

**PILLAR NONPROFIT NETWORK**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

## AUDITOR'S REPORT

To the Board of Directors of  
**Pillar Nonprofit Network:**

I have audited the statement of financial position of **Pillar Nonprofit Network** as at December 31, 2009 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 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 charitable organizations, the Network derives revenue from membership fees and donation revenues the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Network and we were not able to determine whether any adjustments might be necessary to membership and donation revenues, excess of revenues over expenses, assets and fund balances.

In my opinion these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2009 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

London, Ontario  
March 4, 2010

MICHAEL A. KING, C. A.  
Licensed Public Accountant

# PILLAR NONPROFIT NETWORK

## Statement of Financial Position

As at December 31

	<b>2009</b>	<b>2008</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 74,825	\$ 40,825
Accounts receivable	1,685	5,490
Prepaid expenses	2,687	5,663
	<b>79,197</b>	<b>51,978</b>
Capital assets (note 1)	<b>3,633</b>	<b>4,844</b>
	<b>\$ 82,830</b>	<b>\$ 56,822</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,791	\$ 9,082
Deferred revenue	44,370	13,658
	<b>47,161</b>	<b>22,740</b>
Net Assets:		
Unrestricted net assets	<b>35,669</b>	<b>34,082</b>
	<b>\$ 82,830</b>	<b>\$ 56,822</b>

Approved on Behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes to the financial statements.

## PILLAR NONPROFIT NETWORK

### Statement of Changes in Net Assets

Year ended December 31

	<b>2009</b>	2008
Balance, beginning of year	\$ 34,082	\$ 27,640
Excess of revenues over expenses	1,587	6,442
Balance, end of year	\$ 35,669	\$ 34,082

See accompanying notes to the financial statements.

## PILLAR NONPROFIT NETWORK

### Statement of Operations

Year ended December 31

	2009	2008
Revenues:		
Events	\$ 55,397	\$ 45,891
Canadian Heritage contract (CRA)	34,297	28,515
MTCU contract	30,157	31,768
Membership fees	29,433	23,920
Donations	14,586	28,355
Workshops and training	13,539	11,550
MCI Contract	7,500	-
Projects	6,300	9,725
City of London funding	1,850	40,000
Expense reimbursement	1,222	125
Interest and sundry	201	661
Charities Directorate contract	-	11,250
	<b>194,482</b>	<b>231,760</b>
Operating expenses:		
Wages and benefits	109,326	95,135
Events	22,804	37,613
Consulting fees	14,090	33,536
Rent	8,712	8,712
Workshops and training	8,198	13,260
Advertising and promotion	7,732	6,808
Office supplies	5,735	4,561
Professional fees	5,651	2,922
Insurance	2,663	2,663
Travel	2,653	2,187
Telephone	2,530	3,278
Depreciation of furniture and equipment	1,211	1,211
Interest and bank charges	626	450
Memberships	489	409
Repairs and maintenance	470	231
Website design	5	12,342
	<b>192,895</b>	<b>225,318</b>
Excess of revenues over expenses for the year	\$ 1,587	\$ 6,442

See accompanying notes to the financial statements.

## PILLAR NONPROFIT NETWORK

### Statement of Cash Flows

Year ended December 31

	<b>2009</b>	2008
Cash from operating activities:		
Excess of revenue over expenses	\$ 1,587	\$ 6,442
Depreciation of furniture and equipment	1,211	1,211
Net changes in non-cash working capital:		
Accounts receivable	3,805	17,838
Prepaid expenses	2,976	(3,000)
Accounts payable and accrued liabilities	(6,291)	2,142
Deferred revenue	30,712	(6,867)
Cash flows from operating activities	<b>34,000</b>	17,766
Increase in cash position during the year	<b>34,000</b>	17,766
Cash position, beginning of year	<b>40,825</b>	23,059
Cash position, end of year	<b>\$ 74,825</b>	\$ 40,825

See accompanying notes to the financial statements.

# PILLAR NONPROFIT NETWORK

Notes to the Financial Statements

December 31, 2009

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## **Nature of the Project:**

Pillar Nonprofit Network was incorporated by letters of patent, under the Ontario Corporations Act, without share capital, on July 21, 2003. On December 9, 2003, the organization received Federal charitable status. On June 10, 2009, the organization's name changed to Pillar Nonprofit Network from Pillar Voluntary Sector Network.

## **Summary of Significant Accounting Policies:**

These financial statements of the Pillar Nonprofit Network have been prepared in accordance with Canadian generally accepted accounting principles and, in the opinion of management, are within reasonable limits of materiality and within the framework of the accounting policies summarized below:

### *Fund Accounting:*

In order to ensure observance of limitations and restrictions placed on the use of resources available to the organization, the accounts of the organization are maintained in accordance with the principles of "fund accounting". Under these principles, resources are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

The organization follows the deferral method of accounting for contributions which includes grants and donations. Grants and donations are included as deferred revenue and are recognized as revenue in the year in which the related expenses are made.

The operating fund of the organization accounts for assets, liabilities, revenue and expenditures related to the ongoing operations of the Network.

# PILLAR NONPROFIT NETWORK

Notes to the Financial Statements - continued

December 31, 2009

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## *Capital Assets:*

Capital assets that are not funded by grants are capitalized and recorded at cost. Capital assets that are funded by grants are expensed in the same period as the grant revenue. Amortization on the capitalized assets has been provided using the declining balance method at the following rates:

Furniture and equipment	20 %
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When properties are retired or otherwise disposed of, the assets and related accumulated amortization thereon are removed from the accounts and the resulting gain or loss is credited or charged to income.

## *Income Taxes:*

According to the provisions of the Income Tax Act (Canada), the organization is exempt from taxes on income.

## *Revenue Recognition:*

The organization follows the deferral method of accounting for membership, contract and workshop revenue. Revenue is recognized in the year in which the related expenditures occur. Unrestricted or unassigned amounts are recognized as revenue in the year they are received

## *Accounting 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.



