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**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

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**WITHEY ADDISON** LLP  
CHARTERED ACCOUNTANTS  
TAX CONSULTANTS  
MANAGEMENT CONSULTANTS

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of Hamilton Conference, The United Church of Canada

We have audited the accompanying financial statements of Hamilton Conference, The United Church of Canada, which comprise the statement of financial position as at December 31, 2010, and statements of revenues and expenditures for the operating fund, capital asset fund and reserve funds, and the statements of fund balances 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**

The Conference 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 the Conference determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's 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 auditor's judgment, 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 the Conference, as well as evaluating the overall presentation of the financial statements.

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



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**INDEPENDENT AUDITORS' REPORT**  
**(continued)**

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hamilton Conference, The United Church of Canada as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

**WITHEY ADDISON LLP**

Chartered Accountants  
Licensed Public Accountants

Mississauga, Canada  
April 11, 2011

**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**STATEMENT OF FINANCIAL POSITION**

<b>DECEMBER 31,</b>				<b>2010</b>	<b>2009</b>	
<b>ASSETS</b>						
	Operating Fund	Capital Asset Fund	Other Reserve Funds	Total	Total	
<b>CURRENT</b>						
Cash	\$ 37,997	\$ -	\$ -	\$ 37,997	\$	13,392
Accounts receivable - note 3	117,627	-	-	117,627		136,835
Marketable securities - note 4	303,100	-	508,703	811,803		768,414
Marketable securities held in trust - note 5	201,112	-	-	201,112		-
Prepaid expenses	7,022	-	-	7,022		6,254
	\$ 666,858	\$ -	\$ 508,703	\$ 1,175,561	\$	924,895
<b>CAPITAL ASSETS - note 6</b>	-	51,561	-	51,561		45,340
	\$ 666,858	\$ 51,561	\$ 508,703	\$ 1,227,122	\$	970,235
<b>LIABILITIES</b>						
<b>CURRENT</b>						
Accounts payable and accrued liabilities	\$ 241,863	\$ -	\$ -	\$ 241,863	\$	22,983
Current portion of funds held in trust - note 7	50,000	-	-	50,000		-
	\$ 291,863	\$ -	\$ -	\$ 291,863	\$	22,983
<b>LONG-TERM PORTION OF FUNDS HELD IN TRUST - note 7</b>	151,112	-	-	151,112		-
<b>FUND BALANCES</b>						
<b>INVESTED IN CAPITAL ASSETS</b>	-	51,561	-	51,561		45,340
<b>UNRESTRICTED FUNDS</b>	223,883	-	-	223,883		363,247
<b>INTERNALLY RESTRICTED FUNDS</b>	-	-	508,703	508,703		538,665
	\$ 223,883	\$ 51,561	\$ 508,703	\$ 784,147	\$	947,252
	\$ 666,858	\$ 51,561	\$ 508,703	\$ 1,227,122	\$	970,235

APPROVED ON BEHALF OF THE EXECUTIVE

\_\_\_\_\_  
 President

\_\_\_\_\_  
 Executive Secretary

See accompanying Notes to the Financial Statements

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**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**ALL CONFERENCE FUNDS**  
**STATEMENT OF FUND BALANCES**

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**FOR THE YEAR ENDED DECEMBER 31,**

**2010**

	<b>Balance in Funds - Beginning</b>	<b>Revenue</b>	<b>(Expenses)</b>	<b>Net Transfers</b>	<b>Balance in Funds - Ending</b>
Operating Fund	\$ 363,247	\$ 956,552	\$(1,018,503)	\$ (77,413)	\$ 223,883
Capital Asset Fund	45,340	-	(13,692)	19,913	51,561
Other Reserve Funds	538,665	53,322	(140,784)	57,500	508,703
	<b>\$ 947,252</b>	<b>\$ 1,009,874</b>	<b>\$(1,172,979)</b>	<b>\$ -</b>	<b>\$ 784,147</b>

