

**ST. ANDREW'S-WESLEY CHURCH**

Vancouver, B.C.

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NON-CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2015

## REVIEW ENGAGEMENT REPORT

To the Board and Trustees of St. Andrew's-Wesley Church:

We have reviewed the non-consolidated balance sheet of St. Andrew's-Wesley Church as at December 31, 2015 and the non-consolidated statements of revenues and expenditures, 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 inquiry, analytical procedures and discussion related to information supplied to us by the church officers.

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 non-consolidated financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit-organizations.

We have not reviewed the budget information included and consequently do not comment on that information.

*"Wolrige Mahon LLP"*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.  
June 7, 2016

# ST. ANDREW'S-WESLEY CHURCH

## NON-CONSOLIDATED STATEMENT OF REVENUES AND EXPENDITURES

(unaudited)

For the year ended December 31, 2015

	Operating Fund Budget	Operating Fund Actual	Endowment Funds	Restricted Funds	2015	2014
		(Schedule 1)	(Schedule 3)	(Schedule 3)		(Restated) (Note 2)
	\$	\$	\$	\$	\$	\$
<b>Revenues</b>						
Investments (Note 5)	-	775,735	136,467	27,741	939,943	625,903
Core Church funding	310,000	303,431	-	-	303,431	291,185
Open donations	49,000	43,485	5,100	139,136	187,721	333,537
Service donations	16,500	15,032	-	-	15,032	9,899
Program donations	25,000	27,735	-	-	27,735	25,287
Bequests	-	-	-	-	-	325,000
Use of facilities	93,000	153,087	-	-	153,087	134,985
Mission and Service Fund	-	24,211	-	-	24,211	31,504
Other	6,000	2,215	-	-	2,215	416
	<b>499,500</b>	<b>1,344,931</b>	<b>141,567</b>	<b>166,877</b>	<b>1,653,375</b>	<b>1,777,716</b>
<b>Expenditures</b>						
Ministry (Schedule 5)	449,337	525,653	-	-	525,653	506,361
Operations (Schedule 6)	556,758	591,975	-	-	591,975	538,187
Other	-	48,397	1,000	46,783	96,180	167,032
	<b>1,006,095</b>	<b>1,166,025</b>	<b>1,000</b>	<b>46,783</b>	<b>1,213,808</b>	<b>1,211,580</b>
Excess (deficiency) of revenues over expenditures before other items	<b>(506,595)</b>	<b>178,906</b>	<b>140,567</b>	<b>120,094</b>	<b>439,567</b>	<b>566,136</b>
Amortization of property and equipment	-	(76,321)	-	-	(76,321)	(81,424)
Unrealized change in fair value of portfolio investments	-	(336,237)	(105,242)	(22,673)	(464,152)	91,737
Earnings (loss) of wholly- owned subsidiary (Note 5)	-	192,713	-	-	192,713	(123,924)
Excess (deficiency) of revenues over expenditures	<b>(506,595)</b>	<b>(40,939)</b>	<b>35,325</b>	<b>97,421</b>	<b>91,807</b>	<b>452,525</b>

The accompanying notes are an integral part of these financial statements.

# ST. ANDREW'S-WESLEY CHURCH

## NON-CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES (unaudited)

For the year ended December 31, 2015

	Operating Fund (Schedule 2) \$	Endowment Funds (Schedule 4) \$	Restricted Funds (Schedule 4) \$	Internally Restricted Reserve Fund \$	2015 \$	2014 (Restated) (Note 2) \$
Fund balances, beginning as previously reported	7,426,902	1,219,656	298,558	-	8,945,116	8,635,091
Prior period adjustments (Note 2)	(7,500)	-	150,000	-	142,500	-
	150,000	-	(150,000)	-	-	-
	<u>(2,993,203)</u>	<u>-</u>	<u>-</u>	<u>2,993,203</u>	<u>-</u>	<u>-</u>
Fund balances, beginning as restated	4,576,199	1,219,656	298,558	2,993,203	9,087,616	8,635,091
Excess (deficiency) of revenues over expenditures	(40,939)	35,325	97,421	-	91,807	452,525
Interfund transfers						
Amounts designated for operating expenses	425,454	(16,539)	(454)	(408,461)	-	-
Prior year amounts designated for restricted funds	(5,144)	-	5,144	-	-	-
Amounts designated for internally restricted reserve fund	(638,878)	(8,117)	-	646,995	-	-
Purchase of property and equipment	193,004	-	(36,683)	(156,321)	-	-
	<u>(25,564)</u>	<u>(24,656)</u>	<u>(31,993)</u>	<u>82,213</u>	<u>-</u>	<u>-</u>
Fund balances, ending	4,509,696	1,230,325	363,986	3,075,416	9,179,423	9,087,616

The accompanying notes are an integral part of these financial statements.

