

Vineyard Christian Fellowship

Financial Statements

Year ended December 31, 2011

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, 2011 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
February 15, 2012

d'Abadie Moody

Chartered Accountants

VINEYARD CHRISTIAN FELLOWSHIP
STATEMENT OF FINANCIAL POSITION
(Unaudited - See Notice to Reader)
December 31, 2011

	<u>Operating Fund</u>	<u>Capital Assets Fund</u>	<u>2011</u>	<u>2010</u>
ASSETS				
CURRENT				
Cash and equivalents	\$ 2,124	\$	\$ 2,124	\$ -
Accounts receivable	<u>903</u>	<u> </u>	<u>903</u>	<u>2,100</u>
	3,027	-	3,027	2,100
PROPERTY AND EQUIPMENT (Notes 2 & 3)	<u>-</u>	<u>1,046,451</u>	<u>1,046,451</u>	<u>1,053,977</u>
	<u>\$ 3,027</u>	<u>\$ 1,046,451</u>	<u>\$ 1,049,478</u>	<u>\$ 1,056,077</u>
LIABILITIES AND FUND BALANCES				
CURRENT				
Bank indebtedness	\$	\$	\$ -	\$ 3,774
Accounts payable	9,975	<u> </u>	9,975	11,324
Current portion of term debt (Note 4)	<u>38,970</u>	<u>402,566</u>	<u>441,536</u>	<u>458,532</u>
	<u>48,945</u>	<u>402,566</u>	<u>451,511</u>	<u>473,630</u>
FUND BALANCES				
Unrestricted	(45,918)	<u> </u>	(45,918)	(53,468)
Invested in property and equipment	<u> </u>	<u>643,885</u>	<u>643,885</u>	<u>635,915</u>
	<u>(45,918)</u>	<u>643,885</u>	<u>597,967</u>	<u>582,447</u>
	<u>\$ 3,027</u>	<u>\$ 1,046,451</u>	<u>\$ 1,049,478</u>	<u>\$ 1,056,077</u>

Approved by Directors

High Director
Paul Johnston 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, 2011

	<u>Operating</u> <u>Fund</u>	<u>Capital</u> <u>Assets Fund</u>	<u>2011</u>	<u>2010</u>
REVENUE				
Tithes and offerings	\$ 164,241	\$ -	\$ 164,241	\$ 187,114
Course fees	2,617	-	2,617	-
Facility & parking rentals	-	16,706	16,706	17,945
Bookstore income	(350)	-	(350)	70
Other income	1,653	-	1,653	2,233
	<u>168,161</u>	<u>16,706</u>	<u>184,867</u>	<u>207,362</u>
EXPENDITURES				
Salaries, wages & benefits	65,201	-	65,201	72,363
Administration (Schedule)	40,648	-	40,648	49,837
Amortization	-	10,518	10,518	11,991
Facilities overhead (Schedule)	17,945	15,996	33,941	37,907
Ministry expenses (Schedule)	17,371	-	17,371	35,037
Travel	1,668	-	1,668	2,198
	<u>142,833</u>	<u>26,514</u>	<u>169,347</u>	<u>209,333</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	25,328	(9,808)	15,520	(1,971)
FUND BALANCES - Beginning of year	(53,468)	635,915	582,447	584,418
Interfund transfers	<u>(17,778)</u>	<u>17,778</u>	<u>-</u>	<u>-</u>
FUND BALANCES - End of year	<u>\$ (45,918)</u>	<u>\$ 643,885</u>	<u>\$ 597,967</u>	<u>\$ 582,447</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, 2011

