AGM**

Motion: "To adjourn the 2024 Vernon Alliance Annual General Meeting"

Moved: Christiane Molendyk

Seconded: Dave Saunders

Motion: Carried

**16. Closing Prayer** – Adjourned at 8:32

## ELDER'S YEAR IN REVIEW

On behalf of the Board of Elders, it is my privilege to present this annual report for 2024-25. It's wonderful to be part of such a vibrant, welcoming, Christ-focused church, where we are making great strides in pursuit of our vision to see the Church, the Okanagan and the world fully alive in Jesus. We are grateful for the faithful support & dedication of our ministry staff, volunteers and congregants who make our church the place it is today. It is such a blessing to see, through obedience, how the Lord uses each of our individual skills, talents and gifts to further His kingdom in Vernon.

This last year we welcomed Dixon Zalit and Shaun Hartzell to the board as well as transitioned leadership roles, with Steve Willett taking over from Len Wedel as chair, and Len staying in the much-appreciated supportive vice-chair position. We as a board are united through the power of the Holy Spirit in pursuing God's heart for VAC. Every month we set aside a good portion of our board meetings to build unity and develop spiritual maturity, to seek after and listen to Him first before getting down to business. We also gather separately for coffee once a month for the sole purpose of sharing what God's been showing us both personally and for the church and to pray for each other. In this way we can fulfil our biblical calling to model our lives & decisions around Christ.

Our role as elders is to provide governance and oversight to the church and to ensure that its overall ministry direction is in accordance with the biblical mandate, our vision & mission statements and policy & procedure documents. Many of the activities of the board by necessity may appear to be fairly routine but are vitally important in maintaining the health of the church and to ensure we meet our short & long term objectives. These include assessing church operations for alignment with the vision, reviewing the financial budget, compliance assurance, Lead Pastor performance review, etc. as well as the longer-term planning.

One key focus for the board this year has been strategic planning; looking from a high level at what strategies & priorities we as a church need to pursue to deliver on our vision. These focus areas were included in one of our quarterly reports, but I wanted to repeat them again here so you can support & pray with us as we journey together and can indeed recognize them in many of the programs, teaching & other changes that have been made through the lead team over this year.

1. Increase spiritual vitality: Grow our people so that they have a deeper knowledge of God, a more intimate experience of him and are faithfully obeying him in every area of life.
2. Increase alignment to our vision: Ensure all our leaders are pulling in the same direction and that our programs are effective and focused on our priorities.
3. Increase Millennial and Gen Z involvement: Draw younger generations into the centre of church life and raise up leaders who serve for the long haul.
4. Mobilize 55+ for ministry: Harness the expertise and resources of people in this stage of life to further the mission.
5. Increase capacity for mission and outreach that facilitates people living missionally: Inspire and help our people to BLESS those in their orbit both locally and globally
6. Explore possibilities for regional reach and impact: Determine where our greatest opportunities lie as a medium-large church to bring the life of Jesus to the North Okanagan.

One other significant focus area this year was to review and streamline the membership process and clarify the expectations & requirements to serve in each of the areas of ministry. Not only will this make it easier for those wanting to become members to move through the process, but it will also allow for transparency in where people can serve.

We have two elders completing their terms this year: Len Wedel & Barb Nudd. It is an understatement to say just how much your commitment & service has meant to navigating the way together in building God's kingdom here at VAC. Thank you so much.

So, as we look forward to the coming year, we do so with hope, grounded in God's promises. May God grant us wisdom, unity, and renewed purpose as we enter the next season of ministry together.

Submitted respectfully on behalf of the Board of Elders:

Steve Willett (Chair), Len Wedel (Vice-Chair) Barb Elgin (Secretary), Barb Nudd (Treasurer), Devon Carbol, Shaun Hartzell, Dixon Zalit, Jason Koleba.

# REPORT OF THE 2025 NOMINATING COMMITTEE

## Overview

The 2025 Nominating Committee consisted of Kristi Kroeker (congregational rep.) Caroline Bouman (congregational rep.) Len Wedel (elder appointee) Barb Nudd (elder appointee) and was chaired by Jason Koleba. In our meetings, we reviewed all relevant documentation related to the nomination of elders and nomination committee members, including key scriptures, bylaws, and recommended best practices. We took several weeks to pray over the process, inviting other intercessors within the church to support us and then began the work of considering and interviewing potential nominees.

Our bylaws also stipulate that a board member may serve a maximum of two consecutive terms of three years. At the conclusion of their second term, an elder is not eligible for re-election for one year.

The current make-up of the board is as follows:

Elders concluding first three-year term:

- Len Wedel
- Barb Nudd

Current Elders:

- Devon Carbol—First term (3rd year)
- Barb Elgin—First term (3rd year)
- Steve Willett—First term (3rd year)
- Dixon Zalit—First term (2nd year)
- Shaun Hartzell—First term (2nd year)
- Jason Koleba – Lead Pastor

## Nominations to the Board of Elders

The current board directed the Nominating Committee to prayerfully search for a minimum of 2 and a maximum of 3 eligible members willing to serve a 3-year term.

After significant prayer, discernment and conversation, the Nominating Committee recommends the following members as nominees to the Board of Elders:

- Floyd Bjorgan
- Marieke Jacobi

## Additional nominations

According to our bylaws, additional nominations may be made by any two or more active members by submitting the name in writing on an approved nomination form to the Lead Pastor for posting by September 9, 2025 (two weeks prior to the AGM). The proposed nominee must consent to being nominated before a nomination form is submitted.

## Nominations to the 2025 Nomination Committee

The Nomination Committee also nominates the following two members to serve on the 2026 nomination committee:

- Mya Parr
- Amber Taves

## Conclusion

The nomination committee would like to thank the Board of Elders for their consistent service and prayer on behalf of our church family—your leadership is invaluable to Vernon Alliance. Jason, Kristi and Caroline would also like to express their appreciation to Len and Barb for their investment on the board and in this committee. You have served faithfully and we are deeply grateful for both of you.

Respectfully submitted,  
Jason Koleba  
Chair of the 2025 Nominating Committee

## ELDER NOMINEES



### Floyd Bjorgan

I began my walk with the Lord as a young child in Drumheller, Alberta and as a teen had the pleasure of being baptized there along with my mother and stepfather. I finished my school years in Hinton, Alberta before going to university in Camrose and Edmonton. While in Edmonton I met my wife, Denise, and we've now been married for 42 years. We have two children. Our son Brandon still lives in Edmonton and our daughter Bri lives in Langley.

Denise and I have always been active in the churches we attend. We've led home groups together and served on worship and tech teams in Calgary and Edmonton, as well as during the two years we lived in Australia. When Beulah Alliance Church in Edmonton decided to start a multi-site ministry, we helped to get that going by leading the worship and tech teams as the site moved from community hall, to school, and movie theater. They now have their own building as the Southwest Campus of Beulah. I've served in several other leadership roles in Baptist churches including deacon, chairman of the church board, and chairman of the long-range planning committee.

In 2023 Denise retired from her career as a clinical pharmacist and we moved to Vernon. I'm semi-retired and run my own business where I provide leadership training and change management consulting. We have loved our move to Vernon and feel blessed to be here. We try to "pay it forward" with that blessing and provide a free bed and breakfast for people in ministry so they can enjoy a vacation in the Okanagan without paying for expensive accommodation.

Similarly, I see serving as an elder, "paying it forward" by using the gifts God has provided and the life experience I've gained to help in whatever way I can to help VAC achieve its vision to see the church, the Okanagan, and the world fully alive in Jesus.

### Marieke Jacobi

Ian and I and our two teenaged daughters moved to Vernon in 2021. Having come from attending Peace Portal Alliance Church in Surrey for 20 years, VAC was a natural fit and we felt at home quickly. Over these last four years we have made wonderful friends and have been involved in worship team and kids ministry as a family. Ian and I have also led a home group serving the north end of the valley which has been such a blessing.

