

CALGARY YOUTH JUSTICE SOCIETY

FINANCIAL STATEMENTS (Audited)

December 31, 2019



CALGARY YOUTH JUSTICE SOCIETY

December 31, 2019

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Independent Auditor's Report

To the Members of:
Calgary Youth Justice Society

Report on the Audit of the Financial Statements

Opinion

I have audited the Statement of Financial Position of the Calgary Youth Justice Society as at December 31, 2019 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended December 31, 2019.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Calgary Youth Justice Society as at December 31, 2019 and the results of its operations and cash flows for the year ended December 31, 2019 in accordance with Canadian accounting standards for not-for-profit associations.

Basis for Opinion

I am independent of the Calgary Youth Justice Society in accordance with the ethical requirements that are relevant to my audit and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole in forming my opinion thereon and I do not provide a separate opinion on these matters. During the course of our audit we did not identify key audit matters which need to be disclosed.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit associations 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.

In preparing the financial statements, management is responsible for assessing the Calgary Youth Justice Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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 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 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, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

I communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.

Calgary, Alberta
March 2, 2020


Heidi Brauer
Chartered Professional Accountant

CALGARY YOUTH JUSTICE SOCIETY
STATEMENT OF FINANCIAL POSITION
(Audited)

As at December 31, 2019

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 285,735	\$ 365,624
Cash equivalents, internally restricted (Note 11)	100,370	-
Cash and cash equivalents, externally restricted (Note 3)	276,892	354,034
Accounts receivable, unrestricted	-	386
Accounts receivable, externally restricted	129,261	-
GST receivable	2,142	1,211
Prepaid expenses (Note 9)	4,146	4,136
	<u>798,546</u>	<u>725,391</u>
PROPERTY AND EQUIPMENT (Note 4)	<u>615</u>	<u>1,230</u>
	<u><u>\$ 799,161</u></u>	<u><u>\$ 726,621</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 6,312	\$ 11,138
Deferred cash contributions (Note 3)	406,153	354,034
	<u>412,465</u>	<u>365,172</u>
Deferred capital contributions (Note 6)	<u>615</u>	<u>1,230</u>
NET ASSETS		
Unrestricted	285,711	360,219
Internally restricted (Note 11)	100,370	-
	<u>386,081</u>	<u>360,219</u>
	<u><u>\$ 799,161</u></u>	<u><u>\$ 726,621</u></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, 2019

	Unrestricted	Internally Restricted (Note 11)	2019 Totals	2018 Totals
Balances, beginning of the year	\$ 360,219	-	360,219	329,989
Increase (decrease)	(74,508)	100,370	25,862	30,230
Balances, end of the year	<u>\$ 285,711</u>	<u>100,370</u>	<u>386,081</u>	<u>360,219</u>

See Notes to Financial Statements

CALGARY YOUTH JUSTICE SOCIETY
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
REVENUE		
Programs (Note 7)	\$ 569,793	\$ 489,612
Donations	86,569	62,635
Event revenue	50,657	34,862
Gifts-in-kind donations (Notes 2 & 10)	48,000	48,000
Casino contributions (Note 5)	9,931	54,064
Interest income	8,622	3,397
	<u>773,572</u>	<u>692,570</u>
EXPENSES		
Salaries and benefits	528,072	465,223
Program	52,410	38,908
Rental (Note 2i)	48,000	48,000
Consulting	40,196	13,376
Office and administration	20,466	15,228
Accounting and legal	14,221	12,818
Telephone	9,661	9,478
Repair and maintenance	9,481	9,395
Committee contributions	8,700	6,800
Insurance	8,282	7,700
Volunteer appreciation and training	5,287	28,814
Professional development and training	2,934	6,600
	<u>747,710</u>	<u>662,340</u>
Excess of revenue over expenses before amortization	25,862	30,230
Amortization of deferred capital contributions (Note 6)	615	615
Amortization expense	<u>(615)</u>	<u>(615)</u>
EXCESS OF REVENUE OVER EXPENSES AFTER AMORTIZATION	<u>\$ 25,862</u>	<u>\$ 30,230</u>

