



## FINANCIAL STATEMENTS

August 31, 2009

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## **MANAGEMENT'S STATEMENT OF RESPONSIBILITY**

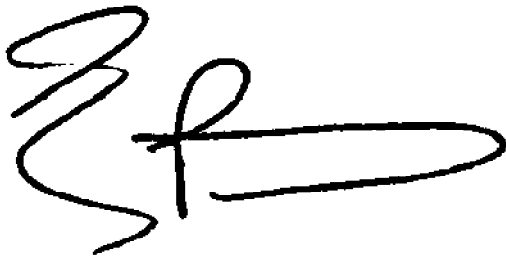
To the Members of:  
**Communitas Supportive Care Society**

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, 2009



# **FRIESEN PANKRATZ & ASSOCIATES LLP**

**Certified General Accountants and Business Advisors**

300, 2692 Clearbrook Road, Abbotsford, BC, V2T.2Y8 Tel:604.854.3733 Fax:604.854.6433 www.fpallp.com

## **AUDITORS' REPORT**

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To the members of  
**COMMUNITAS SUPPORTIVE CARE SOCIETY**

We have audited the balance sheet of Communitas Supportive Care Society as at August 31, 2009, 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, 2009 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, 2009



**Statement of Operations**  
**For the year ended August 31, 2009**

	2009		2008
	Actual	Budget	Actual
<b>REVENUE</b>			
Government assistance	\$ 15,265,153	\$ 15,204,154	\$ 14,544,039
Client contributions	1,211,451	1,167,728	1,180,381
Sales	352,335	332,877	309,416
Proceeds	236,815	243,929	202,287
Donations	61,086	251,750	91,583
Fundraising	44,139	57,500	62,840
Interest & miscellaneous	39,746	41,000	41,412
Rent	18,744	15,432	6,978
Modernization and improvement (Note 11)	5,698	2,044	30,895
	<b>17,235,167</b>	<b>17,316,414</b>	<b>16,469,831</b>
<b>EXPENSES</b>			
Salaries	13,519,992	13,811,729	12,639,201
Rent	551,885	500,519	537,615
Food services	434,165	513,051	410,054
Transportation	423,822	382,591	383,543
Respite care contracts	361,712	409,329	320,112
Supplies	364,019	336,096	359,676
Amortization	303,238	262,315	296,782
Utilities	270,162	239,994	261,684
Repairs & maintenance	259,609	155,629	252,936
Education & recreation	93,119	116,157	89,126
Health supplies	81,719	118,122	105,381
Staff development	64,827	78,226	69,035
Fees & services	61,916	38,984	49,476
Replacement reserve	56,115	56,115	56,315
Insurance	44,869	56,065	50,738
Property taxes	43,105	50,182	57,616
Miscellaneous program costs	36,551	86,976	154,359
Mortgage interest	19,797	58,092	21,319
Advertising	16,745	26,198	24,990
Fundraising expenses	17,029	18,000	19,738
Modernization and improvement (Note 11)	5,698	2,044	30,895
Bad debts (recoveries)	2,119	-	3,170
	<b>17,032,213</b>	<b>17,316,414</b>	<b>16,193,761</b>
<b>EXCESS OF REVENUE BEFORE OTHER ITEMS</b>	<b>202,954</b>	<b>-</b>	<b>276,070</b>
Gain (loss) on disposal of capital assets	(11,590)	-	1,605
<b>EXCESS OF REVENUE</b>	<b>\$ 191,364</b>	<b>\$ -</b>	<b>\$ 277,675</b>



**Statement of Changes in Net Assets**  
**For the year ended August 31, 2009**

	Capital Assets	Internally Restricted	Unrestricted	2009	2008
(Notes: 2(e))					
<b>NET ASSETS - Open</b>	\$ 1,723,399	\$ 27,676	\$ 786,807	\$ 2,537,882	\$ 2,260,207
Excess of revenue	(11,590)	-	202,954	191,364	277,675
Transfers	-	78,192	(78,192)	-	-
Capital Assets					
Amortization	(303,238)	-	303,238	-	-
Disposals	(2,400)	-	2,400	-	-
Investments	242,561	-	(242,561)	-	-
Loan principal reduction	39,219	-	(39,219)	-	-
	<u>1,687,951</u>	<u>105,868</u>	<u>935,427</u>	<u>2,729,246</u>	<u>2,537,882</u>
Accumulated unrealized gains (losses) from financial instruments designated as available for sale (Note 3)					
Prior years	-	-	(54,992)	(54,992)	(62,745)
Current year	-	-	(1,372)	(1,372)	7,753
	<u>-</u>	<u>-</u>	<u>(56,364)</u>	<u>(56,364)</u>	<u>(54,992)</u>
<b>NET ASSETS - Close</b>	\$ 1,687,951	\$ 105,868	\$ 879,063	\$ 2,672,882	\$ 2,482,890



