

**WORLD ALLIANCE OF REFORMED CHURCHES  
CARIBBEAN AND NORTH AMERICAN AREA COUNCIL**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2010**

Independent Auditors' Report

Statement of Financial Position

Statement of Operations and Change in Net Assets

Statement of Cash Flow

Notes to Financial Statements

Schedule of Contributions from Member Churches

## **INDEPENDENT AUDITORS' REPORT**

To the Members of World Alliance of Reformed Churches  
Caribbean and North American Area Council

We have audited the accompanying financial statements of the World Alliance of Reformed Churches Caribbean and North American Area Council which comprise the statement of financial position as at December 31, 2010, and the statements of operations and change in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

In common with many charitable organizations, the organization derives revenue from contributions the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue and net assets.

**Qualified Opinion**

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects the financial position of the organization as at December 31, 2010 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

*Secker, Ross & Perry*

Chartered Accountants  
Licenced Public Accountants  
Kingston, Ontario  
February 4, 2011

**WORLD ALLIANCE OF REFORMED CHURCHES  
CARIBBEAN AND NORTH AMERICAN AREA COUNCIL**

**STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2010**

|  | <b><u>2010</u></b><br>(\$US) | <b><u>2009</u></b><br>(\$US) |
|--|------------------------------|------------------------------|
| <b>Assets</b>                            |                              |                              |
| Current Assets                           |                              |                              |
| Cash                                     | \$ 63,091                    | \$ 47,419                    |
| Money market funds                       | -                            | 62,231                       |
| Accounts receivable                      | <u>-</u>                     | <u>2,813</u>                 |
|  | <b><u>\$ 63,091</u></b>      | <b><u>\$112,463</u></b>      |
| <br><b>Liabilities</b>                   |                              |                              |
| Current Liabilities                      |                              |                              |
| Accounts payable and accrued liabilities | <u>\$ 1,500</u>              | <u>\$ 1,500</u>              |
| <br><b>Net Assets</b>                    |                              |                              |
| Unrestricted Net Assets                  | <u>61,591</u>                | <u>110,963</u>               |
|  | <b><u>\$ 63,091</u></b>      | <b><u>\$112,463</u></b>      |

Approved on behalf of the Council

Member

Member

See accompanying notes to financial statements.

**WORLD ALLIANCE OF REFORMED CHURCHES  
CARIBBEAN AND NORTH AMERICAN AREA COUNCIL**

**STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS**

**YEAR ENDED DECEMBER 31, 2010**

|  | <u><b>2010</b></u><br>(\$US) | <u><b>2009</b></u><br>(\$US) |
|--|------------------------------|------------------------------|
| <b>Revenues</b>  |                              |                              |
| Contributions from member churches (schedule)            | \$ 5,878                     | \$ 48,039                    |
| Interest   | 28                           | 235                          |
| Foreign exchange gain                                    | <u>349</u>                   | <u>1,421</u>                 |
|  | <u>6,255</u>                 | <u>49,695</u>                |
| <b>Expenses</b>  |                              |                              |
| Bank charges   | 205                          | 285                          |
| Conferences (schedule)                                   | 40,439                       | 70,288                       |
| Office   | 25                           | 1,060                        |
| Professional fees  | 1,426                        | 1,081                        |
| Telephone  | 1,532                        | 296                          |
| Travel   | -                            | 1,291                        |
| WCRC endowment   | <u>12,000</u>                | <u>-</u>                     |
|  | <u>55,627</u>                | <u>74,301</u>                |
| <b>Deficiency of revenues over expenses for the year</b> | (49,372)                     | ( 24,606)                    |
| Unrestricted net assets at beginning of year             | <u>110,963</u>               | <u>135,569</u>               |
| <b>Unrestricted net assets at end of year</b>            | <u><b>\$ 61,591</b></u>      | <u><b>\$ 110,963</b></u>     |

See accompanying notes to financial statements.

