

Community Development Halton

Financial Statements

March 31, 2011

September 7, 2011

Independent Auditors' Report

To the Directors of Community Development Halton

We have audited the accompanying financial statements of Community Development Halton, which comprise the balance sheet as at March 31, 2011 and the statements of financial activities and accumulated 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

Our responsibility is to express an opinion on these financial statements based on our audit. Except as explained below, 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 not-for-profit organizations, Community Development Halton derives revenue from donations and fundraising 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 Community Development Halton and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenses and accumulated net assets.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Community Development Halton as at March 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.

**Chartered Accountants
Licensed Public Accountants**

Hamilton, Ontario

Community Development Halton

Balance Sheet

	March 31	
	2011	2010
Assets		
Current assets		
Cash	\$ 88,489	\$ 121,408
Accounts receivable	19,575	14,595
Prepaid expenses	4,674	4,674
	<u>112,738</u>	<u>140,677</u>
Restricted cash		
- Operational reserve fund (Note 3)	30,000	30,000
- Funded projects	48,128	40,203
	<u>78,128</u>	<u>70,203</u>
	<u>\$ 190,866</u>	<u>\$ 210,880</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 28,004	\$ 40,669
Deferred contributions (Note 4)	53,079	39,006
	<u>81,083</u>	<u>79,675</u>
Accumulated net assets		
Operating fund	79,783	101,205
Operational reserve fund	30,000	30,000
	<u>109,783</u>	<u>131,205</u>
	<u>\$ 190,866</u>	<u>\$ 210,880</u>

APPROVED BY THE BOARD:

_____ Director

_____ Director

Community Development Halton

Statement of Financial Activities and Accumulated Net Assets

Operating Fund

	Year ended March 31, 2011			Year ended March 31, 2010		
	Core Operations	Funded Projects	Total	Core Operations	Funded Projects	Total
Revenue						
Regional Municipality of Halton	\$ 225,000	\$ -	\$ 225,000	\$ 235,000	\$ -	\$ 235,000
Project management and administration	80,100	-	80,100	103,781	-	103,781
United Way of Oakville	62,500	-	62,500	80,000	-	80,000
United Way of Burlington/Hamilton	84,738	-	84,738	84,744	-	84,744
Donations	44,349	-	44,349	45,384	-	45,384
Other income	11,094	-	11,094	8,610	-	8,610
Project Revenue	-	218,728	218,728	-	465,032	465,032
	<u>507,781</u>	<u>218,728</u>	<u>726,509</u>	<u>557,519</u>	<u>465,032</u>	<u>1,022,551</u>
Expenses						
Salaries and benefits	347,192	-	347,192	369,358	-	369,358
Office and general	105,122	-	105,122	88,979	-	88,979
Occupancy	45,556	-	45,556	45,154	-	45,154
Travel, meetings and development	16,112	-	16,112	21,993	-	21,993
Equipment lease and maintenance	7,196	-	7,196	7,628	-	7,628
Promotion and publicity	996	-	996	1,211	-	1,211
Project expenses	-	218,728	218,728	-	465,032	465,032
	<u>522,174</u>	<u>218,728</u>	<u>740,902</u>	<u>534,323</u>	<u>465,032</u>	<u>999,355</u>
Excess (deficiency) of revenue over expenses from operations before the undernoted	(14,393)	-	(14,393)	23,196	-	23,196
Computer equipment	<u>7,029</u>	<u>-</u>	<u>7,029</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenses for the year	(21,422)	-	(21,422)	23,196	-	23,196
Accumulated net assets at beginning of the year	<u>101,205</u>	<u>-</u>	<u>101,205</u>	<u>108,009</u>	<u>-</u>	<u>108,009</u>
	79,783	-	79,783	131,205	-	131,205
Transfer to operational reserve fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>
Accumulated net assets at end of the year	<u>\$ 79,783</u>	<u>\$ -</u>	<u>\$ 79,783</u>	<u>\$ 101,205</u>	<u>\$ -</u>	<u>\$ 101,205</u>

Community Development Halton

Statement of Cash Flows

	Year ended March 31	
	2011	2010
Operating activities		
Cash from operations was derived (used) as follows		
Excess (deficiency) of revenue over expenses for the year	\$ (21,422)	\$ 23,196
Net change in non-cash working capital balances related to operations		
Accounts receivable	(4,980)	52,603
Prepaid expenses	-	-
Accounts payable and accrued liabilities	(12,665)	(6,250)
Deferred contributions	14,073	(47,772)
	<u>(3,572)</u>	<u>(1,419)</u>
Cash flow (deficiency) from operations and increase (decrease) in cash during the year	(24,994)	21,777
Cash at beginning of the year	<u>191,611</u>	<u>169,834</u>
Cash at end of the year	<u>\$ 166,617</u>	<u>\$ 191,611</u>
Cash comprises		
Unrestricted cash	\$ 88,489	\$ 121,408
Internally restricted cash - operational reserve fund	30,000	30,000
Restricted cash - funded projects	<u>48,128</u>	<u>40,203</u>
	<u>\$ 166,617</u>	<u>\$ 191,611</u>

Community Development Halton

Notes to Financial Statements

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1. Purpose of Organization

Community Development Halton (the "Organization") is a not-for-profit organization that is committed to social development as a desired state of community wellbeing and social change as a continual process towards achieving and sustaining social development for all members of the Halton community.

The Organization was incorporated without share capital under the laws of Ontario and is a registered charity under the Income Tax Act.

2. Summary of significant accounting policies

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 amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred contributions

The Organization receives funds for projects which are designated for certain purposes. If a project is not complete at the end of a year, revenue is reflected in the statement of financial activities equal to the lesser of the amount of expenses incurred and the amount of funding received.

In accordance with the terms of certain projects, any surplus remaining upon completion of a project may be required to be repaid to the donor. Otherwise, any excess or deficiency of funds is reflected in the statement of financial activities in the year in which the project is completed.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of financial activities and accumulated net assets in the period in which they become known.

Financial instruments

The carrying amounts of accounts receivable, prepaid expenses, accounts payable and accrued liabilities and deferred contributions approximate fair value due to the short-term maturities of these instruments.

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3. Operational reserve fund

In fiscal 2010, by way of a \$30,000 allocation from the operating fund, the Organization approved the creation of an internally restricted operational reserve fund which is maintained to provide for future financial stability.

4. Deferred contributions

The amount of contributions deferred for on-going projects comprises:

	March 31	
	2011	2010
Halton Nonprofit Network Project	\$ 37,841	\$ -
Community Engagement	6,973	-
Primary Data	4,382	6,000
Change the World	2,660	5,897
North Oakville Outreach	796	3,869
Diversity Breakfast	257	-
Advancement of Women in Halton	170	-
Trillium Social Profile	-	7,806
MASS LBP	-	7,000
Enbridge Outreach	-	6,561
Poverty Reduction Strategy	-	1,873
	<u>\$ 53,079</u>	<u>\$ 86,778</u>

5. Commitment

The Organization is committed to an operating lease related to office equipment. This lease expires on August 31, 2016 and is payable in quarterly instalments of \$1,149.

6. Comparative amounts

Certain comparative figures have been restated to conform to the presentation adopted for 2011.