# ST. ANDREW'S-WESLEY CHURCH

## NON-CONSOLIDATED BALANCE SHEET

(unaudited)

December 31, 2015

	Operating Fund	Endowment Funds	Restricted Funds	Internally Restricted Reserve Fund	2015 Total	2014 Total (Restated) (Note 2)
	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>						
Cash	118,043	-	-	33,885	151,928	213,184
Accounts receivable	1,733	-	9,385	607	11,725	26,289
Interest receivable	-	-	-	2,131	2,131	2,192
Prepaid expenses	24,021	-	-	-	24,021	23,361
Interfund balances (Note 3)	(129,736)	(12,497)	(310,145)	452,378	-	-
Portfolio investments (Note 4)	-	1,242,822	664,746	2,586,415	4,493,983	4,295,739
Investment in wholly-owned subsidiary (Note 5)	2,260,234	-	-	-	2,260,234	2,467,523
Property and equipment (Note 6)	2,272,001	-	-	-	2,272,001	2,152,603
	<b>4,546,296</b>	<b>1,230,325</b>	<b>363,986</b>	<b>3,075,416</b>	<b>9,216,023</b>	<b>9,180,891</b>
<b>LIABILITIES</b>						
Accounts payable	34,200	-	-	-	34,200	90,370
Deferred revenue	2,400	-	-	-	2,400	2,905
	<b>36,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,600</b>	<b>93,275</b>
<b>FUND BALANCES</b>	<b>4,509,696</b>	<b>1,230,325</b>	<b>363,986</b>	<b>3,075,416</b>	<b>9,179,423</b>	<b>9,087,616</b>
	<b>4,546,296</b>	<b>1,230,325</b>	<b>363,986</b>	<b>3,075,416</b>	<b>9,216,023</b>	<b>9,180,891</b>

*Commitments (Note 9)*

Approved by:

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Seth Daniel Watson  
Board Chair

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Patricia Stevens  
Executive Director, Operations

*The accompanying notes are an integral part of these financial statements.*

# ST. ANDREW'S-WESLEY CHURCH

## NON-CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

For the year ended December 31, 2015

	2015 \$	2014 \$ (Restated) (Note 2)
<b>Cash flows related to operating activities</b>		
Excess of revenues over expenditures	91,807	452,525
Adjustments for items not affecting cash:		
Amortization of property and equipment	76,321	81,424
Change in fair value of portfolio investments	464,152	(91,737)
Losses (earnings) of wholly-owned subsidiary	(192,713)	123,924
Reinvestment of income in portfolio investments	(597,396)	(284,699)
	<u>(157,829)</u>	<u>281,437</u>
Changes in non-cash working capital:		
Accounts receivable	14,564	(23,016)
Interest receivable	61	1,566
Prepaid expenses	(660)	(2,456)
Accounts payable	(56,170)	6,998
Deferred revenue	(505)	130
	<u>(200,539)</u>	<u>264,659</u>
<b>Cash flows related to investing activities</b>		
Proceeds on disposition of portfolio investments	2,335,000	490,000
Purchase of portfolio investments	(2,400,000)	(200,000)
Purchase of property and equipment	(195,717)	(549,124)
Repayments of accrued interest receivable from subsidiary	400,000	-
	<u>139,283</u>	<u>(259,124)</u>
Net increase (decrease) in cash	(61,256)	5,535
Cash, beginning	213,184	207,649
Cash, ending	<u>151,928</u>	<u>213,184</u>
<b>Cash represented by:</b>		
Cash - general fund	118,043	104,688
Cash - internally restricted reserve fund	33,885	108,496
	<u>151,928</u>	<u>213,184</u>

*The accompanying notes are an integral part of these financial statements.*

# ST. ANDREW'S-WESLEY CHURCH

## NOTES

(unaudited)

For the year ended December 31, 2015

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St. Andrew's-Wesley Church (the "Church") exists for the benefit of its congregation and is part of the United Church of Canada. The Church is formed under the United Church of Canada Act and is a registered charity under the *Income Tax Act*.

