

Nexus Youth Services

Financial Statements

March 31, 2016



June 9, 2016

Independent Auditor's Report

To the Members of Nexus Youth Services

We have audited the accompanying financial statements of Nexus Youth Services, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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 audit opinion.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nexus Youth Services as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Nexus Youth Services
Statement of Financial Position
As at March 31, 2016

	2016 \$	2015 \$
Assets		
Current assets		
Cash	324,539	177,547
Accounts receivable	2,200	43
HST/GST recoverable	5,321	4,347
	332,060	181,937
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	16,403	21,318
Due to Peel Children's Centre (note 3)	112,411	7,415
Deferred revenue (note 4)	101,505	70,829
	230,319	99,562
Net Assets		
Internally restricted	101,741	82,375
	332,060	181,937
Commitments (note 6)		

Approved by the Board of Directors

 Director
 Director

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

Nexus Youth Services

Statement of Operations

For the year ended March 31, 2016

	2016 \$	2015 \$
Revenue		
United Way	328,608	325,354
Ministry of Children and Youth Services	229,508	232,008
Region of Peel	47,815	40,560
Ontario Trillium Foundation	-	12,678
City of Mississauga	40,115	40,115
Fundraising and donations	63,075	42,908
Rental and fee income	13,648	7,297
	<hr/> 722,769	<hr/> 700,920
Operating costs		
Salaries and benefits	525,389	557,336
Program and operating (note 3)	59,877	49,744
Building occupancy (note 3)	94,540	67,964
Purchased services (note 3)	28,918	29,744
HST/GST recoveries	(5,321)	(4,346)
	<hr/> 703,403	<hr/> 700,442
Excess of revenue over operating costs for the year	<hr/> 19,366	<hr/> 478

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

Nexus Youth Services

Statement of Changes in Net Assets

For the year ended March 31, 2016

	2016		
	Unrestricted	Internally	Total
	\$	restricted	\$
		\$	
Balance - Beginning of year	-	82,375	82,375
Transfer from internally restricted (note 5)	12,997	(12,997)	-
Excess of revenue over operating costs for the year	19,366	-	19,366
Transfer to internally restricted (note 5)	(32,363)	32,363	-
Balance - End of year	-	101,741	101,741
			2015
	Unrestricted	Internally	Total
	\$	restricted	\$
		\$	
Balance - Beginning of year	-	81,897	81,897
Transfer from internally restricted (note 5)	68,900	(68,900)	-
Excess of revenue over operating costs for the year	478	-	478
Transfer to internally restricted (note 5)	(69,378)	69,378	-
Balance - End of year	-	82,375	82,375

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

Nexus Youth Services

Statement of Cash Flows

For the year ended March 31, 2016

	2016 \$	2015 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over operating costs for the year	19,366	478
Net changes in working capital items		
Accounts receivable	(2,157)	3,601
Due to/from Peel Children's Centre	104,996	11,439
HST/GST recoverable	(974)	(3,165)
Accounts payable and accrued liabilities	(4,915)	(281)
Deferred revenue	30,676	27,868
	<hr/>	<hr/>
Change in cash during the year	146,992	39,940
Cash - Beginning of year	<hr/> 177,547	<hr/> 137,607
Cash - End of year	<hr/> <hr/> 324,539	<hr/> <hr/> 177,547

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

Nexus Youth Services

Notes to Financial Statements

March 31, 2016

1 Nature of activities

Nexus Youth Services (the organization) was incorporated on September 6, 1985 under the laws of the Province of Ontario as a non-share capital corporation. Its purpose is to provide counselling services and programs to youth in need, under contracts with the Ministry of Children and Youth Services (the Ministry).

The organization is designated as a registered charity and accordingly is exempt from income tax and is entitled to issue official income tax receipts in respect of contributions.

2 Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied within the framework of the accounting policies summarized below.

Revenue recognition

The organization follows the deferral method of accounting for contributions, which includes donations from the United Way, Ontario Trillium Foundation and fundraising and government grants from the Ministry, Region of Peel and the City of Mississauga.

Operating grants are recorded as revenue in the period to which they relate. For grants approved and services provided, but for which funds were not received at the end of an accounting period, a receivable is accrued and recorded as revenue. Where a grant has been received and a portion of it relates to a future period or is provided for a specific use, it is deferred and recognized in the subsequent period or when 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.

Contributed services

The work of the organization is supported by contributions of services. The organization does not record the value of contributed services unless the fair value can be reasonably estimated and the services are normally purchased by the organization and would be paid for if not contributed.

