GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES INC.

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

DECEMBER 31, 2011

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GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES INC.

DECEMBER 31, 2011

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of General Council of Winnipeg Community Centres Inc.:

We have audited the accompanying financial statements of General Council of Winnipeg Community Centres Inc., which comprise the statement of financial position as at December 31, 2011, and the statements of operations and 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 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.

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 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 organization'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 organization'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.

Basis of Qualification
Note 12 of these financial statements discloses financial information for Weston Community Centre which is controlled by the General Council of Winnipeg Community Centres Inc. The 2011 figures were only subject to a review engagement which provides a lesser degree of assurance than an audit. In addition, the 2010 figures were neither reviewed nor audited and we express not assurance on those figures.

Opinion
In our opinion, except for any adjustments, if any, which we might have determined to be nececessary had we performend an audit of the figures for Weston Community Centre presented in note 12 to the financial statements, these financial statements present fairly, in all material respects, the financial position of General Council of Winnipeg Community Centres Inc. as at December 31, 2011, and the results of operations, changes in net assets, and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
Date Approved

CHARTERED ACCOUNTANTS
& BUSINESS ADVISORS INC.

GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

	OPERATING FUND	PROGRAM REGISTRATION FEE SUBSIDY FUND	CITY OF WINNIPEG PROGRAMMING FUND	PROVINCE OF MANITOBA PROGRAMMING FUND	CITY OF WINNIPEG JANITORIAL FUND	TOTAL 2011	TOTAL 2010
ASSETS							
CURRENT ASSETS							
Cash	$ 93,055	8,339	17,167	145,762	20,156	284,479	140,679
Temporary investments (Note 3)	31,119	-	-	102,434	25,152	158,705	357,944
Grants receivable	-	-	-	100,000	-	100,000	100,000
Accounts receivable	5,593	22,100	-	2,873	-	30,566	35,746
	129,767	30,439	17,167	351,069	45,308	573,750	634,369
CAPITAL ASSETS (Notes 2(b) and 5)	4,588	-	-	-	-	4,588	5,936
	$ 134,355	30,439	17,167	351,069	45,308	578,338	640,305
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts payable & accrued liabilities	$ 38,756	-	-	-	5,011	43,767	47,484
Interfund accounts (Note 6)	(116,558)	1,826	(1,518)	86,232	30,018	-	-
Deferred revenue	4,120	-	-	-	-	4,120	4,460
Due to Community Centres (Note 4)	1,514	-	-	-	-	1,514	2,678
Deferred contributions (Note 7)	-	28,613	18,685	264,837	10,279	322,414	407,588
	(72,168)	30,439	17,167	351,069	45,308	371,815	462,210
NET ASSETS							
Unrestricted	201,935	-	-	-	-	201,935	172,159
Invested in capital assets	4,588	-	-	-	-	4,588	5,936
	206,523	-	-	-	-	206,523	178,095
	$ 134,355	30,439	17,167	351,069	45,308	578,338	640,305

APPROVED BY THE BOARD: _____ **Director** _____ **Director**

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GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES INC.
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2011

	OPERATING FUND	PROGRAM REGISTRATION FEE SUBSIDY FUND	CITY OF WINNIPEG PROGRAMMING FUND	PROVINCE OF MANITOBA PROGRAMMING FUND	CITY OF WINNIPEG JANITORIAL FUND	TOTAL 2011	TOTAL 2010
REVENUE							
Grants							
City of Winnipeg							
Operating	$ 216,491	-	-	-	-	216,491	216,491
Program registration fee subsidy	-	144,348	-	-	-	144,348	42,234
Athletic field maintenance	346,150	-	-	-	-	346,150	352,790
Programming	-	-	294,688	-	-	294,688	260,290
Administration	15,000	-	-	-	-	15,000	15,000
Janitorial	-	-	-	-	274,721	274,721	303,806
Province of Manitoba							
Administration	10,000	-	-	-	-	10,000	10,000
Programming	-	-	-	167,168	-	167,168	364,979
Green Team Project	36,635	-	-	-	-	36,635	47,692
Corporate funding	-	67,491	-	-	-	67,491	85,769
Memberships	23,450	-	-	-	-	23,450	23,100
Past President awards	3,182	-	-	-	-	3,182	2,750
Interest	1,833	-	589	1,705	752	4,879	4,760
Spin Program	-	-	-	-	-	-	10,703
Special projects	-	-	-	-	-	-	476
Fundraising	-	57	-	-	-	57	-
Other	820	-	-	-	-	820	-
	653,561	211,896	295,277	168,873	275,473	1,605,080	1,740,840
EXPENSES (Schedule)	641,209	211,992	294,922	167,402	261,127	1,576,652	1,709,351
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$ 12,352	(96)	355	1,471	14,346	28,428	31,489