The General fund budget information included in the non-consolidated statement of revenues and expenditures is prepared by management and is not reviewed by the accountants.

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### Note 1 Significant Accounting Policies

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These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### **Fund Accounting**

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

The Operating Fund accounts for the Church's administrative activities, investment in Wesley Place, and property and equipment. This fund reports unrestricted resources. For information purposes, the property and equipment and investments are presented separately in Schedules 1 & 2.

The Internally Restricted Reserve Fund accounts for contributions restricted by the Church Board of Trustees and Church Board to be used at its discretion.

Restricted Funds account for contributions received by the Church where external restrictions are placed on the use of the funds.

Endowment Funds account for contributions received by the Church where external restrictions are placed on the use of the income and the capital may not be disbursed.

The following funds are restricted funds. Both the income and capital are available for use for the purpose designated.

#### Ministry - Restricted Funds

##### Healing Fund

The capital and the income of this fund are to be used to respond to the immediate needs of those in our midst and to work to heal the root causes of these challenges.

##### Memorial Gifts Fund

This fund was established to receive gifts which may be used to establish memorials. Income and capital may be disbursed to provide memorials.

##### United Church Women Fund

This fund was established from a bequest. The income and the capital of this fund are to be used at the discretion of the United Church Women.

#### Operations - Restricted Funds

##### Anna Lam Fund

This fund was established by the family of Anna Lam. The capital and income of the fund are to be distributed at the discretion of the family.

##### Bob Franken Memorial Fund

This fund was established by a donation from the family of Bob Franken. The capital and the income of the fund are to be used to extend the existing exterior church lighting.

# ST. ANDREW'S-WESLEY CHURCH

## NOTES

(unaudited)

For the year ended December 31, 2015

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### Note 1 Significant Accounting Policies (continued)

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#### Capital Campaign Fund

The capital and income of the fund are to be used for capital improvements at the discretion of the Church.

#### Dream Fund

This fund was established from fundraising to cover special initiatives of the Church that are not budgeted for.

#### Mary Wattum Organ Upgrade Fund

This fund was established from a bequest by the estate of Mary Wattum. The capital and income of the fund are to be used to make upgrades to the sanctuary organ.

#### Other Restricted Funds (Note 8)

These funds represent contributions received by the Church which are designated for programs carried on in the community by the Church and other organizations.

The following funds are endowment funds. The capital of the endowment funds may not be disbursed.

#### Ministry - Endowment Funds

##### Bob Shank Fund

The income of this fund is to provide assistance for education purposes.

##### Cunningham Theological Foundation Fund

The income of this fund is to be used to memorialize the Reverend Dr. R.R. Cunningham.

##### Elizabeth Rogers Endowment Fund

The income of this fund is to be used for the Church choir.

##### Jonathan Rogers Endowment Fund

The income of this fund is to provide assistance to the needy poor and the needy ill in the community served by the Church.

##### Marnie Tunbridge Children's Fund

The income of this fund is to be used, as required, to assist to pay for the salary and expenses of a student minister, to support the Sunday School program, and to help pay for the expenses of a childrens' minister.

#### Operations - Endowment Funds

##### East Window Fund

The income of this fund is to be used for the maintenance and lighting of the east window.

##### Heritage Building Maintenance Fund

The income of this fund is to be used to assist in funding the maintenance costs of the Church.

##### St. Andrew's Property Fund

The income of this fund is available for current general expenditures of the congregation. The fund capital may only be disbursed with the consent of the Vancouver Burrard Presbytery.

##### St. Andrew's-Wesley General Endowment Fund

The income of this fund is to be used for current general expenditures of the congregation.



