

RESOURCE ASSISTANCE FOR YOUTH, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2013

Roy Parker

Chartered Accountant Inc.

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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, 2013, 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, 2013, 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
January 27, 2014

Chartered Accountant

RESOURCE ASSISTANCE FOR YOUTH, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

	<u>Assets</u>	<u>2013</u>	<u>2012</u>
Current assets			
Cash (note 3)		\$ 178,880	\$ 66,549
Accounts receivable		75,346	143,505
GST receivable		4,896	5,065
Prepaid expenses		<u>16,046</u>	<u>15,664</u>
		<u>275,168</u>	<u>230,783</u>
Capital assets (note 4)		<u>1,355,717</u>	<u>1,391,010</u>
		<u>\$ 1,630,885</u>	<u>\$ 1,621,793</u>
 <u>Liabilities and Net Assets</u> 			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 70,940	\$ 38,571
Deferred contributions (note 5)		<u>66,225</u>	<u>66,875</u>
		<u>137,165</u>	<u>105,446</u>
Deferred contributions related to capital assets (note 6)		<u>1,123,209</u>	<u>1,172,620</u>
		<u>1,260,374</u>	<u>1,278,066</u>
Net assets			
Net assets invested in capital assets		232,509	218,390
Unrestricted net assets		<u>138,002</u>	<u>125,337</u>
		<u>370,511</u>	<u>343,727</u>
		<u>\$ 1,630,885</u>	<u>\$ 1,621,793</u>

Approved on Behalf of the Board

_____ Director

_____ Director

Roy Parker

Chartered Accountant Inc.

RESOURCE ASSISTANCE FOR YOUTH, INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Revenue		
Government of Canada	\$ 429,646	\$ 468,986
Province of Manitoba	418,309	361,776
City of Winnipeg	83,745	90,640
Contributions from charities and foundations	265,757	234,861
Donations and grants	149,670	266,783
Amortization of deferred contributions	49,411	48,489
Other income	<u>2,909</u>	<u>1,497</u>
	<u>1,399,447</u>	<u>1,473,032</u>
Expense		
Advertising	10,421	16,640
Amortization of capital assets	68,825	71,025
Auto	12,277	10,356
Fundraising	3,620	13,561
Insurance	15,767	13,567
Interest and bank charges	4,056	3,384
Maintenance and repairs	20,155	16,963
Meetings	9,458	10,116
Memberships and dues	3,815	2,897
Office	20,420	19,412
Professional and consulting fees	66,223	42,557
Program expenses	124,707	125,754
Property taxes	5,733	5,533
Public awareness	3,745	8,019
Telecommunications	12,705	13,744
Travel	14,125	14,580
Utilities	13,934	13,591
Wages and benefits	<u>962,677</u>	<u>905,309</u>
	<u>1,372,663</u>	<u>1,307,008</u>
Excess of revenue over expense for the year	\$ <u>26,784</u>	\$ <u>166,024</u>

RESOURCE ASSISTANCE FOR YOUTH, INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Invested in Capital <u>Assets</u>	<u>Unrestricted</u>	2013 <u>Total</u>	2012 <u>Total</u>
Balance, beginning of year	\$ 218,390	\$ 125,337	\$ 343,727	\$ 177,703
Excess of revenue over expense for the year	(23,893)	50,677	26,784	166,024
Investment in capital assets	<u>38,011</u>	<u>(38,011)</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>232,508</u>	\$ <u>138,003</u>	\$ <u>370,511</u>	\$ <u>343,727</u>

RESOURCE ASSISTANCE FOR YOUTH, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Excess of revenue over expense for the year	\$ 26,784	\$ 166,024
Amortization of deferred contributions	(49,411)	(48,489)
Amortization of capital assets	<u>68,825</u>	<u>71,025</u>
	<u>46,198</u>	<u>188,560</u>
Changes in working capital accounts		
Accounts receivable	68,159	(126,745)
GST receivable	169	(1,500)
Prepaid expenses	(382)	(5,817)
Accounts payable and accrued liabilities	32,369	18,096
Deferred contributions	<u>(650)</u>	<u>(59,910)</u>
	<u>145,863</u>	<u>12,684</u>
Cash flows from investing activities		
Proceeds of disposition of capital assets	7,957	-
Purchase of capital assets	<u>(41,489)</u>	<u>(56,667)</u>
	<u>(33,532)</u>	<u>(56,667)</u>
Cash flows from financing activities		
Capital campaign contributions	<u>-</u>	<u>87,405</u>
Increase in cash	112,331	43,422
Cash, beginning of year	<u>66,549</u>	<u>23,127</u>
Cash, end of year	\$ <u>178,880</u>	\$ <u>66,549</u>

RESOURCE ASSISTANCE FOR YOUTH, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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. Summary of significant accounting policies

The organization's financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

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

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.

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RESOURCE ASSISTANCE FOR YOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
DECEMBER 31, 2013

2. Summary of significant accounting policies, cont'd

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.

3. Cash

The organization has an authorized line of credit with a limit of \$225,000. The line of credit is secured by a general security agreement and a mortgage on the land and building. The line of credit bears interest at The Assiniboine Credit Union Limited Prime Lending Rate (presently 3%) plus 2%. Interest is calculated daily on the actual amount used and is collected at the end of each month. The amount used as at December 31, 2013 was \$0 (2012 - \$0).

4. Capital assets

	<u>2013</u>		<u>2012</u>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 127,000	\$ -	\$ 127,000	\$ -
Building	1,357,550	230,660	1,347,769	183,910
Furniture and equipment	125,636	64,138	117,910	49,730
Computer equipment	40,639	27,804	35,820	23,336
Vehicle	<u>37,998</u>	<u>10,504</u>	<u>29,824</u>	<u>10,337</u>
	<u>\$ 1,688,823</u>	<u>\$ 333,106</u>	<u>\$ 1,658,323</u>	<u>\$ 267,313</u>
Cost less accumulated amortization		<u>\$ 1,355,717</u>		<u>\$ 1,391,010</u>

RESOURCE ASSISTANCE FOR YOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
DECEMBER 31, 2013

5. Deferred contributions

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

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 66,875	\$ 126,785
Less: Deferred contributions used in the year	(66,875)	(126,785)
Add: Contributions deferred to subsequent period	<u>66,225</u>	<u>66,875</u>
Balance, end of year	\$ <u>66,225</u>	\$ <u>66,875</u>

6. Deferred contributions related to capital assets

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 1,172,620	\$ 1,133,704
Add: Capital fund contributions	-	87,405
Less: Amounts amortized to revenue	<u>(49,411)</u>	<u>(48,489)</u>
Balance, end of year	\$ <u>1,123,209</u>	\$ <u>1,172,620</u>

7. Comparative figures

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