The value of the services contributed by volunteers is not reflected in these financial statements.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instrument at fair value.

Nexus Youth Services

Notes to Financial Statements

March 31, 2016

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized on a straight-line basis.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the organization determines whether there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of: (i) the present value of the expected cash flows; (ii) the amount that could be realized from selling the financial asset; or (iii) the amount the organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value. Impairments are recognized through the use of an allowance account, with a corresponding charge in the statement of operations.

It is management's opinion that the organization is not exposed to significant interest rate risk, credit risk and foreign currency risk.

Internally restricted amounts

The internally restricted amounts have been restricted by a motion of the Board of Directors (the Board) to be used to fund future operations and other special projects. Use of this amount is at the discretion of the Board.

On an annual basis, the Board approves the use of the internally restricted amount to fund the operations up to a maximum amount based on the annual budget. Any amounts required in excess of this approved amount or for additional special projects are approved by the Board on an ad hoc basis.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and operating costs during the reporting period. Actual results could differ from those estimates.

3 Related entity

The organization has a relationship with Peel Children's Centre in that the organizations have a common Board of Directors. The common Board was implemented when a decision was made by both Boards of Directors to enter into a strategic alliance that would result in administrative operating efficiencies. The organization was incorporated in 1985 under the laws of the Province of Ontario as a non-share capital corporation. The organization is designated as a registered charity and accordingly is exempt from income taxes and is entitled to issue official income tax receipts in respect of contributions.

As outlined below, Peel Children's Centre provided the following services and support to the organization for which it was reimbursed. As at March 31, 2016, there was an amount of \$112,411 (2015 - \$7,415) due to Peel Children's Centre. This amount is unsecured, non-interest bearing and due on demand.

Nexus Youth Services

Notes to Financial Statements

March 31, 2016

	2016 \$	2015 \$
Administrative and executive support	22,608	6,176
Building occupancy	44,223	16,384
Intake recovery	23,350	23,350
	<hr/>	<hr/>
	90,181	45,910
	<hr/>	<hr/>

In the statement of operations, administrative and executive support is recorded in program operating costs whereas intake recoveries are recorded in purchased services.

These transactions were in the normal course of operations and have been recorded at the exchange amount, which is the amount agreed to by the related entities. The balance due to/from Peel Children's Centre is unsecured, non-interest bearing and due on demand.

4 Deferred revenue

Changes in deferred revenue are as follows:

	2016 \$	2015 \$
Balance - Beginning of year	70,829	42,961
Less: Amounts recognized as revenue in the year	(62,815)	(55,737)
Add: Amounts received	93,491	83,605
	<hr/>	<hr/>
Balance - End of year	101,505	70,829
	<hr/>	<hr/>

5 Transfers

The organization's Board approved a transfer from internally restricted net assets to unrestricted net assets in the amount of \$12,997 (2015 - \$68,900) and a transfer from unrestricted net assets to internally restricted net assets in the amount of \$32,363 (2015 - \$69,378).

6 Commitments

	\$
2017	35,500
2018	35,500
2019	26,625
	<hr/>
	97,625
	<hr/>

The above-stated amounts represent operating lease obligations currently in existence. As termination dates for various leases occur, it is anticipated the organization will enter into new lease arrangements.

Nexus Youth Services
Notes to Financial Statements
March 31, 2016

7 Pension plan

The organization maintains a defined contribution pension plan for its employees.

During the year, the organization made required contributions under this plan of \$17,202 (2015 - \$16,454).

8 Government remittances

Government remittances consist of payroll withholding taxes required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$10,422 (2015 - \$13,427) is included in accounts payable and accrued liabilities.

9 Public sector salary disclosure

As required by the Public Sector Salary Disclosure Act, the organization filed salary disclosure forms with the Ministry on February 25, 2016 (2015 - March 4, 2015).

10 Ministry of Children and Youth Services (Ministry) reporting basis

The organization has a service contract/Child and Family Services Act (CFSA) approval with the Ministry. A reconciliation report summarizes, by service, all revenue and operating costs and identifies any resulting surplus or deficit that relates to the service contract/CFSA approval.

	\$
Revenue	
Ministry of Children and Youth Services	<u>229,508</u>
Operating costs	
Salaries and benefits	194,545
Purchased services	13,731
Building occupancy	18,483
Program operating	<u>6,622</u>
	<u>233,381</u>
Excess of operating costs over revenue for the year	<u>(3,873)</u>