

# **S.S.C.O.P.E. INCORPORATED**

Notes to Financial Statements  
(Unaudited)

Year ended March 31, 2010

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## **1. General**

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. Summary of significant accounting policies**

### **(a) Capital assets**

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

### **(b) Vending inventory**

Vending inventory is recorded at cost.

### **(c) Use of 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 best estimates, as additional information becomes available in the future.

### **(d) 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.

## **3. Deferred revenue**

At the beginning of the year ended March 31, 2010, the Winnipeg Regional Housing Authority provided a one time funding allotment of \$60,000 to study the sustainability of three organizations: S.S.C.O.P.E, Doray Enterprises and Seneca House; and the concept of creating a new entity to govern the programs and services currently under each organization's mandate. The \$60,000 was flowed to S.S.C.O.P.E. with the direction that it be used jointly to complete the process. To the end of March 31, 2010 \$17,946 of the grant has been spent leaving an amount of \$42,054 to be used to complete the study in future years.

In March 2010, the organization received a \$5,000 economic development grant from LITE (Local Investment Towards Employment). This money will be used in 2011.

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## **4. Business operations – Casual employment**

The purpose of S.S.C.O.P.E. (Self-Starting Creative Opportunities For People In Employment) as stated in note one to the financial statements is to provide casual paid employment and fellowship to consumers of the mental health system. Some of the business operations in which workers are employed include general cleaning, moving, summer yard care and snow shovelling.

## **5. Economic dependence**

The organization is partially dependent on government agency support to finance its operations. These statements are prepared on the basis that this support will continue.

## **6. Financial Instruments**

The following policies and assumptions were used to determine the fair value of each class of financial assets and financial liabilities.

Cash and bank, accounts and GST rebate receivable and accounts payable: The carrying amount of each item in this class is comparable to its fair value due to the approaching maturity of these financial instruments.

## **7. Statement of cash flows**

A separate statement of cash flows is not presented since cash flows from operating, investing and financing activities are readily apparent from other financial statements.