

## 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, 2008 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.

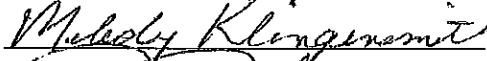
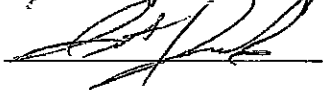
Langley, British Columbia

*d'Abadie Moody*  
Chartered Accountants

**VINEYARD CHRISTIAN FELLOWSHIP**  
**STATEMENT OF FINANCIAL POSITION**  
(Unaudited - See Notice to Reader)  
**December 31, 2008**

	Operating Fund	Property and Equipment Fund	2008	2007
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash and equivalents	\$ -	\$ -	\$ -	\$ 24,967
Accounts receivable	1,534	-	1,534	1,159
	1,534	-	1,534	26,126
<b>PROPERTY AND EQUIPMENT (Notes 2 &amp; 3)</b>	-	1,076,763	1,076,763	1,084,339
	\$ 1,534	\$ 1,076,763	\$ 1,078,297	\$ 1,110,465
<b>LIABILITIES AND FUND BALANCES</b>				
<b>CURRENT</b>				
Bank indebtedness	\$ 2,511	\$ -	\$ 2,511	\$ -
Accounts payable	11,278	-	11,278	3,715
Current portion of term debt (Note 4)	49,952	469,753	519,705	566,214
Current portion of obligations under capital leases	-	-	-	1,043
	63,741	469,753	533,494	570,972
<b>TERM DEBT (Note 4)</b>	-	-	-	-
	63,741	469,753	533,494	570,972
<b>FUND BALANCES</b>				
Unrestricted	(62,207)	-	(62,207)	(37,549)
Invested in property and equipment	-	607,010	607,010	577,042
	(62,207)	607,010	544,803	539,493
	\$ 1,534	\$ 1,076,763	\$ 1,078,297	\$ 1,110,465

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, 2008**

	Operating Fund	Property and Equipment Fund	2008	2007
<b>REVENUE</b>				
Tithes and offerings	\$ 252,635	\$ -	\$ 252,635	\$ 290,591
Course fees	1,170	-	1,170	432
Facility & parking rentals	19,749	-	19,749	15,261
Bookstore income	1,450	-	1,450	4,773
Other income	3,085	-	3,085	2,097
	<u>278,089</u>	<u>-</u>	<u>278,089</u>	<u>313,154</u>
<b>EXPENDITURES</b>				
Salaries, wages & benefits	80,718	-	80,718	76,731
Administration (Schedule)	63,964	-	63,964	49,824
Amortization	-	12,136	12,136	12,435
Facilities overhead (Schedule)	61,847	-	61,847	65,626
Ministry expenses (Schedule)	50,647	-	50,647	57,721
Events, conferences & retreats	3,467	-	3,467	2,289
	<u>260,643</u>	<u>12,136</u>	<u>272,779</u>	<u>264,626</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	17,446	(12,136)	5,310	48,528
<b>FUND BALANCES - Beginning of year</b>	(37,549)	577,042	539,493	490,965
Interfund transfers	(42,104)	42,104	-	-
<b>FUND BALANCES - End of year</b>	<u>\$ (62,207)</u>	<u>\$ 607,010</u>	<u>\$ 544,803</u>	<u>\$ 539,493</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, 2008**