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GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES INC.
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2011

	OPERATING FUND	PROGRAM REGISTRATION FEE SUBSIDY FUND	CITY OF WINNIPEG PROGRAMMING FUND	PROVINCE OF MANITOBA PROGRAMMING FUND	CITY OF WINNIPEG JANITORIAL FUND	TOTAL 2011	TOTAL 2010
NET ASSETS, BEGINNING OF YEAR	$ 191,940	-	-	-	(13,845)	178,095	146,606
Excess (deficiency) of revenue over expenses	12,352	(96)	355	1,471	14,346	28,428	31,489
Investment income transfer	2,231	96	(355)	(1,471)	(501)	-	-
NET ASSETS, END OF YEAR	$ 206,523	-	-	-	-	206,523	178,095

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GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES INC.
STATEMENT OF CASH FLOW
YEAR ENDED DECEMBER 31, 2011

	2011	2010
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	$ 28,428	31,489
Add back non-cash item(s):		
Amortization of capital assets	1,348	1,849
	29,776	33,338
Change in non-cash working capital items:		
Accounts and grants receivable	5,180	(33,976)
Accounts payable and accrued liabilities	(3,717)	14,233
Deferred revenue	(340)	3,060
Deferred contributions	(85,174)	(175,559)
	(54,275)	(158,904)
FINANCING ACTIVITIES		
Due from Community Centres	(1,164)	4,573
DECREASE IN CASH	(55,439)	(154,331)
CASH, BEGINNING OF YEAR	498,623	652,954
CASH, END OF YEAR	$ 443,184	498,623
CASH IS REPRESENTED BY:		
Cash	$ 284,479	140,679
Short-term investments	158,705	357,944
	$ 443,184	498,623
ADDITIONAL INFORMATION:		
Interest received	$ 5,503	4,446

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GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

1. ACCOUNTING ENTITY

General Council of Winnipeg Community Centres Inc. is a not-for-profit organization and is exempt from income taxes under the Income Tax Act of Canada. The organization receives funding from the City of Winnipeg and its purpose is to provide support services for Winnipeg Community Centre executive and volunteer boards and to administer grants received from the City of Winnipeg and the Province of Manitoba.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Fund Accounting

The **Operating Fund** accounts for the day-to-day operations of the organization.

The **Program Registration Fee Subsidy Fund** accounts for the administration of funds received from the City of Winnipeg to be paid to Winnipeg Community Centres as program registration fee subsidy grants.

The **City of Winnipeg Programming Fund** accounts for the administration of funds received from the City of Winnipeg to be paid to Winnipeg Community Centres as programming grants.

The **Province of Manitoba Programming Fund** accounts for the administration of funds received from the Province of Manitoba to be paid to Winnipeg Community Centres as capital grants.

The **City of Winnipeg Janitorial Fund** accounts for the administration of funds received from the City of Winnipeg for the payment of wages to janitorial staff.

(b) Capital Assets

Capital assets are recorded at cost, net of specific government grants. Amortization is provided on the declining balance basis at the following rates:

Computer software	100%
Computer hardware	45%
Office equipment	20%
Leasehold improvements	20%

Additions are amortized at one-half of the above rates in the year of purchase.

(c) Revenue Recognition

The organization follows the deferral method in 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 they are received or receivable, and when collectibility is reasonably assured.

Membership revenue is recognized as revenue in the membership period when received or receivable.

