

CALGARY YOUTH JUSTICE SOCIETY
Financial Statements
Year Ended December 31, 2022

CALGARY YOUTH JUSTICE SOCIETY
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Year Ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Calgary Youth Justice Society

Opinion

We have audited the financial statements of Calgary Youth Justice Society (the Society), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2022, 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 (ASNPO)

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 24, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the 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 unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lockhart LLP

Calgary, Alberta
February 27, 2023

LOCKHART LLP
Chartered Professional Accountants

CALGARY YOUTH JUSTICE SOCIETY
Statement of Financial Position
December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 465,007	\$ 462,121
Restricted cash (Note 2)	763,379	751,864
Accounts receivable	1,546	-
Goods and services tax recoverable	7,575	4,008
Prepaid expenses	9,608	16,006
	<u>1,247,115</u>	<u>1,233,999</u>
CAPITAL ASSETS (Net of accumulated amortization) (Note 3)	<u>8,799</u>	<u>8,619</u>
	<u>\$ 1,255,914</u>	<u>\$ 1,242,618</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 26,890	\$ 13,140
Payroll liabilities	30,372	10,927
Deferred contributions (Note 4)	763,379	751,865
	<u>820,641</u>	<u>775,932</u>
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 5)	<u>6,122</u>	<u>8,619</u>
	<u>826,763</u>	<u>784,551</u>
NET ASSETS		
Unrestricted	286,474	318,067
Invested in capital assets	2,677	-
Internally restricted (Note 6)	140,000	140,000
	<u>429,151</u>	<u>458,067</u>
	<u>\$ 1,255,914</u>	<u>\$ 1,242,618</u>

CONTINGENT LIABILITY (Note 7)

ON BEHALF OF THE BOARD

 _____ Director

 _____ Director

See notes to financial statements

CALGARY YOUTH JUSTICE SOCIETY
Statement of Revenues and Expenditures
Year Ended December 31, 2022

	2022	2021
REVENUES		
Program grants and contributions <i>(Note 8)</i>	\$ 974,073	\$ 625,330
Donations	81,355	62,874
Gifts-in-kind donations	48,000	48,000
Casino and raffle	21,325	2,767
Scholarship and awards	3,787	-
Amortization of deferred capital contributions	2,497	2,497
	<u>1,131,037</u>	<u>741,468</u>
EXPENSES		
Salaries and wages	889,780	739,816
Consulting and evaluation	81,267	32,077
Program	77,804	54,848
Rental	48,000	48,000
General and administrative	20,398	17,006
Telephone	10,615	9,088
Insurance	10,172	8,732
Accounting and legal	8,559	12,509
Computer operations	7,918	11,240
Scholarship and awards	3,787	-
Volunteer appreciation and training	3,765	7,309
Professional development and training	3,280	4,678
Amortization	3,166	2,497
	<u>1,168,511</u>	<u>947,800</u>
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(37,474)</u>	<u>(206,332)</u>
OTHER ITEMS		
Interest from other sources	8,558	1,731
Government subsidies <i>(Note 9)</i>	-	239,718
	<u>8,558</u>	<u>241,449</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (28,916)</u>	<u>\$ 35,117</u>

CALGARY YOUTH JUSTICE SOCIETY
Statement of Changes in Net Assets
Year Ended December 31, 2022

	Unrestricted	Invested in Capital Assets	Internally Restricted	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 318,067	\$ -	\$ 140,000	\$ 458,067	\$ 422,950
Deficiency of revenues over expenses	(28,247)	(669)	-	(28,916)	35,117
Purchase of equipment	(3,346)	3,346	-	-	-
NET ASSETS - END OF YEAR	\$ 286,474	\$ 2,677	\$ 140,000	\$ 429,151	\$ 458,067

See notes to financial statements

CALGARY YOUTH JUSTICE SOCIETY

Statement of Cash Flows

Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (28,916)	\$ 35,117
Items not affecting cash:		
Amortization	3,166	2,497
Amortization of deferred capital contributions	<u>(2,497)</u>	<u>(2,497)</u>
	<u>(28,247)</u>	35,117
Changes in non-cash working capital:		
Accounts receivable	(1,546)	112,225
Goods and services tax recoverable	(3,567)	(931)
Prepaid expenses	6,398	(11,856)
Accounts payable	13,750	2,967
Payroll liabilities	19,445	10,927
Deferred contributions	<u>11,514</u>	<u>178,658</u>
	<u>45,994</u>	291,990
Cash flow from operating activities	<u>17,747</u>	<u>327,107</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(3,346)</u>	-
INCREASE IN CASH FLOW	14,401	327,107
Cash - beginning of year	<u>1,213,985</u>	886,878
CASH - END OF YEAR	<u>\$ 1,228,386</u>	<u>\$ 1,213,985</u>
CASH CONSISTS OF:		
Cash	\$ 465,007	\$ 462,121
Restricted cash	<u>763,379</u>	<u>751,864</u>
	<u>\$ 1,228,386</u>	<u>\$ 1,213,985</u>

See notes to financial statements

CALGARY YOUTH JUSTICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

PURPOSE OF THE SOCIETY

Calgary Youth Justice Society (the "Society") is not-for-profit organization, incorporated under the Societies Act of Alberta on February 9, 1998. The Society is exempt from federal income taxes in Canada as a registered charity pursuant to paragraph 149(1)(f) of the Income Tax Act (Canada) and is designated as a charitable organization for charity tax purposes.

The Society's programs support youth who are vulnerable to risk taking and criminal activities by engaging communities with young people to foster choices and opportunities that build upon their strengths, diverting them from crime.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Cash and cash equivalents

Cash and cash equivalents include deposits with financial institutions and cash on hand.

