



HAZLITT STEEVES HARRIS DUNN LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
CHARTERED ACCOUNTANTS

Financial Statements of

SARNIA - LAMBTON "REBOUND"
A Program For Youth

March 31, 2016



HAZLITT STEEVES HARRIS DUNN LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members 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, 2016 and the statements of revenue and expense, changes in net assets and cash flows for the year then ended 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.

Auditor's 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.

Continued -

- Continued

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, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

HAZLITT STEEVES HARRIS DUM LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

Sarnia, Ontario
June 9, 2016

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Statement of Revenue and Expense

For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
Grants	\$ 922,876	\$ 970,401
Donations	94,680	61,524
Client fees	1,385	2,996
Fundraising	163,637	130,835
Memberships	29,000	4,500
Other	6,548	15,306
Amortization of deferred capital contribution	5,625	5,840
	<u>1,223,751</u>	<u>1,191,402</u>
EXPENSE		
Amortization	19,973	15,446
Bank charges	5,366	3,693
Insurance	9,863	10,117
Office and miscellaneous	38,396	32,407
Fundraising	71,428	68,595
Professional fees	37,564	6,942
Programs	85,998	79,893
Public relations	10,842	5,732
Rent	45,788	45,385
Staff development	18,581	7,028
Telephone	10,290	8,455
Travel and promotion	8,618	9,157
Wages and benefits	866,714	885,127
	<u>1,229,421</u>	<u>1,177,977</u>
EXCESS OF REVENUE OVER EXPENSE		
(EXPENSE OVER REVENUE)	\$ (5,670)	\$ 13,425

SARNIA - LAMBTON "REBOUND"
A Program For Youth
Statement of Changes in Net Assets

For the year ended March 31, 2016

	Internally <u>Restricted</u> (Note 7)	Invested in <u>Equipment</u>	<u>Unrestricted</u>	2016 <u>Total</u>	2015 <u>Total</u>
	Balance, beginning of year	\$ 285,717	\$ 36,289	\$ 41,159	\$ 363,165
Excess of revenue over expense (expense over revenue)	-	(14,348)	8,678	(5,670)	13,425
Non-operating revenue	2,482	-	-	2,482	3,226
Inter-fund transfer	51,801	-	(51,801)	-	-
Investment in equipment and leasehold improvements	-	23,827	(23,827)	-	-
BALANCE, END OF YEAR	\$ 340,000	\$ 45,768	\$ (25,791)	\$ 359,977	\$ 363,165

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Balance Sheet

As at March 31, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT		
Cash	\$ 219,332	\$ 230,494
Short-term investments	387,598	285,117
Accounts receivable (Note 4)	57,863	35,033
Prepaid expenses	3,424	1,714
	<u>668,217</u>	<u>552,358</u>
EQUIPMENT AND LEASEHOLD IMPROVEMENTS (Note 5)	63,362	59,508
	<u>\$ 731,579</u>	<u>\$ 611,866</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued charges (Note 6)	\$ 58,320	\$ 75,111
Deferred revenue	295,688	150,371
	<u>354,008</u>	<u>225,482</u>
DEFERRED CAPITAL CONTRIBUTIONS	17,594	23,219
	<u>371,602</u>	<u>248,701</u>
NET ASSETS		
Internally restricted (Note 7)	340,000	285,717
Invested in equipment	45,768	36,289
Unrestricted (deficit)	(25,791)	41,159
	<u>359,977</u>	<u>363,165</u>
	<u>\$ 731,579</u>	<u>\$ 611,866</u>

