



FINANCIAL STATEMENTS

August 31, 2007

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MANAGEMENT'S STATEMENT OF RESPONSIBILITY

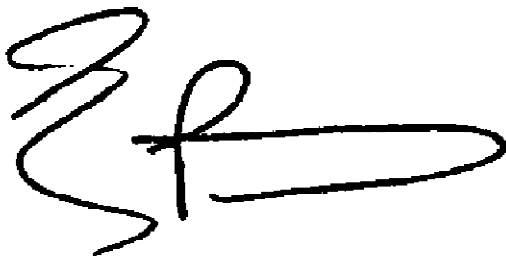
To the Members of:
Communitas Supportive Care Society

The accompanying financial statements of Communitas Supportive Care Society were prepared by the management of the society. The statements have been prepared in conformity with Canadian generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Any departures from Canadian generally accepted accounting principles are appropriately disclosed in the notes to the financial statements.

Management has established internal control systems to ensure that the society's assets are safeguarded and that the financial information is objective and reliable. The financial statements have been audited by the independent auditing firm: Friesen Pankratz & Associates LLP, Certified General Accountants, whose report outlines the scope of their examination and their opinion on the financial statements.

The society's management has met with the auditor to satisfy itself on the adequacy of internal controls and to review the financial statements and auditor's report. The auditor has discussed with management the results of his examination and his opinions on the adequacy of internal controls and the quality of financial reporting.

The management reports its recommendations and findings to the Board of Directors for its consideration.



Eugene Klassen
Chief Financial Officer

Abbotsford, BC
November 6, 2007

AUDITORS' REPORT

To the members of
COMMUNITAS SUPPORTIVE CARE SOCIETY

We have audited the balance sheet of Communitas Supportive Care Society as at August 31, 2007, and the statements of operations, net assets and cash flow for the year then ended. These financial statements are the responsibility of the society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the society derives part of its revenue from the general public in the form of donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the society and we were not able to determine whether any adjustment might be necessary to contributions, excess of revenue over expenses, current assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the society as at August 31, 2007 and the results of operations and cash flow of the society for the year then ended, in accordance with Canadian generally accepted accounting principles.

Friesen Pankratz & Associates LLP

CERTIFIED GENERAL ACCOUNTANTS

Abbotsford, BC
November 6, 2007



Statement of Operations
For the year ended August 31, 2007

	2007		2006
	Actual	Budget	Actual
REVENUE			
Government assistance	\$14,121,799	\$13,919,775	\$ 13,764,589
Client contributions	948,482	913,166	800,266
Modernization & improvement (Note: 11)	24,369	-	43,277
Proceeds	186,385	207,744	194,075
Sales	220,119	195,250	133,558
Donations	73,835	89,890	67,476
Fundraising	87,636	92,000	88,226
Interest & miscellaneous	38,010	37,000	35,852
Rent	21,155	18,223	16,783
	15,721,790	15,473,048	15,144,102
EXPENSES			
Advertising	13,884	29,500	17,000
Amortization	217,757	211,075	193,264
Bad debts (recoveries)	156	-	(50,239)
Education & recreation	80,455	96,867	84,354
Fees & services	45,846	20,841	21,870
Food services	401,422	404,733	357,372
Fundraising expenses	35,822	51,000	49,605
Health supplies	101,974	120,872	104,854
Insurance	56,198	58,787	52,558
Miscellaneous program costs	108,188	76,308	49,988
Modernization & improvement (Note: 11)	28,008	-	46,358
Mortgage interest	22,725	59,139	24,097
Property taxes	43,749	55,378	50,544
Rent	573,508	559,671	588,192
Repairs & maintenance	190,007	157,287	209,684
Replacement reserve	56,115	56,115	58,208
Respite care contracts	319,957	356,265	318,253
Salaries	12,180,047	12,159,905	11,882,308
Staff development	108,877	106,542	131,174
Supplies	362,174	342,423	341,846
Transportation	307,600	328,598	310,498
Utilities	233,980	221,742	222,103
	15,488,449	15,473,048	15,063,891
EXCESS OF REVENUE BEFORE OTHER ITEMS	233,341	-	80,211
Gain (loss) on disposal	10,385	-	(3,851)
WCB Rebate	164,641	-	-
EXCESS OF REVENUE	\$ 408,367	\$ -	\$ 76,360