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital Assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer equipment	5 years
Furniture and fixtures	5 years
Website	3 years

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of restricted contributions that were used to purchase the Society's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Impairment of long lived assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Revenue recognition

The Society follows the deferral method of 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Internally restricted contributions are reflected as appropriations of unrestricted net assets.

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CALGARY YOUTH JUSTICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed services

The operations of the Society depend on both the contribution of time by volunteers and donated materials from various sources. Donated materials are recorded at fair value when it can be reasonably determined. Due to the difficulty in determining the fair value of contributed services, they are not recognized in these financial statements

Financial instruments

The fair values of the Society's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying value because of their short term nature. In certain circumstances, accounts receivable and accounts payable and accrued liabilities may be adjusted subsequent to their initial measurement at fair value based on management's expectations of collectibility, as well as estimates involving realization.

Investments are recorded at fair market value, determined by reference to investment certificates, with any unrealized gains and losses reported in income.

All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition or sale of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are periodically reviewed and any adjustments necessary are reported in the statement of operations in the period in which they become known.

2. RESTRICTED CASH

Restricted cash is comprised of cash subject to restrictions imposed by funding agreements outstanding at December 31, 2022.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 38,158	\$ 34,773	\$ 3,385	\$ 4,514
Furniture and fixtures	28,991	23,577	5,414	4,105
Website	6,150	6,150	-	-
	<u>\$ 73,299</u>	<u>\$ 64,500</u>	<u>\$ 8,799</u>	<u>\$ 8,619</u>

CALGARY YOUTH JUSTICE SOCIETY**Notes to Financial Statements****Year Ended December 31, 2022****4. DEFERRED CONTRIBUTIONS**

	2022	2021
In the Lead Program	\$ 670,540	\$ 677,345
Alberta Gaming and Liquor Commission	55,193	2,216
Solicitor General	33,846	42,256
Scholarship and Awards Program	2,500	-
Fetal Alcohol Spectrum Disorder Program	1,300	1,300
Calgary Police Service Program	-	28,748
	\$ 763,379	\$ 751,865

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2022	2021
Balance, beginning of year	\$ 8,619	\$ 5,474
Contributions restricted to acquisition of capital assets	-	5,642
Amounts recognized as revenue during the year	(2,497)	(2,497)
	\$ 6,122	\$ 8,619

6. INTERNALLY RESTRICTED NET ASSETS

The Society has restricted \$140,000 (2021 - \$140,000) as a reserve fund to cover unforeseen expenditures related to operations and non-recurring capacity building. Use of these funds are subject to approval of the Board of Directors.

7. CONTINGENT LIABILITY

The Society is classified as a Tier 1: Essential Non-Government User, deemed to be providing essential core services on behalf of Justice and Solicitor General. As such, Alberta Infrastructure has renewed a full rent cost recovery. Rental payments are contingent on continued cost recovery of the rental space annually.

8. PROGRAM GRANTS AND CONTRIBUTIONS

Program grants and contributions include the following amounts from the City of Calgary.

	2022	2021
Family and Community Support Services (FCSS)	\$ 226,374	\$ 142,032
Crime Prevention Investment Plan (CPIP)	85,000	85,000
Capacity Building - Human Resources	9,765	-
Capacity Building - Mental Health	-	6,000
	\$ 321,139	\$ 233,032

CALGARY YOUTH JUSTICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

9. GOVERNMENT SUBSIDIES

As a result of the COVID-19 global pandemic, the Society qualified for certain government subsidies.

Canada Emergency Business Account (CEBA) Loan of \$60,000, of which up to \$20,000 is forgivable if repaid on or before December 31, 2023. The forgivable portion is considered income and taxable in the year the loan is received. However, should the Society not repay the loan on or before December 31, 2023, the forgivable portion of \$20,000 initially recognized as income will be due for repayment. The loan was paid back during the year ended December 31, 2021.

Canada Emergency Wage Subsidy (CEWS) of \$nil (2021 - \$219,718) to cover part of employee wages. This is a subsidy only with no applicable repayment terms.

10. FINANCIAL INSTRUMENTS

The Society, as part of its operations, carries numerous financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

11. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of Chartered Professional Accountants and have been reclassified to conform to the current year's presentation.

CALGARY YOUTH JUSTICE SOCIETY
Family and Community Support Services
(Schedule 1)
Year Ended December 31, 2022

	Budget	2022
REVENUES		
Family and Community Support Services	\$ 226,374	\$ 226,374
Capacity Building and Emerging Issues	9,765	9,765
	<u>236,139</u>	<u>236,139</u>
EXPENSES		
Personnel salary and wages	151,342	151,342
Employment benefits	21,900	21,900
Program resources	19,000	19,000
Program support salaries	15,700	15,700
Consulting	9,765	9,765
Information technology	5,250	5,250
Evaluation	4,500	4,500
Insurance/Accounting/Legal	3,652	3,652
Parking and mileage	2,750	2,750
Office supplies	1,780	1,780
Advertising	500	500
	<u>236,139</u>	<u>236,139</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

CALGARY YOUTH JUSTICE SOCIETY**Crime Prevention Investment Plan****(Schedule 2)****Year Ended December 31, 2022**

	Budget	2022
REVENUE		
Crime Prevention Investment Plan	\$ 85,000	\$ 85,000
EXPENSES		
Personnel salary and wages	56,000	56,000
Employment benefits	9,000	9,000
Program support salaries	2,500	4,500
Parking and mileage	4,000	4,000
Program resources	4,000	4,000
Insurance/Accounting/Legal	2,200	2,200
Evaluation	4,000	2,000
Information technology	1,500	1,500
Advertising	1,300	1,300
Office supplies	500	500
	85,000	85,000
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -