

ST. GEORGE'S YOUTHNET SOCIETY
FINANCIAL STATEMENTS
DECEMBER 31, 2013

**ST. GEORGE'S YOUTHNET SOCIETY
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DECEMBER 31, 2013**

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INDEPENDENT AUDITORS' REPORT

To the Directors of:
St. George's YouthNet Society

We have audited the accompanying financial statements of **St. George's YouthNet Society**, which comprise the statement of financial position as at December 31, 2013, and the statements of revenues, expenses and surplus, and cash flows for the year ended December 31, 2013, 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.

Auditors' 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 auditors' 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 auditors consider 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 of our qualified audit opinion.

Basis for Qualified Opinion

In common with many non-profit organizations, the **St. George's YouthNet Society** derives revenues from various sources including donations, the completeness of which is not susceptible to 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 revenues, excess of revenues over expenses, assets and surplus.

Qualified Opinion

In our opinion, except for the effects, if any, of the matter in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **St. George's YouthNet Society** as at December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Dartmouth, Nova Scotia
April 10, 2014

Chartered Accountants

ST. GEORGE'S YOUTHNET SOCIETY
STATEMENT OF REVENUES, EXPENSES AND SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2013

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	2013	2012
	\$	\$
REVENUES		
C@P site	450	-
Corporate donations	30,159	52,903
Foundation donations	16,144	13,500
Grants	62,067	36,361
Organization and group donations	2,011	7,287
Other	15,102	24,022
Parish donation	5,000	5,000
Parishioner and individual donations	10,066	10,177
United Way donations	<u>33,452</u>	<u>33,310</u>
	<u>174,451</u>	<u>182,560</u>
 EXPENSES		
After school programs	3,184	2,384
General and administrative	8,120	7,537
Lunch program	6,990	5,973
March break program	769	226
Other operating	2,272	1,392
Other programs	-	9,480
Teen program	25,009	1,282
Special programs	2,719	2,276
Summer cooking and gardening	380	1,000
Summer day camps	2,830	3,633
Wages and benefits	125,639	117,217
Wilderness camps	<u>7,588</u>	<u>3,752</u>
	<u>185,500</u>	<u>156,152</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(11,049)	26,408
SURPLUS - beginning of year	<u>44,804</u>	<u>18,396</u>
SURPLUS - end of year	<u>33,755</u>	<u>44,804</u>

ST. GEORGE'S YOUTHNET SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

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	2013	2012
	\$	\$
ASSETS		
CURRENT		
Cash	52,733	42,599
Accounts receivable (Note 3)	22,541	11,148
Prepays	<u>154</u>	<u>141</u>
	<u>75,428</u>	<u>53,888</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 4)	5,798	4,617
Deferred revenues	<u>35,875</u>	<u>4,467</u>
	<u>41,673</u>	<u>9,084</u>
SURPLUS		
UNRESTRICTED	<u>33,755</u>	<u>44,804</u>
	<u>75,428</u>	<u>53,888</u>

Approved by the Board

_____ Director

_____ Director

**ST. GEORGE'S YOUTHNET SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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	2013	2012
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING		
Excess (deficiency) of revenues over expenses	(11,049)	26,408
Changes in non-cash working capital items		
Accounts receivable	(11,393)	2,802
Prepays	(13)	(141)
Accounts payable	1,181	(1,805)
Deferred revenues	<u>31,408</u>	<u>(12,591)</u>
CHANGE IN CASH	10,134	14,673
CASH - beginning of year	<u>42,599</u>	<u>27,926</u>
CASH - end of year	<u><u>52,733</u></u>	<u><u>42,599</u></u>

**ST. GEORGE'S YOUTHNET SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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1. OPERATIONS

St. George's YouthNet Society ("the Society") is a not-for-profit organization, whose main focus is a youth mentoring program located in Halifax, Nova Scotia. It provides a number of innovative programs to help young people see a wider vision of life and achieve their potential.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

Cash

Cash consists of cash on hand and bank balances held with financial institutions.

Revenue recognition

The Society recognizes donations and grants in the period in which they are pledged, amount is fixed and determinable, and when collection is reasonably assured.

Income taxes

The St. George's YouthNet Society is a registered non-profit organization under the meaning assigned in Section 149 of the Income Tax Act and as such is exempt from income taxes. Accordingly, no provision has been made in the accounts for income taxes.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, and disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as allowance for uncollectible accounts receivable. Actual results could differ from those estimates.

**ST. GEORGE'S YOUTHNET SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Measurement of financial instruments

The Society initially measures its financial assets and financial liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenues over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenses.

3. ACCOUNTS RECEIVABLE	2013	2012
	\$	\$
Contributions receivable	20,269	9,756
HST recoverable	<u>2,272</u>	<u>1,392</u>
	<u>22,541</u>	<u>11,148</u>
 4. ACCOUNTS PAYABLE	 2013	 2012
	\$	\$
Trade payables and accrued liabilities	5,726	4,617
Source deductions payable	<u>72</u>	<u>-</u>
	<u>5,798</u>	<u>4,617</u>

5. FINANCIAL INSTRUMENTS

Risks and concentrations

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure and concentrations at December 31, 2013.

It is management's opinion that the Society is not exposed to significant market, currency, interest rate and price risk from its financial instruments. The risks arising on financial instruments are limited to the following:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Society to concentrations of credit risk consist of cash and accounts receivable. The Society deposits its cash in reputable financial institutions and therefore believes the risk of loss to be remote. The Society is exposed to credit risk from contributor accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The entity is exposed to this risk mainly in respect of its accounts payable. The Society generates sufficient cash flow from operating activities to fund operations and fulfill obligations as they become due.

6. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform with the financial statement presentation adopted for the current year.