# ST. ANDREW'S-WESLEY CHURCH

## NOTES

(unaudited)

For the year ended December 31, 2015

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### Note 1 Significant Accounting Policies (continued)

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#### Investment in Wholly-owned Subsidiary

The investment in the wholly-owned subsidiary is accounted for using the equity method. Under this method, the carrying value of the investment is increased (decreased) by the Church's share of the subsidiary's earnings (losses) and is reduced by dividends paid by the subsidiary to the Church.

#### Property and Equipment

Property and equipment are carried at cost less accumulated amortization. Amortization is calculated at the following annual rates:

St. Andrew's-Wesley Church building	- Not amortized
Sanctuary organ	- 40 years straight-line
Equipment and furnishings	- 5 years straight-line
Leasehold improvements	- Straight-line over the term of the lease
Building improvements	- 20 years straight-line
Chapel organ	- 40 years straight-line

The St. Andrew's-Wesley Church building is a designated Heritage Building. This designation prohibits the Church from razing the building and restricts the Church's ability to alter the structure. Therefore, the building has a virtually unlimited useful life and is not amortized for accounting purposes.

Included in building improvements are assets with a cost of \$14,028 that are under construction and are not amortized.

#### Revenue Recognition

Revenues from core Church funding, donations, bequests, and use of facilities are recorded when received.

Restricted contributions relating to all funds are recognized as revenues of the funds in the year received.

Restricted and unrestricted investment and interest income are recognized as revenue of the appropriate fund in the year in which the income is earned. Interest is recognized on a time proportion basis, dividends when declared and gains and losses when dispositions occur.

#### Financial Instruments

##### *Measurement of financial instruments*

The Church measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions. Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in the statement of revenues and expenditures when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of transaction costs directly attributable to the acquisition of the instrument.

The Church subsequently measures all of its financial assets and financial liabilities at amortized cost except for portfolio investments quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of revenues and expenditures.

Portfolio investments include equity instruments quoted in an active market that are required to be measured at fair value and other non-equity investments that the Church has elected to measure at fair value.

# ST. ANDREW'S-WESLEY CHURCH

## NOTES

(unaudited)

For the year ended December 31, 2015

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### Note 1 Significant Accounting Policies (continued)

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#### Financial Instruments (continued)

##### *Impairment*

Financial assets measured at amortized cost are assessed for indications of impairment at the end of each reporting period. If impairment is identified, the amount of the write-down is recognized as an impairment loss in the statement of revenues and expenditures. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenues and expenditures.

#### Contributed Services and Materials

A number of volunteers contribute a significant amount of their time and services to the Church each year. Because of the difficulty in determining fair value, these contributed services are not recognized in the financial statements. The Church records the fair value of contributed materials at the time of receipt, where such fair value is determinable, and the materials would otherwise have been purchased. The Church did not receive any such contributed materials in the years ending 2015 and 2014.

#### Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of 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. The main estimates relate to the useful life of property and equipment.

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### Note 2 Prior Period Restatement

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In 2014, the Church received a contribution of \$150,000 restricted for use on building improvements. As the Church did not have a separate restricted fund for such contributions, the contribution was recognized in the operating fund under the deferral method. Revenue of \$7,500 was recognized in 2014 on a basis consistent with the amortization policy for building improvements, and the balance of \$142,500 was recorded as a deferred contribution at December 31, 2014. In the current year, the Capital Campaign Fund was established for contributions restricted for building improvements and, accordingly, the prior year financial statements have been restated to recognize the contribution of \$150,000 as revenue in the Capital Campaign Fund in fiscal 2014, the year of receipt. As the funds were used for building improvements, the \$150,000 was transferred from the Restricted Funds to the Operating Fund.

If the contribution had been accounted for under the previous accounting policy in fiscal 2015, operating fund revenues would increase by \$7,500, beginning operating fund balance would decrease by \$142,500, and there would be a deferred capital contribution of \$135,000 on the balance sheet.

In addition, it was recognized that internally restricted funds should be disclosed separately. As a result, the Other Bequests Fund in the amount of \$2,993,203 was transferred to the Internally Restricted Reserve Fund.

