

**Manantial Neighbourhood Services Inc.**  
**Financial Statements**  
For the year ended September 30, 2009

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For the year ended September 30, 2009

**Contents**

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<b>Auditors' Report</b>	<b>2</b>
<b>Financial Statements</b>	
Balance Sheet	3
Statement of Operations and Fund Balance	4
Statement of Cash Flows	5
Summary of Significant Accounting Policies	6
Notes to Financial Statements	8

# *Johnson & Robinson Professional Corporation*

## *Chartered Accountants*

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### **Auditors' Report**

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**To the Members of  
Manantial Neighbourhood Services Inc.**

We have audited the statement of financial position of Manantial Neighbourhood Services Inc. as at September 30, 2009 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the organization'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 non-profit organizations, the organization derives revenue from fundraising events, donations and gifts in kind, 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 organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, accounts receivable and fund balances.

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 revenues 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 its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Johnson & Robinson Professional Corporation*

Chartered Accountants

Authorized to practise public accounting by The Institute of Chartered Accountants of Ontario  
Mississauga, Ontario  
March 17, 2010

**Manantial Neighbourhood Services Inc.**  
**Statement of Financial Position**

As at September 30, 2009

**ASSETS**

	2009			2008
	CAPITAL ASSETS FUND	GENERAL FUND	RESTRICTED FUND	TOTAL
<b>CURRENT</b>				
Cash	-	11,116 \$	33,427 \$	44,543
Interfund receivable	-	1,714	-	1,714
	7,037	12,830	33,427	46,257
Capital assets (Note 1)	-	-	7,037	7,326
	7,037 \$	12,830 \$	33,427 \$	53,294

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>				
Accounts payable	-	4,212	843	5,055
Interfund payable	-	-	1,714	1,714
Deferred revenue (Note 2)	-	-	32,000	32,000
	-	7,474	34,557	38,769
<b>FUND BALANCES</b>				
Surplus, beginning	7,326	5,356	7,705	20,387
Capital assets acquired	1,714	-	(1,714)	-
Excess revenues over expenditures	(2,003)	3,262	(7,121)	(5,862)
	7,037	5,356	(1,130)	14,525
Surplus, end	7,037 \$	12,830 \$	33,427 \$	53,294

**Manantial Neighbourhood Services Inc.  
Statement of Operations and Fund Balance**

For the year ended September 30, 2009

	2009			2008
	CAPITAL ASSETS FUND	GENERAL FUND	RESTRICTED FUND	TOTAL
<b>REVENUES</b>				
Government Grants	\$ -	\$ -	12,671	\$ 20,000
Gifts from Charities	-	25,564	-	11,986
Gifts from Foundations	-	10,000	10,000	5,000
Fundraising	-	6,800	-	6,500
Donations	-	1,231	-	1,824
Donations in Kind	-	970	970	770
		<u>44,565</u>	<u>12,671</u>	<u>46,080</u>
<b>EXPENDITURES</b>				
Administration	-	21,731	-	13,587
Amortization	2,003	-	-	4,091
Fundraising	-	1,750	-	2,023
Program costs	-	-	19,792	7,750
Salaries and benefits	-	17,822	-	7,717
	<u>2,003</u>	<u>41,303</u>	<u>19,792</u>	<u>35,168</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ (2,003)\$	3,262 \$	(7,121)\$	\$ 10,912

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**Manantial Neighbourhood Services Inc.**  
**Statement of Cash Flows**

<b>For the year ended September 30</b>	<b>2009</b>	<b>2008</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditures for the year	\$ (5,862)	\$ 10,912
Adjustment for non monetary items:		
Amortization	2,003	4,091
	(3,859)	15,003
Changes in non-cash working capital balances		
Accounts payable	2,480	(30)
Deferred revenue	32,000	-
	30,621	14,973
<b>Investing activities</b>		
Purchase of capital assets	(1,714)	(2,202)
<b>Increase in cash during the year</b>	<b>28,907</b>	<b>12,771</b>
<b>Cash, beginning of year</b>	<b>15,636</b>	<b>2,865</b>
<b>Cash, end of year</b>	<b>\$ 44,543</b>	<b>\$ 15,636</b>

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## **Manantial Neighbourhood Services Inc. Summary of Significant Accounting Policies**

**September 30, 2009**

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### **Nature of Operations**

Manantial Neighbourhood Services Inc. is a non-profit organization incorporated without share capital under the laws of Ontario.

Being a registered charity the organization is not subject to income tax and recovers a portion of goods and services tax paid on its purchases.

Manantial Neighbourhood Services Inc. provides services such as crisis intervention and newcomer integration services, food and clothes banks, as well as other support and educational programs.

### **Basis of Presentation**

The financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations published by the Canadian Institute of Chartered Accountants ("C.I.C.A"), using the restricted fund method of accounting for funding and donations.

### **Revenue Recognition and Funds**

Funding revenue and donations are recorded in the year to which it relates if receipt is reasonably assured. Revenues related to specific programs which have not yet occurred are recorded as deferred revenue until the program occurs.

The Organization's operating and administrative activities are paid from the General Fund.

Restricted Funds are resources contributed for restricted uses in the programs being funded by the funder. Restricted funds are recognized as revenue when earned and collection is reasonably assured.

### **Cash and equivalents**

Cash and equivalents includes cash and investments that have a maturity of three months or less.

### **Capital Assets**

Capital assets are stated at cost less accumulated amortization. Amortization is based on the estimated useful life of the asset and is calculated on the diminishing balance basis at the following rates:

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## Manantial Neighbourhood Services Inc. Summary of Significant Accounting Policies

**September 30, 2009**

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Office furniture and equipment	20%
Computer equipment	30%

### **Contributed Services**

Volunteers contribute a large number of hours per year to assist the organization in carrying out its activities. Despite the fact that without these volunteer hours certain activities may have to be cut back or possibly cancelled, these services would not otherwise be purchased and as a result contributed services have not been recognized in these financial statements.

### **Use of Estimates**

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 year. Actual results could differ from management's best estimates.

### **Financial Instruments**

Cash and cash equivalents are designated as "held for trading" and are measured at fair value. Accounts payable and accrued liabilities and deferred revenue are designated as "loans and receivables" and are measured at amortized cost.

The fair values of these financial instruments approximates their carrying values, unless otherwise noted.



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## Manantial Neighbourhood Services Inc. Notes to Financial Statements

**September 30, 2009**

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**1. Capital assets**

	2009		2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer	\$ 11,102	7,676	\$ 3,426	\$ 2,813
Furniture and fixtures	5,384	1,773	3,611	2,531
	\$ 16,486	\$ 9,449	\$ 7,037	\$ 5,344

**2. Deferred revenue**

Deferred revenue is comprised of the following government grants received in the year for specific projects:

Government of Canada (Federal)	\$ 24,488	\$ 15,000
City of Toronto	20,183	5,000
Recognized as revenue in the year	\$ 44,671	\$ 20,000
	12,671	20,000
	\$ 32,000	\$ -

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**Manantial Neighbourhood Services Inc.  
Notes to Financial Statements**

**September 30, 2009**

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**3. Capital management**

The Organization considers its capital to be comprised of its net assets and deferred revenue. Deferred revenue is subject to externally imposed requirements of the funder.

The Organization manages capital to safeguard its ability to operate and to meet its financial obligations as they become due.

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**4. Comparative figures**

Certain comparative figures have been restated to conform to the current year's presentation.