See accompanying Notes to Financial Statements and Auditor's Report



Statement of Net Assets
For the year ended August 31, 2007

	Capital Assets	Internally Restricted	Unrestricted	2007	2006
NET ASSETS - Open	\$ 1,413,385	\$ 186,838	\$ 187,985	\$ 1,788,208	\$ 1,711,848
Excess of Revenue	10,385	-	397,982	408,367	76,360
Transfers (Notes: 2(e))	-	(74,563)	74,563	-	-
Capital Assets					
Amortization	(217,757)	-	217,757	-	-
Disposals	(10,385)	-	10,385	-	-
Investment	276,385	-	(276,385)	-	-
Loan principal reduction	36,297	-	(36,297)	-	-
NET ASSETS - Close	\$ 1,508,310	\$ 112,275	\$ 575,990	\$ 2,196,575	\$ 1,788,208



**Statement of Financial Position
For the year ended August 31, 2007**

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,184,863	\$ 1,061,290
Marketable and other securities	1,087,630	1,031,653
Contributions receivable	278,783	164,922
Inventory	28,617	27,635
Taxes refundable	8,944	8,316
Prepaid expenses	61,290	52,869
	2,650,127	2,346,685
LONG TERM INVESTMENTS		
Northern Star Hedge Fund (Note: 4)	216,367	216,367
CAPITAL ASSETS (Note: 5)		
	2,082,003	2,023,376
	\$ 4,948,497	\$ 4,586,428
LIABILITIES & NET ASSETS		
CURRENT LIABILITIES		
Accounts payable & accruals	1,107,799	1,132,386
Provincial taxes payable	20	29
Deferred contributions	411,062	403,919
Deferred government grants	149,284	135,459
Deferred project contributions	93,201	98,125
Current portion of long-term (Note: 8)	37,719	36,297
	1,799,085	1,806,215
LONG TERM LIABILITIES		
Long term debt (Note: 8)	535,974	573,693
Replacement reserves	416,863	418,312
	952,837	992,005
NET ASSETS		
	2,196,575	1,788,208
	\$ 4,948,497	\$ 4,586,428

APPROVED ON BEHALF OF THE BOARD:

See accompanying Notes to Financial Statements and Auditor's Report



Statement of Cash Flows
For the year ended August 31, 2007

	2007	2006
OPERATING ACTIVITIES		
Income from operations	\$ 408,367	\$ 76,360
Add: non-cash items affecting operations		
Amortization	217,757	193,264
Accounts receivable	(113,861)	(42,005)
Inventory	(982)	16,492
Prepaid expenses	(8,421)	12,450
Accounts payable and accruals	(24,586)	123,723
Government remittances payable	(638)	4,243
Deferred revenue	16,044	121,595
Gain on capital asset disposal	(10,385)	(425)
	483,295	505,697
FINANCING ACTIVITIES		
Repayment of long-term debt	(36,297)	(34,928)
Replacement reserves	(1,448)	35,224
	(37,745)	296
INVESTING ACTIVITIES		
Acquisitions of capital assets	(276,385)	(170,396)
Proceeds from disposal of capital assets	10,385	425
Northern Star Hedge Fund	-	6,954
	(266,000)	(163,017)
INCREASE IN CASH	179,550	342,976
CASH - OPEN	2,092,943	1,749,967
CASH - CLOSE	\$ 2,272,493	\$ 2,092,943
CASH REPRESENTED BY:		
Current bank accounts	\$ 1,024,068	\$ 931,157
Savings accounts	82,904	62,288
US dollar accounts	16,504	13,479
BCHMC reserve accounts	2,533	5
Imprest accounts	58,854	54,361
Term deposits	1,087,630	1,031,653
	\$ 2,272,493	\$ 2,092,943



Notes to Financial Statements For the year ended August 31, 2007

1. PURPOSE OF ORGANIZATION

Communitas Supportive Care Society is a service provider, advocate and resource for persons living and dealing with mental, physical and/or emotional disabilities. Since all human life is created in the image of God, Communitas Supportive Care Society will seek to show God's love to all persons and serve them with dignity and respect.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Method

The society uses the deferral method of accounting for contributions. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period when the related expenses are incurred. Restricted contributions related to the purchase of capital assets that will be amortized are deferred and recognized as revenue over the the same basis as the amortization expense related to the acquired capital assets. Restricted contributions related to the purchase of capital assets that will not be amortized are recognized as direct increases in net assets.

(b) Donations In-Kind

Donations of materials and services are recognized in the accounts of the society at estimated fair market value when the materials and services are used in the normal course of the society's operations and would otherwise have been purchased. The total donations in kind recorded during the year was \$9,455 (2006 - \$19,789).