# ST. ANDREW'S-WESLEY CHURCH

## NOTES

(unaudited)

For the year ended December 31, 2015

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### Note 2 Prior Period Restatement (continued)

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The restatement had the following effects:

	Previously reported 2014	Increase (decrease)	Restated 2014
	\$	\$	\$
<b>Non-consolidated statement of revenues and expenditures</b>			
Open donations	183,537	150,000	333,537
Amortization of deferred capital contributions	7,500	(7,500)	-
<b>Non-consolidated statement of changes in fund balances</b>			
Operating fund, ending	7,426,902	142,500	4,576,199
		(2,993,203)	
Internally restricted reserve fund, ending	-	2,993,203	2,993,203
<b>Non-consolidated balance sheet</b>			
Deferred capital contributions	142,500	(142,500)	-

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### Note 3 Interfund Balances

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No terms and conditions are associated with the interfund balances.

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### Note 4 Portfolio Investments

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	2015 Market Value \$	2014 Market Value \$
Cash and cash equivalents	128,354	297,976
Bonds and debentures	1,095,413	1,648,566
Common stocks	1,289,650	2,349,197
Mutual funds	1,980,566	-
	<u>4,493,983</u>	<u>4,295,739</u>

## ST. ANDREW'S-WESLEY CHURCH

### NOTES

(unaudited)

For the year ended December 31, 2015

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#### Note 5 Investment in Wholly-owned Subsidiary

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St. Andrew's-Wesley Church incorporated Wesley Place Ltd., a wholly-owned subsidiary, on March 29, 2000 to construct and market a rental building on the site formerly occupied by the Christian Education Building. This subsidiary company has not been consolidated in these financial statements since, in the opinion of the Church trustees and council, this project is not part of the Church's core activity or mission. The rental property is intended to be a long-term source of operating cash.

In 2000, the Church sold the Christian Education site to its subsidiary for \$5,700,000. The sale price bears interest at 6% per annum, is secured by a second mortgage and is due in 2020.

During the year, \$342,000 (2014: \$342,000) in interest was received from Wesley Place Ltd. This has been reported as operating fund investment revenue.

During the year, \$144,519 (2014: \$135,726) of rental expenses was paid to Wesley Place Ltd. This has been reported as an operating fund operations expenditure.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The investment in Wesley Place Ltd. consists of the following:

	Dec 31, 2015 \$	Dec 31, 2014 \$
Share, at cost	1	1
Accrued interest receivable	2,614,170	3,014,170
Loan receivable	5,700,085	5,700,085
Accumulated losses	(6,054,022)	(6,246,733)
	<u>2,260,234</u>	<u>2,467,523</u>

The condensed statement of earnings for the years ended December 31, 2015 and December 31, 2014, reflecting 100% of the wholly-owned subsidiary, is as follows:

	2015 \$	2014 \$
Revenue	4,071,266	3,882,842
Expenses	3,668,553	3,876,766
	<u>402,713</u>	6,076
Earnings before income taxes		
Future income tax expense	210,000	130,000
	<u>192,713</u>	<u>(123,924)</u>

## ST. ANDREW'S-WESLEY CHURCH

### NOTES

(unaudited)

For the year ended December 31, 2015

#### Note 5 Investment in Wholly-owned Subsidiary (continued)

The condensed balance sheet, reflecting 100% of the wholly-owned subsidiary, is as follows:

	<b>Dec 31, 2015</b>	Dec 31, 2014
	<b>\$</b>	<b>\$</b>
Total assets	<b>27,439,971</b>	28,171,416
Total liabilities	<b>33,493,991</b>	34,418,149
Share capital and deficit	<b>(6,054,020)</b>	(6,246,733)
	<b>27,439,971</b>	28,171,416

The condensed statement of cash flows for the years ended December 31, 2015 and December 31, 2014, reflecting 100% of the wholly-owned subsidiary, is as follows:

	<b>2015</b>	2014
	<b>\$</b>	<b>\$</b>
Cash flows related to operating activities	<b>1,244,426</b>	883,833
Cash flows related to investing activities	<b>(422,994)</b>	(26,326)
Cash flows related to financing activities	<b>(1,150,735)</b>	(715,887)
Net increase (decrease) in cash	<b>(329,303)</b>	141,620
Cash, beginning	<b>1,125,746</b>	984,126
Cash, ending	<b>796,443</b>	1,125,746

