



HAZLITT STEEVES HARRIS LLP

CHARTERED ACCOUNTANTS

Independent Auditors' Report

To the Member's of Sarnia-Lambton "Rebound" – A Program For Youth

We have audited the accompanying financial statements of **Sarnia-Lambton "Rebound" – A Program For Youth** which comprise the balance sheet as at March 31, 2012, March 31, 2011 and April 1, 2010 and the statements of revenue and expense, changes in net assets and cash flows for the years ended March 31, 2012 and March 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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Basis for Qualified Opinion

The organization derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expense for the year, current assets and net assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Sarnia-Lambton "Rebound" – A Program For Youth as at March 31, 2012, March 31, 2011 and April 1, 2010 and its financial performance and its cash flows for the year-ended March 31, 2012 and March 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

Hay (td) Steves Harris LLP

Chartered Accountants
Licensed Public Accountants
June 19, 2012

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Statement of Revenue and Expense

For the year ended March 31, 2012

	<u>2012</u>	<u>2011</u>
REVENUE		
Grants	\$ 777,219	\$ 720,725
Donations	60,768	60,944
Client fees	1,975	2,850
Fundraising	114,470	105,001
	<u>954,432</u>	<u>889,520</u>
EXPENSE		
Amortization	8,974	8,829
Bank charges	2,052	2,226
Dow Centre For Youth	14,847	42,551
Insurance	9,542	9,724
Office and miscellaneous	23,879	24,204
Fundraising	58,308	61,204
Professional fees	18,685	4,032
Programs	69,316	35,823
Rent	46,126	42,947
Staff development	3,545	4,835
Telephone	5,107	4,672
Travel and promotion	8,673	9,662
Wages and benefits	687,916	606,346
	<u>956,970</u>	<u>857,055</u>
EXCESS OF OPERATING REVENUE OVER EXPENSE (EXPENSE OVER REVENUE)	(2,538)	32,465
GAIN ON DISPOSAL OF EQUIPMENT	-	1,923
EXCESS OF REVENUE OVER EXPENSE (EXPENSE OVER REVENUE)	\$ (2,538)	\$ 34,388

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Statement of Changes in Net Assets

For the year ended March 31, 2012

	<u>Internally Restricted</u> (Note 8)	<u>Invested in Equipment</u>	<u>Unrestricted</u>	<u>2012 Total</u>	<u>2011 Total</u>
Balance, beginning of year	\$ 216,424	\$ 26,675	\$ 35,351	\$ 278,450	\$ 243,135
Excess of revenue over expense (expense over revenue)	-	(8,974)	6,436	(2,538)	34,388
Non-operating revenue	1,275	-	-	1,275	927
Investment in equipment	-	1,432	(1,432)	-	-
BALANCE, END OF YEAR	\$ 217,699	\$ 19,133	\$ 40,355	\$ 277,187	\$ 278,450

SARNIA - LAMBTON "REBOUND"


A Program For Youth

Balance Sheet


As at March 31, 2012

	<u>2012</u>	<u>2011</u>	<u>April 1 2010</u> (Note 2)
ASSETS			
CURRENT			
Cash	\$ 76,721	\$ 50,585	\$ 50,373
Short-term investments	187,267	155,992	153,065
Accounts receivable (Note 5)	62,061	71,624	26,775
Due from Dow Legacy project	-	-	674
Prepaid expenses	3,405	3,908	3,628
	<u>329,454</u>	<u>282,109</u>	<u>234,515</u>
EQUIPMENT (Note 6)	19,133	26,675	26,705
	<u>\$ 348,587</u>	<u>\$ 308,784</u>	<u>\$ 261,220</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued charges (Note 7)	\$ 33,323	\$ 30,334	\$ 18,085
Deferred revenue	38,077	-	-
	<u>71,400</u>	<u>30,334</u>	<u>18,085</u>
NET ASSETS			
Internally restricted (Note 8)	217,699	216,424	215,497
Invested in equipment	19,133	26,675	26,705
Unrestricted	40,355	35,351	933
	<u>277,187</u>	<u>278,450</u>	<u>243,135</u>
	<u>\$ 348,587</u>	<u>\$ 308,784</u>	<u>\$ 261,220</u>

APPROVED BY THE BOARD



Director



Director

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Statement of Cash Flows

For the year ended March 31, 2012

	<u>2012</u>	<u>2011</u>
OPERATING ACTIVITIES		
Excess of revenue over expense (expense over revenue)	\$ (2,538)	\$ 34,388
Amortization not affecting cash	8,974	8,829
Gain on disposal of equipment	-	(1,923)
	<u>6,436</u>	<u>41,294</u>
Interest earned by contingency reserve	1,275	927
Changes in non-cash operating working capital items		
Accounts receivable	9,563	(44,849)
Prepaid expenses	503	(280)
Accounts payable and accrued charges	2,989	12,249
Deferred revenue	38,077	-
	<u>58,843</u>	<u>9,341</u>
INVESTING ACTIVITIES		
Changes in short-term investments - net	(31,275)	(2,927)
Repayments from Dow Legacy project	-	674
Acquisition of equipment	(1,432)	(6,876)
	<u>(32,707)</u>	<u>(9,129)</u>
NET CHANGE IN CASH POSITION	26,136	212
Cash position, beginning of year	50,585	50,373
CASH POSITION, END OF YEAR	\$ 76,721	\$ 50,585

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Notes to the Financial Statements

For the year ended March 31, 2012

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Sarnia-Lambton "Rebound" - A Program For Youth is incorporated under the Business Corporations Act of the Province of Ontario as a company without share capital subject to the Charities Accounting Act.

