

## NOTICE TO READER

On the basis of information provided by the society, we have compiled the statement of financial position of Vineyard Christian Fellowship as at December 31, 2009 and the statements of operations and changes in funds balances and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Langley, British Columbia

January 6, 2011

*d'Abadie Moody*

Chartered Accountants


**VINEYARD CHRISTIAN FELLOWSHIP**  
**STATEMENT OF FINANCIAL POSITION**


(Unaudited - See Notice to Reader)

**December 31, 2009**

	<u>Operating Fund</u>	<u>Property and Equipment Fund</u>	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash and equivalents	\$ 4,376	\$ -	\$ 4,376	\$ -
Accounts receivable	<u>1,843</u>	<u>-</u>	<u>1,843</u>	<u>1,534</u>
	6,219	-	6,219	1,534
PROPERTY AND EQUIPMENT (Notes 2 & 3)	<u>-</u>	<u>1,062,677</u>	<u>1,062,677</u>	<u>1,076,763</u>
	<u>\$ 6,219</u>	<u>\$ 1,062,677</u>	<u>\$ 1,068,896</u>	<u>\$ 1,078,297</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>CURRENT</b>				
Bank indebtedness	\$ -	\$ -	\$ -	\$ 2,511
Accounts payable	9,216	-	9,216	11,278
Current portion of term debt (Note 4)	<u>41,955</u>	<u>433,307</u>	<u>475,262</u>	<u>519,705</u>
	51,171	433,307	484,478	533,494
<b>FUND BALANCES</b>				
Unrestricted	(44,952)	-	(44,952)	(62,207)
Invested in property and equipment	<u>-</u>	<u>629,370</u>	<u>629,370</u>	<u>607,010</u>
	<u>(44,952)</u>	<u>629,370</u>	<u>584,418</u>	<u>544,803</u>
	<u>\$ 6,219</u>	<u>\$ 1,062,677</u>	<u>\$ 1,068,896</u>	<u>\$ 1,078,297</u>

Approved by Directors

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

See Accompanying Notes to the Financial Statements

**VINEYARD CHRISTIAN FELLOWSHIP**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**  
**(Unaudited - See Notice to Reader)**  
**For the Year Ended December 31, 2009**

	Operating Fund	Property and Equipment Fund	2009	2008
<b>REVENUE</b>				
Tithes and offerings	\$ 197,925	\$ -	\$ 197,925	\$ 252,635
Course fees	220	-	220	1,170
Facility & parking rentals	30,251	-	30,251	19,749
Bookstore income	1,018	-	1,018	1,450
Other income	230	-	230	3,085
	<u>229,644</u>	<u>-</u>	<u>229,644</u>	<u>278,089</u>
<b>EXPENDITURES</b>				
Salaries, wages & benefits	56,303	-	56,303	80,718
Administration (Schedule)	41,286	17,709	58,995	63,964
Amortization	-	13,587	13,587	12,136
Facilities overhead (Schedule)	41,318	-	41,318	61,847
Ministry expenses (Schedule)	19,067	-	19,067	50,647
Events, conferences & retreats	260	-	260	-
Loss on disposal of vehicle	-	499	499	3,467
	<u>158,234</u>	<u>31,795</u>	<u>190,029</u>	<u>272,779</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	71,410	(31,795)	39,615	5,310
<b>FUND BALANCES - Beginning of year</b>	(62,207)	607,010	544,803	539,493
Interfund transfers	(54,155)	54,155	-	-
<b>FUND BALANCES - End of year</b>	<u>\$ (44,952)</u>	<u>\$ 629,370</u>	<u>\$ 584,418</u>	<u>\$ 544,803</u>

See Accompanying Notes to the Financial Statements

**VINEYARD CHRISTIAN FELLOWSHIP**  
**STATEMENT OF CASH FLOWS**  
**(Unaudited - See Notice to Reader)**  
**For the Year Ended December 31, 2009**

	<u>Operating Fund</u>	<u>Property and Equipment Fund</u>	<u>2009</u>	<u>2008</u>
<b>OPERATING ACTIVITIES</b>				
Excess of revenue over expenditures for the year	\$ 71,410	(31,795)	\$ 39,615	\$ 5,310
Items not affecting cash:				
Loss on Disposal of Vehicle		499	499	-
Amortization	-	13,587	13,587	12,136
	<u>71,410</u>	<u>(17,709)</u>	<u>53,701</u>	<u>17,446</u>
Changes in non-cash working capital:				
Accounts receivable	(309)	-	(309)	(375)
Accounts payable	(2,062)	-	(2,062)	7,563
	<u>69,039</u>	<u>(17,709)</u>	<u>51,330</u>	<u>24,634</u>
<b>INVESTING ACTIVITIES</b>				
Purchase of property and equipment	-		-	(6,560)
Proceeds on sale of property and equipment	-	1	1	2,000
	<u>-</u>	<u>1</u>	<u>1</u>	<u>(4,560)</u>
<b>FINANCING ACTIVITIES</b>				
Net repayment of term debt	(7,997)	(36,447)	(44,444)	(46,509)
Net repayment of obligations under capital leases	-		-	(1,043)
	<u>(7,997)</u>	<u>(36,447)</u>	<u>(44,444)</u>	<u>(47,552)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	61,042	(54,155)	6,887	(27,478)
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	(2,511)	-	(2,511)	24,967
Interfund transfers	(54,155)	54,155	-	-
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<u>\$ 4,376</u>	<u>\$ -</u>	<u>\$ 4,376</u>	<u>\$ (2,511)</u>