My walk with the Lord has been a constant in my life. My Dad was the earliest and strongest influence in my spiritual life. He had a strong faith and was never afraid of the questions that I had. Growing up in a church family that highly valued a deep knowledge of scripture set a strong foundation for my faith today. I was further strengthened as a young adult when I attended Trinity Western University to become a teacher. The best thing that happened in my faith journey was meeting people from many different denominations. It demonstrates the unity we have in Jesus and helps me to focus on salvation issues rather than the human things that divide us as believers.

I have now been teaching high school French and English in various formats for almost 25 years. I currently work at VLearn, an online school in the Vernon school district. I love my job and having the opportunity to interact with many different types of people from my colleagues to the diverse students that I serve.

Thank you for considering me as an elder nominee. Should I serve on the board, I look forward to learning more about and supporting the ministries to which God has called our church.





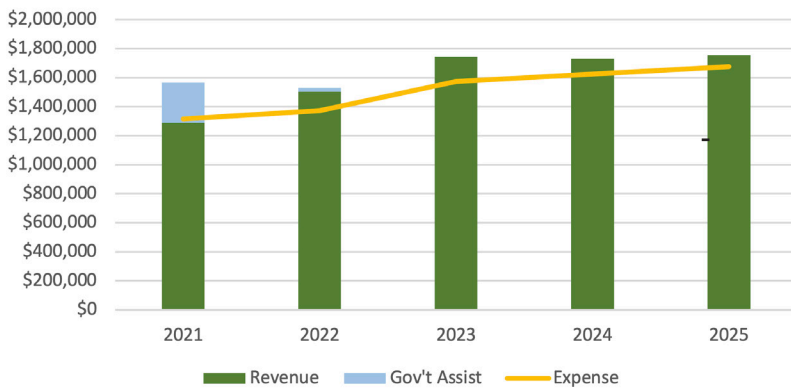
## FINANCE REVIEW COMMITTEE REVIEW REPORT – AGM 2025

Each year, a Financial Review Committee is established by the Board to review the annual financial statements and findings letter provided by an AGM appointed Independent Review Practitioner, in this case KPMG. KPMG have concluded that no errors have come to their attention while performing our Review Engagement for the year ending June 30, 2025. The Financial Review Committee met and reviewed Vernon Alliance's financial statements, which are now available on our website.

### Overall Summary

The graph below illustrates an overview of our revenue and expenses for the past five fiscal years. It indicates that our total revenues have stayed strong, enabling us to keep expenses below our income. Past Government Assistance programs during COVID are no longer needed.