It has been granted tax exempt status as a registered charity and is classified as a charitable organization under Sections 149 and 149.1 of the Income Tax Act, Canada. The organization is in compliance with its disbursement quota requirement as set by the Canada Revenue Agency.

Sarnia-Lambton "Rebound" - A Program For Youth provides social services programs for at-risk youth in the Sarnia-Lambton community. These include restorative justice programs delivered through a service contract with the provincial government and Section 23 educational programs delivered through a service contract with the Lambton-Kent and St. Clair Catholic District School Boards.

2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

The entity has elected to apply the Canadian accounting standards for not-for-profit organizations.

These financial statements for the year ended March 31, 2012 were prepared in accordance with the Canadian accounting standards for not-for-profit organizations and provisions set out in First-Time Adoption, Section 1501, for the first time adopters of this basis of accounting.

The adoption of this basis of accounting has not resulted in any material adjustments to the comparative figures.

3. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue

Unrestricted donations are recorded as received. Grants and donations for specific purposes are recorded as earned in accordance with the provisions of the award. Unearned grants and donations are recorded as deferred revenue.

Interest income from short-term investments is recognized as revenue of the appropriate fund when earned on an accrual basis.

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Notes to the Financial Statements

For the year ended March 31, 2012

3. ACCOUNTING POLICIES – continued

Expense

Expenditures are recognized as they are incurred and measurable as a result of receipt of goods and services and the creation of a legal obligation to pay.

Investments

Investments are recorded at cost, which equals net realizable value.

Equipment

Equipment is recorded at cost and amortized using the following annual rates and methods:

Office equipment	20% diminishing-balance
Computer equipment	45% diminishing-balance
Computer software	100% diminishing-balance

Internally restricted funds

The internally restricted funds have been created by the Board for the following purposes:

- the contingency reserve has been established by resolutions of the Board of Directors. It provides funds to ensure a continuation of operations should there be a significant reduction in the organization's sources of funding.
- the program expansion reserve was established in the 2009 by resolution of the Board of Directors to provide funds to be used to expand programming in the future.

Management 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expense during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported as revenue or expense in the period in which they became known.

Donated services

A number of unpaid volunteers have made significant contributions of their time in the furtherance of the organization's programs. The value of this contributed time has not been included in these financial statements.

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Notes to the Financial Statements

For the year ended March 31, 2012

3. ACCOUNTING POLICIES – continued

In-Kind Contributions

Contributed good received by the organization are recognized at their fair value at the date of contribution where a fair value can be reasonably established.

4. FINANCIAL INSTRUMENTS

The organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization monitors its accounts receivable regularly and establishes allowances for doubtful accounts as needed.

5. ACCOUNTS RECEIVABLE

	<u>2012</u>	<u>2011</u>
Trade	\$ 39,455	\$ 59,517
Government remittances	22,606	12,107
	<u>\$ 62,061</u>	<u>\$ 71,624</u>

6. EQUIPMENT

	<u>2012</u>			<u>2011</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Office equipment	\$ 28,224	\$ 15,828	\$ 12,396	\$ 15,393
Computer equipment	38,195	31,793	6,402	10,694
Computer software	2,929	2,594	335	588
	<u>\$ 69,348</u>	<u>\$ 50,215</u>	<u>\$ 19,133</u>	<u>\$ 26,675</u>

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Notes to the Financial Statements

For the year ended March 31, 2012

7. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	<u>2012</u>	<u>2011</u>
Accounts payable and other accruals	\$ 19,960	\$ 9,903
Government remittances	13,363	20,431
	<u>\$ 33,323</u>	<u>\$ 30,334</u>

8. RESERVE FUNDS

Reserve funds are committed for the following purposes:

	<u>Balance, Beginning of Year</u>	<u>Additions</u>	<u>Transfers, Adjustments, Disbursements</u>	<u>Balance, End of Year</u>
Contingency reserve fund	\$ 156,424	\$ 1,275	\$ -	\$ 157,699
Program expansion reserve fund	60,000	-	-	60,000
	<u>\$ 216,424</u>	<u>\$ 1,275</u>	<u>\$ -</u>	<u>\$ 217,699</u>

9. REPAYMENT OF PROGRAM SURPLUSES

The service contracts with the Ministry of the Attorney General, Ministry of Child and Youth Services and Ministry of Community and Social Services require the bureau to file a reconciliation report summarizing, by project code, all revenues and expenditures and identifying any resulting surplus or deficiency relating to that service contract. A review of this report shows that the project is in a balanced position as at March 31, 2012 and that there are no amounts owing to or from either Ministry.

10. COMMITMENTS

The organization is committed to leases for office equipment and office space. Lease payments due in the next three years are as follows:

2013	\$ 42,483
2014	\$ 42,483
2015	\$ 23,624