

## ROSEDALE PRESBYTERIAN CHURCH

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### 2010 Financial Statements (Unaudited)

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## Review Engagement Report

**To the Congregation of  
Rosedale Presbyterian Church**

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We have reviewed the statement of financial position of Rosedale Presbyterian Church at December 31, 2010 and the statements of revenue and expenses, changes in fund balances and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Church's management.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Chartered Accountants, Licensed Public Accountants  
February 20, 2011

**ROSEDALE PRESBYTERIAN CHURCH**  
**Statement of Financial Position**  
**As at December 31**  
**(Unaudited)**

	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
Current assets		
Cash	\$ 24,078	\$ 16,613
Due from (to) pooled investments	4,055	(424)
Accounts receivable	3,519	904
Prepaid insurance	12,528	13,530
	44,180	30,623
Pooled investments, at market (schedule 1)	715,332	703,935
	<u>\$ 759,512</u>	<u>\$ 734,558</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Accounts payable and accrued liabilities	\$ 5,000	\$ 5,000
Designated contributions (note 3)	29,716	19,082
	34,716	24,082
Fund balances		
Operating - unrestricted	9,464	6,541
Facilities - internally restricted	256,315	246,915
MM & A		
Externally restricted	381,831	380,586
Internally restricted	59,789	59,789
Cargill Memorial - externally restricted	17,397	16,645
	724,796	710,476
	<u>\$ 759,512</u>	<u>\$ 734,558</u>

**See accompanying notes**

**On behalf of the Board of Managers:**

**Brock Winterton**  
**Convenor**

**Johnmark Roberts**  
**Treasurer**

**Tom Starkey**  
**Member**

## ROSEDALE PRESBYTERIAN CHURCH

### Statement of Revenue and Expenses

Year ended December 31

(Unaudited)

	2010	2009
Revenue		
Congregational	\$ 221,935	\$ 236,923
Special events, net (note 4)	19,278	20,499
Bequest	-	20,000
Use of premises	22,443	21,560
Other donations	478	3,362
Investment income, net (note 5)	52,152	122,480
MM & A Fund donations	1,245	11,820
Directed contributions		
Presbyterians Sharing	37,034	37,676
PWS & D	3,725	4,745
Designated contributions (note 3)	28,619	21,792
	<hr/>	<hr/>
	386,909	500,857
Expenses		
Stipends, salaries and benefits	200,292	199,075
Worship	3,060	3,372
Family Caucus	1,790	963
Presbyterian Record	2,162	2,586
Presbytery Assessment	6,396	5,950
Discretionary	1,739	1,113
Communications (and Centennial)	2,480	3,521
Administration	13,393	14,070
Manse and Church properties	71,899	78,221
Directed contributions disbursed	69,378	64,213
Butler Bass workshop	-	2,541
	<hr/>	<hr/>
	372,589	375,625
Excess of revenue over expenses	\$ 14,320	\$ 125,232

See accompanying notes

**ROSEDALE PRESBYTERIAN CHURCH****Statement of Changes in Fund Balances****Year ended December 31****(Unaudited)**

	<b>2010</b>					<b>2009</b>
	<b>Operating</b>	<b>Facilities</b>	<b>MM &amp; A</b>	<b>Cargill Memorial</b>	<b>Total</b>	<b>Total</b>
Fund balances, beginning of year	\$ 6,541	\$ 246,915	\$ 440,375	\$ 16,645	\$ 710,476	\$ 585,244
Excess of revenue over expenses	(39,077)	18,253	33,892	1,252	14,320	125,232
Transfers	42,000	(8,853)	(32,647)	(500)	-	-
Fund balances, end of year	\$ 9,464	\$ 256,315	\$ 441,620	\$ 17,397	\$ 724,796	\$ 710,476

**See accompanying notes**

## ROSEDALE PRESBYTERIAN CHURCH

### Statement of Cash Flows

Year ended December 31

(Unaudited)