2021-2025 KPMG Revenue vs. Expense

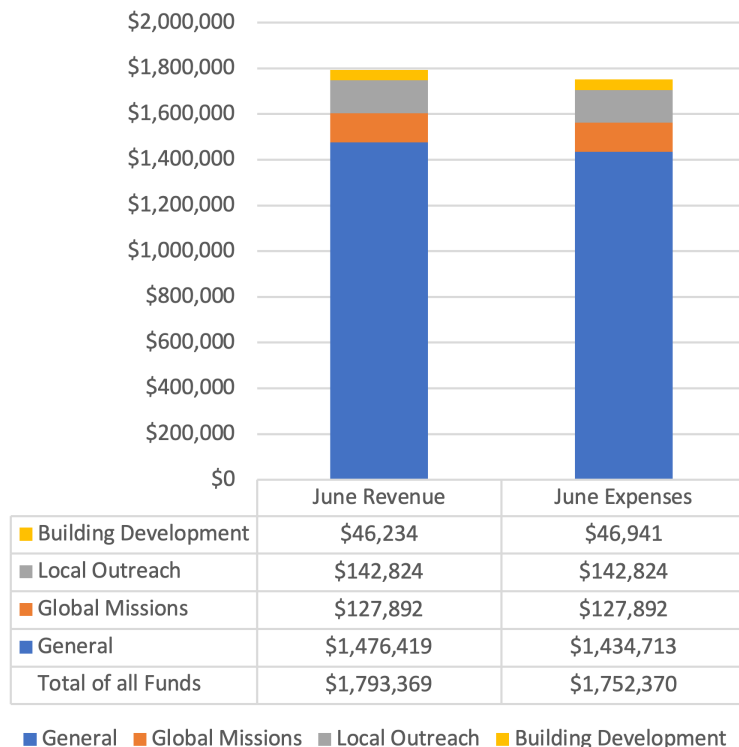


### Fiscal Year to Date – All Funds

These graphs show the total revenues and expenses for the past 5 years as recorded in KPMG year end financials.

Year End	Revenue	Gov't Assist	Expense
2021	\$1,289,835	\$275,882	\$1,316,451
2022	\$1,503,431	\$25,011	\$1,371,970
2023	\$1,744,445	\$0	\$1,573,752
2024	\$1,730,060	\$0	\$1,625,195
2025	\$1,754,797	\$0	\$1,676,620

Year To Date June 2025 - All Funds



### Fiscal Year to Date – All Fund Breakdown:

We have kept spending below our revenues.

The **Global Mission donations Fund** represents **7.1%** of the revenue we receive. **Local Outreach Fund** donations represent approximately **8%** of donations. This totals **15% of all donations**.

This chart includes the spending and revenues in our **Building Development Fund**, meaning all donations received, expensed and funds deferred for savings.



## Financial Review Recommendations:

The Financial Review Committee recommends the following:

### Recommended Motions:

- To adopt the (unaudited) KPMG financial statements for the fiscal year July 1, 2024, to June 30, 2025.
- To accept the recommendation from the Financial Review Committee to appoint KPMG as our Independent Review Practitioners for the purpose of reviewing our annual financial statement for the July 1, 2025, to June 30, 2026, fiscal year.

Many thanks to **Barb Nudd, Devon Carbol, Trudy Kemper and Kelly Johnson for serving on the Financial Review Committee.**

## 2025-26 General Ministry Budget:

### Budget Overview:

This budget has been received by the board in accordance with our governance structure. The budget represents use of funds in our General Ministry Funds.

This budget has taken into consideration the strategic initiatives created by the board to enhance our alignment with the church's vision and priorities. As a result, our overall budget has increased by **6.6% compared to last year, with wages now comprising 70.5% of the total budget.** These adjustments reflect our commitment to strengthening key areas of ministry, including increasing spiritual vitality, engaging our **20 to 40-year-olds**, mobilizing our **55+ team** to mentor and develop future leaders, and expanding our impact within the region.

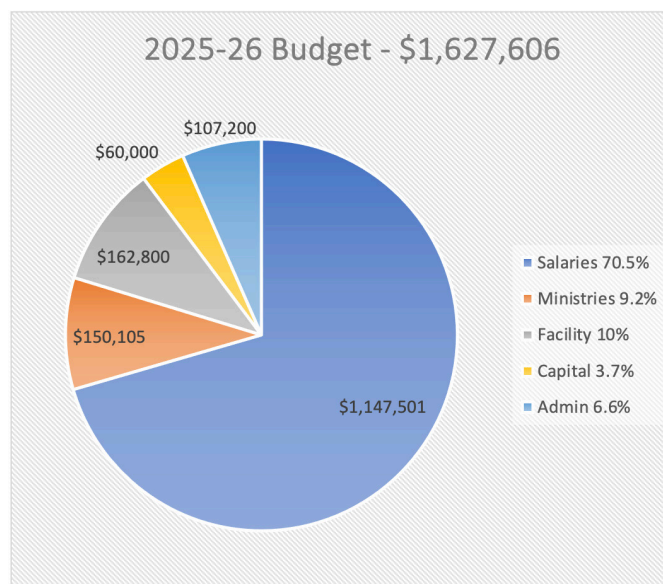
Importantly, these priorities do not require significant new expenditures on materials or resources. However, we recognize the necessity of robust leadership, direction, teaching, and oversight to ensure our staff has the capacity to drive these initiatives forward. To support this, we have made several key organizational changes:

- **Hiring a new Senior Associate Pastor** to provide essential leadership to the ministry team and expand our preaching and teaching supports.
- **Formalizing the need to engage and create younger leaders** spearheaded by the new Pastor of Intergenerational Ministries, aimed at fostering engagement among our **20 to 40-year-olds** and cultivating future leaders.
- **Restructuring leadership teams** into an **Executive Team** and **Ministry Team**, ensuring enhanced focus and efficiency in both ministry and operational functions.

