

# **CALGARY YOUTH JUSTICE SOCIETY**

## **FINANCIAL STATEMENTS** (Audited)

**December 31, 2020**

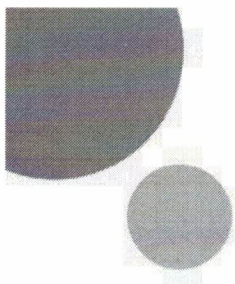


# **CALGARY YOUTH JUSTICE SOCIETY**

**December 31, 2020**

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# Heidi Brauer

## Chartered Professional Accountant

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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, 2020 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, 2020.

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, 2020 and the results of its operations and cash flows for the year ended December 31, 2020 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 identified that the COVID-19 pandemic had the effect of increased demand for services (see Note 12 ).

##### 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.

A handwritten signature in cursive script, reading "Heidi Brauer".

Calgary, Alberta  
March 1, 2021

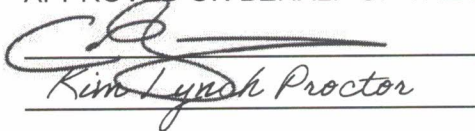
Heidi Brauer  
Chartered Professional Accountant

**CALGARY YOUTH JUSTICE SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
(Audited)

As at December 31, 2020

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents, unrestricted	\$ 287,130	\$ 285,735
Cash equivalents, internally restricted (Note 11)	100,791	100,370
Cash and cash equivalents, externally restricted (Note 3)	498,957	276,891
Accounts receivable, unrestricted	37,975	-
Accounts receivable, externally restricted	74,250	129,261
GST receivable	3,077	2,142
Prepaid expenses (Note 9)	4,150	4,146
	<u>1,006,330</u>	<u>798,545</u>
<b>PROPERTY AND EQUIPMENT (Note 4)</b>	<u>5,474</u>	<u>615</u>
	<u><u>\$ 1,011,804</u></u>	<u><u>\$ 799,160</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 10,138	\$ 6,312
Payroll liability	33	-
Deferred cash contributions (Note 3)	573,207	406,152
	<u>583,378</u>	<u>412,464</u>
<b>Deferred capital contributions (Note 6)</b>	<u>5,474</u>	<u>615</u>
<b>NET ASSETS</b>		
Unrestricted	322,161	285,711
Internally restricted (Note 11)	100,791	100,370
	<u>422,952</u>	<u>386,081</u>
	<u><u>\$ 1,011,804</u></u>	<u><u>\$ 799,160</u></u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

 Director  
Kim Lynch Proctor Director

See Notes to the Financial Statements

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

**For the Year Ended December 31, 2020**

	Unrestricted	Internally Restricted (Note 11)	2020 Totals	2019 Totals
Balances, beginning of the year	\$ 285,711	100,370	386,081	360,219
Transfer of interest	(421)	421	-	-
Transfer of raffle cash (Note13)	(1,332)	-	(1,332)	-
Increase (decrease)	38,203	-	38,203	25,862
Balances, end of the year	<u>\$ 322,161</u>	<u>100,791</u>	<u>422,952</u>	<u>386,081</u>

See Notes to Financial Statements



**CALGARY YOUTH JUSTICE SOCIETY**  
**STATEMENT OF OPERATIONS**  
(Audited)

**For the Year Ended December 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>REVENUE</b>		
Programs (Note 7)	\$ 523,666	\$ 569,793
COVID-19 wage subsidies	181,122	-
Casino contributions (Note 5)	73,135	9,931
Donations	56,154	86,569
Gifts-in-kind donations (Notes 2 & 10)	48,000	48,000
Interest income	2,271	8,622
Event revenue	-	50,657
	<u>884,348</u>	<u>773,572</u>
<b>EXPENSES</b>		
Salaries and benefits	663,282	528,072
Rental (Note 2i)	48,000	48,000
Program	45,182	52,410
Consulting	30,085	40,196
Accounting and legal	18,349	14,221
Office and administration	13,771	20,466
Telephone	8,480	9,661
Insurance	8,295	8,282
Repair and maintenance	8,242	9,481
Professional development and training	1,359	2,934
Volunteer appreciation and training	1,100	5,287
Committee contributions	-	8,700
	<u>846,145</u>	<u>747,710</u>
Excess of revenue over expenses before amortization	38,203	25,862
Amortization of deferred capital contributions (Note 6)	1,983	615
Amortization expense	<u>(1,983)</u>	<u>(615)</u>
<b>EXCESS OF REVENUE OVER EXPENSES AFTER AMORTIZATION</b>	<u><u>\$ 38,203</u></u>	<u><u>\$ 25,862</u></u>