	2010	2009
Operating activities		
Excess of revenue over expenses	\$ 14,320	\$ 125,232
Item not involving cash		
Change in unrealized gains	(36,856)	(107,036)
	(22,536)	18,196
Net change in non-cash working capital items		
Due from pooled investments	(4,479)	26,621
Accounts receivable	(2,615)	118
Prepaid insurance	1,002	(300)
	(6,092)	26,439
Net change in designated contributions	10,634	(11,336)
Cash flows from operating activities	(17,994)	33,299
Investing activities		
Purchase of pooled investments	(16,541)	(57,223)
Reduction in pooled investments	42,000	45,000
Cash flows from investing activities	25,459	(12,223)
Net change in cash during the year	7,465	21,076
Cash (bank overdraft), beginning of year	16,613	(4,463)
Cash, end of year	\$ 24,078	\$ 16,613

See accompanying notes

# ROSEDALE PRESBYTERIAN CHURCH

Notes to Financial Statements  
Year ended December 31, 2010  
(Unaudited)

## 1. Rosedale Presbyterian Church

Rosedale Presbyterian Church (the "Church") is a congregation within The Presbyterian Church in Canada, Presbytery of East Toronto. As a registered charity under the Income Tax Act, the Church is exempt from income taxes.

## 2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, the more significant of which are outlined below. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from these estimates.

### Property and equipment

In accordance with the accounting standards of the Canadian Institute of Chartered Accountants ("CICA"), not-for-profit organizations with average annual revenues of less than \$500,000 may expense property and equipment as purchased (rather than capitalizing expenditures and amortizing purchase prices over respective useful lives). The management of the Church believes that the users of the financial statements are better served by continuing to carry the Church properties and equipment at a nominal value. All additions and major renovations to property are expensed in the year of purchase. Whereas 2009 revenue was marginally in excess of \$500,000, aggregate revenues would normally be within the above limit.

### Financial instruments

The CICA provides a choice for financial instruments disclosure and the Church has chosen to continue to apply Financial Instruments - Disclosure, Section 3861 in place of Financial Instruments - Disclosure, Section 3862 and Financial Instruments - Presentation, Section 3863.

The Church's financial instruments include cash, accounts receivable, pooled investments and accounts payable. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The investments in the pooled investment portfolio are designated as held for trading financial assets and are recorded and carried at fair value.

### Revenue recognition

Unrestricted contributions are recognized as revenue of the Operating fund when received. Contributions which are externally restricted by the donor are recorded as designated contributions and are reflected as revenue in the year that they are paid and expensed. Pursuant to the policy of the congregation, unrestricted bequests are normally credited to the Facilities fund.

Interest, dividends, income trust distributions, realized gains and losses and the changes in unrealized gains and losses are recognized as revenue in the year in which they are incurred.

# ROSEDALE PRESBYTERIAN CHURCH

Notes to Financial Statements  
Year ended December 31, 2010  
(Unaudited)

## 2. Summary of significant accounting policies - continued

### Fund accounting

The accounts of the Church are maintained in accordance with the principles of fund accounting. Accordingly, resources for various purposes are classified for accounting purposes into funds in accordance with activities or objectives specified. The funds are as follows:

#### *Operating fund (unrestricted)*

The Operating fund consists of unrestricted donations, other revenues, and expenses related to the operations and ministry of the Church, unless specifically related to other funds.

#### *Facilities fund (internally restricted)*

Bequests that are internally restricted by the congregation are normally recorded as an increase in the Facilities fund. The capital of the Facilities fund is invested in pooled investments and is available for the maintenance of the Church property and other approved purposes. Transfers from the Facilities fund require congregational approval.

#### *Mission, Ministry and Arts Fund (internally and externally restricted)*

The Mission, Ministry and Arts ("MM & A") fund has been created to support the Church's mission, ministry and arts programs that could be financed in a sustainable fashion by earnings from the fund.

