

S.S.C.O.P.E. INCORPORATED

FINANCIAL STATEMENTS
(Unaudited)

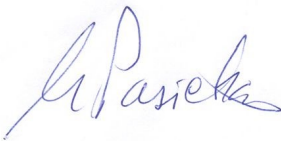
MARCH 31, 2011

S.S.C.O.P.E. INCORPORATED

STATEMENT OF FINANCIAL POSITION (Unaudited)

| | March 31 | |
|---------------------------------|------------------|------------------|
| | 2011 | 2010 |
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 60,553 | \$ 72,015 |
| Accounts receivable | 16,907 | 7,663 |
| Inventory | 3,425 | 2,755 |
| Prepaid expenses | 1,233 | 794 |
| GST rebate receivable | <u>1,531</u> | <u>1,793</u> |
| | <u>\$ 83,649</u> | <u>\$ 85,020</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ 4,023 | \$ 6,077 |
| Deferred contributions (note 3) | <u>47,054</u> | <u>47,054</u> |
| | 51,077 | 53,131 |
| NET ASSETS | | |
| Unrestricted net assets | <u>32,572</u> | <u>31,889</u> |
| | <u>\$ 83,649</u> | <u>\$ 85,020</u> |

1 APPROVED BY THE BOARD:



President

S.S.C.O.P.E. INCORPORATED

STATEMENT OF OPERATIONS (Unaudited)

| | Year ended March 31 | |
|---|---------------------|------------------|
| | 2011 | 2010 |
| Revenue: | | |
| Winnipeg Regional Health Authority - operating | \$ 101,688 | \$ 101,688 |
| - support worker | - | 19,394 |
| - merger study | - | 17,946 |
| Local Investment Toward Employment | 5,000 | - |
| Employment Manitoba, wage subsidy | - | 14,420 |
| Winnipeg Foundation | - | 10,000 |
| Gifts and fundraising | 9,000 | 3,930 |
| Business operations – Casual employment | 125,759 | 75,327 |
| – Vending machines | <u>13,865</u> | <u>19,753</u> |
| | 255,312 | 262,458 |
| Expenditures: | | |
| Job costs | 102,437 | 73,562 |
| Administrative and supervision | 152,192 | 159,020 |
| Merger study costs | <u>-</u> | <u>17,946</u> |
| | <u>254,629</u> | <u>250,528</u> |
| Excess of revenue over expenditures for the year | <u>\$ 683</u> | <u>\$ 11,930</u> |

S.S.C.O.P.E. INCORPORATED

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

| | Year ended March 31 | |
|---|----------------------------|-------------------------|
| | 2011 | 2010 |
| Balance, beginning of year | \$ 31,889 | \$ 19,959 |
| Difference between revenues and expenses | <u>683</u> | <u>11,930</u> |
| Balance, end of year | <u>\$ 32,572</u> | <u>\$ 31,889</u> |

S.S.C.O.P.E. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
FOR THE YEAR ENDED MARCH 31, 2011

1. Nature of organization:

S.S.C.O.P.E. Incorporated is a non-profit organization incorporated without share capital under the laws of Manitoba on June 7, 1990 and is dedicated to providing casual paid employment and fellowship to consumers of the mental health system. The organization is a registered charity under the Income Tax Act, Canada.

2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. An assumption underlying the preparation of financial statements in accordance with Canadian generally accepted accounting principles is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations. The financial statements include the following significant accounting policies:

a) Estimates-

The preparation of financial statements in accordance 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 management's estimates.

b) Revenue recognition-

The organization follows the deferral method of accounting for contributions from grants and donations. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Revenue from business operations for casual employment is recognized as revenue when earned, and revenue from vending machines is recognized when cash from the machines is collected.

2. Significant accounting policies (cont):

c) Capital assets-

The cost of capital assets is written off to expense in the year of acquisition. The major classes include trucks, lawn care and snow clearing equipment and office equipment.

3d) Inventory-

Inventory consisting of vending supplies is valued at the lower of cost, on an average cost basis, and net realizable value. The cost of inventories comprise the purchase price, non-recoverable taxes, transport and handling costs directly attributable to the acquisition of inventories, net of any discounts or other rebates

4e) Contributed goods and services-

The organization receives contributions in the form of goods and services from volunteers. Because of the difficulty of determining its value, contributed goods and services are not recognized in the financial statements.

f) Financial instruments-

The organization designates its cash as held-for-trading, which is measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The carrying values of financial assets and liabilities being cash, accounts receivable, and accounts payable approximate their fair values due to the relatively short-term maturity.

NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
FOR THE YEAR ENDED MARCH 31, 2011

3. Deferred contributions:

Deferred contributions represent unspent resources which have been restricted by the contributors to fund specific initiatives and are amortized into income as related expenditures are incurred. Changes in the deferred contributions balance are as follows:

| | <u>2011</u> | <u>2010</u> |
|---|------------------|------------------|
| Balance, beginning of year | \$ 47,054 | \$ - |
| Restricted contributions received during the year | 5,000 | 60,000 |
| Amounts recognized in revenue | <u>(5,000)</u> | <u>(17,946)</u> |
| Balance, end of year | <u>\$ 47,054</u> | <u>\$ 47,054</u> |

4. Economic dependence:

The organization received 39.8% (2010: 38.7%) of its total revenues from Winnipeg Regional Health Authority and is partially dependent on this support to finance its operations. These statements are prepared on the basis that this support will continue.

5. Comparative Amounts:

Certain comparative amounts have been re-classified to conform to the current period's presentation.

6. Risk Management:

In the normal course of its business, the organization is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. As a part of the overall operation of the organization, management considers the avoidance of undue concentrations of risk. These risks include, and the actions taken to manage them are as follows:

NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
FOR THE YEAR ENDED MARCH 31, 2011

6. Risk Management (cont):*Credit risk-*

Credit risk arises from the possibility that a counter party may be unable to fulfill their commitments resulting in a loss to the organization. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information.

Fair values-

Fair value is an estimate of the amount at which items might be exchanged in an arm's length transaction. Fair value should not be interpreted as an amount that could be realized in immediate settlement of the instruments. The estimate of fair value at year-end may not represent fair values at any other date. The determination of fair value is also affected by the use of judgment and by uncertainty.

The organization does not enter into any derivate financial instrument arrangements for hedging or speculative purposes.

7. Capital management:

The organization defines its capital as the amounts included in its net asset balances. The organization's objectives when managing its capital is to safeguard its ability to continue as a going concern so that it can sustain its operations and provide services and to its members.

The organization manages its assets and makes adjustments in the light of changes in economic conditions and the risk characteristics of the underlying assets. The organization monitors net assets through direct personal involvement with employees and outside parties and from time-to-time using a variety of measures, depending on the circumstances.

NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
FOR THE YEAR ENDED MARCH 31, 2011

8. Statement of Cash Flows:

A separate statement of cash flows has not been provided since the sources and uses of cash from (to) operating, investing, and financing activities are readily apparent from the information included in the financial statements.

S.S.C.O.P.E. INCORPORATED
SCHEDULE OF EXPENSES
(Unaudited)

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| | Year ended | |
|--|-------------------|-------------------|
| | 2011 | 2010 |
| Job Costs: | | |
| Member wages | \$ 65,934 | \$ 37,344 |
| Vehicle and transportation | 20,732 | 14,555 |
| Supplies and maintenance | 836 | 5,141 |
| Vending stock | 8,155 | 12,042 |
| Landfill and recycling fees | 3,272 | 1,023 |
| Storage | 2,563 | 2,687 |
| Equipment purchases | <u>945</u> | <u>770</u> |
| | <u>102,437</u> | <u>73,562</u> |
| Administration and supervision: | | |
| Advertising and promotion | 4,101 | 343 |
| Bad debts | 435 | 1,533 |
| Bank charges | 615 | 382 |
| Board expenses | 1,074 | 1,033 |
| Fundraising expense | 1,790 | 850 |
| Insurance | 1,436 | 4,145 |
| License and membership fees | - | 639 |
| Office | 3,391 | 3,972 |
| Professional fees | 1,965 | 1,969 |
| Rent | 14,923 | 13,700 |
| Salaries and benefits | 116,405 | 123,670 |
| Staff and worker development | 390 | 1,113 |
| Telephone and internet | 4,023 | 4,433 |
| Utilities | <u>1,644</u> | <u>1,238</u> |
| | <u>152,192</u> | <u>159,020</u> |
| Merger study | <u>-</u> | <u>17,946</u> |
| Total expenses | <u>\$ 254,629</u> | <u>\$ 250,528</u> |