

**P. R. COMMUNITY & STUDENT ASSOCIATION
(Sadleir House Facility)**

FINANCIAL STATEMENTS

August 31, 2009

(unaudited)

CONTENTS

	Page
REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-7

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REVIEW ENGAGEMENT REPORT

To the Directors of
P. R. Community & Student Association
(Sadleir House Facility)

We have reviewed the statement of financial position of P. R. Community & Student Association (Sadleir House Facility) as at August 31, 2009 and the statements of operations 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 enquiry, analytical procedures and discussion related to information supplied to us by the association.

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 financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

PETERBOROUGH, ONTARIO
December 3, 2009

Stow Brown & McLeod LLP

CHARTERED ACCOUNTANTS
Licensed Public Accountants

P. R. COMMUNITY & STUDENT ASSOCIATION
(Sadleir House Facility)
STATEMENT OF FINANCIAL POSITION
(unaudited)

as at August 31	2009	2008
ASSETS		
CURRENT		
Cash	\$ 35,635	\$ 17,838
Accounts receivable	9,322	2,004
Prepaid expenses and deposits	<u>2,936</u>	<u>7,509</u>
	47,893	27,351
CAPITAL (Note 3)	<u>664,172</u>	<u>673,565</u>
	<u>\$ 712,065</u>	<u>\$ 700,916</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued charges	\$ 4,093	\$ 5,807
Loans from predecessor trustees	70	70
Current portion of long-term debt	<u>16,591</u>	<u>25,183</u>
	20,754	31,060
LONG TERM DEBT (Note 4)	413,777	430,310
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 5)	<u>163,796</u>	<u>127,400</u>
	<u>598,327</u>	<u>588,770</u>
NET ASSETS		
BALANCE, BEGINNING OF YEAR	112,147	93,634
Excess of revenue over expenses	<u>1,591</u>	<u>18,512</u>
BALANCE, END OF YEAR	<u>113,738</u>	<u>112,146</u>
	<u>\$ 712,065</u>	<u>\$ 700,916</u>
Net assets invested in capital assets	\$ 70,008	\$ 90,672
Unrestricted net assets	<u>43,730</u>	<u>21,474</u>
	<u>\$ 113,738</u>	<u>\$ 112,146</u>

(The accompanying notes form an integral part of this financial statement)

P. R. COMMUNITY & STUDENT ASSOCIATION
(Sadleir House Facility)
STATEMENT OF OPERATIONS
(unaudited)

for the year ended August 31	2009	%	2008	%
REVENUE				
Amortization of deferred contributions (Note 5)	\$ 5,304		\$ 5,531	
Contributions	3,156		4,985	
Grants	6,152		7,314	
Interest income	1,023		1,227	
Student memberships (note 1)	137,286		128,360	
Special events (net)	3,530		4,593	
Rental income	<u>35,185</u>		<u>41,495</u>	
	<u>191,636</u>	<u>100.0</u>	<u>193,505</u>	<u>100.0</u>
EXPENSES				
Advertising and promotion	449	0.2	140	0.1
Amortization	22,313	11.6	23,364	12.1
Bank charges and interest	197	0.1	130	0.1
Bad debts	415	0.2	3,829	-
Hospitality and reception	490	0.3	315	0.2
Insurance	15,292	8.0	18,982	9.8
Long-term interest	32,197	16.8	35,234	18.2
Municipal taxes	6,375	3.3	5,971	3.1
Office and general	5,219	2.7	4,244	2.2
Professional fees	2,471	1.3	1,785	0.9
Repairs and maintenance	26,030	13.6	6,926	3.6
Telephone	2,367	1.2	3,293	1.7
Utilities	20,008	10.4	17,420	9.0
Wages, benefits and related fees	<u>56,222</u>	<u>29.3</u>	<u>53,360</u>	<u>27.6</u>
	<u>190,045</u>	<u>99.2</u>	<u>174,993</u>	<u>88.6</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 1,591</u>	<u>0.8</u>	<u>\$ 18,512</u>	<u>11.4</u>

(The accompanying notes form an integral part of this financial statement)