Donations to the fund are externally restricted. During 2009, the residual balance of the Paulin Memorial Fund in the amount of \$39,789 was transferred to the MM & A fund, as was a \$20,000 bequest from the Estate of Eleanor Bain. These two amounts have been accounted for as internally restricted.

Transfers from the MM&A fund require congregational approval.

#### *Cargill Memorial Fund (externally restricted)*

The Elizabeth Cargill Memorial Library Fund finances maintenance of the Church's library and the purchase of new books and periodicals.

### Contributed goods and services

Contributed goods and capital donations are recorded in the accounts at fair market value as at the date of receipt. Contributed services are not recognized in these financial statements due to the difficulty in determining their fair value.

# ROSEDALE PRESBYTERIAN CHURCH

Notes to Financial Statements  
Year ended December 31, 2010  
(Unaudited)

### 3. Designated contributions

	December 31, 2009	Received	Disbursed	Transferred	December 31, 2010
"Blackside", for future	\$ 10,800	\$ -	\$ -	\$ 5,400	\$ 5,400
Furnace Fund	-	5,225	-	-	5,225
Memorial Fund	3,997	3,722	6,223	-	1,496
John Wevers Memorial	-	13,653	1,000	36	12,617
Grace Wevers Memorial	1,668	-	1,632	(36)	72
Gardens	399	350	-	-	749
Out of the Cold	2,211	2,235	1,186	-	3,260
Boarding House Ministries	-	967	630	-	337
St. James Town	7	2,087	1,534	-	560
Evangel Hall	-	600	600	-	-
Portland Place	-	1,380	1,380	-	-
AIDS in Africa	-	940	940	-	-
Haiti Earthquake	-	7,490	7,490	-	-
Pakistan Flood Relief	-	2,100	2,100	-	-
Wellesley St. Fire	-	2,195	2,195	-	-
Other	-	1,709	1,709	-	-
	\$ 19,082	\$ 44,653	\$ 28,619	\$ 5,400	\$ 29,716

Designated contributions include amounts which have been designated by the donor. Contributions received by the Church are disbursed to the designated organization or for the designated purpose in their entirety. Organizations include Presbyterians Sharing (The Presbyterian Church in Canada), Presbyterian World Service and Development ("PWS&D"), and organizations noted above which are supported by the Church's congregation.

Memorial Fund contributions are segregated in order to fund approved disbursements. During the year, the Fund contributed \$4,100 to improvements to the Church Hall (note 6).

### 4. Special events, net

	Revenue	Expenses	Net
Board dinners/auction	\$ 20,245	\$ 4,582	\$ 15,663
Yard sale	3,187	97	3,090
Fall Festival	8,898	8,851	47
Other	478	-	478
	\$ 32,808	\$ 13,530	\$ 19,278

## ROSEDALE PRESBYTERIAN CHURCH

Notes to Financial Statements  
Year ended December 31, 2010  
(Unaudited)

### 5. Investment income, net

	2010	2009
Revenue		
Interest and dividends	\$ 16,366	\$ 16,515
Realized losses	-	(21)
Change in unrealized gains	36,856	107,036
	53,222	123,530
Expense		
Administration fees	(1,070)	(1,050)
Investment income, net	\$ 52,152	\$ 122,480
Allocation as follows:		
MM & A Fund	\$ 32,647	\$ -
Facilities Fund	18,253	115,278
Cargill Memorial Fund	1,252	7,202
	\$ 52,152	\$ 122,480

### 6. Capital projects

During the year, capital projects included:

- i) Improvements to the Church Hall and Boardroom amounting to approximately \$5,100 (of which \$4,100 was funded by the Memorial Fund); and
- ii) Refurbishment of a stained glass window for a total cost of approximately \$ 7,500 (funded by a donation). Of the total cost, \$3,254 was expensed in 2009.