**WORLD ALLIANCE OF REFORMED CHURCHES  
CARIBBEAN AND NORTH AMERICAN AREA COUNCIL**

**STATEMENT OF CASH FLOW**

**YEAR ENDED DECEMBER 31, 2010**

|  | <u><b>2010</b></u><br>(\$US) | <u><b>2009</b></u><br>(\$US) |
|--|------------------------------|------------------------------|
| <b>Cash flow from (used in) operating activities</b> |                              |                              |
| Deficiency of revenues over expenses for the year    | \$( 49,372)                  | \$( 24,606)                  |
| Changes in non-cash working capital balances         |                              |                              |
| Accounts receivable                                  | <u>2,813</u>                 | <u>( 2,813)</u>              |
| <b>Net decrease in cash</b>                          | ( 46,559)                    | ( 27,419)                    |
| <b>Cash at beginning of year</b>                     | <u>109,650</u>               | <u>137,069</u>               |
| <b>Cash at end of year</b>                           | <u><u>\$ 63,091</u></u>      | <u><u>\$ 109,650</u></u>     |
| <b>Represented by:</b>                               |                              |                              |
| Cash   | \$ 63,091                    | \$ 47,419                    |
| Money market funds                                   | <u>-</u>                     | <u>62,231</u>                |
|  | <u><u>\$ 63,091</u></u>      | <u><u>\$ 109,650</u></u>     |

See accompanying notes to financial statements.

**WORLD ALLIANCE OF REFORMED CHURCHES  
CARIBBEAN AND NORTH AMERICAN AREA COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2010**

**1. Purpose of Organization**

The Caribbean and North American Area Council is the regional expression of the World Alliance of Reformed Churches in the region of the Caribbean, USA and Canada. Its purpose is to develop directions for the activities, mission, theological research and reflection of this regional council during the period between World Alliance of Reformed Churches General Councils using the policies, priorities and directives approved by World Alliance of Reformed Churches General Council.

**2. Significant Accounting Policies**

The financial statements were prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

(a) Revenue Recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Financial Instruments

The organization's financial instruments consist of cash and accounts payable which are classified as held for trading. These financial assets and liabilities are measured at their carrying amount, since it is comparable to their fair value due to the approaching maturity of these items. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(c) Property and Equipment

No value is accorded to property and equipment for reporting purposes. Expenditures on property and equipment are charged as operating expense in the year of acquisition.

(d) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

**3. Currency**

The financial statements are shown in US dollars. The exchange rate at December 31, 2010 was \$1 US = \$.9946 Canadian (2009 \$1 US = \$1.0466 Canadian).

**WORLD ALLIANCE OF REFORMED CHURCHES  
CARIBBEAN AND NORTH AMERICAN AREA COUNCIL**

**SCHEDULE OF CONTRIBUTIONS FROM MEMBER CHURCHES  
AND CONFERENCES**

**YEAR ENDED DECEMBER 31, 2010**

|   | <u>2010</u><br>(\$US) | <u>2009</u><br>(\$US) |
|---|-----------------------|-----------------------|
| <b>Contributions</b>                      |                       |                       |
| Presbyterian Church, USA                  | \$ -                  | \$30,000              |
| Presbyterian Church, Canada               | 2,968                 | 2,574                 |
| Cumberland Presbyterian Church            | -                     | 3,500                 |
| United Church of Canada                   | <u>2 910</u>          | <u>11,965</u>         |
| <b>Contributions from Member Churches</b> | <u>\$ 5,878</u>       | <u>\$48,039</u>       |
| <br>                                      |                       |                       |
| <b>Conferences</b>                        |                       |                       |
| Stellenbosch                              | \$12,509              | \$ -                  |
| Uniting General Council                   | 8,000                 | 19,000                |
| Global Theological Institute              | 7,500                 | 17,500                |
| CANAAC Toronto 2010                       | 6,420                 | -                     |
| Covenanting for Justice                   | 5,010                 | 18,544                |
| Sweat free workshop                       | 1,000                 | -                     |
| Calvin Legacy Scholarship                 | -                     | 10,000                |
| Faith and Order-Crete                     | -                     | 3,222                 |
| CANAAC-CANACOM                            | <u>-</u>              | <u>2,022</u>          |
| <b>Conferences</b>                        | <u>\$40,439</u>       | <u>\$70,288</u>       |