See accompanying Notes to the Financial Statements

**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**OPERATING FUND**  
**STATEMENT OF REVENUE AND EXPENDITURES**

<b>FOR THE YEAR ENDED DECEMBER 31,</b>	<b>2010</b>	<b>2009</b>
<b>REVENUE</b>		
Annual meeting	\$ 13,985	\$ 13,240
Assessments	591,518	517,092
Grants - note 8	314,793	322,652
Investment income	9,895	8,934
Other income	19,291	10,195
Programs	7,070	15,100
	<b>\$ 956,552</b>	<b>\$ 887,213</b>
<b>EXPENSES</b>		
Administration - schedule I	286,366	140,393
Annual meeting	56,532	66,372
Professional fees	6,000	4,960
Programs - schedule I	55,547	63,451
Salaries - note 8	577,384	553,520
Staff expense	36,674	35,112
	<b>\$1,018,503</b>	<b>\$ 863,808</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ (61,951)</b>	<b>\$ 23,405</b>
<b>TRANSFERS TO RESERVE FUNDS</b>	<b>(57,500)</b>	<b>(47,500)</b>
<b>TRANSFER TO CAPITAL ASSET FUND</b>	<b>(19,913)</b>	<b>(2,762)</b>
	<b>\$ (139,364)</b>	<b>\$ (26,857)</b>
<b>BALANCE IN FUND - beginning</b>	<b>363,247</b>	<b>390,104</b>
<b>BALANCE IN FUND - ending</b>	<b>\$ 223,883</b>	<b>\$ 363,247</b>

See accompanying Notes to the Financial Statements

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**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**SCHEDULE OF EXPENDITURES - SCHEDULE I**

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<b>FOR THE YEAR ENDED DECEMBER 31,</b>	<b>2010</b>	<b>2009</b>
<b>ADMINISTRATION</b>		
Agenda and business	\$ 1,462	\$ 1,468
Archive committee	466	731
Congregational resources	2,697	2,650
Corporate overview	19,416	16,260
Executive and sub-executive	3,767	6,871
Extraordinary aid to Presbyteries	127,080	-
Finance	3,960	4,224
Honoraria	6,420	7,290
Ministry and personnel education	29,251	19,035
Miscellaneous	9,414	6,017
Nominations	691	1,811
Office	72,216	64,931
Presidents expense	2,734	3,196
Program partnership	3,275	3,154
Staff committee	3,517	2,755
	<b>\$ 286,366</b>	<b>\$ 140,393</b>
<b>PROGRAMS</b>		
AVEL and Book Store support	\$ 14,935	\$ 14,935
Archives	25,766	31,556
Networks	14,846	16,960
	<b>\$ 55,547</b>	<b>63,451</b>

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**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**CAPITAL ASSET FUND**  
**STATEMENT OF REVENUE AND EXPENDITURES**

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<b>FOR THE YEAR ENDED DECEMBER 31,</b>	<b>2010</b>	<b>2009</b>
<b>EXPENSES</b>		
Amortization	\$ 12,921	\$ 13,202
Loss on disposal of assets	771	-
	<b>\$ 13,692</b>	<b>\$ 13,202</b>
<b>(DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (13,692)</b>	<b>\$ (13,202)</b>
<b>BALANCE IN FUND - beginning</b>	<b>45,340</b>	<b>55,780</b>
<b>TRANSFER FROM OPERATING FUND</b>	<b>19,913</b>	<b>2,762</b>
<b>BALANCE IN FUND</b>	<b>\$ 51,561</b>	<b>\$ 45,340</b>

See accompanying Notes to the Financial Statements

**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**

**RESERVE FUNDS**

**STATEMENT OF REVENUE AND EXPENDITURES**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Furnishings and equipment	Audio visual	Conference oversight	Building repairs	Study leave	Archive	Investment in Mission and Ministry	G.C. Commissioners
<b>INCOME</b>	\$ 293	\$ -	\$ 33,420	\$ -	\$ -	\$ 8,462	\$ -	\$ -
<b>EXPENSES</b>	4,078	48	52,027	5,094	21,303	15,000	26,200	-
<b>(DEFICIENCY) OF REVENUES</b>								
<b>OVER EXPENSES</b>	\$ (3,785)	\$ (48)	\$ (18,607)	\$ (5,094)	\$ (21,303)	\$ (6,538)	\$ (26,200)	\$ -
<b>BALANCE IN FUND</b>								
- Beginning	14,093	4,860	36,279	23,681	9,767	21,823	308,963	532
<b>TRANSFER FROM OPERATING FUND</b>	5,000	1,000	5,000	10,000	20,000	-	5,000	-
<b>BALANCE IN FUND</b>	\$ 15,308	\$ 5,812	\$ 22,672	\$ 28,587	\$ 8,464	\$ 15,285	\$ 287,763	\$ 532