Additionally, we are transitioning towards a **wage grid** that reflects our commitment to fairness, respect, and equality across all staff positions. Currently, approximately **half of the roles within our church fall below the Living Wage of \$25.77.**

Although we do not anticipate expanding our staff team, we will **gradually adjust wages over the coming years** to create a more equitable compensation framework.

These strategic initiatives **require financial investment**, but they are essential in ensuring we can **effectively meet our priorities, grow our church and ministries, and better serve our congregation and community.**



### Budget Details

**Ministries:** cost of operating and resourcing ministries

**Capital:** expenditures regarding our fixed assets, such as building, sanctuary lighting and equipment. Any spending that improves our assets or increases the usefulness or life of our assets

**Facilities:** building and grounds maintenance, kitchen supplies and utilities

**Administration:** cost of professional fees, subscriptions, bank fees, postage, and office expenses

**Salaries:** wages and benefits for all full and part-time staff

## **Building Development Fund Needs**

A consultant was hired in 2024 to conduct a depreciation report on our campus. This report highlights the work that will need to be done over time and outlines the cost of these items. Based on the recommendations in the report, we required approximately \$55,000 - \$60,000 to ensure that we had enough investment in the fund for when major repairs needed to occur. During the 2024-2025 we collected \$46,234. This means; to stay on track with the cash flow model included in the report we require to collect approximately \$64,000 this year. These dollars will be placed in reserve, so that we ensure the money has already been saved prior to the work being completed. It is vital that we continue to provide stewardship and care to our campus – therefore please consider giving to the Building Development Fund as part of your regular tithing rhythm.

Collecting and spending the money will be done in accordance with CRA regulations, through a Capital Campaign and tracked separately through the Building Development Fund as these are capital expenditures.

**DRAFT** Financial Statements of

**VERNON ALLIANCE CHURCH**

And Independent Practitioner's Review Engagement Report thereon

Year ended June 30, 2025

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Vernon Alliance Church

We have reviewed the accompanying financial statements of Vernon Alliance Church, which comprise the statement of financial position as at June 30, 2025, the statement of earnings, statement of changes in net assets and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

**DRAFT** - August 21 2025, 9:23 AM

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Vernon Alliance Church as at June 30, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

***DRAFT***

Chartered Professional Accountants

Vernon, Canada

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# VERNON ALLIANCE CHURCH

Statement of Financial Position

**DRAFT**

June 30, 2025, with comparative information for 2024

	2025	2024
<b>Assets</b>		
Current assets:		
Cash	\$ 186,842	\$ 432,574
Accounts receivable	3,865	3,160
Prepaid expenses	4,370	-
Term deposit	300,000	-
	<u>495,077</u>	<u>435,734</u>
Capital assets (note 2)	2,687,584	2,714,806
	<u>\$ 3,182,661</u>	<u>\$ 3,150,540</u>
<b>Liabilities And Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 32,041	\$ 23,871
Designated balances	<u>241,480</u>	<u>219,516</u>
	273,521	243,387
Deferred capital contributions (note 3)	<u>245,944</u>	<u>244,916</u>
	519,465	488,303
Net assets:		
(Schedule 2)		
Unrestricted	221,556	192,347
Investment in capital assets (note 4)	<u>2,441,640</u>	<u>2,469,890</u>
	2,663,196	2,662,237
Related party transactions (note 6)		
Commitment (note 7)		
	<u>\$ 3,182,661</u>	<u>\$ 3,150,540</u>

See accompanying notes to financial statements.