P. R. COMMUNITY & STUDENT ASSOCIATION
(Sadleir House Facility)
STATEMENT OF CASH FLOWS
(unaudited)

for the year ended August 31	2009	2008
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 1,591	\$ 18,512
Adjustments for:		
- amortization of capital assets	22,313	23,364
- deferred contributions related to capital assets (net)	<u>36,396</u>	<u>41,460</u>
	60,300	83,336
Net change in non-cash working capital items		
Accounts receivable	(7,318)	16,687
Prepaid expenses	4,573	274
Accounts payable and accrued charges	(1,712)	3,081
Short term loans	<u>-</u>	<u>(15,000)</u>
	55,843	88,378
FINANCING ACTIVITIES		
Long term debt (net)	(25,126)	(72,510)
INVESTING ACTIVITIES		
Acquisition of capital assets	<u>(12,920)</u>	<u>-</u>
CASH INCREASE (DECREASE)	17,797	15,868
CASH, BEGINNING OF YEAR	<u>17,838</u>	<u>1,970</u>
CASH, END OF YEAR	<u>\$ 35,635</u>	<u>\$ 17,838</u>
CASH FLOWS SUPPLEMENTARY		
Long-term loan interest paid	<u>\$ 32,797</u>	<u>\$ 35,234</u>

(The accompanying notes form an integral part of this financial statement)

P. R. COMMUNITY & STUDENT ASSOCIATION
(Sadleir House Facility)
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)

August 31, 2009

1. DESCRIPTION OF THE ASSOCIATION

The P.R. Community and Student Association was incorporated without share capital on February 19, 2004 under the laws of Ontario. Its' purpose is to establish and operate a community centre to be used for workshops, programs, athletics, drama, art, music, handicrafts, hobbies and recreation for the benefit of the general public. The association was registered for charitable status on September 1, 2004 and is accordingly exempt from paying income taxes.

The association's major source of funding is an annual Trent University student levy approved by student vote.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Capital assets and amortization

Capital assets are recorded at acquisition cost. Amortization is provided on the declining balance basis at the following annual rates:

Building	4%
Land improvements	4%
Furniture, fixtures and equipment	20%

(b) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles 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 expenses during the reporting period. Actual results could differ from these estimates.

(c) Contributed services

Volunteers contribute many hours per year to assist P. R. Community & Student Association in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(d) Deferred contributions related to capital assets

Donations towards financing the building and equipment acquisitions have been deferred and amortized into income at the same rate as building and equipment amortization is recorded.

(e) Revenue recognition

Revenue is recorded on the accrual basis at the time of service (rentals) or contribution/grant/membership commitment.

P. R. COMMUNITY & STUDENT ASSOCIATION
(Sadleir House Facility)
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)

August 31, 2009

3. CAPITAL ASSETS

	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Land	\$ 150,000	\$ -	\$ 150,000	\$ -
Building	599,760	108,575	594,085	88,308
Land improvements	18,248	1,211	11,003	652
Furniture, fixtures and equipment	<u>14,895</u>	<u>8,945</u>	<u>14,895</u>	<u>7,458</u>
	<u>\$ 782,903</u>	<u>\$ 118,731</u>	<u>\$ 769,983</u>	<u>\$ 96,418</u>
Net book value		<u>\$ 664,172</u>		<u>\$ 673,565</u>

4. LONG TERM DEBT

	<u>2009</u>	<u>2008</u>
Mortgage payable to 993694 Ontario Limited in monthly installments of \$5,063 to February 2009 and \$3,423 thereafter, including interest at 7.5%, secured by land and buildings, due February 27, 2014.	\$ 423,889	\$ 442,911
Promissory notes payable on various due dates to October 2010, unsecured, interest payable on due date at average "Bank Rate".	<u>6,479</u>	<u>12,582</u>
	430,368	455,493
Less: current portion	<u>16,591</u>	<u>25,183</u>
	<u>\$ 413,777</u>	<u>\$ 430,310</u>

Principal payments due over the next five years are as follows:

2010	16,591
2011	10,885
2012	11,717
2013	12,612
2014	378,563

P. R. COMMUNITY & STUDENT ASSOCIATION
(Sadleir House Facility)
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)

August 31, 2009

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	<u>2009</u>	<u>2008</u>
Deferred balance, beginning of year	\$ 127,400	\$ 85,940
Current year contributions	41,700	46,991
Recorded as income during the year	<u>(5,304)</u>	<u>(5,531)</u>
Deferred balance, end of year	<u>\$ 163,796</u>	<u>\$ 127,400</u>

Deferred contribution additions of \$41,700 during the year from the Trillium Foundation must be expended by March 6, 2010. \$5,675 of this amount was spent in fiscal 2009.

6. FINANCIAL INSTRUMENTS

The association's financial instruments consist of cash, accounts receivable, accounts payable and accrued charges, short term loans and long-term debt. Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

7. SPECIAL EVENTS

Gross revenues totalled \$7,365 in 2009 and \$8,384 in 2008.