#### Note 6 Property and Equipment

	<b>2015</b>			2014		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>	Cost	Accumulated Amortization	Net
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	<b>92,884</b>	-	<b>92,884</b>	92,884	-	92,884
St. Andrew's-Wesley Church building	<b>939,898</b>	-	<b>939,898</b>	939,898	-	939,898
Sanctuary organ	<b>770,874</b>	<b>336,037</b>	<b>434,837</b>	770,874	316,765	454,109
Building improvements	<b>844,787</b>	<b>81,579</b>	<b>763,208</b>	651,782	40,041	611,741
Equipment and furnishings	<b>383,620</b>	<b>373,411</b>	<b>10,209</b>	380,906	362,078	18,828
Leasehold improvements	<b>342,489</b>	<b>338,251</b>	<b>4,238</b>	342,489	335,882	6,607
Chapel organ	<b>72,365</b>	<b>45,638</b>	<b>26,727</b>	72,365	43,829	28,536
	<b>3,446,917</b>	<b>1,174,916</b>	<b>2,272,001</b>	3,251,198	1,098,595	2,152,603

# ST. ANDREW'S-WESLEY CHURCH

## NOTES

(unaudited)

For the year ended December 31, 2015

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### Note 7 Financial Instruments

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Items that meet the definition of a financial instrument include cash, accounts receivable, interest receivable, portfolio investments, and accounts payable.

The following is a summary of the significant financial instrument risks:

#### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Church is exposed to liquidity risk arising primarily from its accounts payable.

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Church is exposed to credit risk in connection with its accounts receivable.

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the Church is not exposed to significant currency risk.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The fair values of fixed rate financial instruments are subject to change, since fair values fluctuate inversely with changes in market interest rates. The cash flows related to floating rate financial instruments change as market interest rates change. The Church is exposed to interest rate risk with respect to the cash and cash equivalents, bonds and debentures, and mutual funds included in its portfolio investments and the loan receivable from Wesley Place Ltd., which bear interest at fixed rates and are subject to changes in fair value.

#### **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Church is exposed to other price risk in respect of the bonds and debentures, mutual funds, and common stock included in its portfolio investments.

## ST. ANDREW'S-WESLEY CHURCH

### NOTES

(unaudited)

For the year ended December 31, 2015

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#### Note 8 Other Restricted Funds (Schedule 4)

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	\$
Benevolent Ministers Fund	3,310
Camp Spirit	640
Empty Suitcase Project	413
Fair Trade Coffee	1,340
First United Sandwiches	1,520
Flower Fund	469
Healing Touch	1,208
Jazz Vespers Fund	6,906
Jerry Wennes Fund	2,220
Memorial Garden	1,410
Men's Breakfast	464
Music Bursary Fund	(246)
Pet Blessing Service	391
Refugee Fund	86,762
Word is Out	2,072
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	<b>108,879</b>
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#### Note 9 Commitments

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The basic rent obligation under the premises lease with Wesley Place Ltd., a wholly-owned subsidiary, is as follows:

	\$
2016	103,260
2017	86,050
	<hr/>
	<b>189,310</b>
	<hr/>

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#### Note 10 Comparative Figures

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Certain 2014 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2015.

**ST. ANDREW'S-WESLEY CHURCH**

Schedule 1

SCHEDULE OF OPERATING FUND REVENUES AND EXPENDITURES  
(unaudited)

For the year ended December 31, 2015

	Operating Fund	Property and Equipment and Investments	Operating Fund Total
<b>Revenues</b>			
Investments (Note 5)	-	775,735	775,735
Core Church funding	303,431	-	303,431
Open donations	43,485	-	43,485
Service donations	15,032	-	15,032
Program donations	27,735	-	27,735
Use of facilities	153,087	-	153,087
Mission and Service Fund	24,211	-	24,211
Other	2,215	-	2,215
	569,196	775,735	1,344,931
<b>Expenditures</b>			
Ministry (Schedule 5)	525,653	-	525,653
Operations (Schedule 6)	591,975	-	591,975
Other	48,397	-	48,397
	1,166,025	-	1,166,025
Excess (deficiency) of revenues over expenditures before other items	(596,829)	775,735	178,906
Amortization of property and equipment	-	(76,321)	(76,321)
Unrealized change in fair value of portfolio investments	-	(336,237)	(336,237)
Earnings of wholly-owned subsidiary	-	192,713	192,713
	(596,829)	555,890	(40,939)