	<u>Operating Fund</u>	<u>Capital Assets Fund</u>	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES				
Excess of revenue over expenditures for the year	\$ 25,328	\$ (9,808)	\$ 15,520	\$ (1,971)
Item not affecting cash:				
Amortization	<u>-</u>	<u>10,518</u>	<u>10,518</u>	<u>11,991</u>
	25,328	710	26,038	10,020
Changes in non-cash working capital:				
Accounts receivable	1,197	-	1,197	(257)
Accounts payable	<u>(1,349)</u>	<u>-</u>	<u>(1,349)</u>	<u>2,108</u>
	<u>25,176</u>	<u>710</u>	<u>25,886</u>	<u>11,871</u>
INVESTING ACTIVITIES				
Purchase of property and equipment	-	(2,992)	(2,992)	(3,291)
	<u>-</u>	<u>(2,992)</u>	<u>(2,992)</u>	<u>(3,291)</u>
FINANCING ACTIVITIES				
Net repayment of term debt	(1,500)	(15,496)	(16,996)	(16,730)
	<u>(1,500)</u>	<u>(15,496)</u>	<u>(16,996)</u>	<u>(16,730)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,676	(17,778)	5,898	(8,150)
CASH AND CASH EQUIVALENTS - Beginning of year	(3,774)	-	(3,774)	4,376
Interfund transfers	<u>(17,778)</u>	<u>17,778</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - End of year	\$ <u><u>2,124</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,124</u></u>	\$ <u><u>(3,774)</u></u>

See Accompanying Notes to the Financial Statements

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

December 31, 2011

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, 2011

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>	
			2011	2010
Land	\$ 797,000	\$ -	\$ 797,000	\$ 797,000
Building	337,891	92,917	244,974	253,421
Furniture	157,363	154,386	2,977	711
Computer and media equipment	<u>227,944</u>	<u>226,444</u>	<u>1,500</u>	<u>2,845</u>
	<u>\$ 1,520,198</u>	<u>\$ 473,747</u>	<u>\$ 1,046,451</u>	<u>\$ 1,053,977</u>

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

December 31, 2011

4. **TERM DEBT**

	Operating Fund	Property and Equipment Fund	2011	2010
Envision Credit Union:				
Demand Loan	\$ 38,970	\$ -	\$ 38,970	\$ 40,470
Commercial mortgage	-	402,566	402,566	418,062
	38,970	402,566	441,536	458,532
Less current portion	<u>38,970</u>	<u>402,566</u>	<u>441,536</u>	<u>458,532</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Demand loan is repayable in monthly installments of \$262 including interest at 4.38%, secured by a promissory note, a second mortgage and assignment of rents.

The Commercial mortgage is repayable in blended monthly installments of \$2,723 including interest of 4.38% per annum, secured by land and building. The mortgage is due on July 27, 2012.

VINEYARD CHRISTIAN FELLOWSHIP
OPERATING FUND EXPENDITURES SCHEDULE
(Unaudited - See Notice to Reader)
For the Year Ended December 31, 2011

	<u>2011</u>	<u>2010</u>
Administration		
Bank charges and interest	\$ 3,531	\$ 2,701
Dues and subscriptions	1,212	1,848
Equipment lease and rental	6,359	6,786
Honorariums	6,067	2,810
Insurance	8,156	8,131
Legal and accounting	2,220	2,000
Office, printing, and other	2,493	3,742
Professional fees	4,856	15,390
Telephone and internet	5,754	6,429
	<u>\$ 40,648</u>	<u>\$ 49,837</u>
Facilities overhead		
Interest - term debt	\$ 18,056	\$ 17,498
Property tax	690	1,003
Repairs and maintenance	3,344	8,493
Security system	1,325	990
Sound and worship	-	606
Utilities	10,526	9,317
	<u>\$ 33,941</u>	<u>\$ 37,907</u>
Ministry expenses		
Benevolence	\$ 9,196	\$ 18,484
Gifts and appreciation	213	87
Outreach	3,946	9,847
Supplies	3,516	2,923
Tithes	500	3,696
	<u>\$ 17,371</u>	<u>\$ 35,037</u>

See Accompanying Notes to the Financial Statements