

CALGARY YOUTH JUSTICE SOCIETY

FINANCIAL STATEMENTS (Audited)

December 31, 2021

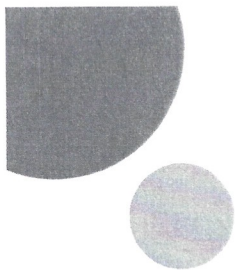


CALGARY YOUTH JUSTICE SOCIETY

December 31, 2021

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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, 2021 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, 2021.

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, 2021 and the results of its operations and cash flows for the year ended December 31, 2021 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 14).

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
February 24, 2022

Heidi Brauer
Chartered Professional Accountant

CALGARY YOUTH JUSTICE SOCIETY
STATEMENT OF FINANCIAL POSITION
(Audited)

As at December 31, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 322,121	\$ 287,130
Cash equivalents, internally restricted (Note 11)	140,000	100,791
Cash and cash equivalents, externally restricted (Note 3)	751,864	498,957
Accounts receivable, unrestricted	-	37,975
Accounts receivable, externally restricted (Note 13)	-	74,250
GST receivable	4,008	3,077
Prepaid expenses (Note 9)	16,006	4,150
	<u>1,233,999</u>	<u>1,006,330</u>
PROPERTY AND EQUIPMENT (Note 4)	<u>8,619</u>	<u>5,474</u>
	<u><u>\$ 1,242,618</u></u>	<u><u>\$ 1,011,804</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 13,140	\$ 10,138
Payroll liability	10,926	33
Deferred cash contributions (Note 3)	751,864	573,207
	<u>775,930</u>	<u>583,378</u>
Deferred capital contributions (Note 6)	<u>8,619</u>	<u>5,474</u>
NET ASSETS		
Unrestricted	318,069	322,161
Internally restricted (Note 11)	140,000	100,791
	<u>458,069</u>	<u>422,952</u>
	<u><u>\$ 1,242,618</u></u>	<u><u>\$ 1,011,804</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, 2021

	Unrestricted	Invested in Property and Equipment	Internally Restricted (Note 11)	2021 Totals	2020 Totals
Balances, beginning of the year	\$ 322,161	-	100,791	422,952	386,636
Transfer of interest	(39,209)	-	39,209	-	-
Transfer of raffle cash (Note13)	-	-	-	-	(1,332)
Increase (decrease)	35,117	-	-	35,117	38,203
Balances, end of the year	\$ 318,069	-	140,000	458,069	423,507

See Notes to Financial Statements

CALGARY YOUTH JUSTICE SOCIETY
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
REVENUE		
Program grants and contributions (Note 7)	\$ 620,407	\$ 523,666
COVID-19 wage subsidies	219,718	181,122
Donations	63,094	53,156
Gifts-in-kind donations (Notes 2 & 10)	48,000	48,000
CEBA loan forgiveness (Note 12)	20,000	-
Canada summer job service grant	4,703	2,998
Contributions from casino/raffle (Note 5)	2,767	73,135
Interest income	1,731	2,271
	<u>980,420</u>	<u>884,348</u>
EXPENSES		
Salaries and benefits	739,816	663,282
Program	54,848	45,182
Rental (Note 2i)	48,000	48,000
Consulting and evaluation	32,077	30,085
Office and administration	17,006	16,347
Accounting and legal	12,509	15,773
Computer operations	11,240	8,242
Telephone	9,088	8,480
Insurance	8,732	8,295
Volunteer appreciation and training	7,309	1,100
Professional development and training	4,678	1,359
	<u>945,303</u>	<u>846,145</u>
Excess of revenue over expenses before amortization	35,117	38,203
Amortization of deferred capital contributions (Note 6)	2,497	1,983
Amortization expense	<u>(2,497)</u>	<u>(1,983)</u>
EXCESS OF REVENUE OVER EXPENSES AFTER AMORTIZATION	<u>\$ 35,117</u>	<u>\$ 38,203</u>

