

YOUTH CENTRAL SOCIETY
Financial Statements
Year Ended October 31, 2017

YOUTH CENTRAL SOCIETY
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Year Ended October 31, 2017

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CREMERS & ELLIOTT

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Youth Central Society

We have audited the accompanying financial statements of Youth Central Society, which comprise the statement of financial position as at October 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent Auditor's Report to the Members of Youth Central Society *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Youth Central Society as at October 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

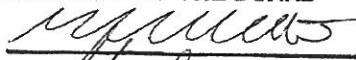
Calgary, Alberta
December 21, 2017


Cremers & Co. Chartered Accountants LLP

YOUTH CENTRAL SOCIETY
Statement of Financial Position
October 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 157,738	\$ 150,689
Accounts receivable	29,104	8,612
Interest receivable	412	412
Goods and services tax recoverable	2,682	1,586
Prepaid expenses	3,635	4,194
	<u>193,571</u>	<u>165,493</u>
CAPITAL ASSETS (Note 4)	<u>1,489</u>	<u>-</u>
	<u>\$ 195,060</u>	<u>\$ 165,493</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 17,499	\$ 14,749
DEFERRED CONTRIBUTIONS (Note 5)	<u>172,241</u>	<u>143,311</u>
	<u>189,740</u>	<u>158,060</u>
UNRESTRICTED NET ASSETS	<u>5,320</u>	<u>7,433</u>
	<u>\$ 195,060</u>	<u>\$ 165,493</u>
LEASE COMMITMENTS (Note 6)		

ON BEHALF OF THE BOARD

 Director

 Director

CREMERS & ELLIOTT
 CHARTERED ACCOUNTANTS

See notes to financial statements

YOUTH CENTRAL SOCIETY
Statement of Revenues and Expenditures
Year Ended October 31, 2017

	2017	2016
REVENUES		
Foundation grants	\$ 207,434	\$ 154,027
Government grants	150,544	197,183
Program generated revenue	141,655	54,294
Donations	101,409	62,488
Fundraising revenue	76,162	75,210
Sponsorships and other revenue	52,630	69,632
	<u>729,834</u>	<u>612,834</u>
EXPENDITURES		
Salaries and wages	497,678	439,616
Program expense	114,529	53,022
Rental	56,700	57,803
Consultants	20,186	21,961
Youth foundation grant expenses	10,000	9,900
Office	7,047	4,492
Other expenses	5,629	4,801
Insurance	5,497	5,359
Telephone	4,791	4,969
Accounting fees	4,755	5,125
Volunteer expense	1,819	1,419
Bank and visa charges	1,401	1,288
Board of directors expense	959	1,772
Amortization	745	495
Training	211	1,088
	<u>731,947</u>	<u>613,110</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ (2,113)</u>	<u>\$ (276)</u>

YOUTH CENTRAL SOCIETY
Statement of Changes in Net Assets
Year Ended October 31, 2017

	2017	2016
UNRESTRICTED NET ASSETS - BEGINNING OF YEAR	\$ 7,433	\$ 7,709
Deficiency of revenues over expenditures	<u>(2,113)</u>	<u>(276)</u>
UNRESTRICTED NET ASSETS - END OF YEAR	<u>\$ 5,320</u>	<u>\$ 7,433</u>

YOUTH CENTRAL SOCIETY
Statement of Cash Flow
Year Ended October 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	\$ (2,113)	\$ (276)
Item not affecting cash:		
Amortization of capital assets	745	495
	<u>(1,368)</u>	<u>219</u>
Changes in non-cash working capital:		
Accounts receivable	(20,492)	13,041
Interest receivable	-	(412)
Goods and services tax recoverable	(1,096)	1,945
Prepaid expenses	559	804
Security / tender deposits	-	200
Accounts payable	2,750	5,744
Deferred contributions	28,930	38,740
	<u>10,651</u>	<u>60,062</u>
Cash flow from operating activities	<u>9,283</u>	<u>60,281</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(2,234)</u>	<u>-</u>
INCREASE IN CASH	7,049	60,281
Cash and cash equivalents - beginning of year	<u>150,689</u>	<u>107,164</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 157,738	\$ 150,689
CASH CONSISTS OF:		
Cash	\$ 37,738	\$ 30,689
Guaranteed investment certificates	<u>120,000</u>	<u>120,000</u>
	\$ 157,738	\$ 150,689

YOUTH CENTRAL SOCIETY
Notes to Financial Statements
Year Ended October 31, 2017

1. NATURE OF ORGANIZATION

Youth Central Society ("the Society") is incorporated under the Societies' Act of Alberta. The Society's goal is to motivate all Calgarians, corporations, governments, community groups, schools, businesses and individuals to promote and deliver a better quality of life for Calgary's youth.

The Society is a registered charity as defined under paragraph 149 of the Income Tax Act, and therefore, is not subject to income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in Guaranteed Investment Certificates ("GICs") with carrying amounts approximating fair value because of the short maturity periods associated with the investments.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
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Revenue recognition

Youth Central Society 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 amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

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.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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YOUTH CENTRAL SOCIETY
Notes to Financial Statements
Year Ended October 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Donated materials and services

Donated materials and services are recorded in the financial statements at fair market value when fair market value can be reasonably estimated and the materials or services are used in the normal course of business and would otherwise have been purchased. During the year, no amounts were recorded for donated materials and services.

The Society's programs benefit from substantial services in the form of volunteer time, which is not recorded in the Society's financial statements, because of the difficulty of determining their fair value.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of October 31, 2017.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk primarily due to its accounts receivable. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Society has a significant number of contributors which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its contributors and other related sources, deferred contributions subject to spending restrictions, and accounts payable.

Unless otherwise noted, it is management's opinion that the Society is not exposed to other significant risks arising from these financial instruments.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Computer equipment	\$ 3,719	\$ 2,230	\$ 1,489	\$ -

YOUTH CENTRAL SOCIETY
Notes to Financial Statements
Year Ended October 31, 2017

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources subject to externally imposed restrictions requiring that funds be used for specific programs.

	<u>2017</u>	<u>2016</u>
Deferred contributions		
Balance, beginning of year	\$ 143,311	\$ 120,831
Contributions received	167,241	138,264
Amounts recognized as revenue during the year	<u>(138,311)</u>	<u>(115,784)</u>
Balance, end of year	<u>\$ 172,241</u>	<u>\$ 143,311</u>

6. LEASE COMMITMENTS

Future minimum lease payments for the Society's operating lease relating to its office space are as follows:

2018	\$ 51,156
2019	51,156
2020	51,156
2021	51,156
2022	<u>4,263</u>
	<u>\$ 208,887</u>

7. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