See Accompanying Notes to the Financial Statements

**VINEYARD CHRISTIAN FELLOWSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED - SEE NOTICE TO READER)**

**December 31, 2009**

**1. PURPOSE OF ORGANIZATION**

To develop and maintain a church body of believers in accordance with the Holy Scriptures, dedicated to doing the will of God on earth.

Vineyard Christian Fellowship is incorporated under the Society Act of British Columbia and is also a registered charity under the Income Tax Act and as such is not subject to income taxes.

**2. ACCOUNTING POLICIES**

Operations

These financial statements reflect the financial affairs of the society without ascribing values to volunteer time.

Fund accounting

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

The Operating Fund accounts for the society's program delivery and administration. This fund reports unrestricted resources.

The Property and Equipment Fund reports the assets, liabilities, revenues and expenditures of the society's property and equipment.

Property and equipment

Property and equipment are recorded at cost with amortization recorded on the straight line basis over their estimated useful lives as follows:

Building	40 years
Furniture	5 years
Computer and media equipment	3 years

Revenue recognition

Unrestricted donations are recorded on a cash basis and recognized as revenue of the operating fund in the year received.

**VINEYARD CHRISTIAN FELLOWSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED - SEE NOTICE TO READER)**

**December 31, 2009**

2. **ACCOUNTING POLICIES** (continued)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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 expenditures during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the evaluation of amounts payable and accrued liabilities and the determination of useful lives of property and equipment for the purposes of calculating amortization.

3. **PROPERTY AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<b><u>2009</u></b>	<b><u>2008</u></b>
Land	\$ 797,000	\$ -	\$ 797,000	\$ 797,000
Building	337,891	76,024	261,867	270,314
Furniture	153,880	153,880	-	-
Computer and media equipment	225,143	221,333	3,810	8,949
Vehicle	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
	<b><u>\$ 1,513,914</u></b>	<b><u>\$ 451,237</u></b>	<b><u>\$ 1,062,677</u></b>	<b><u>\$ 1,076,763</u></b>

**VINEYARD CHRISTIAN FELLOWSHIP**

**NOTES TO THE FINANCIAL STATEMENTS**

**(UNAUDITED – SEE NOTICE TO READER)**

**December 31, 2009**

**4. TERM DEBT**

	<u>Operating Fund</u>	<u>Property and Equipment Fund</u>	<u>2009</u>	<u>2008</u>
Envision Credit Union:				
Demand Loan	\$ 41,955	\$ -	\$ 41,955	\$ 49,952
Commercial mortgage	<u>-</u>	<u>433,307</u>	<u>433,307</u>	<u>469,753</u>
	41,955	433,307	475,262	519,705
Less current portion	<u>41,955</u>	<u>433,307</u>	<u>475,262</u>	<u>519,705</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Demand loan is repayable in monthly installments of \$250 including interest at 3.70%, secured by a promissory note, a second mortgage and assignment of rents.

The Commercial mortgage is repayable in blended monthly installments of \$2,575 including interest of 3.70% per annum, secured by land and building.

**VINEYARD CHRISTIAN FELLOWSHIP**  
**OPERATING FUND EXPENDITURES SCHEDULE**  
**(Unaudited - See Notice to Reader)**  
**For the Year Ended December 31, 2009**

	<u>2009</u>	<u>2008</u>
Administration		
Bank charges and interest	\$ 3,301	\$ 2,366
Dues and subscriptions	1,422	1,476
Equipment lease and rental	7,715	6,372
Honorariums	4,643	5,654
Insurance	12,489	13,017
Interest - capital leases	-	13
Legal and accounting	2,695	2,050
Office, printing, and other	1,859	4,284
Professional fees	17,665	17,418
Telephone and internet	7,206	11,314
	<u>\$ 58,995</u>	<u>\$ 63,964</u>
Facilities overhead		
Interest - term debt	\$ 17,709	\$ 32,629
Property tax	916	4,058
Repairs and maintenance	8,626	9,295
Security system	546	1,403
Utilities	13,521	14,462
	<u>\$ 41,318</u>	<u>\$ 61,847</u>
Ministry expenses		
Benevolence	\$ 14,217	\$ 33,012
Designated funds	-	5,198
Gifts and appreciation	-	5,877
Outreach	1,266	958
Supplies	432	1,538
Tithes	3,152	4,064
	<u>\$ 19,067</u>	<u>\$ 50,647</u>

See Accompanying Notes to the Financial Statements