**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**RESERVE FUNDS**

**STATEMENT OF REVENUE AND EXPENDITURES - CONTINUED**

		2010				2009		
		Individual learning	Lincoln avenue	Stewardship Education	Retirement Seminar	Recovery and healing	Wescott United Church Bursary	Total
<b>INCOME</b>	\$	9,192	-	5	240	-	1,710	\$ 93,155
<b>EXPENSES</b>		4,461	6,284	2,273	449	3,567	-	\$ 140,784
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$	4,731	(6,284)	(2,268)	(209)	(3,567)	1,710	\$ (87,462)
<b>BALANCE IN FUND</b>		11,836	31,984	7,070	2,924	(779)	65,632	495,958
<b>TRANSFER FROM OPERATING FUND</b>		-	-	-	-	11,500	-	\$ 57,500
<b>BALANCE IN FUND</b>	\$	16,567	25,700	4,802	2,715	7,154	67,342	\$ 508,703
								\$ 538,665

See accompanying Notes to the Financial Statements

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**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**STATEMENT OF CASH FLOW**

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**FOR THE YEAR ENDED DECEMBER 31,** **2010**      **2009**

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**CASH PROVIDED FROM (USED FOR)**  
**OPERATIONS**

(Deficiency) excess of revenue over expenses for all funds for the year	<b>\$ (163,105)</b>	<b>\$ 5,410</b>
Charges to income not requiring cash payments		
Depreciation	<b>12,921</b>	13,202
Loss on disposal of capital assets	<b>771</b>	-
Changes within working capital		
Accounts receivable	<b>19,208</b>	(19,546)
Prepaid expenses	<b>(768)</b>	(1,365)
Accounts payables	<b>218,880</b>	(80,695)
	<b>\$ 87,907</b>	<b>\$ (82,994)</b>

**CASH PROVIDED FROM (USED FOR)**  
**INVESTING ACTIVITIES**

Purchase of capital assets	<b>\$ (19,913)</b>	<b>\$ (2,762)</b>
Investment in marketable securities - net	<b>(244,501)</b>	90,969
Funds held in trust	<b>201,112</b>	-
	<b>\$ (63,302)</b>	<b>\$ 88,207</b>

**NET INCREASE IN CASH** **\$ 24,605**      **\$ 5,213**

**CASH - beginning of year** **13,392**      **8,179**

**CASH - end of year** **\$ 37,997**      **\$ 13,392**

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# HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA

## NOTES TO THE FINANCIAL STATEMENTS

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DECEMBER 31, 2010

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### 1. NATURE OF ORGANIZATION

Hamilton Conference is an unincorporated division of The United Church of Canada, itself a corporation created by The United Church of Canada Act, 1925 and by Articles of Union among the uniting churches at that time. Hamilton Conference plays oversight and administrative roles within its boundaries as required by the By-Laws of The United Church of Canada. Hamilton Conference is a not-for-profit organization and is a registered charity under The Income Tax Act, Canada.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) New accounting standard adopted during the year

##### i) Financial Statement Presentation

Section 4400 has been amended to permit not-for-profit organizations to present net assets invested in capital assets as a category of internally restricted net assets and clarification of presentation of revenue and expenses on a gross basis when the entity is acting as a principal in a transaction. The adoption of this amended accounting standard during the year and its implementation did not have an impact on the results of operations or financial position.

##### ii) Disclosure of Related Party Transactions

Section 4460 has been amended to align the definition of related parties to CICA section 3840, Related Party Transactions. The adoption of this amended accounting standard during the year and its implementation did not have an impact on the results of operations or financial position.

##### iii) Disclosure of Allocated Expenses

Section 4470 establishes disclosure standards for a not-for-profit organization that classifies its expenses by function and allocates its expenses to a number of functions to which the expenses relate. The adoption of this accounting standard during the year did not have an impact on the results of operations or financial position.

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# HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA

## NOTES TO THE FINANCIAL STATEMENTS

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DECEMBER 31, 2010

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### b) General

These financial statements have been prepared by management using Canadian generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are reviewed periodically and as adjustments become necessary, they are reported in operations in the period in which they become known. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

#### c) Fund accounting

Hamilton Conference follows the restricted fund method of accounting for donations.

The Operating fund accounts for the organizations program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital asset fund reports the assets and expenses related to the organizations capital assets. This fund reports restricted resources.

The Reserve funds are all internally restricted and report income and expenses as directed by the various committees. The reserves also report and account for transfers between the various reserve accounts.

