

**CHURCHES BY THE BLUFFS COMMUNITY SERVICES**

**FINANCIAL STATEMENTS**

**April 30, 2011**

*Brian M. Jones*, M.B.A., C.A.

27 Bracken Avenue, Toronto ON M4E 1N4 (416) 694-3633

## INDEPENDENT AUDITOR'S REPORT

### To Members of Churches By The Bluffs Community Services

I have audited the accompanying financial statements of Churches By The Bluffs Community Services, which comprise the balance sheet as at April 30, 2011, and the statements of revenue, expenses and net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

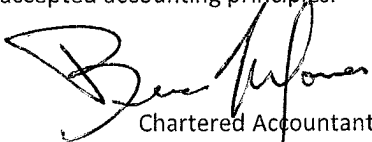
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Churches By The Bluffs Community Services as at April 30, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada  
June 8, 2011

  
Chartered Accountant  
Licensed Public Accountant

**Churches By The Bluffs Community Services**

Statement of Revenue, Expenses and Net Assets

for the year ended April 30, 2011  
(with comparative amounts for the year ended April 30, 2010)

	2011	2010
Revenue		
Donations - Individuals	\$ 44,970	\$ 57,146
Churches	26,347	22,391
Other	<u>3,067</u>	<u>2,264</u>
	<u>74,384</u>	<u>81,801</u>
Expenses		
Program expense	42,744	61,165
Insurance	2,352	2,376
Depreciation	12,362	12,402
Facility use	9,400	9,400
Office and general	<u>8,494</u>	<u>7,654</u>
	<u>75,352</u>	<u>92,997</u>
Excess of (expenses over revenue)	<u>(968)</u>	<u>(11,196)</u>
Net assets, beginning of year	<u>40,730</u>	<u>51,926</u>
Net assets, end of year	<u>\$ 39,762</u>	<u>\$ 40,730</u>

**Churches By The Bluffs Community Services**

Statement of Cash Flow

for the year ended April 30, 2011  
(with comparative amounts for the year ended April 30, 2010)

	<b>2011</b>	<b>2010</b>
Excess of (expenses over revenue)	\$ (968)	\$ (11,196)
Add back depreciation	12,362	12,402
(Increase) in accounts receivable	(215)	(430)
(increase) in prepaid expenses	<u>(74)</u>	<u>      </u>
Cash from operations	11,105	776
Purchase of equipment	<u>(2,312)</u>	<u>(2,972)</u>
Increase in cash and term deposit	8,793	(2,196)
Cash and term deposit, beginning of year	<u>21,178</u>	<u>23,374</u>
Cash and term deposit end of year	<u>\$ 29,971</u>	<u>\$ 21,178</u>

**Churches By The Bluffs Community Services**

Balance Sheet

April 30, 2011

(with comparative amounts for 2010)

**ASSETS**

	2011	2010
Cash	\$ 27,196	\$ 18,430
Term deposit	2,775	2,748
Accounts receivable	1,165	950
Prepaid insurance	<u>1,415</u>	<u>1,341</u>
	32,551	23,469
Equipment		
Refrigeration and equipment	57,785	57,785
Shelving and other	20,833	18,521
Less accumulated depreciation	<u>(71,407)</u>	<u>(59,045)</u>
	<u>7,211</u>	<u>17,261</u>
	<u>\$ 39,762</u>	<u>\$ 40,730</u>

**LIABILITIES & NET ASSETS**

Net assets	<u>\$ 39,762</u>	<u>\$ 40,730</u>
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Approved on behalf of the Board

 , Director       , Director

## **Churches By The Bluffs Community Services**

### Notes to Financial Statements

April 30, 2011

#### 1. Organization and Purpose

Churches By The Bluffs Community Services was incorporated on June 18, 2003 without share capital under the laws of Ontario. The organization provides food bank and support services for persons of low income. It is a registered charity under the Income Tax Act (Canada) and accordingly, no provision for income tax is made in these statements.

#### 2. Significant Accounting Policies

##### Contributions

Contributions and donations are recorded when received..

##### Fixed Assets

Equipment with a cost of \$200 or more is capitalized and depreciated over five years on a straight line basis.

#### 3. Financial Instruments

The organization's financial instruments consist of cash, term deposits and accounts payable. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

#### 4 Facility fee

In fiscal 2011, the organization paid \$9,400 to Birchcliff Bluffs United Church for the use of the church's facility for the operation of the organization's food bank. The current agreement with the church requires the organization to pay \$500 per month plus utilities (currently \$200).