

**Sarnia Lambton "Rebound" - A
Program for Youth
Financial Statements
For the Year Ended March 31, 2020**

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Financial Statements
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Independent Auditor's Report

To the members of Sarnia Lambton "Rebound" - A Program for Youth

Opinion

We have audited the financial statements of Sarnia Lambton "Rebound" - A Program for Youth (the Organization), which comprise the statement of financial position as at March 31, 2020, the statements of operations, 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 Organization as at March 31, 2020, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Organization in accordance with the 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.

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 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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



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 Organization'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 Organization'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 Organization 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Ontario
July 30, 2020

**Sarnia Lambton "Rebound" - A Program for Youth
Statement of Financial Position**

As at March 31	2020	2019
Assets		
Current		
Cash	\$ 379,212	\$ 498,926
Short-term investments	263,585	259,556
Accounts receivable (Note 3)	41,105	44,374
Prepaid expenses	4,106	2,690
Deposits	-	10,000
	688,008	815,546
Equipment and leasehold improvements (Note 4)	38,950	48,282
	\$ 726,958	\$ 863,828
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 59,586	\$ 77,615
Deferred revenue (The Hub - \$32,706)	296,658	427,062
	356,244	504,677
Deferred capital contribution (The Hub - \$8,682)	15,201	19,342
	371,445	524,019
Net Assets		
Contingency reserve fund	292,634	288,605
Invested in equipment	19,608	28,940
Unrestricted surplus	43,271	22,264
	355,513	339,809
	\$ 726,958	\$ 863,828

On behalf of the Board:

 Director

**Sarnia Lambton "Rebound" - A Program for Youth
Statement of Changes in Net Assets**

For the year ended March 31	Contingency Reserve Fund	Invested in Equipment	Unrestricted	2020 Total	2019 Total
Balance, beginning of the year	\$ 288,605	\$ 28,940	\$ 22,264	\$ 339,809	\$ 353,922
Deficiency of revenues over expenses	-	(13,657)	25,332	11,675	(17,663)
Non-operating revenue	4,029	-	-	4,029	3,550
Investment in equipment and leasehold improvements	-	4,325	(4,325)	-	-
Balance, end of the year	\$ 292,634	\$ 19,608	\$ 43,271	\$ 355,513	\$ 339,809

The accompanying notes are an integral part of these financial statements.

Sarnia Lambton "Rebound" - A Program for Youth Statement of Operations

For the year ended March 31	2020	2019
Revenue		
Grants	\$ 1,380,275	\$ 1,429,893
Fundraising	173,854	178,486
Donations	137,398	123,894
Memberships	9,000	17,950
Amortization of deferred capital contribution	4,141	5,455
Client fees	1,040	1,075
Other	260	534
	<u>1,705,968</u>	<u>1,757,287</u>
Expenses		
Wages and benefits	1,231,312	1,266,981
Programs	195,035	202,651
Fundraising	77,598	106,744
Rent	68,193	66,614
Office and miscellaneous	35,910	30,254
Professional fees	10,913	24,065
Staff development	14,661	17,801
Amortization	13,657	17,217
Telephone	17,489	11,205
Insurance	10,056	10,283
Public relations	8,621	9,771
Travel and promotion	8,937	9,012
Bank charges	1,911	2,352
	<u>1,694,293</u>	<u>1,774,950</u>
Excess (deficiency) of revenues over expenses	\$ 11,675	\$ (17,663)

The accompanying notes are an integral part of these financial statements.

Sarnia Lambton "Rebound" - A Program for Youth Statement of Cash Flows

For the year ended March 31	2020	2019
Cash flows from operating activities		
Deficiency of revenues over expenses	\$ 11,675	\$ (17,663)
Items not affecting cash:		
Amortization of capital assets	13,657	14,030
Amortization of deferred capital contributions	(4,141)	(2,269)
	<u>21,191</u>	<u>(5,902)</u>
Changes in non-cash working capital:		
Accounts receivable	3,269	148,654
Prepaid expenses	(1,416)	4,406
Deposits	10,000	-
Accounts payable and accrued liabilities	(18,029)	(12,295)
Deferred contributions	(130,404)	10,320
	<u>(115,389)</u>	<u>145,183</u>
Cash flows from investing activities		
Changes in short-term investments	(4,029)	(3,550)
Acquisition of equipment and leasehold improvements	(4,325)	(2,634)
Interest earned by contingency reserve fund	4,029	3,550
	<u>(4,325)</u>	<u>(2,634)</u>
Net (decrease) increase in cash	(119,714)	142,549
Cash, beginning of the year	498,926	356,377
Cash, end of the year	\$ 379,212	\$ 498,926