	<u>Operating Fund</u>	<u>Property and Equipment Fund</u>	<u>2008</u>	<u>2007</u>
<b>OPERATING ACTIVITIES</b>				
Excess of revenue over expenditures for the year	\$ 17,446	\$ (12,136)	\$ 5,310	\$ 48,528
Items not affecting cash:				
Amortization	-	12,136	12,136	12,435
	17,446	-	17,446	60,963
Changes in non-cash working capital:				
Accounts receivable	(375)	-	(375)	(784)
Accounts payable	7,563	-	7,563	(18,329)
	24,634	-	24,634	41,850
<b>INVESTING ACTIVITIES</b>				
Purchase of property and equipment	-	(6,560)	(6,560)	(5,858)
Proceeds on sale of property and equipment	-	2,000	2,000	-
	-	(4,560)	(4,560)	(5,858)
<b>FINANCING ACTIVITIES</b>				
Net repayment of term debt	(10,102)	(36,407)	(46,509)	(38,804)
Net repayment of obligations under capital leases	-	(1,043)	(1,043)	(6,495)
	(10,102)	(37,450)	(47,552)	(45,299)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	14,532	(42,010)	(27,478)	(9,307)
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	24,967	-	24,967	34,274
Interfund transfers	(42,010)	42,010	-	-
<b>CASH AND CASH EQUIVALENTS - End of year</b>	\$ (2,511)	\$ -	\$ (2,511)	\$ 24,967
<b>Cash and cash equivalents consists of:</b>				
Cash	\$ -	\$ -	\$ -	\$ 24,967
Bank indebtedness	(2,511)	-	(2,511)	-
	\$ (2,511)	\$ -	\$ (2,511)	\$ 24,967

See Accompanying Notes to the Financial Statements

**VINEYARD CHRISTIAN FELLOWSHIP**

**NOTES TO THE FINANCIAL STATEMENTS**

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

**December 31, 2008**

**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
Vehicle	5 years

Revenue recognition

Unrestricted donations are 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, 2008**

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>	
			<u>2008</u>	<u>2007</u>
Land	\$ 797,000	\$ -	\$ 797,000	\$ 797,000
Building	337,891	67,577	270,314	278,762
Furniture	153,880	153,880	-	-
Computer and media equipment	225,143	216,194	8,949	7,677
Vehicle	<u>2,000</u>	<u>1,500</u>	<u>500</u>	<u>900</u>
	<u>\$ 1,515,914</u>	<u>\$ 439,151</u>	<u>\$ 1,076,763</u>	<u>\$ 1,084,339</u>

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

**December 31, 2008**

**4. TERM DEBT**

	<u>Operating Fund</u>	<u>Property and Equipment Fund</u>	<u>2008</u>	<u>2007</u>
Envision Credit Union:				
Demand Loan	\$ 49,952	\$ -	\$ 49,952	\$ 59,960
Commercial mortgage	<u>-</u>	<u>469,753</u>	<u>469,753</u>	<u>506,254</u>
	49,952	469,753	519,705	566,214
Less current portion	<u>49,952</u>	<u>469,753</u>	<u>519,705</u>	<u>566,214</u>
	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

Demand loan is repayable in monthly instalments of \$1,144 including interest at Envision prime rate, secured by a promissory note, a second mortgage and assignment of rents.

The Commercial mortgage is repayable in blended monthly instalments of \$5,446 including interest at prime plus 1% per annum, secured by land and building. As of the date of these financial statements, a new mortgage was being negotiated.

**VINEYARD CHRISTIAN FELLOWSHIP**  
**OPERATING FUND EXPENDITURES SCHEDULE**

(Unaudited - See Notice to Reader)

**For the Year Ended December 31, 2008**

	<u>2008</u>	<u>2007</u>
Administration		
Bank charges and interest	\$ 2,366	\$ 2,857
Dues and subscriptions	1,476	1,389
Equipment lease and rental	6,372	6,566
Honorariums	5,654	2,894
Insurance	13,017	12,947
Interest - capital leases	13	402
Legal and accounting	2,050	3,300
Office, printing, and other	4,284	5,757
Professional fees	17,418	6,553
Telephone and internet	11,314	7,159
	<u>\$ 63,964</u>	<u>\$ 49,824</u>
Facilities overhead		
Interest - term debt	\$ 32,629	\$ 41,939
Property tax	4,058	1,059
Repairs and maintenance	9,295	7,618
Security system	1,403	593
Utilities	14,462	14,417
	<u>\$ 61,847</u>	<u>\$ 65,626</u>
Ministry expenses		
Benevolence	\$ 33,012	\$ 23,803
Designated funds	5,198	8,540
Gifts and appreciation	5,877	8,537
Outreach	958	2,780
Supplies	1,538	3,177
Tithes	4,064	10,884
	<u>\$ 50,647</u>	<u>\$ 57,721</u>

See Accompanying Notes to the Financial Statements