On behalf of the Members:

\_\_\_\_\_ Elder

\_\_\_\_\_ Elder

# VERNON ALLIANCE CHURCH

## Statement of Earnings

### **DRAFT**

Year ended June 30, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Offerings	\$ 1,363,928	\$ 1,355,557
Missions and other ministries offerings (Schedule 1)	360,033	348,472
Development fund offerings	7,644	23,231
Facilities rental	23,192	2,800
	1,754,797	1,730,060
General and administrative expenses:		
Administration	218,529	240,772
Adult discipleship	152,063	151,180
Cross ministry fund	12,308	11,462
Executive leadership	190,979	193,211
Facilities	303,222	267,357
Family ministries	80,168	72,380
IT and creative arts	20,596	16,743
Interest on long-term debt	-	9,086
Local outreach	1,658	24,946
Mission and other ministries offerings (Schedule 1)	360,033	348,472
Staff development and training	17,753	19,775
World concern	34,098	33,889
Worship and fellowship	187,862	153,734
Youth ministry	97,351	82,188
	1,676,620	1,625,195
Excess of revenues over expenses before the undernoted	78,177	104,865
Other income (expense):		
Amortization of capital assets	(92,397)	(92,974)
Amortization of deferred capital contributions	15,179	15,598
	(77,218)	(77,376)
Excess of revenues over expenses	\$ 959	\$ 27,489

See accompanying notes to financial statements.



# VERNON ALLIANCE CHURCH

Statement of Changes in Net Assets

**DRAFT**

Year ended June 30, 2025, with comparative information for 2024

	Unrestricted	Investment in capital assets	Total 2025	Total 2024
Net assets, beginning of year	\$ 192,347	\$ 2,469,890	\$ 2,662,237	\$ 2,634,748
Excess (deficiency) of revenues over expenses	94,384	(93,425)	959	27,489
Investment in capital assets	(65,175)	65,175	-	-
Net assets, end of year	\$ 221,556	\$ 2,441,640	\$ 2,663,196	\$ 2,662,237

See accompanying notes to financial statements.

# VERNON ALLIANCE CHURCH

## Statement of Cash Flows

### **DRAFT**

Year ended June 30, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 959	\$ 27,489
Items not involving cash:		
Amortization of capital assets	92,397	92,974
Amortization of deferred capital contributions	(15,179)	(15,598)
Changes in non-cash operating working capital:		
(Increase) decrease in accounts receivable	(705)	2,669
(Increase) in prepaid expenses	(4,370)	1,395
(Increase) decrease in term deposit	(300,000)	2
Increase (decrease) in accounts payable and accrued liabilities	8,170	(11,175)
Increase in designated balances	21,964	55,229
	(196,764)	152,985
Financing:		
Repayments of long-term debt	-	(195,350)
Deferred capital contributions	16,207	-
	16,207	(195,350)
Investing:		
Purchase of capital assets	(65,175)	(59,359)
Decrease in cash	(245,732)	(101,724)
Cash, beginning of year	432,574	534,298
Cash, end of year	\$ 186,842	\$ 432,574

See accompanying notes to financial statements.

# VERNON ALLIANCE CHURCH

Notes to Financial Statements

**DRAFT**

Year ended June 30, 2025

Vernon Alliance Church (the "Church") is a reporting organization in the Canada Pacific District of the Christian and Missionary Alliance in Canada ("CMAC"), which is incorporated under the Society's Act of British Columbia. The Church is a registered charity under the Income Tax Act and is exempt from income taxes provided certain requirements of the Income Tax Act are met.

## 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations ("ASNPO"). Management's significant accounting policies are as follows:

### (a) Capital assets:

Capital assets consist of property and equipment and are recorded at cost less accumulated amortization. Amortization is provided using the declining balance basis at the following annual rates:

Asset	Rate
Building	3%
Sound studio	10%
Furniture, fixtures and equipment	15%
Computer equipment	25%
Signs	15%

When a capital asset no longer contributes to the Church's ability to provide services, its carrying amount is written down to its residual value, if any.

