

**YOUTH CENTRAL SOCIETY**  
**Financial Statements**  
**Year Ended October 31, 2011**

**YOUTH CENTRAL SOCIETY**  
**Index to Financial Statements**  
**Year Ended October 31, 2011**

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**CREMERS & ELLIOTT\***  
**CHARTERED ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Directors 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, 2011, and the statements of operations and changes in fund balances 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 generally accepted accounting principles, 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 qualified audit opinion.

**Basis for Qualified Opinion**

In common with many charitable organizations, the society derives revenue from (specify type of contributions affected) 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 society and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

*(continues)*

\*DENOTES AN ASSOCIATION

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

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Youth Central Society as at October 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



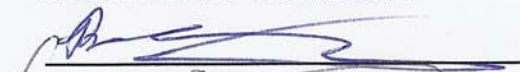

Calgary, Alberta  
December 21, 2011

Hans P. Cremers  
CHARTERED ACCOUNTANTS

**YOUTH CENTRAL SOCIETY**  
**Statement of Financial Position**  
**October 31, 2011**

	2011	2010
<b>ASSETS</b>		
<b>CURRENT</b>		
Restricted Cash	\$ 6,979	\$ 747
Accounts receivable	78,995	49,021
Goods and services tax recoverable	3,724	4,817
Prepaid expenses	3,264	3,483
Security / tender deposits	-	200
	<b>92,962</b>	<b>58,268</b>
<b>CAPITAL ASSETS (Note 4)</b>	<b>759</b>	<b>1,518</b>
	<b>\$ 93,721</b>	<b>\$ 59,786</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank indebtedness (Note 5)	\$ 7,218	\$ 11,858
Accounts payable and accrued liabilities	10,600	6,453
Due to Executive Director	-	15,000
	<b>17,818</b>	<b>33,311</b>
<b>DEFERRED CONTRIBUTIONS - UNRESTRICTED (Note 6)</b>	<b>14,481</b>	<b>14,425</b>
<b>DEFERRED CONTRIBUTIONS - FIXED ASSETS</b>	<b>759</b>	<b>1,518</b>
<b>DEFERRED CONTRIBUTIONS - RESTRICTED</b>	<b>72,381</b>	<b>25,991</b>
	<b>105,439</b>	<b>75,245</b>
<b>DEFICIT</b>	<b>(11,718)</b>	<b>(15,459)</b>
	<b>\$ 93,721</b>	<b>\$ 59,786</b>

**ON BEHALF OF THE BOARD**

 \_\_\_\_\_ Director  
 \_\_\_\_\_ Director

**CREMERS & ELLIOTT**  
 CHARTERED ACCOUNTANTS

YOUTH CENTRAL SOCIETY

Statement of operations and changes in fund balances

Year Ended October 31, 2011

	2011	2010
<b>REVENUE</b>		
Donations	\$ 239,650	\$ 324,344
Government grants	201,750	229,129
Fundraising revenue	111,236	60,100
Foundation grants	41,876	138,359
Other revenue	24,872	24,169
Advertising	175	-
	<u>619,559</u>	<u>776,101</u>
<b>EXPENSES</b>		
Salaries and wages	433,729	463,792
Rent	53,103	57,223
Program expenses	49,126	150,139
Consultants	26,559	29,358
Other expenses	18,453	25,172
Accounting fees	6,663	6,500
Telephone and internet	4,774	5,912
Insurance	4,695	4,535
Printing	4,320	2,954
Office supplies and expenses	4,109	4,356
Training	3,641	2,230
Board of Directors	2,799	3,641
Memberships	1,564	1,554
Volunteer expenses	1,233	250
Amortization	759	12,239
Staff transportation	291	102
	<u>615,818</u>	<u>769,957</u>
<b>NET OPERATIONS</b>	<b>3,741</b>	<b>6,144</b>
<b>DEFICIT - BEGINNING OF YEAR</b>	<b>(15,459)</b>	<b>(9,486)</b>
<b>DEFICIT - END OF YEAR</b>	<b>\$ (11,718)</b>	<b>\$ (15,459)</b>

**YOUTH CENTRAL SOCIETY**  
**Statement of Cash Flows**  
**Year Ended October 31, 2011**

	2011	2010
<b>OPERATING ACTIVITIES</b>		
Net earnings	\$ 3,741	\$ 6,144
Item not affecting cash:		
Amortization	759	12,239
	<u>4,500</u>	<u>18,383</u>
Changes in non-cash working capital:		
Accounts receivable	(29,974)	14,998
Accounts payable	4,147	(45)
Prepaid expenses	219	(199)
GST payable (receivable)	1,093	1,673
Security / tender deposits	200	700
Due to Executive Director	(15,000)	15,000
	<u>(39,315)</u>	<u>32,127</u>
Cash flow from (used by) operating activities	<u>(34,815)</u>	<u>50,510</u>
<b>INVESTING ACTIVITIES</b>		
Additions to capital assets	-	(2,277)
Cash flow used by investing activities	<u>-</u>	<u>(2,277)</u>
<b>FINANCING ACTIVITIES</b>		
Deferred contributions	45,687	(102,706)
Cash flow from (used by) financing activities	<u>45,687</u>	<u>(102,706)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>10,872</b>	<b>(54,473)</b>
CASH (DEFICIENCY) - Beginning of year	<u>(11,111)</u>	<u>43,362</u>
<b>DEFICIENCY - End of year</b>	<b>\$ (239)</b>	<b>\$ (11,111)</b>
<b>DEFICIENCY CONSISTS OF:</b>		
Bank indebtedness	\$ (7,218)	\$ (11,858)
Restricted cash	6,979	747
	<u>\$ (239)</u>	<u>\$ (11,111)</u>

**YOUTH CENTRAL SOCIETY**  
**Notes to Financial Statements**  
**Year Ended October 31, 2011**

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1. BASIS OF PRESENTATION

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Society follows the restricted method of accounting for contributions.

Restricted contributions related to programs are recognized as revenue of the appropriate fund when received. Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. Restricted contributions related to capital assets are recognized as the related capital assets are amortized.

Unrestricted contributions are recognized as revenue are recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Measurement uncertainty

The preparation of financial statements in conformity 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 amounts of revenues and expenses during the period. Such estimates include providing for amortization of capital assets. Actual results could differ from these estimates.

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.

Capital assets

Computer equipment	3 years	straight-line method
Furniture and fixtures	3 years	straight-line method

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3. FINANCIAL INSTRUMENTS

The company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

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**YOUTH CENTRAL SOCIETY**  
**Notes to Financial Statements**  
**Year Ended October 31, 2011**

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2011 Net book value	2010 Net book value
Computer equipment	\$ 69,580	\$ 68,821	\$ 759	\$ 1,518
Other machinery and equipment	7,216	7,216	-	-
Furniture and fixtures	11,647	11,647	-	-
	<u>\$ 88,443</u>	<u>\$ 87,684</u>	<u>\$ 759</u>	<u>\$ 1,518</u>

5. BANK INDEBTEDNESS

The Society has a \$10,000 line of credit bearing interest at 5% which has been drawn completely as at the end of the period.

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent contributions received in the current year that are designated specifically towards costs to be incurred in future years.

7. LEASE COMMITMENTS

Future minimum lease payments for operating leases relating to office space are as follows:

2012	\$ 54,500
2013	54,500
2014	54,500
2015	54,500
	<u>\$ 218,000</u>