

Vineyard Christian Fellowship

Financial Statements

Year ended December 31, 2010

## 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, 2010 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  
March 9, 2011


*d'Abadie Moody*


Chartered Accountants

**VINEYARD CHRISTIAN FELLOWSHIP**  
**STATEMENT OF FINANCIAL POSITION**  
(Unaudited - See Notice to Reader)  
**December 31, 2010**

	Operating Fund	Capital Assets Fund	2010	2009
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash and equivalents	\$ -	\$ -	\$ -	\$ 4,376
Accounts receivable	2,100	-	2,100	1,843
	2,100	-	2,100	6,219
PROPERTY AND EQUIPMENT (Notes 2 & 3)	-	1,053,977	1,053,977	1,062,677
	\$ 2,100	\$ 1,053,977	\$ 1,056,077	\$ 1,068,896
<b>LIABILITIES AND FUND BALANCES</b>				
<b>CURRENT</b>				
Bank indebtedness	\$ 3,774	\$ -	\$ 3,774	\$ -
Accounts payable	11,324	-	11,324	9,216
Current portion of term debt (Note 4)	40,470	418,062	458,532	475,262
	55,568	418,062	473,630	484,478
<b>FUND BALANCES</b>				
Unrestricted	(53,468)	-	(53,468)	(44,952)
Invested in property and equipment	-	635,915	635,915	629,370
	(53,468)	635,915	582,447	584,418
	\$ 2,100	\$ 1,053,977	\$ 1,056,077	\$ 1,068,896

Approved by Directors

  
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Director

  
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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, 2010**

	Operating Fund	Capital Assets Fund	2010	2009
<b>REVENUE</b>				
Tithes and offerings	\$ 187,114	\$ -	\$ 187,114	\$ 197,925
Course fees	-	-	-	220
Facility & parking rentals	-	17,945	17,945	30,251
Bookstore income	70	-	70	1,018
Other income	2,233	-	2,233	230
	<u>189,417</u>	<u>17,945</u>	<u>207,362</u>	<u>229,644</u>
<b>EXPENDITURES</b>				
Salaries, wages & benefits	72,363	-	72,363	56,303
Administration (Schedule)	49,837	-	49,837	58,995
Amortization	-	11,991	11,991	13,587
Facilities overhead (Schedule)	22,252	15,655	37,907	41,318
Ministry expenses (Schedule)	35,037	-	35,037	19,067
Events, conferences & retreats	2,198	-	2,198	260
Loss on disposal of vehicle	-	-	-	499
	<u>181,687</u>	<u>27,646</u>	<u>209,333</u>	<u>190,029</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	7,730	(9,701)	(1,971)	39,615
<b>FUND BALANCES - Beginning of year</b>	(44,952)	629,370	584,418	544,803
Interfund transfers	(16,246)	16,246	-	-
<b>FUND BALANCES - End of year</b>	<u>\$ (53,468)</u>	<u>\$ 635,915</u>	<u>\$ 582,447</u>	<u>\$ 584,418</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, 2010**

	Operating Fund	Capital Assets Fund	2010	2009
<b>OPERATING ACTIVITIES</b>				
Excess of revenue over expenditures for the year	\$ 7,730	(9,701)	\$ (1,971)	\$ 39,615
Items not affecting cash:				
Loss on Disposal of Vehicle	-	-	-	499
Amortization	-	11,991	11,991	13,587
	<u>7,730</u>	<u>2,290</u>	<u>10,020</u>	<u>53,701</u>
Changes in non-cash working capital:				
Accounts receivable	(257)	-	(257)	(309)
Accounts payable	2,108	-	2,108	(2,062)
	<u>9,581</u>	<u>2,290</u>	<u>11,871</u>	<u>51,330</u>
<b>INVESTING ACTIVITIES</b>				
Purchase of property and equipment	-	(3,291)	(3,291)	-
Proceeds on sale of property and equipment	-	-	-	1
	<u>-</u>	<u>(3,291)</u>	<u>(3,291)</u>	<u>1</u>
<b>FINANCING ACTIVITIES</b>				
Net repayment of term debt	(1,485)	(15,245)	(16,730)	(44,444)
Net repayment of obligations under capital leases	-	-	-	-
	<u>(1,485)</u>	<u>(15,245)</u>	<u>(16,730)</u>	<u>(44,444)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	8,096	(16,246)	(8,150)	6,887
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	4,376	-	4,376	(2,511)
Interfund transfers	(16,246)	16,246	-	-
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<u>\$ (3,774)</u>	<u>\$ -</u>	<u>\$ (3,774)</u>	<u>\$ 4,376</u>

See Accompanying Notes to the Financial Statements

**VINEYARD CHRISTIAN FELLOWSHIP**  
**OPERATING FUND EXPENDITURES SCHEDULE**  
(Unaudited - See Notice to Reader)  
**For the Year Ended December 31, 2010**

	<u>2010</u>	<u>2009</u>
Administration		
Bank charges and interest	\$ 2,701	\$ 3,301
Dues and subscriptions	1,848	1,422
Equipment lease and rental	6,786	7,715
Honorariums	2,810	4,643
Insurance	8,131	12,489
Legal and accounting	2,000	2,695
Office, printing, and other	3,742	1,859
Professional fees	15,390	17,665
Telephone and internet	6,429	7,206
	<u>\$ 49,837</u>	<u>\$ 58,995</u>
Facilities overhead		
Interest - term debt	\$ 17,498	\$ 17,709
Property tax	1,003	916
Repairs and maintenance	8,493	8,626
Security system	990	546
Sound and worship	606	-
Utilities	9,317	13,521
	<u>\$ 37,907</u>	<u>\$ 41,318</u>
Ministry expenses		
Benevolence	\$ 18,484	\$ 14,217
Gifts and appreciation	87	-
Outreach	9,847	1,266
Supplies	2,923	432
Tithes	3,696	3,152
	<u>\$ 35,037</u>	<u>\$ 19,067</u>

See Accompanying Notes to the Financial Statements

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

**December 31, 2010**

**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 Capital Asset 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, 2010**

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**

	Cost	Accumulated Amortization	Net Book Value	
			2010	2009
Land	\$ 797,000	\$ -	\$ 797,000	\$ 797,000
Building	337,891	84,470	253,421	261,867
Furniture	154,670	153,959	711	-
Computer and media equipment	227,644	224,799	2,845	3,810
	<u>\$ 1,517,205</u>	<u>\$ 463,228</u>	<u>\$ 1,053,977</u>	<u>\$ 1,062,677</u>



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

**December 31, 2010**

4. **TERM DEBT**

	Operating Fund	Property and Equipment Fund	2010	2009
Envision Credit Union:				
Demand Loan	\$ 40,470	\$ -	\$ 40,470	\$ 41,955
Commercial mortgage	-	418,062	418,062	433,307
	40,470	418,062	458,532	475,262
Less current portion	40,470	418,062	458,532	475,262
	<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. The mortgage is due on September 27, 2011.