The carrying amount of an item of property and equipment is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

# VERNON ALLIANCE CHURCH

Notes to Financial Statements (continued)

**DRAFT**

Year ended June 30, 2025

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition:

The Church follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions, including designated balances, are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets that are amortized are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Contributions restricted for the purchase of capital assets that will not be amortized are recognized as direct increases to net assets.

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

### (c) Financial instruments:

#### (i) Initial measurement:

The Church initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Church is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Church in the transaction.

# VERNON ALLIANCE CHURCH

Notes to Financial Statements (continued)

**DRAFT**

Year ended June 30, 2025

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## 1. Significant accounting policies (continued):

### (c) Financial instruments (continued):

#### (ii) Subsequent to initial measurement:

The Church subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred. Financial assets measured at amortized cost using the straight-line method include cash, term deposits, trade and other receivables, except for accounts receivable from a company under common control, and notes receivable. Accounts receivable from a company under common control and investments in preferred shares of a private company are recognized at cost. Financial assets measured at fair value include quoted shares.

#### (iii) Transaction costs:

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instruments measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

#### (iv) Impairment:

For financial assets measured at cost or amortized cost, the Church determines whether there are indications of possible impairment. When there are, and the Church determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

# VERNON ALLIANCE CHURCH

Notes to Financial Statements (continued)

**DRAFT**

Year ended June 30, 2025

## 1. Significant accounting policies (continued):

### (d) Use of estimates:

The preparation of financial statements in conformity with ASNPO 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 financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions including the carrying value of capital assets. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

## 2. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,019,541	\$ -	\$ 1,019,541	\$ 1,019,541
Building	2,753,698	1,384,334	1,369,364	1,406,943
Sound studio	46,865	35,270	11,595	12,883
Furniture, fixtures and equipment	979,963	715,638	264,325	245,838
Computer equipment	223,664	201,012	22,652	29,475
Signs	2,000	1,893	107	126
	\$ 5,025,731	\$ 2,338,147	\$ 2,687,584	\$ 2,714,806

The land and buildings are owned by CMAC but are purchased, maintained and operated by the Church.

# RNON ALLIANCE CHURCH

to Financial Statements (continued)

**IFT**

ended June 30, 2025

## Deferred capital contributions:

Deferred capital contributions represent the unamortized and unspent amounts of donations received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations on the same basis as the related assets are amortized.

	2025	2024
Balance, beginning of year	\$ 244,916	\$ 260,514
Contributions	16,207	-
Amortization for the year	(15,179)	(15,598)
Balance, end of year	\$ 245,944	\$ 244,916

## Investment in capital assets:

	2025	2024
Capital assets	\$ 2,687,584	\$ 2,714,806
Deferred capital contributions	(245,944)	(244,916)
	\$ 2,441,640	\$ 2,469,890

## Credit facility:

The Church has available a \$300,000 operating line of credit with Vantage One Credit Union. The line of credit bears interest at 0.50% above the credit union's prime lending rate and is secured by a charge against the Church's real property. As at June 30, 2025 the balance on the line of credit is \$nil (2024 - \$nil).



# VERNON ALLIANCE CHURCH

Notes to Financial Statements (continued)

**DRAFT**

Year ended June 30, 2025

## 6. Related party transactions:

	2025	2024
CMAC National missions and projects expenditures	\$ 106,648	\$ 96,492
CMAC District missions and projects expenditures	108,697	314,235
Insurance expenses paid to CMAC	8,494	2,590
Interest expense paid to CMAC	-	9,086

Included in accounts payable is \$10,369 (2024 - \$10,193) due to CMAC.

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

## 7. Commitment:

The Church has entered into an operating lease for a photocopier and is committed to minimum annual lease payments as follows:

2026	\$ 7,254
2027	7,254
2028	7,254
2029	7,254
2030	7,254
2031	1,814
	\$ 38,084

## 8. Employee pension plan:

The Church and its employees contribute to the Alliance Retiral Fund, a multi-employer defined contribution pension plan. The costs are expensed as incurred.