**Statement of Financial Position**  
**For the year ended August 31, 2009**

	2009	2008
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,283,148	\$ 1,366,001
Investments	1,259,111	1,142,489
Contributions & accounts receivable	206,207	158,876
Inventory	23,324	25,518
GST refundable	5,983	7,778
Prepaid expenses	91,740	67,793
	<b>2,869,513</b>	<b>2,768,455</b>
<b>LONG TERM INVESTMENTS</b>		
Northern Star Hedge Fund (Note 3)	223,636	225,008
<b>CAPITAL ASSETS (Note 4)</b>		
	<b>2,184,736</b>	<b>2,259,399</b>
	<b>\$ 5,277,885</b>	<b>\$ 5,252,862</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable & accruals	\$ 210,163	\$ 239,328
Provincial taxes payable	107	10
Wages & wage deductions payable	908,166	1,012,027
Deferred operating contributions (Note 5)	269,584	246,033
Deferred project contributions (Note 5)	145,888	146,007
Current portion of long-term debt (Note 8)	496,781	39,197
	<b>2,030,689</b>	<b>1,682,602</b>
<b>LONG TERM LIABILITIES</b>		
Long term debt (Note 8)	-	496,803
Deferred capital contributions (Note 6)	134,203	188,212
Replacement reserves (Note 9)	440,111	402,355
	<b>574,314</b>	<b>1,087,370</b>
<b>NET ASSETS</b>		
	<b>2,672,882</b>	<b>2,482,890</b>
	<b>\$ 5,277,885</b>	<b>\$ 5,252,862</b>

APPROVED ON BEHALF OF THE BOARD:

*Stacy R. Wain*      *Marlyse Innes*



**Statement of Cash Flows**  
**For the year ended August 31, 2009**

	2009	2008
<b>OPERATING ACTIVITIES</b>		
Income from operations	\$ 191,364	\$ 277,675
Add: non-cash items affecting operations		
Amortization	303,238	296,782
Accounts receivable	(47,331)	119,906
Inventory	2,194	3,100
Prepaid expenses	(23,947)	(6,914)
Accounts payable and accruals	(29,162)	72,806
Government remittances payable	1,891	1,157
Deferred revenue	(30,577)	(73,295)
Wages & wage deductions payable	(103,867)	71,160
Gain on capital asset disposal	11,590	(1,605)
	<b>275,393</b>	<b>760,772</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(39,219)	(37,693)
Replacement reserves	37,756	(14,509)
	<b>(1,463)</b>	<b>(52,202)</b>
<b>INVESTING ACTIVITIES</b>		
Acquisitions of capital assets	(242,561)	(474,178)
Proceeds from disposal of capital assets	2,400	1,605
	<b>(240,161)</b>	<b>(472,573)</b>
<b>INCREASE IN CASH</b>	<b>33,769</b>	<b>235,997</b>
<b>CASH - OPEN</b>	<b>2,508,490</b>	<b>2,272,493</b>
<b>CASH - CLOSE</b>	<b>\$ 2,542,259</b>	<b>\$ 2,508,490</b>
<b>CASH REPRESENTED BY:</b>		
Current bank accounts	\$ 1,077,050	\$ 1,178,705
Savings accounts	104,829	98,144
US dollar accounts	32,561	27,397
BC Housing reserve accounts	33,282	32,664
Imprest accounts	68,675	54,723
Term deposits	1,225,862	1,116,857
	<b>\$ 2,542,259</b>	<b>\$ 2,508,490</b>



## Notes to Financial Statements For the year ended August 31, 2009

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### 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 \$7,080 (2008 - \$23,944).

#### (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 BC Housing 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, 2009

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### 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

Financial instruments are defined as a contractual right to either receive or deliver cash from or to another financial instrument to another party.