(c) Contributed Services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(d) Amortization

Capital assets are recorded at cost. In accordance with published guidelines, buildings subject to BCHMC funding are being amortized at the rate of principal reduction of the related mortgage. The society's homes, Wedgewood and Evergreen, were acquired with funds transferred from short-term investments. These properties are being amortized at the opportunity cost of those funds at the time of acquisition. Assets with a cost of less than \$4,000 are charged against the current year's operations. All other assets are being amortized on the straight line basis at the following rates:

Building	40 years
Automobile	5 years
Equipment	5 years
Software	3 years

Leasehold improvements are being amortized on the straight-line basis over their estimated useful life.

Notes to Financial Statements **For the year ended August 31, 2007**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Internally Restricted Funds

The society has internally restricted net assets for the future purchase of capital assets, funding of specific projects and maintaining reserves to allow for the replacement of fixtures, equipment and some cyclical maintenance items of homes for which there is no contractual requirement.

(f) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. These estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

3. FINANCIAL INSTRUMENTS

The society's financial instruments consist of cash and short term deposits, marketable and other short term securities, mortgages and loans receivable. It is the management's opinion that the society is not exposed to a significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

4. LONG-TERM INVESTMENTS

Investments in units of Northern Star Hedge Fund are recorded at the lower of cost or estimated fair market value. Restrictions on the units require the society to hold the units for a period of ten years. The market value of the investment at August 31, 2007 was \$217,254 (2006 - \$216,367).



**Notes to Financial Statements
For the year ended August 31, 2007**

5. CAPITAL ASSETS

	Original Cost	Accumulated Amortization	Net 2007	Net 2006
Other Buildings	\$ 639,304	\$ (160,391)	\$ 478,913	\$ 494,908
Homes	819,793	(377,916)	441,877	451,226
Automobile	841,776	(587,432)	254,344	155,530
Equipment	220,113	(179,060)	41,053	51,881
Leaseholds	189,197	(150,333)	38,864	49,137
CD & Tape Production	175,525	(143,236)	32,289	47,332
Software	64,244	(42,944)	21,300	-
	2,949,952	(1,641,312)	1,308,640	1,250,014
Land	773,362	-	773,362	773,362
	\$ 3,723,314	\$ (1,641,312)	\$ 2,082,002	\$ 2,023,376

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent government operating grants received in the current period for expenditures relating to future periods as well as funds to be applied to the establishment of future projects and ongoing operational funding.

7. LEASE OBLIGATIONS

The society has entered into operating leases for the use of premises. Substantially all of the Society's leases for premises are renewed annually, requiring one month notice of termination. Under the terms of the leases the minimum annual lease payments required are as follows:

2008 \$ 325,558



Notes to Financial Statements
For the year ended August 31, 2007

8. LONG-TERM LIABILITIES

	2007	2006
Mortgage payable to CMHC; secured by first charge over Dahlstrom property; repayable in equal monthly installments of \$496, including interest at 3.88%.	\$ 59,300	\$ 62,897
Mortgage payable to CMHC; secured by first charge over Babich property; repayable in equal monthly installments of \$1,048, including interest at 3.88%	57,962	68,094
Mortgage payable to CMHC; secured by first charge over 206th Street, Langley property; repayable in equal monthly installments of \$842, including interest at 3.88%	51,386	59,351
Mortgage payable to CMHC; secured by first charge over Osprey property; repayable in equal monthly installments of \$958, including interest at 3.88%	144,672	150,474
Mortgage payable to CMHC; secured by first charge over 88th Street property; repayable in equal monthly installments of \$1,584 including interest at 3.88%	260,373	269,174
	573,693	609,990
Less: principal due within one year	(37,719)	(36,297)
	\$ 535,974	\$ 573,693
	2008	\$ 37,719
	2009	\$ 39,197
	2010	\$ 496,777

9. REPLACEMENT RESERVES

In accordance with operating guidelines of various funders, reserves have been established from the operating budget to allow for the replacement of fixtures, equipment, vehicles and some cyclical maintenance items.

10. INCOME TAXES

The society is registered as a charity under the Society Act of British Columbia. The society is also registered with Canada Revenue Agency as a charitable organization and, as such, is not subject to income taxes.



Notes to Financial Statements For the year ended August 31, 2007

11. MODERNIZATION AND IMPROVEMENT

During the year, the society received revenue to be used specifically for the modernization and improvement of certain facilities. Expenses related to this modernization and improvement have been disclosed separately and include such items as repairs and upgrades to these facilities.

12. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to current presentation.

13. RELATED PARTY TRANSACTIONS

During the year, the society paid rent of \$157,063 (2006 - \$142,197), to Supportive Care Holdings Society, a related charitable organization. The value of the rent payment was determined through negotiation and reflects the fair market value of the rent paid.