APPROVED BY THE BOARD

 Director

 Director

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Statement of Cash Flows

For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Excess of revenue over expense (expense over revenue)	\$ (5,670)	\$ 13,425
Items not affecting cash		
Amortization of equipment and leasehold improvements	19,973	15,446
Amortization of deferred capital contributions	(5,625)	(5,840)
	<u>8,678</u>	<u>23,031</u>
Interest earned by contingency reserve fund	2,482	3,226
Changes in non-cash operating working capital items		
Accounts receivable	(22,830)	12,812
Prepaid expenses	(1,710)	1,113
Deposit	-	17,566
Accounts payable and accrued charges	(16,791)	(13,414)
Deferred revenue	145,317	32,607
	<u>115,146</u>	<u>76,941</u>
FINANCING ACTIVITIES		
Deferred capital contributions	-	17,566
INVESTING ACTIVITIES		
Changes in short-term investments - net	(102,481)	(3,226)
Acquisition of equipment and leasehold improvements	(23,827)	(44,752)
	<u>(126,308)</u>	<u>(47,978)</u>
NET CHANGE IN CASH POSITION	(11,162)	46,529
Cash position, beginning of year	230,494	183,965
CASH POSITION, END OF YEAR	\$ 219,332	\$ 230,494

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Notes to the Financial Statements

For the year ended March 31, 2016

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 prevention and early intervention supports for youth ages 8-24. Programs focus on life skills and social competencies. Programs include: community and school based services, groups and diversion services offered through a service contract with MCYS - Youth Justice Division. A variety of community partnerships exist to allow for a continuum of youth focused supports.

2. 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.

Deferred capital contributions

Contributions received to fund the acquisition of equipment and leasehold improvements are deferred and amortized over the same term and on the same basis as the asset.

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.

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Notes to the Financial Statements

For the year ended March 31, 2016

2. ACCOUNTING POLICIES – continued

Equipment and leasehold improvements

Equipment and leasehold improvements are 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
Leasehold improvements	5 year	straight line

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 2009 by resolution of the Board of Directors to provide funds to be used to expand programming in the future.
- the Hub reserve fund was established in 2016 by resolution of the Board of Directors to provide funds to be used to support the Hub.

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.

In-Kind Contributions

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

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Notes to the Financial Statements

For the year ended March 31, 2016

3. 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.

4. ACCOUNTS RECEIVABLE

	<u>2016</u>	<u>2015</u>
Trade	\$ 41,711	\$ 20,264
Harmonized sales tax recoverable	16,152	14,769
	<u>\$ 57,863</u>	<u>\$ 35,033</u>

5. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	<u>2016</u>			<u>2015</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Office equipment	\$ 57,154	\$ 30,925	\$ 26,229	\$ 18,149
Computer equipment	74,100	59,426	14,674	13,707
Computer software	7,177	6,372	805	584
Leasehold improvements	30,075	8,421	21,654	27,068
	<u>\$ 168,506</u>	<u>\$ 105,144</u>	<u>\$ 63,362</u>	<u>\$ 59,508</u>

6. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	<u>2016</u>	<u>2015</u>
Accounts payable and other accruals	\$ 44,047	\$ 58,201
Government remittances	14,273	16,910
	<u>\$ 58,320</u>	<u>\$ 75,111</u>

SARNIA - LAMBTON "REBOUND"

A Program For Youth

Notes to the Financial Statements

For the year ended March 31, 2016

7. 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	\$ 225,717	\$ 2,482	\$ 51,801	\$ 280,000
Program expansion reserve fund	60,000	-	(60,000)	-
The Hub reserve fund	-	-	60,000	60,000
	<u>\$ 285,717</u>	<u>\$ 2,482</u>	<u>\$ 51,801</u>	<u>\$ 340,000</u>

8. REPAYMENT OF PROGRAM SURPLUSES

The service contracts with the Ministry of Child and Youth Services and Ministry of Community and Social Services require the organization to file a reconciliation report summarizing, by project code, all revenue and expenditure 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, 2016 and that there are no amounts owing to or from the Ministries.

9. COMMITMENTS

The company is committed to leases for office equipment and office space.

Future minimum payments under these agreements over the next four years are as follows:

2017	\$ 53,830
2018	\$ 53,830
2019	\$ 53,830
2020	\$ 52,828