

CALGARY YOUTH JUSTICE SOCIETY

FINANCIAL STATEMENTS (Audited)

December 31, 2017



CALGARY YOUTH JUSTICE SOCIETY

December 31, 2017

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Independent Auditor's Report

To the Members of:
Calgary Youth Justice Society

I have audited the financial statements of the Calgary Youth Justice Society as at December 31, 2017, which include the Statement of Financial Position and the Statements of Operations, Changes in Net Assets, Cash Flows, and a summary of significant accounting policies and other explanatory notes for the year then ended.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many not for profit organizations, the Calgary Youth Justice Society derives revenue from certain fund raising activities, the completeness of which is not subject to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Calgary Youth Justice Society and I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets.

Qualified Opinion

In my opinion, except for the effects of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself of the completeness of fundraising activities, these financial statements present fairly, in all material respects, the financial position of the Calgary Youth Justice Society as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
March 5, 2018




Heidi Brauer
Chartered Professional Accountant

CALGARY YOUTH JUSTICE SOCIETY
STATEMENT OF FINANCIAL POSITION
(Audited)

As at December 31, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 332,781	\$ 302,788
Accounts receivable, unrestricted	-	50
GST receivable	2,222	1,121
Prepaid expenses (Note 9)	3,663	3,863
Externally restricted assets (Note 3)	<u>354,088</u>	<u>281,539</u>
	692,754	589,361
PROPERTY AND EQUIPMENT (Note 4)		
	<u>1,845</u>	<u>2,460</u>
	<u>\$ 694,599</u>	<u>\$ 591,821</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 8,677	\$ 8,049
Deferred cash contributions (Note 3)	<u>354,088</u>	<u>281,539</u>
	<u>362,765</u>	<u>289,588</u>
Deferred capital contributions (Note 6)		
	<u>1,845</u>	<u>2,460</u>
NET ASSETS		
Unrestricted	<u>329,989</u>	<u>299,773</u>
	<u>329,989</u>	<u>299,773</u>
	<u>\$ 694,599</u>	<u>\$ 591,821</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

 Director
 Director

See Notes to the Financial Statements

CALGARY YOUTH JUSTICE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended December 31, 2017

	Unrestricted	Invested in Property and Equipment	2017 Totals	2016 Totals
Balances, beginning of the year	\$ 299,773	-	299,773	293,785
Increase/(decrease)	30,216	-	30,216	5,988
Balances, end of the year	<u>\$ 329,989</u>	<u>-</u>	<u>329,989</u>	<u>299,773</u>

See Notes to Financial Statements

CALGARY YOUTH JUSTICE SOCIETY
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Programs (Note 7)	\$ 460,722	\$ 446,003
Donations	58,096	42,247
Casino contributions (Note 5)	53,529	36,187
Gifts-in-kind donations (Notes 2 & 10)	48,000	48,000
General Revenue	35,819	-
Interest income	2,080	1,836
	<u>658,246</u>	<u>574,273</u>
EXPENSES		
Salaries and benefits	442,954	387,008
Rental (Note 2)	48,000	48,000
Program	47,947	42,727
Office and administration	22,885	17,737
Consulting	15,710	15,948
Accounting and legal	12,665	10,865
Telephone	9,666	8,963
Insurance	7,992	7,965
Committee contributions	7,550	8,875
Repair and maintenance	5,215	7,900
Professional development and training	2,773	1,141
Volunteer appreciation and training	2,707	9,067
Other	1,966	1,758
	<u>628,030</u>	<u>567,954</u>
Excess of revenue over expenses before amortization	30,216	6,319
Amortization of deferred capital contributions (Note 6)	615	615
Amortization expense	<u>(615)</u>	<u>(946)</u>
EXCESS OF REVENUE OVER EXPENSES AFTER AMORTIZATION	<u>\$ 30,216</u>	<u>\$ 5,988</u>

See Notes to Financial Statements

CALGARY YOUTH JUSTICE SOCIETY
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
FUNDS PROVIDED BY (USED IN):		
OPERATIONS		
Excess of revenue over expenses	\$ 30,216	\$ 5,988
Charges not requiring cash outlay:		
Amortization expenses	615	946
Amortization of deferred capital contributions (Note 6)	(615)	(615)
Changes in non-cash operating working capital:		
Account receivable	52	(50)
GST receivable	(1,101)	2,017
Prepaid expenses	200	(150)
Accounts payable and accrued liabilities	626	3,963
Increase in working capital	<u>29,993</u>	<u>12,099</u>
FINANCING		
Deferred cash contributions	<u>72,549</u>	(54,925)
	<u>72,549</u>	(54,925)
INCREASE (DECREASE) IN CASH	102,542	(42,826)
Cash, beginning of the year	<u>584,327</u>	<u>627,153</u>
CASH, END OF THE YEAR	<u><u>\$ 686,869</u></u>	<u><u>\$ 584,327</u></u>
Consisting of:		
Unrestricted Cash and Cash Equivalents	\$ 332,781	\$ 302,788
Externally Restricted Cash (Note 3)	<u>354,088</u>	<u>281,539</u>
	<u><u>\$ 686,869</u></u>	<u><u>\$ 584,327</u></u>

See Notes to Financial Statements

Calgary Youth Justice Society

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

1. NATURE OF THE ORGANIZATION

The Calgary Youth Justice Society (the Society) was incorporated under the Societies Act of Alberta on February 9, 1998 as a not-for-profit organization and is a registered charity.