#### d) Revenue recognition

Hamilton Conference recognizes assessment income from its six presbyteries on an accrual basis. Interest income, Grant income, Annual Meeting and related income is recognized on an accrual basis.

#### e) Investments

Marketable securities are valued at fair market value.

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**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2010**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**f) Financial instruments**

The Conference classifies its financial instruments into the following categories based on the purpose for which the asset was acquired or liability incurred, as follows:

i) **Held-for-trading financial instruments** - financial instruments classified as held-for-trading are reported at fair value at each statement of financial position date, and any change in fair value is recognized in the statement of operations and net assets in the period during which the change occurs. Transactions costs are expensed when incurred. In these financial statements, cash, accounts receivable, marketable securities and accounts payable and accrued liabilities have been classified as held-for-trading.

ii) **Available-for-sale investments** - financial instruments classified as available-for-sale are reported at fair value at each statement of financial position date, and any change in fair value is recognized in net assets in the period in which the change occurs.

iii) **Held-to-maturity investments** - financial instruments classified as held-to-maturity are reported at fair value at each statement of financial position date, using the effective interest rate method. Any change in fair value is recognized in the statement of operations in the period and net assets during which the change occurs.

iv) **Other financial liabilities held for purposes other than held-for-trading** - financial instruments classified as other financial liabilities held for purposes other than held-for-trading, are carried at amortized cost using the effective interest rate method. Transaction costs are expensed when incurred.

**g) Capital assets**

The capital assets over \$1,000 are stated at cost, capital assets costing less than \$1,000 are expensed when purchased. Depreciation is calculated based on the estimated useful life of the assets on a straight line basis at the following rates -

Building	20 & 35 years
Computer equipment	5 years
Furniture and equipment	10 years

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**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2010**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**h) Contributed services**

The Conference Executive and others contribute volunteer services to the Organization in carrying out its operating activities. Because of the difficulty in determining the fair value of these contributed services, they are not recognized in the financial statements.

**i) Cash and cash equivalents**

The Conference's policy is to disclose bank balances under cash and cash equivalents including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, and temporary investments with a maturity period of three months or less from the date of acquisition.

**3. ACCOUNTS RECEIVABLE**

	<b>2010</b>	<b>2009</b>
Presbytery assessments	\$ 99,492	\$ 65,175
Other receivable	11,462	69,550
HST/GST and Gas rebates	6,673	2,110
	<b>\$ 117,627</b>	<b>\$ 136,835</b>

Other receivables includes balances from various organizations. Included in other receivables are balances over 365 days of \$6,446, and are considered fully collectable in the coming year.

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**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2010**

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**4. MARKETABLE SECURITIES**

	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity date</u>
Concerta Financial GIC	\$ 15,632	4.370%	March 29, 2011
Concerta Financial GIC	10,000	4.370%	April 10, 2012
Oikocredit Bonds	100,000	Non-interest bearing	June 30, 2012
TD Mortgage GIC	55,000	1.750%	September 23, 2011
Manulife Bank GIC	55,000	4.400%	September 23, 2013
Meridian Credit Union GIC	100,000	1.600%	November 9, 2011
Wells Fargo GIC	74,647	2.400%	December 12, 2012
Canadian Money Market Mutual Funds	285,603		
Canadian Common Shares	110,726		
Accrued interest	1,853		
Cash balance	<u>3,342</u>		
Fair market value	<u>\$ 811,803</u>		

**5. MARKETABLE SECURITIES HELD IN TRUST**

	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity date</u>
TD Mortgage GIC	\$ 50,000	1.750%	September 23, 2011
Royal Bank of Canada Bond	49,884	3.270%	November 10, 2014
Canadian Money Market Mutual Funds	100,444		
Accrued interest	488		
Cash balance	<u>296</u>		
Fair market value	<u>\$ 201,112</u>		

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**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2010**

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**6. CAPITAL ASSETS**

	Cost	Accumulated Depreciation	2010	2009
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Building	106,622	97,866	8,756	5,742
Computer equipment	33,418	29,813	3,605	5,790
Furniture and equipment	79,247	50,047	29,200	23,808
	\$ 229,287	\$ 177,726	\$ 51,561	\$ 45,340

**7. FUNDS HELD IN TRUST**

	2010	2009
Funds held in trust	\$ 201,112	\$ -
Less: current portion	50,000	-
	\$ 151,112	\$ -

Funds held in trust are to be used for the benefit of the Rising Spirit Ministry with the oversight of Waterloo Presbytery of The United Church of Canada. A portion of the trust fund may be released by Waterloo Presbytery upon proper written accountability reports, and is not to exceed \$50,000 in a calendar year unless Waterloo Presbytery determines that a greater or lesser amount should be released. If any portion of the Trust Fund is still remaining on June 30, 2014, or if the Rising Spirit Ministry should cease to exist prior to June 30, 2014, the fund shall be paid to the Presbyteries of the Toronto Conference Corporation, for the use by community ministries within the South West Presbytery, Toronto Conference of The United Church of Canada.