### 7. Pension plan

The Church participates in the pension plan administered by The Presbyterian Church in Canada. This is a multi-employer plan and as at December 31, 2010, the Church does not have any unfunded obligations.

Payments to the plan during the year amounted to \$9,742 (2009 - \$11,116).

### 8. Financial instruments

It is management's opinion that the Church is not exposed to significant currency, liquidity or credit risks arising from its financial instruments. The Church's investments in equities, mutual funds and income trust units are subject to market and interest rate risk as the values of these investments are affected by market fluctuations.

## **ROSEDALE PRESBYTERIAN CHURCH**

**Notes to Financial Statements**  
**Year ended December 31, 2010**  
**(Unaudited)**

### **9. Objectives, policies and processes for managing capital**

The Church's capital is comprised of the funds invested in property and equipment (which are not recorded in these financial statements, note 2), the unrestricted fund balance and the pooled investments held on behalf of the internally and externally restricted funds which are presented in the statement of financial position.

The Board of Managers (the "Board") oversees the financial management of the Church. Operating (including property and equipment) budgets are prepared and approved by the congregation. The Board then manages operations in the context of the budget.

Internally and externally restricted funds are represented in aggregate by the pooled investments. These are managed by the Board through an investment sub-committee.

Capital withdrawals are approved by the Church's congregation sitting in annual or special meetings.

### **10. Subsequent event**

Subsequent to the year end, the Church received \$194,000 from the Estate of Professor John Wevers. The total amount of the bequest is not yet known. The bequest was undesignated, however pursuant to the family's wishes, it will be allocated to the MM & A Fund.

### **11. Comparative amounts**

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2010 financial statements.

## ROSEDALE PRESBYTERIAN CHURCH

### Schedule of Pooled Investments

Year ended December 31

(Unaudited)

	Schedule 1	
	2010	2009
On deposit with broker	\$ 147,535	\$ 174,236
Due from (to) the Operating fund	(4,055)	424
	143,480	174,660
<b>Bonds and debentures</b>		
TD Canada Trust GIC, June 2011	22,603	22,605
Presbyterian Church Bld. Corp. 2.5%, October 15, 2010	-	5,000
Presbyterian Church Bld. Corp. 2.5%, October 15, 2011	5,000	5,000
Presbyterian Church Bld. Corp. 2.5%, October 15, 2012	5,000	5,000
Presbyterian Church Bld. Corp. 2.5%, October 15, 2013	5,000	5,000
Presbyterian Church Bld. Corp. 2.5%, October 15, 2014	5,000	5,000
Presbyterian Church Bld. Corp. 2.5%, October 15, 2015	5,000	-
	47,603	47,605
<b>Equities and mutual funds</b>		
5,000 Adanac Molybdenum Corp.	325	350
500 Bank of Nova Scotia	28,550	24,610
1,098 Bell Canada Enterprises	38,803	31,842
53 First Quantum Minerals	5,724	-
500 Major Drilling Group Intl.	20,775	14,385
128 Suncor Energy	4,900	4,763
1,400 Royal Bank	73,248	78,960
1,000 TD Bank	74,250	65,960
100 Telus Corp.	4,548	3,411
6,489 Trimark Fund	162,560	154,792
	413,683	379,073
<b>Income trust units</b>		
800 Arc Energy	20,327	15,952
1,500 Canadian Oil Sands	39,675	44,865
1,000 Consumers Water Heater	6,820	4,190
800 H & R REIT	15,544	12,360
1,000 Riocan REIT	22,000	19,850
1,000 YellowPages	6,200	5,380
	110,566	102,597
<b>Total pooled investments</b>	<b>\$ 715,332</b>	<b>\$ 703,935</b>
<b>Allocated as follows:</b>		
Facilities fund	\$ 257,067	\$ 246,915
MM & A Fund	441,620	440,375
Cargill Memorial Fund	16,645	16,645
	<b>\$ 715,332</b>	<b>\$ 703,935</b>

See accompanying notes