(d) Contributed Services and Donated Materials

Contributed services and donated materials are not recorded in the financial statements due to the difficulty in determining their fair value.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Future Accounting Policy Changes

The Accounting Standards Board of the CICA has issued new standards for non-profit organization's (NPO's) which will be effective for annual reporting periods that commence on or after January 1, 2012, although earlier standard adoption is permitted. These new standards will not have any significant impact on the results of operation or financial position of the organization. It is anticipated that the organization will adopt these new standards for its year ending December 31, 2012. In the meantime, the organization is continuing to apply Section 3861 in place of Sections 3862 and 3863 to account for financial instruments as permitted by the Accounting Standards Board.

3. TEMPORARY INVESTMENTS

	2011	2010
Operating Fund		
BMO non-cashable 1.55% GIC, due January 29, 2013	$ 5,542	5,412
BMO cashable rate riser GIC's (1.25% to 1.40%), due February 4, 2014, currently earning 1.25%	25,213	50,000
Accrued interest	364	201
	31,119	55,613
City of Winnipeg Programming Fund		
BMO cashable rate riser GIC's (1.25% to 1.40%), due July 7, 2014, currently earning 1.25%	25,000	50,000
Accrued interest	152	144
	25,152	50,144
Province of Manitoba Programming Fund		
BMO cashable rate riser GIC's (1.00% to 1.25%), due September 17, 2012, currently earning 1.10%	102,111	280,000
Accrued interest	323	805
	102,434	280,805
	$ 158,705	386,562

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GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

4. DUE FROM (TO) COMMUNITY CENTRES

	2011	2010
Weston	$ (1,514)	(2,603)
Child Coalition	-	(16)
East Elmwood	-	(59)
	$ (1,514)	(2,678)

The organization collects funds and pays bills on behalf of the above community centres. The balances at the year end include payroll remittances due and the net amount payable or receivable from the various centres. These amounts are non-interest bearing, unsecured and due on demand.

5. CAPITAL ASSETS

	2011		2010	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer software	$ 1,808	1,808	1,808	1,808
Computer hardware	9,509	9,156	9,509	8,866
Office equipment	28,265	25,125	28,265	24,340
Leasehold improvements	5,017	3,922	5,017	3,649
	44,599	40,011	44,599	38,663
Net book value	$ 4,588		5,936	

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6. INTERFUND BALANCES

The interfund balances are unsecured, non-interest bearing and due on demand.

7. DEFERRED CONTRIBUTIONS

	2011	2010
Program Registration Fee Subsidy Fund		
Balance, beginning of year	$ 87,211	43,696
Receipts		
Program registration fee subsidy grant	85,750	85,750
Private Funding	67,410	85,769
Fundraising	-	-
	153,160	171,519
Disbursements		
Program registration fee subsidy grants	211,758	128,004
Net receipts	(58,598)	43,515
Balance, end of year	28,613	87,211

GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

7. DEFERRED CONTRIBUTIONS (Continued)

	2011	2010
City of Winnipeg Programming Fund		
Balance, beginning of year	78,372	103,661
Receipts		
Programming grant	235,000	235,000
Disbursements		
Programming grants	283,720	246,594
SOCAN	10,967	13,695
	294,687	260,289
Net receipts	(59,687)	(25,289)
Balance, end of year	18,685	78,372
Province of Manitoba Programming Fund		
Balance, beginning of year	242,005	416,984
Receipts		
Programming grant	190,000	190,000
Disbursements		
Programming grants	167,168	364,979
Net receipts	22,832	(174,979)
Balance, end of year	264,837	242,005
City of Winnipeg Janitorial Fund		
Balance, beginning of year	-	18,806
Receipts		
Janitorial grant	285,000	285,000
Disbursements		
Wages	260,876	317,651
Net receipts	24,124	(32,651)
Fund deficiency (recovery)	(13,845)	13,845
Balance, end of year	10,279	-
	$ 322,414	407,588

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GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

8. COMMITMENTS

The organization leases its premises from the City of Winnipeg for a nominal consideration of $1 per year. The organization also leases office equipment under operating leases. In addition, the organization has committed funds to various future capital projects of individual community centres. The total of all future annual commitments are as follows:

	Equipment	Capital Projects
2012	$ 4,871	63,142
2013	1,807	-
2014	786	-
2015	786	-