See Notes to Financial Statements

CALGARY YOUTH JUSTICE SOCIETY
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
FUNDS PROVIDED BY (USED IN):		
OPERATIONS		
Excess of revenue over expenses	\$ 25,862	\$ 30,230
Charges not requiring cash outlay:		
Amortization expenses	615	615
Amortization of deferred capital contributions (Note 6)	(615)	(615)
Changes in non-cash operating working capital:		
Account receivable	(128,874)	(384)
GST receivable	(930)	1,011
Prepaid expenses	(9)	(473)
Accounts payable and accrued liabilities	(4,828)	2,459
Increase in working capital	<u>(108,779)</u>	<u>32,843</u>
FINANCING		
Deferred cash contributions	<u>52,118</u>	<u>(54)</u>
INCREASE (DECREASE) IN CASH	<u>(56,661)</u>	<u>32,789</u>
Cash, beginning of the year	<u>719,658</u>	<u>686,869</u>
CASH, END OF THE YEAR	<u><u>\$ 662,997</u></u>	<u><u>\$ 719,658</u></u>
Consisting of:		
Unrestricted Cash and Cash Equivalents	\$ 285,735	\$ 365,624
Internally restricted cash equivalent	100,370	-
Externally Restricted Cash (Note 3)	<u>276,892</u>	<u>354,034</u>
	<u><u>\$ 662,997</u></u>	<u><u>\$ 719,658</u></u>

See Notes to Financial Statements

Calgary Youth Justice Society
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

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, 2019

(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.

Calgary Youth Justice Society
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

(j) 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

	2019	2018
Casino, cash and cash equivalents	<u>\$ 4,935</u>	<u>\$ 14,927</u>
Solicitor General	11,730	69,969
Alberta Law Foundation	10	-
In the Lead - other	60,000	103,000
In the Lead - Cenovus	197,748	164,268
Young Women of Power	1,170	1,170
FASD	1,300	700
Total Grants (Note 7)	<u>271,958</u>	<u>339,107</u>
Total cash and cash equivalents	<u>276,893</u>	<u>354,034</u>
Accounts receivable Solicitor General	62,000	-
Accounts receivable casino	67,260	-
Total externally restricted assets	<u><u>\$ 406,153</u></u>	<u><u>\$354,034</u></u>

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2019	Net 2018
Computer Equipment	\$ 32,516	32,516	-	-
Furniture and Fixtures	18,803	18,188	615	1,230
Website	6,150	6,150	-	-
	<u>\$ 57,469</u>	<u>56,854</u>	<u>615</u>	<u>1,230</u>

5. CONTRIBUTIONS FROM CASINO

	2019	2018
Casino cash balance, beginning of the year	\$ 14,927	\$ 3,042
Casino proceeds	-	65,967
Casino advisor reimbursement	2,292	2,184
Transfer from general operating account	-	30
Casino advisor fees	(2,343)	(2,189)
Casino bank charges	(10)	(43)
Casino Cash Balance, End of the Year (Note 3)	<u>(4,935)</u>	<u>(14,927)</u>
Contributions for Operations	<u><u>\$ 9,931</u></u>	<u><u>\$ 54,064</u></u>

Calgary Youth Justice Society
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

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.

	2019	2018
Balance from previous year	\$ 1,230	\$ 1,845
Less: Amortization	(615)	(615)
Balance to next year	<u>\$ 615</u>	<u>\$ 1,230</u>

7. GRANTS

	2019	2018
Carried forward from previous year	\$ 339,107	\$ 351,046
New grants	502,644	477,673
Deferred cash contribution for grants (Note 3)	(271,958)	(339,107)
Contributed to operations*	<u>\$ 569,793</u>	<u>\$ 489,612</u>

* Contributions to operations from grants include \$151,532 (2018 \$142,032) from Family and Community Support Services (FCSS) and \$85,000 from Crime Prevention Investment Plan (CPIP).

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 (2018- \$Nil)

Amounts paid as remuneration to employees whose principal duties involve fundraising \$Nil (2018 - \$Nil).

9. PREPAID EXPENSES

Prepaid expenses consist of insurance.

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.

11. INTERNALLY RESTRICTED CASH EQUIVALENT

In 2019, the Society created an Operating Reserve for unrestricted funds to support the organization's day to day operations in the event of unforeseen shortfalls. Subject to Board approval, and in accordance with the Operating Reserve Policy, the reserve may also be used for non-recurring capacity building expenditures. At year end, the reserve was invested in a 90 day (December 2, 2019 to March 1, 2020 @1.35% fully or partially redeemable Guaranteed Investment Certificate) in accordance with the Society's Permitted Investment Policy and is therefore included in cash and cash equivalents.