Sarnia Lambton "Rebound" - A Program for Youth Notes to Financial Statements

March 31, 2020

1. Significant Accounting Policies

Statutes of Incorporation and Nature of Activities	<p>Sarnia - Lambton "Rebound" - A Program for Youth (the Organization) is incorporated under the Business Corporations Act of the Province of Ontario as an Organization without share capital subject to the Charities Accounting Act.</p> <p>The Organization 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.</p> <p>The Organization 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 the Ministry of Children and Youth Services - Youth Justice Division. A variety of community partnerships exist to allow for a continuum of youth focused supports.</p>
Basis of Accounting	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
Revenue Recognition	<p>The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unearned grants and donations are recorded as deferred revenue.</p> <p>Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can reasonably be estimated and collection is reasonably assured.</p> <p>Fundraising revenue is recognized as revenue when the event occurs.</p> <p>Interest income from short-term investments is recognized as revenue of the appropriate fund when earned on an accrual basis.</p>
Deferred Capital Contributions	<p>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.</p>
Expenses	<p>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.</p>
Investments	<p>Investments are recorded at cost, which equals net realizable value.</p>

Sarnia Lambton "Rebound" - A Program for Youth Notes to Financial Statements

March 31, 2020

1. Significant Accounting Policies (continued)

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.

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.

Equipment and Leasehold Improvements Equipment and leasehold improvements are recorded at cost and amortized using the following annual rates and methods:

	Method	Rate
Office equipment	Diminishing-balance	20%
The Hub equipment	Diminishing-balance	20-45%
Computer equipment	Diminishing-balance	45%
Computer software	Diminishing-balance	100%
Leasehold improvements	Straight line	5 year

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.

Donated Services A number of unpaid volunteers have made significant contributions of their time in the furtherance of the Organization's programs. Due to the difficulty of determining their fair value, the value of this contributed time has not been included in these financial statements.

Sarnia Lambton "Rebound" - A Program for Youth Notes to Financial Statements

March 31, 2020

2. 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 is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization monitors its accounts receivable regularly and establishes allowances for doubtful accounts as needed.

3. Accounts Receivable

	2020	2019
Trade	\$ 25,320	\$ 24,763
Harmonized sales tax recoverable	15,785	19,611
	\$ 41,105	\$ 44,374

4. Equipment and Leasehold Improvements

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	\$ 65,917	\$ (49,472)	\$ 63,599	\$ (45,650)
Computer equipment	84,948	(80,998)	84,948	(77,766)
The Hub - equipment	21,087	(12,405)	21,087	(10,007)
Computer software	13,392	(12,388)	11,385	(10,401)
Leasehold improvements	30,075	(21,206)	30,075	(18,988)
	215,419	(176,469)	211,094	(162,812)
	\$ 38,950		\$ 48,282	

Sarnia Lambton "Rebound" - A Program for Youth Notes to Financial Statements

March 31, 2020

5. Accounts Payable and Accrued Charges

	2020	2019
Accounts payable and other accruals	\$ 26,359	\$ 55,582
Government remittances	33,227	22,034
	<u>\$ 59,586</u>	<u>\$ 77,616</u>

6. Repayment of Program Supplies

The service contract with the Ministry of Children, Community and Social Services requires 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, 2020 and that there are no amounts owing to or from the Ministry.

7. COVID-19

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Organization, its funders and its donors. Management is actively monitoring the effect on its financial condition, liquidity, operations, suppliers, industry, and workforce. As a result, management anticipates a temporary decline in donation revenue and has postponed a number of its essential fundraisers. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the organization is not able to fully estimate the effects of the COVID-19 outbreak on its operations, financial condition, or liquidity at this time.

8. Comparative Figures

Certain amounts of the comparative figures have been restated to conform to the current year presentation.

**Sarnia Lambton "Rebound" - A Program for Youth
Statement of Revenue and Expense for "The Hub"**

For the year ended March 31	2020	2019
Revenues		
Grants	\$ 199,741	\$ 176,885
Donations	31,613	30,504
Amortization of deferred capital contribution	2,399	3,186
	<u>\$ 233,753</u>	<u>\$ 210,575</u>
Expenses		
Wages and benefits	\$ 188,672	\$ 158,882
Programs	21,485	30,844
Rent	13,600	13,600
Amortization	2,399	3,186
Professional fees		2,339
Insurance	1,500	700
Telephone	2,649	535
Staff development	1,211	400
Office and miscellaneous	2,237	89
	<u>\$ 233,753</u>	<u>\$ 210,575</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>