*The accompanying notes are an integral part of these financial statements.*



**ST. ANDREW'S-WESLEY CHURCH**  
 SCHEDULE OF CHANGES IN OPERATING FUND BALANCES  
 (unaudited)

Schedule 2

For the year ended December 31, 2015

	Operating Fund	Property and Equipment and Investments	Operating Fund Total
Fund balances (deficit), beginning, as reallocated and previously stated	2,806,776	4,620,126	7,426,902
Prior period adjustments (Note 2)	-	(7,500)	(7,500)
	-	150,000	150,000
	(2,993,203)	-	(2,993,203)
Fund balances (deficit), beginning, as restated	(186,427)	4,762,626	4,576,199
Excess (deficiency) of revenues over expenditures	(596,829)	555,890	(40,939)
Interfund transfers			
Amounts designated for operating expenses	425,454	-	425,454
Prior year amounts designated for restricted funds	(5,144)	-	(5,144)
Amounts designated for internally restricted reserve fund	(238,878)	(400,000)	(638,878)
Purchase of property and equipment	(2,713)	195,717	193,004
	178,719	(204,283)	(25,564)
Fund balances, ending	(604,537)	5,114,233	4,509,696

*The accompanying notes are an integral part of these financial statements.*

**ST. ANDREW'S-WESLEY CHURCH**
**Schedule 3**
**SCHEDULE OF RESTRICTED AND ENDOWMENT FUND REVENUES AND EXPENDITURES**

(unaudited)

For the year ended December 31, 2015

	Revenues			Expenditures Other	Excess (deficiency) of revenues over expenditures before other items	Unrealized change in fair value of portfolio investments	Excess (deficiency) of revenues over expenditures
	Investments	Open Donations	Total				
<b>Endowment Funds</b>							
Ministry Funds							
Bob Shank Fund	611	-	611	-	611	(471)	140
Cunningham Theological Foundation Fund	7,436	-	7,436	1,000	6,436	(5,735)	701
Elizabeth Rogers Endowment Fund	2,723	-	2,723	-	2,723	(2,100)	623
Jonathan Rogers Endowment Fund	2,728	-	2,728	-	2,728	(2,104)	624
Marnie Tunbridge Children's Fund	65,063	-	65,063	-	65,063	(50,176)	14,887
Operations Funds							
East Window Fund	557	-	557	-	557	(429)	128
Heritage Building Maintenance Fund	21,873	5,100	26,973	-	26,973	(16,868)	10,105
St. Andrew's Property Fund	703	-	703	-	703	(542)	161
St. Andrew's Wesley General Endowment Fund	34,773	-	34,773	-	34,773	(26,817)	7,956
<b>Endowment Funds Subtotal</b>	<b>136,467</b>	<b>5,100</b>	<b>141,567</b>	<b>1,000</b>	<b>140,567</b>	<b>(105,242)</b>	<b>35,325</b>
<b>Restricted Funds</b>							
Ministry Funds							
Healing Fund	2,576	1,455	4,031	-	4,031	(3,052)	979
Memorial Gifts Fund	5,671	782	6,453	-	6,453	(4,444)	2,009
United Church Women Fund	280	-	280	2,929	(2,649)	(277)	(2,926)
Operations Funds							
Anna Lam Fund	2,173	375	2,548	-	2,548	(1,703)	845
Bob Franken Memorial Fund	4,317	1,160	5,477	-	5,477	(3,383)	2,094
Capital Campaign Fund	-	5,000	5,000	-	5,000	-	5,000
Dream Fund	48	2,861	2,909	-	2,909	(38)	2,871
Mary Watum Organ Upgrade Fund	12,676	-	12,676	-	12,676	(9,776)	2,900
Other Restricted Funds (Note 8)	-	127,503	127,503	43,854	83,649	-	83,649
<b>Restricted Funds Subtotal</b>	<b>27,741</b>	<b>139,136</b>	<b>166,877</b>	<b>46,783</b>	<b>120,094</b>	<b>(22,673)</b>	<b>97,421</b>
<b>Restricted and Endowment Funds Total</b>	<b>164,208</b>	<b>144,236</b>	<b>308,444</b>	<b>47,783</b>	<b>260,661</b>	<b>(127,915)</b>	<b>132,746</b>

