

**EASTERN CANADA AND THE CARIBBEAN DISTRICT  
OF KIWANIS INTERNATIONAL INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

DRAFT

**EASTERN CANADA AND THE CARIBBEAN DISTRICT  
OF KIWANIS INTERNATIONAL INC.**

**2009**

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## **AUDITORS' REPORT**

To the Board of Trustees  
Eastern Canada and the Caribbean District of Kiwanis International Inc.

We have audited the statement of financial position of Eastern Canada and the Caribbean District of Kiwanis International Inc. as at September 30, 2009, the statement of revenue and expenditures and fund balance and the statement of revenue and expenditures and general surplus for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we have 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 non-profit entities, the organization derives revenue from donations, district conventions and sundry receipts, the completeness of which is not susceptible to audit verification. Accordingly, our verification of these revenues 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 donations and district convention revenues, excess of revenue over expenditures, assets and general surplus.

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 donations and sundry receipts referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at September 30, 2009 and the results of operations and changes in financial position of the organization for the year then ended, in accordance with Canadian generally accepted accounting principles.

Guelph, Ontario  
January 8, 2010

**CURTIS-VILLAR PROFESSIONAL CORPORATION**  
**Chartered Accountants**

Authorized to practise public accounting by the Institute of  
Chartered Accountants of Ontario

**EASTERN CANADA AND THE CARIBBEAN  
DISTRICT OF KIWANIS INTERNATIONAL INC.  
STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2009**

	2009	2008
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 69,762	\$ 115,229
Short term investments (Note 2)	300,558	297,690
Accounts receivable	112	13,881
Prepaid expenses and sundry assets (Note 3)	<u>56,710</u>	<u>34,738</u>
	<u>\$427,142</u>	<u>\$461,538</u>

**LIABILITIES**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ <u>24,662</u>	\$ <u>77,657</u>

**REPRESENTED BY:**

Service Leadership Program Fund	23,864	25,904
General surplus	<u>378,616</u>	<u>357,977</u>
	<u>402,480</u>	<u>383,881</u>
	<u>\$427,142</u>	<u>\$461,538</u>

APPROVED ON BEHALF OF THE BOARD OF TRUSTEES:

\_\_\_\_\_ Trustee

\_\_\_\_\_ Trustee

**EASTERN CANADA AND THE CARIBBEAN  
DISTRICT OF KIWANIS INTERNATIONAL INC.  
STATEMENT OF REVENUE AND EXPENDITURES AND FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**SERVICE LEADERSHIP PROGRAM FUND**

	2009	2008
<b>Revenue</b>		
Per capita dues	\$ 42,008	\$ 41,655
<b>Expenditures</b>		
General	<u>44,048</u>	<u>44,474</u>
<b>Deficiency of Revenue over Expenditures</b>	(2,040)	(2,819)
<b>Balance, beginning of year</b>	<u>25,904</u>	<u>28,723</u>
<b>Balance, end of year</b>	<u>\$ 23,864</u>	<u>\$ 25,904</u>

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**EASTERN CANADA AND THE CARIBBEAN  
DISTRICT OF KIWANIS INTERNATIONAL INC.  
STATEMENT OF REVENUE AND EXPENDITURES AND GENERAL SURPLUS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	2009	2008
<b>Revenue</b>		
Per capita dues	\$ 260,450	\$ 258,264
Sundry	16,719	15,969
Interest	2,699	9,913
District convention	<u>3,391</u>	<u>13,520</u>
	<u>283,259</u>	<u>297,666</u>
<b>Expenditures</b>		
Board meetings	52,982	72,075
District committees' expenses	4,676	11,029
District officers' expenses	56,423	51,490
General administrative expenses	<u>148,539</u>	<u>157,858</u>
	<u>262,620</u>	<u>292,452</u>
<b>Excess of revenue over expenditures for the year</b>	20,639	5,214
<b>General surplus, beginning of year</b>	<u>357,977</u>	<u>352,763</u>
<b>General surplus, end of year</b>	<u>\$ 378,616</u>	<u>\$ 357,977</u>