#### Fair Value

The carrying amount of cash, investments, contributions and accounts receivable, accounts payable approximates their fair value because of the short-term nature of these items. The carrying amount of assets available for sale, which is comprised of long-term investments, is equal to their fair value based on publicly available trading value. The carrying amount of long term debt approximates fair market value because the interest rates and terms are not significantly different from those presently available to the society.

#### Credit Risk

The Society's financial assets that are exposed to credit risk are cash, investments, contributions and accounts receivable and assets available for sale. Credit risk associated with cash is minimized substantially by ensuring these assets are invested in accounts at a Schedule I bank with investment grade ratings. Credit risk associated with contributions and accounts receivable is minimized by restricting the granting of credit and by application of internal collection policies and procedures.

#### Interest Rate Risk

The Society is not exposed to interest rate risk on long-term debt because these financial instruments are subject to fixed rates of interest.

#### Foreign Currency Risk

The Society is not exposed to foreign exchange risk because it has no significant financial assets nor liabilities denominated in foreign currencies.



**Notes to Financial Statements**  
**For the year ended August 31, 2009**

**4. CAPITAL ASSETS**

	Original Cost	Accumulated Amortization	Net 2009	Net 2008
Buildings	\$ 649,073	\$ (192,625)	\$ 456,448	\$ 462,918
Homes	819,793	(430,924)	388,869	416,212
Automobile	1,140,098	(765,671)	374,427	410,336
Equipment	252,161	(196,484)	55,677	51,696
Leaseholds	321,377	(219,754)	101,623	73,328
CD & Tape Production	199,351	(180,857)	18,494	25,142
Software	119,923	(104,087)	15,836	46,405
	3,501,776	(2,090,402)	1,411,374	1,486,037
Land	773,362	-	773,362	773,362
	<b>\$ 4,275,138</b>	<b>\$ (2,090,402)</b>	<b>\$ 2,184,736</b>	<b>\$ 2,259,399</b>

**5. DEFERRED OPERATING AND PROJECT 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. The changes in the deferred operating and project contributions balance for the period are as follows:

	2009	2008
Opening balance	\$ 392,040	\$ 470,748
Less amounts recognized as revenue in the year	(249,652)	(510,929)
Add Amount received related to next year	273,085	432,221
	<b>\$ 415,473</b>	<b>\$ 392,040</b>

**6. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred contributions related to capital assets represent contributed capital assets and restricted contributions for the purchase of capital assets. The changes in the deferred capital contributions balance for the period are as follows:

	2009	2008
Opening balance	\$ 188,212	\$ 182,799
Less amounts recognized as revenue in the year	(54,009)	(46,587)
Add amount received related to asset purchases	-	52,000
	<b>\$ 134,203</b>	<b>\$ 188,212</b>



**Notes to Financial Statements**  
**For the year ended August 31, 2009**

**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:

<b>2010</b>	\$	360,412
<b>2011</b>	\$	83,805
<b>2012</b>	\$	83,805
<b>2013</b>	\$	83,805
<b>2014</b>	\$	46,192

**8. LONG-TERM LIABILITIES**

	<b>2009</b>	<b>2008</b>
Mortgage payable to CMHC; secured by first charge over Dahlstrom property; repayable in equal monthly installments of \$496, including interest at 3.88%. The current mortgage term is due February 1, 2010.	<b>\$ 51,681</b>	\$ 55,567
Mortgage payable to CMHC; secured by first charge over Babich property; repayable in equal monthly installments of \$1,048, including interest at 3.88%. The current mortgage term is due February 1, 2010.	<b>36,492</b>	47,435
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%. The current mortgage term is due February 1, 2010.	<b>34,508</b>	43,111
Mortgage payable to CMHC; secured by first charge over Osprey property; repayable in equal monthly installments of \$958, including interest at 3.88%. The current mortgage term is due February 1, 2010.	<b>132,378</b>	138,650
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%. The current mortgage term is due February 1, 2010.	<b>241,722</b>	251,237
	<b>496,781</b>	536,000
Less: principal due within one year	<b>(496,781)</b>	(39,197)
	<b>\$ -</b>	\$ 496,803

Under the present terms and conditions of the loans payable, the minimum annual principal payments that will be required to retire the debt will be as follows:

<b>2010</b>	\$	496,781
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## **Notes to Financial Statements**

### **For the year ended August 31, 2009**

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#### **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.

#### **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 \$180,900 (2008 - \$171,587) which is included in rent expense, 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.