*The accompanying notes are an integral part of these financial statements*

**ST. ANDREW'S-WESLEY CHURCH**
**Schedule 4**
**SCHEDULE OF CHANGES IN RESTRICTED AND ENDOWMENT FUND BALANCES**

(unaudited)

For the year ended December 31, 2015

	Nondistributable capital, beginning and ending	Distributable capital, beginning	Excess (deficiency) of revenues over expenditures	Interfund transfers	Distributable capital, ending	Fund balances, ending
<b>Endowment Funds</b>						
Ministry Funds						
Bob Shank Fund	4,823	839	140	-	979	5,802
Cunningham Theological Foundation Fund	58,665	17,715	701	-	18,416	77,081
Elizabeth Rogers Endowment Fund	21,481	11,957	623	-	12,580	34,061
Jonathan Rogers Endowment Fund	21,521	6,815	624	-	7,439	28,960
Marnie Tunbridge Children's Fund	487,601	91,466	14,887	(16,539)	89,814	577,415
Operations Funds						
East Window Fund	4,394	8,716	128	-	8,844	13,238
Heritage Building Maintenance Fund	172,555	31,246	10,105	-	41,351	213,906
St. Andrew's Property Fund	-	5,544	161	(161)	5,544	5,544
St. Andrew's Wesley General Endowment Fund	274,318	-	7,956	(7,956)	-	274,318
<b>Endowment Funds Subtotal</b>	<b>1,045,358</b>	<b>174,298</b>	<b>35,325</b>	<b>(24,656)</b>	<b>184,967</b>	<b>1,230,325</b>
<b>Restricted Funds</b>						
Ministry Funds						
Healing Fund	-	50,000	979	-	50,979	50,979
Memorial Gifts Fund	-	43,653	2,009	-	45,662	45,662
United Church Women Fund	-	2,926	(2,926)	-	-	-
Operations Funds						
Anna Lam Fund	-	16,726	845	5,000	22,571	22,571
Bob Franken Memorial Fund	-	33,236	2,094	(29,996)	5,334	5,334
Capital Campaign Fund	-	-	5,000	(5,000)	-	-
Dream Fund	-	369	2,871	250	3,490	3,490
Mary Wattum Organ Upgrade Fund	-	113,453	2,900	10,718	127,071	127,071
Other Restricted Funds (Note 8)	-	38,195	83,649	(12,965)	108,879	108,879
<b>Restricted Funds Subtotal</b>	<b>-</b>	<b>298,558</b>	<b>97,421</b>	<b>(31,993)</b>	<b>363,986</b>	<b>363,986</b>
<b>Restricted and Endowment Funds Total</b>	<b>1,045,358</b>	<b>472,856</b>	<b>132,746</b>	<b>(56,649)</b>	<b>548,953</b>	<b>1,594,311</b>

*The accompanying notes are an integral part of these financial statements*

**ST. ANDREW'S-WESLEY CHURCH****Schedule 5**

## SCHEDULE OF MINISTRY EXPENDITURES

(unaudited)

For the year ended December 31, 2015

	2015	2014
	\$	\$
Christian Development Faith Foundation	31,703	25,520
Community events and promotion	5,328	3,520
Justice and social action	17,868	9,797
Hospitality	9,822	8,436
Membership	961	520
Ministry	376,965	375,375
Mission and service	24,211	31,575
Music	35,035	31,791
Worship	23,760	19,827
<b>Total Ministry Expenditures</b>	<b>525,653</b>	<b>506,361</b>

## SCHEDULE OF OPERATIONS EXPENDITURES

**Schedule 6**

(unaudited)

For the year ended December 31, 2015

	2015	2014
	\$	\$
Administrative	11,849	10,863
Building	92,020	91,870
Communications	8,407	10,643
Executive	5,085	720
Financial expenses	16,829	16,307
Information technology	3,535	548
Lease office space (Note 5)	144,519	135,726
Personnel	271,602	229,927
Stewardship and campaign	314	6,720
Subscriptions and fees	37,815	34,863
<b>Total Operations Expenditures</b>	<b>591,975</b>	<b>538,187</b>

*The accompanying notes are an integral part of these financial statements.*