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**EASTERN CANADA AND THE CARIBBEAN  
DISTRICT OF KIWANIS INTERNATIONAL INC.  
SCHEDULE OF EXPENDITURES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	2009	2008
<b>Board Meetings</b>		
First	\$ 18,000	\$ 23,913
Second	15,839	23,056
Third	<u>19,143</u>	<u>25,106</u>
	<u>\$ 52,982</u>	<u>\$ 72,075</u>
<b>District Committees' Expenses</b>		
Other committees	<u>\$ 4,676</u>	<u>\$ 11,029</u>
<b>District Officers' Expenses</b>		
Governor's - allowance	\$ 34,380	\$ 32,139
Lieutenant Governors' - allowances, bulletin, postage, club visits	11,811	7,927
DST - travel allowance	5,732	7,563
Governor Elect's - allowance	<u>4,500</u>	<u>3,861</u>
	<u>\$ 56,423</u>	<u>\$ 51,490</u>
<b>General Administrative Expenses</b>		
Wages and benefits	\$ 53,605	\$ 50,655
Office rent, maintenance and supplies	21,556	20,253
Operational expense	17,344	22,162
Lieutenant Governors' international travel	14,176	12,999
Postage and communications	10,931	12,015
Pooled fare rebate	8,016	11,776
Professional fees	7,000	10,663
District dinner	4,955	3,987
Foreign exchange	3,641	(9,007)
Printing and stationery	2,949	2,257
Insurance	1,642	1,456
International president visit	1,638	0
Trophies and awards	1,086	712
Equipment and leasing	0	3,535
K-Ray publication	0	11,920
Superannuation	0	1,200
Computer software and technical support	<u>0</u>	<u>1,275</u>
	<u>\$ 148,539</u>	<u>\$ 157,858</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

**EASTERN CANADA AND THE CARIBBEAN  
DISTRICT OF KIWANIS INTERNATIONAL INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	2009	2008
<b>Cash flows from operating activities</b>		
Excess of revenue over expenditure	\$ <u>20,639</u>	\$ <u>5,214</u>
<b>Changes in non-cash working capital</b>		
Accounts receivable	13,769	(3,643)
Short term investments	(2,868)	(12,497)
Accounts payable and accrued liabilities	(52,995)	54,686
Prepaid expenses and sundry assets	(21,972)	37,282
Service leadership program fund	<u>(2,040)</u>	<u>(2,819)</u>
	<u>(66,106)</u>	<u>73,009</u>
<b>(Decrease) increase in cash for the year</b>	(45,467)	78,223
<b>Cash, beginning of year</b>	<u>115,229</u>	<u>37,006</u>
<b>Cash, end of year</b>	\$ <u>69,762</u>	\$ <u>115,229</u>

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**EASTERN CANADA AND THE CARIBBEAN  
DISTRICT OF KIWANIS INTERNATIONAL INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**1. Operations and Significant Accounting Policies**

Eastern Canada and the Caribbean District of Kiwanis International Inc. is incorporated without share capital under the Ontario Business Corporations Act for the purpose of building new clubs and membership in existing clubs, educating club members and strengthening club services in the District, all within the objects of Kiwanis International. The organization is exempt from tax under section 149 (1)(l) of the Income Tax Act.

**a) Revenue Recognition**

The Eastern Canada and the Caribbean District of Kiwanis International Inc. follows the deferral method of accounting for membership dues and contributions.

**b) Service Leadership Program Fund**

Service leadership program fund represents monies which have been allocated for a specific use and are not available for the general operation of the organization.

**c) Office Equipment**

Purchases of office equipment are recorded as an expenditure in the year the asset is purchased.

**d) Investments**

Investments are recorded at cost plus accrued interest.

**e) Measurement Uncertainty**

The preparation of 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. By their nature, 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.

**2. Short Term Investments**

	2009	2008
Royal Canadian T-Bill Fund 1.0%	\$ 240,475	\$ 238,189
(Market value: 2009 \$241,564; 2008 \$238,189)		
Royal U.S. Short term GIC	<u>60,083</u>	<u>59,501</u>
	<u>\$ 300,558</u>	<u>\$ 297,690</u>

**EASTERN CANADA AND THE CARIBBEAN  
DISTRICT OF KIWANIS INTERNATIONAL INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<b>3. Prepaid Expenses and Sundry Assets</b>	2009	2008
Prepaid 1st board meeting expense	\$ 21,763	\$ 18,206
Mid year conference	9,400	0
Convention advances	8,000	2,275
Governor elect	6,514	0
Training	5,416	5,162
Other prepaids	3,292	2,321
Prepaid insurance and deposits	1,505	687
Inventory of pins, T-shirts and crests	820	2,944
Prepaid service leadership program	<u>0</u>	<u>3,143</u>
	<u>\$ 56,710</u>	<u>\$ 34,738</u>

	2009		2008	
	Per Capita	Total	Per Capita	Total
General Fund	\$ 31.00	\$260,450	\$ 31.00	\$258,264
Sponsored Leadership Program Fund	<u>5.00</u>	<u>42,008</u>	<u>5.00</u>	<u>41,655</u>
	<u>\$ 36.00</u>	<u>\$302,458</u>	<u>\$ 36.00</u>	<u>\$299,919</u>

**EASTERN CANADA AND THE CARIBBEAN  
DISTRICT OF KIWANIS INTERNATIONAL INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**5. Designated Fund**

**Service Leadership Program Fund**

The Service Leadership Program fund is to be used for the support of Circle K Clubs, Key Clubs, Builders Clubs and other sponsored youth clubs in the district. Any funds not used in any given year for such purposes shall be accumulated and used in subsequent periods.

**6. Comparative Figures**

Comparative figures have been restated where necessary to conform with the presentation adopted for the current year.

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