# VERNON ALLIANCE CHURCH

Notes to Financial Statements (continued)

**DRAFT**

Year ended June 30, 2025

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## 9. Financial instruments and concentration of credit risk:

### (a) Concentration of risk:

The Church is heavily dependent on the amount of offerings from the congregation to continue operations. A decline in local or national economic conditions, consumer-spending levels, increased austerity measures, or other adverse conditions could lead to reduced revenue and potential reductions in programming and service levels. There is no change to this risk from 2024.

### (b) Liquidity risk:

Liquidity risk is the risk that the Church will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Church manages its liquidity risk by monitoring its operating requirements. The Church prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There is no change to this risk from 2024.

# VERNON ALLIANCE CHURCH

Schedule 1 - Mission and Other Ministries Revenue and Expenditures

**DRAFT**

Year ended June 30, 2025

	2025	2024
Offerings:		
Church ministries	\$ 89,317	\$ 84,175
Local outreach	140,200	122,937
Special missions projects	36,839	55,292
Global missions	80,707	70,444
Home missions	10,346	13,370
Other designated offerings	2,624	2,254
Total offerings	\$ 360,033	\$ 348,472
Expenditures:		
Church ministries	\$ 89,317	\$ 84,170
Local outreach	140,200	122,937
Special missions projects	36,839	55,297
Global missions	80,707	70,444
Home missions	10,346	13,370
Other designated offerings	2,624	2,254
Total expenditures	\$ 360,033	\$ 348,472

# VERNON ALLIANCE CHURCH

Schedule 2 - Net Asset Classification of Financial Position

**DRAFT**

Year ended June 30, 2025

	Unrestricted	Investment in capital assets	Total
<b>Assets</b>			
Current assets:			
Cash	\$ 186,842	\$ -	\$ 186,842
Accounts receivable	3,865	-	3,865
Prepaid expenses	4,370	-	4,370
Term deposit	300,000	-	300,000
	495,077	-	495,077
Capital assets	-	2,687,584	2,687,584
<b>Total assets</b>	<b>\$ 495,077</b>	<b>\$ 2,687,584</b>	<b>\$ 3,182,661</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 32,041	\$ -	\$ 32,041
Designated balances	241,480	-	241,480
	273,521	-	273,521
Deferred capital contributions	-	245,944	245,944
<b>Total liabilities</b>	<b>\$ 273,521</b>	<b>\$ 245,944</b>	<b>\$ 519,465</b>
<b>Net Assets</b>			
<b>Total net assets</b>	<b>\$ 221,556</b>	<b>\$ 2,441,640</b>	<b>\$ 2,663,196</b>

## DECISION PROFILE

### Bylaw 2.4.1 Amendment

#### Decision Required:

To adopt bylaw amendment regarding membership reaffirmation.

#### Why It Is Coming to Members at the AGM:

Bylaw amendments are the responsibility of members of Vernon Alliance.

#### Background:

An amendment to bylaw 2.4.1 regarding the annual membership reaffirmation process is being recommended to members by the Board of Elders. The membership reaffirmation process helps the board keep the official church membership list accurate and up-to-date and provides members with a regular opportunity to communicate with the board, notifying them of any changes to their membership status or relationship with the church. While this process continues to serve the church well, the board believes that moving from an annual (every year) cycle to a biennial (every 2nd year) cycle will be sufficiently effective and reduce unnecessary workload on church staff.

**The current bylaw reads:** *Membership in the church must be reaffirmed annually by a date set by the board.*

**The proposed amendment reads:** *Membership in the church must be reaffirmed biennially by a date set by the Board.*

#### Recommendation for Adoption:

THAT the following revision to bylaw 2.4.1 of the Bylaws of Vernon Alliance Church be adopted:

*2.4.1 Membership in the church must be reaffirmed biennially by a date set by the Board.*