See Notes to Financial Statements

**CALGARY YOUTH JUSTICE SOCIETY**  
**STATEMENT OF CASH FLOWS**  
(Audited)

For the Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
<b>FUNDS PROVIDED BY (USED IN):</b>		
<b>OPERATIONS</b>		
Excess of revenue over expenses	\$ 38,203	\$ 25,862
Charges not requiring cash outlay:		
Amortization expenses	1,983	615
Amortization of deferred capital contributions (Note 6)	(1,983)	(615)
Transfer of raffle cash (Note 13)	(1,332)	-
Changes in non-cash operating working capital:		
Account receivable	17,036	(128,875)
GST receivable	(933)	(930)
Prepaid expenses	(4)	(9)
Accounts payable and accrued liabilities	3,824	(4,828)
Payroll liability	33	-
Increase in working capital	<u>56,827</u>	<u>(108,780)</u>
<b>FINANCING</b>		
Deferred capital contributions	6,842	-
Deferred cash contributions	<u>167,055</u>	<u>52,118</u>
Total financing	<u>173,897</u>	<u>52,118</u>
<b>INVESTING</b>		
Furniture and Fixtures	<u>(6,842)</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>223,882</b>	<b>(56,662)</b>
Cash and cash equivalents, beginning of the year	<u>662,996</u>	<u>719,658</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<b>\$ 886,878</b>	<b>\$ 662,996</b>
<b>Consisting of:</b>		
Unrestricted cash and cash equivalents	\$ 287,130	\$ 285,735
Internally restricted cash and cash equivalent	100,791	100,370
Externally restricted cash and cash equivalents (Note 3)	<u>498,957</u>	<u>276,891</u>
	<u>\$ 886,878</u>	<u>\$ 662,996</u>

See Notes to Financial Statements



# Calgary Youth Justice Society

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### 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, 2020**

**(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, 2020

### (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

	2020	2019
Casino, cash and cash equivalents	\$ 437	\$ 4,935
Solicitor General	14,580	11,730
Alberta Law Foundation	1,550	10
In the Lead - other	82,134	60,000
In the Lead - Cenovus	397,786	197,747
Young Women of Power	1,170	1,170
FASD	1,300	1,300
Total Grants (Note 7)	498,520	271,957
Total cash and cash equivalents	498,957	276,892
Accounts receivable Solicitor General	74,250	62,000
Accounts receivable casino	-	67,260
Total externally restricted assets	\$ 573,207	\$406,152

### 4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2020	Net 2019
Computer Equipment	\$ 32,516	32,516	-	-
Furniture and Fixtures	25,645	20,171	5,474	615
Website	6,150	6,150	-	-
	\$ 64,311	58,837	5,474	615

### 5. CONTRIBUTIONS FROM CASINO

	2020	2019
Casino cash balance, beginning of the year	\$ 4,935	\$ 14,927
Casino proceeds	67,261	-
Casino advisor reimbursement	-	2,292
Transfer of raffle cash (Note 13)	1,332	-
Transfer from general operating account	106	-
Casino advisor fees	-	(2,343)
Casino bank charges	(62)	(10)
Casino Cash Balance, End of the Year (Note 3)	(437)	(4,935)
Contributions for Operations	\$ 73,135	\$ 9,931

# Calgary Youth Justice Society

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### 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.

	2020	2019
Balance from previous year	\$ 615	\$ 1,230
Addition during the year	\$ 6,842	\$ -
Less: Amortization	(1,983)	(615)
Balance to next year	<u>\$ 5,474</u>	<u>\$ 615</u>

### 7. GRANTS

	2020	2019
Carried forward from previous year	\$ 271,957	\$ 339,107
New grants	750,229	502,643
Deferred cash contribution for grants (Note 3)	(498,520)	(271,957)
Contributed to operations*	<u>\$ 523,666</u>	<u>\$ 569,793</u>

\* Contributions to operations from grants include \$142,032 and a one-time funding of \$10,500 (2019 \$151,532) 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 (2019- \$Nil)

Amounts paid as remuneration to employees whose principal duties involve fundraising \$Nil (2019 - \$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. This contract expired during the fiscal. At this time, no new written contract had been signed. This could present a potential contingent liability for rent payments.



# **CALGARY YOUTH JUSTICE SOCIETY**

## **NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2020**

### **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 the 2019 year end, the reserve had been 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 had therefore been included in cash and cash equivalents. At maturity the investment was cashed and deposited into the RBC Savings account.

### **12. UNCERTAINTY DUE TO THE COVID-19 PANDEMIC**

Calgary Youth Justice Society increased programming throughout the global COVID-19 pandemic. The Society has secured sufficient revenue to meet the demand for the last fiscal year. Given the dynamic nature of the pandemic and the uncertainty how long it would last, the financial impact cannot be reasonably estimated at this time. The Society's ability to continue to service it's clients is dependant on the continued ability to generate revenue, manage expenses and ongoing COVID-19 relief.

### **13. TRANSFER TO RESTRICTED CASH**

The Society had a raffle in 2019. The proceeds had been deposited in the general bank account. AGLC requested that these funds get transferred to the casino account, which had been done during this fiscal year.