**8. GRANTS**

The United Church of Canada, General Council Office provides an annual grant for a portion of staff salaries. The General Council Office has oversight and significant influence over the Conference and is ultimately responsible for any liabilities of the Conference. In 2010, Hamilton Conference share of salary expense was as follows:

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**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2010**

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**8. GRANTS - continued**

	2010	2009
Total salary expense	\$ 577,384	\$ 553,520
Less: General Council Office grant	(314,793)	(322,652)
	<b>\$ 262,591</b>	<b>\$ 230,868</b>

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

**9. PRESBYTERY ASSESSMENTS**

Since the organization relies on funding from the Presbyteries, the Presbyteries are considered to be related parties. There are six presbyteries within the Hamilton Conference. The presbytery assessments are calculated on a per member basis and the fees per member are set annually by the conference.

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

**10. INTERFUND TRANSFERS AND INTERNALLY RESTRICTED NET ASSETS**

In 2010, the Finance Committee of the organization allocated \$57,500 to various reserve funds from the operating fund (2009 - \$47,500). These internally restricted amounts are not available for unrestricted purposes without approval of the conference executive. In addition, \$19,913 (2009 - \$2,762) was transferred from the operating fund to the capital asset fund in order to fund capital asset acquisitions.

**11. FINANCIAL INSTRUMENTS**

**a) Fair value of financial assets and liabilities**

The Conference's financial instruments consist of cash, accounts receivable, marketable securities and accounts payable and accrued liabilities

Unless otherwise noted, the Executive is of the opinion that the Conference is not exposed to significant interest, liquidity, credit, or market rate risk arising from these financial instruments, and that the fair values of its financial instruments approximate their carrying value.

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# HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA

## NOTES TO THE FINANCIAL STATEMENTS

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DECEMBER 31, 2010

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### 11. FINANCIAL INSTRUMENTS - continued

#### b) Credit risk

The Conference's investments held in mutual funds and common shares are not federally insured by the Canada Deposit Insurance Corporation, exposing the Conference to credit risk on these investments.

#### c) Market risk

The Conference's investments held in common shares and mutual funds exposes the Conference to price risk as these types of investments are subject to price changes in an open market. The Conference does not use derivative financial instruments to alter the effects of this risk.

### 12. CAPITAL DISCLOSURES

For its own purposes, the Conference defines capital as the sum of net assets invested in capital assets, unrestricted net assets, and internally restricted net assets. The Conference is not subject to externally imposed requirements on capital.

The Conference's capital is calculated as follows:

	2010	2009
Net assets invested in capital assets	\$ 51,561	\$ 45,340
Unrestricted net assets	223,883	363,247
Internally restricted net assets	508,703	538,665
Total capital	\$ 784,147	\$ 947,252

The Conference's objectives when managing capital are to hold sufficient unrestricted and restricted net assets to enable it to withstand negative unexpected financial events, in order to maintain stability in the financial structure. The Conference also seeks to maintain sufficient liquidity and marketable securities to meet its obligations as they come due. The Conference manages its investments in such a manner as to maximize investment income and ensure the safety of its assets.

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**HAMILTON CONFERENCE, THE UNITED CHURCH OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2010**

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**13. FUTURE CHANGES TO SIGNIFICANT ACCOUNTING POLICIES**

The Accounting Standards Board has announced that all Canadian reporting entities, subject to certain exceptions which include not-for-profit organizations, will adopt International Financial Reporting Standards ("IFRS") as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The Conference, at its option, may adopt IFRS if it so chooses. Alternatively, the Conference has the option of adopting the new accounting standards for private not-for-profit organizations which are effective for year ends beginning on or after January 1, 2012.

The impact of the transition to IFRS or the alternative private not-for-profit standards on the Conference's financial statements, has yet to be determined with respect to these new standards.

**14. RELATED PARTY TRANSACTIONS**

During the year the President and Treasurer received honorariums totaling \$8,520 (2009 - \$9,390).