

**RESOURCE ASSISTANCE FOR YOUTH, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**Roy Parker**

Chartered Professional Accountant Inc.

# Roy Parker

Chartered Professional 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, 2015, 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, 2015, 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  
February 25, 2016

Chartered Professional Accountant

**RESOURCE ASSISTANCE FOR YOUTH, INC.**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2015**

	<u>Assets</u>	<u>2015</u>	<u>2014</u>
Current assets			
Cash (note 3)	\$	148,064	\$ 206,704
Accounts receivable		57,869	104,075
Government remittances receivable		3,766	3,594
Prepaid expenses		<u>14,869</u>	<u>16,015</u>
		<u>224,568</u>	<u>330,388</u>
Capital assets (note 4)		<u>1,286,664</u>	<u>1,334,972</u>
	\$	<u>1,511,232</u>	\$ <u>1,665,360</u>
 <u>Liabilities and Net Assets</u>  			
Current liabilities			
Accounts payable and accrued liabilities	\$	42,639	\$ 68,957
Deferred contributions (note 5)		<u>85,580</u>	<u>193,920</u>
		<u>128,219</u>	<u>262,877</u>
Deferred contributions related to capital assets (note 6)		<u>1,080,120</u>	<u>1,119,346</u>
		<u>1,208,339</u>	<u>1,382,223</u>
Net assets			
Net assets invested in capital assets		206,543	215,625
Unrestricted net assets		<u>96,350</u>	<u>67,512</u>
		<u>302,893</u>	<u>283,137</u>
	\$	<u>1,511,232</u>	\$ <u>1,665,360</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, 2015**

	<u>2015</u>	<u>2014</u>
Revenue		
Government of Canada	\$ 229,147	\$ 356,338
Province of Manitoba	509,709	408,265
City of Winnipeg	84,892	82,948
Contributions from charities and foundations	309,144	271,226
Donations and grants	160,401	89,818
Amortization of deferred contributions	59,226	53,652
Other income	<u>23,373</u>	<u>10,479</u>
	<u>1,375,892</u>	<u>1,272,726</u>
Expense		
Advertising	3,397	14,737
Amortization of capital assets	76,743	76,432
Auto	14,572	14,723
Fundraising	7,272	5,292
Insurance	17,156	17,285
Interest and bank charges	3,285	4,031
Maintenance and repairs	19,268	17,319
Meetings	2,859	7,803
Memberships and dues	1,650	3,383
Office	21,337	20,598
Professional and consulting fees	36,922	46,982
Program expenses	150,173	131,486
Property taxes	5,936	5,751
Public awareness	2,721	4,196
Telecommunications	12,480	11,413
Travel	10,878	8,513
Utilities	14,077	15,059
Wages and benefits	<u>955,410</u>	<u>955,097</u>
	<u>1,356,136</u>	<u>1,360,100</u>
Excess of revenue over expense		
(expense over revenue) for the year	\$ <u>19,756</u>	\$ <u>(87,374)</u>

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**RESOURCE ASSISTANCE FOR YOUTH, INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Invested in Capital <u>Assets</u>	<u>Unrestricted</u>	2015 <u>Total</u>	2014 <u>Total</u>
Balance, beginning of year	\$ 215,625	\$ 67,512	\$ 283,137	\$ 370,511
Excess of revenue over expense (expense over revenue) for the year	(17,517)	37,273	19,756	(87,374)
Investment in capital assets	<u>8,435</u>	<u>(8,435)</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>206,543</u>	\$ <u>96,350</u>	\$ <u>302,893</u>	\$ <u>283,137</u>

**RESOURCE ASSISTANCE FOR YOUTH, INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Excess of revenue over expense		
(expense over revenue) for the year	\$ 19,756	\$ (87,374)
Amortization of deferred contributions	(59,226)	(53,652)
Amortization of capital assets	<u>76,743</u>	<u>76,432</u>
	37,273	(64,594)
Changes in working capital accounts		
Accounts receivable	46,206	(28,729)
Government remittances receivable	(172)	1,302
Prepaid expenses	1,146	31
Accounts payable and accrued liabilities	(26,318)	(1,983)
Deferred contributions	<u>(108,340)</u>	<u>127,695</u>
	<u>(50,205)</u>	<u>33,722</u>
Cash flows from investing activities		
Purchase of capital assets	<u>(28,435)</u>	<u>(55,687)</u>
Cash flows from financing activities		
Capital campaign contributions	<u>20,000</u>	<u>49,789</u>
Increase (decrease) in cash	(58,640)	27,824
Cash, beginning of year	<u>206,704</u>	<u>178,880</u>
Cash, end of year	\$ <u>148,064</u>	\$ <u>206,704</u>

**RESOURCE ASSISTANCE FOR YOUTH, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

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

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**RESOURCE ASSISTANCE FOR YOUTH, INC.**

**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

**DECEMBER 31, 2015**

2. Summary of significant accounting policies, continued

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.

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, 2015 was \$0 (2014 - \$0).

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**RESOURCE ASSISTANCE FOR YOUTH, INC.**

**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

**DECEMBER 31, 2015**

4. Capital assets

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Land	\$ 127,000	\$ -	\$ 127,000	\$ -
Building	1,374,959	319,734	1,367,189	275,928
Furniture and equipment	128,479	87,073	128,479	76,722
Computer equipment	66,067	39,379	45,402	32,369
Vehicle	<u>76,441</u>	<u>40,096</u>	<u>76,441</u>	<u>24,520</u>
	<u>\$ 1,772,946</u>	<u>\$ 486,282</u>	<u>\$ 1,744,511</u>	<u>\$ 409,539</u>
Cost less accumulated amortization		<u>\$ 1,286,664</u>		<u>\$ 1,334,972</u>

5. Deferred contributions

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

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 193,920	\$ 66,225
Less: Deferred contributions used in the year	(193,920)	(66,225)
Add: Contributions deferred to subsequent period	<u>85,580</u>	<u>193,920</u>
Balance, end of year	<u>\$ 85,580</u>	<u>\$ 193,920</u>

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**RESOURCE ASSISTANCE FOR YOUTH, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**  
**DECEMBER 31, 2015**

6.	Deferred contributions related to capital assets	<u>2015</u>	<u>2014</u>
	Balance, beginning of year	\$ 1,119,346	\$ 1,123,209
	Add: Capital fund contributions	20,000	49,789
	Less: Amounts amortized to revenue	<u>(59,226)</u>	<u>(53,652)</u>
	Balance, end of year	\$ <u>1,080,120</u>	\$ <u>1,119,346</u>

7. Financial instruments risks

Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. The organization is funded by grants and donations and manages liquidity risk by maintaining a reserve balance of cash sufficient to meet its current obligations, mitigating liquidity risk.

Credit risk

Credit risk is the risk that a third party to a financial instrument fails to meet its obligations under terms of the financial instrument. The Organization's financial assets consist primarily of cash and some receivables. The Organization's cash is held with a large, provincially and federally regulated financial institution in Canada and the Organization's receivables are secured by funding agreements, mitigating credit risk.

Interest rate risk, foreign currency exchange rate risk and market risk

Interest rate risk is the risk that a change in interest rates will affect the Organization's ability to meet its obligations. Foreign currency exchange rate risk is the risk that changes in foreign exchange rates will affect the organization's ability to meet its obligations. Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as market prices change affecting the organization's ability to meet its obligations. The organization does not have any interest bearing debt, marketable securities, nor any transactions in foreign currencies; therefore, the organization is not affected by these risks.

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