

YOUTH CENTRAL SOCIETY
(Formerly Child Friendly Calgary Society)
Financial Statements
Year Ended October 31, 2010

YOUTH CENTRAL SOCIETY
(Formerly Child Friendly Calgary Society)

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Year Ended October 31, 2010

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CHARTERED ACCOUNTANTS

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AUDITORS' REPORT


To the Directors of Youth Central Society (Formerly Child Friendly Calgary Society)

We have audited the statement of financial position of Youth Central Society, formerly Child Friendly Calgary Society, as at October 31, 2010 and the statements of operations and changes in fund balances and cash flow for the year then ended. These financial statements are the responsibility of the society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the society derives revenue from donations, 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.

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 the society as at October 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Hans P. Cremers
CHARTERED ACCOUNTANTS

Calgary, Alberta
January 3, 2011

YOUTH CENTRAL SOCIETY
(Formerly Child Friendly Calgary Society)

Statement of Financial Position

October 31, 2010

	2010	2009
ASSETS		
CURRENT		
Cash	\$ -	\$ 14,756
Restricted Cash	747	28,606
Accounts receivable	49,021	64,019
Goods and services tax recoverable	4,817	6,490
Prepaid expenses	3,483	3,284
Security / tender deposits	200	900
	58,268	118,055
CAPITAL ASSETS (Note 4)	1,518	11,481
	\$ 59,786	\$ 129,536
LIABILITIES		
CURRENT		
Cheques issued in excess of cash on hand	\$ 11,858	\$ -
Accounts payable and accrued liabilities	6,453	6,499
Short term unsecured loan payable (Note 6)	15,000	-
	33,311	6,499
DEFERRED CONTRIBUTIONS - UNRESTRICTED (Note 5)	14,425	27,789
DEFERRED CONTRIBUTIONS - FIXED ASSETS	1,518	11,480
DEFERRED CONTRIBUTIONS - RESTRICTED	25,991	105,371
	75,245	151,139
DEFICIT	(15,459)	(21,603)
	\$ 59,786	\$ 129,536

ON BEHALF OF THE BOARD

 Director
 Director

CREMERS & ELLIOTT
 CHARTERED ACCOUNTANTS

YOUTH CENTRAL SOCIETY
(Formerly Child Friendly Calgary Society)

Statement of operations and changes in fund balances

Year Ended October 31, 2010

	2010	2009
REVENUE		
Donations	\$ 324,344	\$ 398,575
Government grants	229,129	196,198
Foundation grants	138,359	168,080
Fundraising revenue	60,100	91,392
Other revenue	24,169	33,951
Advertising	-	4,530
	<u>776,101</u>	<u>892,726</u>
EXPENSES		
Salaries and wages	463,792	526,095
Program expenses	150,139	228,315
Rent	57,223	55,708
Consultants	29,358	19,766
Other expenses	25,172	18,827
Amortization	12,239	14,121
Accounting fees	6,500	8,275
Telephone and internet	5,912	5,753
Insurance	4,535	4,520
Office supplies and expenses	4,356	3,210
Board of Directors	3,641	3,722
Printing	2,954	1,211
Training	2,230	3,535
Memberships	1,554	1,620
Volunteer expenses	250	-
Staff transportation	102	86
Parking	-	462
	<u>769,957</u>	<u>895,226</u>
NET OPERATIONS	6,144	(2,500)
DEFICIT - BEGINNING OF YEAR	(21,603)	(9,486)
DEFICIT - END OF YEAR	\$ (15,459)	\$ (21,603)

YOUTH CENTRAL SOCIETY
(Formerly Child Friendly Calgary Society)

Statement of Cash Flows
Year Ended October 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Net earnings (loss)	\$ 6,144	\$ (2,500)
Item not affecting cash:		
Amortization	12,239	14,121
	<u>18,383</u>	<u>11,621</u>
Changes in non-cash working capital:		
Accounts receivable	14,998	14,124
Accounts payable	(45)	1,020
Prepaid expenses	(199)	106
GST payable (receivable)	1,673	581
Security / tender deposits	700	(900)
Short term loan	15,000	-
	<u>32,127</u>	<u>14,931</u>
Cash flow from operating activities	<u>50,510</u>	<u>26,552</u>
INVESTING ACTIVITIES		
Additions to capital assets	<u>(2,277)</u>	<u>(15,810)</u>
Cash flow used by investing activities	<u>(2,277)</u>	<u>(15,810)</u>
FINANCING ACTIVITIES		
Deferred contributions	<u>(102,706)</u>	<u>(45,097)</u>
Cash flow used by financing activities	<u>(102,706)</u>	<u>(45,097)</u>
DECREASE IN CASH FLOW	(54,473)	(34,355)
CASH - Beginning of year	<u>43,362</u>	<u>77,717</u>
CASH (DEFICIENCY) - End of year	\$ (11,111)	\$ 43,362
CASH (DEFICIENCY) CONSISTS OF:		
Cash (bank indebtedness)	\$ (11,858)	\$ 14,756
Restricted cash	747	28,606
	<u>\$ (11,111)</u>	<u>\$ 43,362</u>

YOUTH CENTRAL SOCIETY
(Formerly Child Friendly Calgary Society)

Notes to Financial Statements

Year Ended October 31, 2010

1. BASIS OF PRESENTATION AND NAME CHANGE

Youth Central Society, formerly Child Friendly Calgary 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. The Society changed its name on April 29, 2010.

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

YOUTH CENTRAL SOCIETY
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Notes to Financial Statements

Year Ended October 31, 2010

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.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2010 Net book value	2009 Net book value
Computer equipment	\$ 69,580	\$ 68,062	\$ 1,518	\$ 9,437
Other machinery and equipment	7,216	7,216	-	-
Furniture and fixtures	11,647	11,647	-	2,044
	<u>\$ 88,443</u>	<u>\$ 86,925</u>	<u>\$ 1,518</u>	<u>\$ 11,481</u>

5. DEFERRED CONTRIBUTIONS

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

6. SHORT TERM LOAN PAYABLE

The short term loan payable was repaid in full after the year end, with no conditions attached to the repayment of the loan, including no interest or required terms of repayment.

7. LEASE COMMITMENTS

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

2011	\$ 54,500
2012	54,500
2013	54,500
2014	54,500
	<u>\$ 218,000</u>