The Calgary Youth Justice Society engages communities with young people to foster choices and opportunities that build upon their strengths, diverting them from crime.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

(a) Externally Restricted cash

Externally restricted cash consists of cash generated from holding casinos and unspent grant funding. Under the terms of the casino licence application for casinos, the Society is required to use the casino funds for specific purposes in the current or future periods. Grant funding has to be spent according to approved grant objectives. Unspent funds stay a liability until they are spent (deferred cash contributions).

(b) Revenue recognition

Externally restricted revenue is recorded according to the deferral method where revenue is recognized when the related expense occurred.

Operating revenue is recognized according to the accrual method, where revenue is recorded when it is received or reasonable assurance is given that it is receivable. This recognizes the effects of transactions and events in the period in which the transactions and events occur, even if cash is not exchanged until later.

(c) Income Taxes

The Association is a not for profit organization under section 149.1(l) of the Canadian Income Tax act and is therefore not subject to income taxes as long as it maintains its not-for-profit status.

Calgary Youth Justice Society
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(d) 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 cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, accounts receivable and accounts payable.

Financial Risk:

It is management's opinion that the Society is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

(e) 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 affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to the collectability of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

(f) Property and Equipment

Property and equipment are recorded at cost and amortized over the estimated useful lives. Amortization is provided on a straight line basis as follows:

Furniture and Equipment	10 years
Computer Equipment	5 years
Website	3 years

(g) Deferred Capital Contributions

Deferred capital contributions represent funding or donations received to assist in the purchase of property and equipment and they are being amortized and recorded as income on the same basis as the related capital asset is amortized and expensed.

(h) Contributed Services

A substantial number of volunteers have made significant contributions of their time to develop the Society's programs and carry out its activities. The value of this contributed time is not reflected in these financial statements.

(i) Donated Goods

The Society receives goods donated by individuals and businesses who assist the Society in achieving its mission. The Society is also receiving free rent, which is included in the revenue as a donation in kind and in expenses as rental expense (Note 10). Donated goods are recorded at fair value if the fair value can reasonably be established and if otherwise the Society would have purchased these goods for the operations of the Society.

(j) Basis of Accounting

Management has concluded that the going concern basis of accounting is appropriate for the Society.

Calgary Youth Justice Society
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term investments with original maturities of three months or less.

3. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS

	2017	2016
Casino (Note 5)	\$ 3,042	\$ 56,612
Solicitor General	54,456	40,928
FCSS	35,508	33,500
Immigrant Youth	-	5,962
Alberta Community Restorative Justice (ACRJ)	-	11,269
In The Lead - KPMG donation	63,336	30,000
In The Lead - Cenovus	195,876	101,198
Young Women of Power	1,170	1,170
FASD	700	900
Total Grants (Note 7)	351,046	224,927
Total Restricted Cash	<u>\$ 354,088</u>	<u>\$ 281,539</u>

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2017	Net 2016
Computer Equipment	\$ 32,516	32,516	-	-
Furniture and Fixtures	18,803	16,958	1,845	2,460
Website	6,150	6,150	-	-
	<u>\$ 57,469</u>	<u>55,624</u>	<u>1,845</u>	<u>2,460</u>

5. CONTRIBUTIONS FROM CASINO

	2017	2016
Casino cash balance, beginning of the year	\$ 56,612	\$ 25,206
Casino proceeds	-	67,613
Casino Bank Charges	(40)	(20)
Casino Cash Balance, End of the Year (Note 3)	(3,042)	(56,612)
Contributions for Operations	<u>\$ 53,530</u>	<u>\$ 36,187</u>

Calgary Youth Justice Society
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

6. DEFERRED CAPITAL CONTRIBUTIONS

Externally restricted contributions spent for the purchase of capital assets are recorded as deferred capital contributions. They will be amortized on the same basis to revenue, as the related capital asset is expensed as amortization expense.

	<u>2017</u>	<u>2016</u>
Balance from previous year	\$ 2,460	\$ 3,075
Less: Amortization	<u>(615)</u>	<u>(615)</u>
Balance to next year	<u>\$ 1,845</u>	<u>\$ 2,460</u>

7. GRANTS

	<u>2017</u>	<u>2016</u>
Carried forward from previous year	\$ 224,927	\$ 311,257
New grants	586,841	359,673
Deferred cash contribution for grants (Note 3)	<u>(351,046)</u>	<u>(224,927)</u>
Contributed to operations*	<u>\$ 460,722</u>	<u>\$ 446,003</u>

* Contributions to operations from grants include \$175,532.00 from Family and Community Support Services (FCSS).

8. FUNDRAISING EXPENSES

As required under section 7(2) of the Charitable Fundraising Regulation of Alberta, the following amounts are disclosed:

Direct costs incurred for the purpose of soliciting contributions \$Nil (2016- \$Nil)

Amounts paid as remuneration to employees whose principal duties involve fundraising \$Nil (2016 - \$Nil).

9. PREPAID EXPENSES

Prepaid expenses consist of insurance, in 2016 insurance and event deposit.

10. GIFTS IN KIND

In February of 2015, the Society received a contract renewal from the Solicitor General to extend the donation of rental space for another five years.