9 USE OF ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from these estimates.

10 FINANCIAL INSTRUMENTS

The organization has designated all of its financial instruments as held-for-trading which means that they are measured at fair value with gains or losses recognized in operations. Due to the short-term nature of the following financial instruments held by the organization, including cash, temporary investments, accounts receivable and accounts payable and accrued liabilities, the carrying values as presented in the financial statements are reasonable estimates of fair value. It is management's opinion that the organization is not exposed to significant interest rate, currency or credit risk arising from any of its financial instruments. The organization has opted to continue to apply CICA Section 3861 in place of CICA Sections 3862 and 3863.

11. CAPITAL MANAGEMENT

The organization's objective when managing capital is to maintain sufficient capital to provide support services for Winnipeg Community Centre executive and volunteer boards and to administer grants received from the City of Winnipeg and the Province of Manitoba. The organization's capital consists of unrestricted net assets and is not subject to externally imposed capital requirements.

The organization's capital management policy is to:

(i) Maintain sufficient capital to meet its objectives through its net assets by managing the costs of its operations.

(ii) Meet short-term capital needs with ongoing management of cash on hand.

(iii) Meet long-term capital needs by careful management of the administered grants described above.

There were no changes in the organization's approach to capital management during the year.

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GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

12. WESTON COMMUNITY CENTRE

Weston Community Centre is controlled by General Council of Winnipeg Community Centres Inc. Its purpose is to provide programs and activities for the benefit of residents of the surrounding community. Financial statements of Weston Community Centre are available upon request. A financial summary of Weston Community Centre as at December 31, 2011 and 2010 and for the years then ended is as follows:

	2011 UNAUDITED	2010 UNAUDITED
Financial Position		
Total assets	$ 14,436	15,572
Total liabilities	$ 8,047	14,048
Total net assets	6,389	1,524
	$ 14,436	15,572
Results of Operation		
Total revenues	$ 204,535	202,215
Total expenses	199,670	193,149
Excess of revenue over expenses	$ 4,865	9,066
Cash Flows		
Cash provided by (used in) operating activities	$ (9,564)	17,352
Cash used in financing and investing activities	-	-
Increase (decrease) in cash	$ (9,564)	17,352

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GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES INC.
SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2011

	OPERATING FUND	PROGRAM REGISTRATION FEE SUBSIDY FUND	CITY OF WINNIPEG PROGRAMMING FUND	PROVINCE OF MANITOBA PROGRAMMING FUND	CITY OF WINNIPEG JANITORIAL FUND	TOTAL 2011	TOTAL 2010
Grants							
Program registration fee subsidy	$ -	211,758	-	-	-	211,758	128,003
Athletic field maintenance	346,150	-	-	-	-	346,150	352,790
City of Winnipeg - programming	-	-	283,720	-	-	283,720	246,594
Province of Manitoba - programming	-	-	-	167,168	-	167,168	364,979
Amortization of capital assets	1,348	-	-	-	-	1,348	1,849
Audit	7,464	-	-	-	-	7,464	7,388
Bank charges	243	234	234	234	251	1,196	702
Goods and services tax	805	-	-	-	-	805	1,061
Green team wages	36,635	-	-	-	-	36,635	48,638
Office and miscellaneous	10,147	-	-	-	-	10,147	8,263
Office equipment leases	5,441	-	-	-	-	5,441	5,195
Past President awards	4,324	-	-	-	-	4,324	3,739
Postage	1,091	-	-	-	-	1,091	2,261
Rent (Note 8)	1	-	-	-	-	1	1
Service contract	1,904	-	-	-	-	1,904	1,154
Socan fees	-	-	10,968	-	-	10,968	13,695
Special projects	-	-	-	-	-	-	634
Spin program	1,138	-	-	-	-	1,138	9,355
Telephone	2,885	-	-	-	-	2,885	2,356
Wages and benefits	215,544	-	-	-	260,876	476,420	505,098
Workers compensation	715	-	-	-	-	715	711
Workshops, seminars and meetings	5,374	-	-	-	-	5,374	4,885
	$ 641,209	211,992	294,922	167,402	261,127	1,576,652	1,709,351

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