See Notes to Financial Statements

CALGARY YOUTH JUSTICE SOCIETY
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
FUNDS PROVIDED BY (USED IN):		
OPERATIONS		
Excess of revenue over expenses	\$ 35,117	\$ 38,203
Excess of revenue over expenses		
Amortization expenses	2,497	1,983
Amortization of deferred capital contributions (Note 6)	(2,497)	(1,983)
Transfer of raffle cash (Note 5)	-	(1,332)
Changes in non-cash operating working capital:		
Account receivable	112,225	17,036
GST receivable	(931)	(933)
Prepaid expenses	(11,856)	(4)
Accounts payable and accrued liabilities	3,002	3,824
Payroll liability	10,893	33
Increase in working capital	<u>148,450</u>	<u>56,827</u>
FINANCING		
Deferred capital contributions	5,642	6,842
Deferred cash contributions	178,657	167,055
Total financing	<u>184,299</u>	<u>173,897</u>
INVESTING		
Computer Equipment	(5,642)	-
Furniture and Fixtures	-	(6,842)
	<u>(5,642)</u>	<u>(6,842)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	327,107	223,882
Cash and cash equivalents, beginning of the year	<u>886,878</u>	<u>662,996</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 1,213,985</u>	<u>\$ 886,878</u>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 322,121	\$ 287,130
Internally restricted cash and cash equivalent	140,000	100,791
Externally restricted cash and cash equivalents (Note 3)	751,864	498,957
	<u>\$ 1,213,985</u>	<u>\$ 886,878</u>

See Notes to Financial Statements

Calgary Youth Justice Society

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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 raffles and unspent grant funding. Under the terms of the casino and raffle licence applications, the Society is required to use the casino and raffle 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, 2021

(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, 2021

(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

	2021	2020
Casino, cash and cash equivalents	\$ 2,216	\$ 437
Solicitor General 2020	42,255	14,580
Alberta Law Foundation	-	1,550
Calgary Police Service grant	28,748	-
In the Lead grants, Cenovus and others	677,345	479,920
Young Women of Power	-	1,170
FASD	1,300	1,300
Total Grants (Note 7)	749,648	498,520
Total cash and cash equivalents	751,864	498,957
Accounts receivable Solicitor General (Note 13)	-	74,250
Total externally restricted assets	<u>\$ 751,864</u>	<u>\$573,207</u>

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2021	Net 2020
Computer Equipment	\$ 38,158	33,644	4,514	-
Furniture and Fixtures	25,645	21,540	4,105	5,474
Website	6,150	6,150	-	-
	<u>\$ 69,953</u>	<u>61,334</u>	<u>8,619</u>	<u>5,474</u>

5. CONTRIBUTIONS FROM CASINO/RAFFLE

	2021	2020
Casino cash balance, beginning of the year	\$ 437	\$ 4,935
Casino proceeds	-	67,261
Raffle receipts	4,550	-
Transfer of raffle cash	-	1,332
Transfer from general operating account	-	106
Casino bank charges	(4)	(62)
Casino cash balance, end of the year (Note 3)	(2,216)	(437)
Contributions to operations from raffle	<u>\$ 2,767</u>	<u>\$ 73,135</u>

Calgary Youth Justice Society

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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.

	2021	2020
Balance from previous year	\$ 5,474	\$ 615
Addition during the year	5,642	6,842
Less: Amortization	(2,497)	(1,983)
Balance to next year	<u>\$ 8,619</u>	<u>\$ 5,474</u>

7. PROGRAM GRANTS AND CONTRIBUTIONS

	2021	2020
Carried forward from previous year	\$ 498,520	\$ 271,957
New grants and contributions	877,177	757,071
Contributed to the purchase of property & equipment (Note 6)	(5,642)	(6,842)
Deferred cash contribution for grants (Note 3)	(749,648)	(498,520)
Contributed to operations*	<u>\$ 620,407</u>	<u>\$ 523,666</u>

* Contributions to operations from grants include \$142,032 and a one-time funding of \$6,000 for capacity building in mental health from Family and Community Support Services (FCSS) (2020 - \$142,032 and a one-time funding of \$10,500) and \$85,000 (2020 - \$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 (2020- \$Nil)

Amounts paid as remuneration to employees whose principal duties involve fundraising \$Nil (2020 - \$Nil).

9. PREPAID EXPENSES

Prepaid expenses consist of insurance and other expenses prepaid for the next fiscal year.

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 previous fiscal year. 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, 2021

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.

12. CEBA LOAN FORGIVENESS

During the fiscal year, the Society received \$60,000 Canada Emergency Business Account loan (CEBA). This loan was interest free if repaid by December 31, 2023. The Society paid back the loan during the fiscal year.

13. ACCOUNTS RECEIVABLE

As per information received from the Solicitor General's office, the 2021 grant is still in the approval process. The amount recommended is equal to the prior year. Since the grant is still in the approval process, the receivable is disclosed in the Notes only.

14. 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 over how long it would last, the financial impact cannot be reasonably estimated at this time. The Society's ability to continue to service its clients is dependant on the continued ability to generate revenue and manage expenses.