

**RESOURCE ASSISTANCE FOR YOUTH, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

**Roy Parker**

Chartered Accountant Inc.

## INDEPENDENT AUDITOR'S REPORT

To the Directors of:  
Resource Assistance for Youth, Inc.

I have audited the accompanying financial statements of Resource Assistance for Youth, Inc., which comprise the statement of financial position as at December 31, 2011, and the statements of operations, changes in 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 accounting standards for not-for-profit organizations, 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 of 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 Resource Assistance for Youth, Inc. as at December 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Manitoba  
May 16, 2012



Chartered Accountant

**RESOURCE ASSISTANCE FOR YOUTH, INC.**

**STATEMENT OF FINANCIAL POSITION**

**AS AT**

<u>Assets</u>	December 31 <u>2011</u>	December 31 <u>2010</u>	January 1 <u>2010</u>
Current assets			
Cash	\$ 23,127	\$ -	\$ 9,534
Accounts receivable	16,760	45,703	40,817
GST receivable	3,564	8,296	21,443
Prepaid expenses	<u>9,846</u>	<u>10,960</u>	<u>8,793</u>
	<u>53,297</u>	<u>64,959</u>	<u>80,587</u>
Capital assets (note 4)	<u>1,405,369</u>	<u>1,435,782</u>	<u>1,310,235</u>
	<u>\$ 1,458,666</u>	<u>\$ 1,500,741</u>	<u>\$ 1,390,822</u>

Liabilities and Net Assets

Current liabilities			
Bank indebtedness	\$ -	\$ 114,196	\$ -
Accounts payable and accrued liabilities	20,475	26,533	78,421
Prepaid contributions (note 5)	<u>126,785</u>	<u>36,600</u>	<u>53,516</u>
	<u>147,260</u>	<u>177,329</u>	<u>131,937</u>
Deferred contributions related to capital assets (note 7)	<u>1,133,703</u>	<u>1,178,389</u>	<u>1,116,886</u>
Net assets			
Net assets invested in capital assets	271,665	151,834	193,349
Deficiency	<u>(93,962)</u>	<u>(6,811)</u>	<u>(51,350)</u>
	<u>177,703</u>	<u>145,023</u>	<u>141,999</u>
	<u>\$ 1,458,666</u>	<u>\$ 1,500,741</u>	<u>\$ 1,390,822</u>

Approved on Behalf of the Board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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**RESOURCE ASSISTANCE FOR YOUTH, INC.**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
Revenue		
Government of Canada	\$ 319,739	\$ 229,151
Province of Manitoba	346,973	305,035
Contributions from charities and foundations	243,610	208,656
Donations and grants	74,454	134,785
Amortization of deferred contributions	47,186	46,842
Other income	<u>27,246</u>	<u>923</u>
	<u>1,059,208</u>	<u>925,392</u>
Expense		
Advertising	2,042	2,624
Amortization	69,914	67,169
Auto	12,043	9,458
Insurance	12,532	11,760
Interest and bank charges	6,116	5,266
Maintenance and repairs	12,080	26,808
Meetings	2,781	1,530
Memberships and dues	1,347	1,050
Office	19,654	24,918
Professional fees	25,368	12,122
Program expenses	77,778	51,562
Property taxes	3,753	16,647
Public awareness	5,414	6,056
Rent and utilities	11,014	11,691
Telecommunications	15,191	14,717
Travel	7,444	6,615
Wages and benefits	<u>742,057</u>	<u>652,375</u>
	<u>1,026,528</u>	<u>922,368</u>
Excess of revenue over expense for the year	\$ <u>32,680</u>	\$ <u>3,024</u>

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**RESOURCE ASSISTANCE FOR YOUTH, INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	Invested in Capital <u>Assets</u>	<u>Unrestricted</u>	2011 <u>Total</u>	2010 <u>Total</u>
Balance, beginning of year	\$ 151,834	\$ (6,811)	\$ 145,023	\$ 141,999
Excess of revenue over expense for the year	(22,730)	55,410	32,680	3,024
Investment in capital assets	145,061	(145,061)	-	-
Restricted contributions related to capital assets	<u>(2,500)</u>	<u>2,500</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>271,665</u>	\$ <u>(93,962)</u>	\$ <u>177,703</u>	\$ <u>145,023</u>

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**RESOURCE ASSISTANCE FOR YOUTH, INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Cash receipts	\$ 1,135,859	\$ 878,810
Cash paid for operating expenses	(955,443)	(957,503)
Interest income	24	67
Interest paid	<u>(6,116)</u>	<u>(5,266)</u>
	<u>174,324</u>	<u>(83,892)</u>
Cash flows from investing activities		
Purchase of capital assets	<u>(39,501)</u>	<u>(192,716)</u>
Cash flows from financing activities		
Capital campaign contributions	<u>2,500</u>	<u>108,278</u>
Increase (decrease) in cash	137,323	(168,330)
Cash (bank indebtedness), beginning of year	<u>(114,196)</u>	<u>54,134</u>
Cash (bank indebtedness), end of year	\$ <u>23,127</u>	\$ <u>(114,196)</u>

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**RESOURCE ASSISTANCE FOR YOUTH, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

1. Purpose of the organization

Resource Assistance for Youth, Inc. (the "Organization") is incorporated under The Corporations Act of Manitoba as a not-for-profit organization and is a registered charitable organization under the Income Tax Act.

The Organization's mandate is to provide support, education and resources to empower youth to make informed choices that will improve their quality of life.

2. Adoption of a new accounting framework

During the year ended December 31, 2011, the organization adopted the new accounting standards for not-for-profit organizations (the "new standards") issued by the Canadian Institute of Chartered Accountants ("CICA"). In accordance with Section 1501 of Part III of the CICA Handbook, first-time adoption ("Section 1501"), the date of transition to the new standards is January 1, 2010. The organization has prepared and presented an opening balance sheet as at the date of transition to the new standards. There was no impact of the adoption of the new standards on the January 1, 2010 opening balance sheet. There was no impact on retained earnings as at January 1, 2010. There was no impact on the statement of income or the statement of cash flows for the year ended December 31, 2010.

3. Summary of significant accounting policies

a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

b) Capital assets

Capital assets purchased are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization of capital assets has been provided for using the following rates and methods which will amortize the cost of the assets over their estimated useful lives.

Building	4% declining balance
Furniture and equipment	20% declining balance
Computer equipment	30% declining balance
Vehicle	30% declining balance

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**RESOURCE ASSISTANCE FOR YOUTH, INC.**

**NOTES TO THE FINANCIAL STATEMENTS, CONT'D**

**DECEMBER 31, 2011**

3. Summary of significant accounting policies, cont'd

c) Contributed services

Volunteers contribute numerous hours per year to assist the Organization in carrying out its purpose. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

d) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises 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 revenue and expenses during the reporting period. Actual results could differ from these estimates.

e) Financial instruments

The Organization's financial instruments consist of cash, accounts receivable, accounts payable and bank indebtedness. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

4. Capital assets

	2011		2010	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 127,000	\$ -	\$ 127,000	\$ -
Building	1,338,432	135,610	1,307,125	86,145
Furniture and equipment	94,159	35,654	91,076	21,413
Computer equipment	31,077	19,003	25,966	14,924
Vehicle	10,989	6,021	10,989	3,892
	<u>\$ 1,601,657</u>	<u>\$ 196,288</u>	<u>\$ 1,562,156</u>	<u>\$ 126,374</u>
Cost less accumulated amortization		<u>\$ 1,405,369</u>		<u>\$ 1,435,782</u>

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**RESOURCE ASSISTANCE FOR YOUTH, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONT'D**  
**DECEMBER 31, 2011**

5. Prepaid contributions

Prepaid contributions represent restricted operating funding received in the current period that is related to the subsequent period.

6. Deferred capital campaign contributions

The Organization launched a capital campaign with the target to raise \$1,000,000 to fund building and other capital additions. The changes in the deferred capital campaign contributions balance for the year are as follows:

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ -	\$ -
Add: Contributions in the year	2,500	108,278
Related investment income	-	67
Less: Investment in capital assets	<u>(2,500)</u>	<u>(108,345)</u>
Balance, end of year	\$ <u>-</u>	\$ <u>-</u>

7. Deferred contributions related to capital assets

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 1,178,389	\$ 1,116,886
Add: Capital fund contributions	2,500	108,345
Less: Amounts amortized to revenue	<u>(47,186)</u>	<u>(46,842)</u>
Balance, end of year	\$ <u>1,133,703</u>	\$ <u>1,178,389</u>

8. Comparative figures

Certain prior year comparatives have been reclassified to conform to the current year's presentation.