

Nexus Youth Services

Financial Statements

March 31, 2018



June 12, 2018

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, 2018 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, 2018 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, 2018

	2018 \$	2017 \$
Assets		
Current assets		
Cash	225,235	259,967
Accounts receivable	95	50
Due from Peel Children's Centre (note 3)	13,410	-
HST/GST recoverable	3,797	4,081
	<u>242,537</u>	<u>264,098</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	12,036	25,987
Due to Peel Children's Centre (note 3)	-	26,204
Deferred revenue grants (note 4)	101,547	90,023
	<u>113,583</u>	<u>142,214</u>
Net Assets		
Internally restricted	<u>128,954</u>	<u>121,884</u>
	<u>242,537</u>	<u>264,098</u>
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, 2018

	2018 \$	2017 \$
Revenue		
United Way	328,608	328,608
Ministry of Children and Youth Services (note 10)	229,508	229,508
Region of Peel	88,990	97,259
City of Mississauga	40,115	40,115
Fundraising and donations	57,695	44,702
Ministry of Sports and Rec	49,951	-
Other income	9,979	15,075
	<hr/> 804,846	<hr/> 755,267
Operating costs		
Salaries and benefits (note 10)	431,782	549,637
Clinical services (notes 3 and 10)	154,870	-
Program and operating (notes 3 and 10)	85,673	62,209
Building occupancy (notes 3 and 10)	97,148	95,877
Purchased services (notes 3 and 10)	33,873	33,291
HST/GST recoveries	(5,570)	(5,890)
	<hr/> 797,776	<hr/> 735,124
Excess of revenue over operating costs for the year	<hr/> 7,070	<hr/> 20,143

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, 2018

	2018		
	Unrestricted \$	Internally restricted \$	Total \$
Balance - Beginning of year	-	121,884	121,884
Transfer from internally restricted (note 5)	91,146	(91,146)	-
Excess of revenue over operating costs for the year	7,070	-	7,070
Transfer to internally restricted (note 5)	(98,216)	98,216	-
Balance - End of year	-	128,954	128,954

	2017		
	Unrestricted \$	Internally restricted \$	Total \$
Balance - Beginning of year	-	101,741	101,741
Transfer from internally restricted (note 5)	79,807	(79,807)	-
Excess of revenue over operating costs for the year	20,143	-	20,143
Transfer to internally restricted (note 5)	(99,950)	99,950	-
Balance - End of year	-	121,884	121,884

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

Nexus Youth Services

Statement of Cash Flows

For the year ended March 31, 2018

	2018 \$	2017 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over operating costs for the year	7,070	20,143
Net changes in working capital items		
Accounts receivable	(45)	2,150
Due to Peel Children's Centre	(26,204)	(86,207)
Due from Peel Children's Centre	(13,410)	-
HST/GST recoverable	284	1,240
Accounts payable and accrued liabilities	(13,951)	9,584
Deferred revenue	11,524	(11,482)
	<hr/>	<hr/>
Change in cash during the year	(34,732)	(64,572)
Cash - Beginning of year	<hr/> 259,967	<hr/> 324,539
Cash - End of year	<hr/> 225,235	<hr/> 259,967

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

Nexus Youth Services

Notes to Financial Statements

March 31, 2018

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, fundraising and government grants from the Ministry, the 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, 2018

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 market rate risk, interest rate risk, credit risk and foreign currency risk.

Liquidity risk

Liquidity risk is the risk the organization will not be able to meet its financial obligations as they fall due. The organization manages its liquidity risk by forecasting cash flows from operations and anticipating activities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

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.

Nexus Youth Services

Notes to Financial Statements

March 31, 2018

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 of Directors 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, 2018, there was an amount of \$nil (2017 - \$26,204) due to Peel Children's Centre. As at March 31, 2018, there was an amount of \$13,410 (2017 - \$nil) due from Peel Children's Centre. This amount is unsecured, non-interest bearing and due on demand.

Clinical services have been allocated from Peel Children's Centre in the amount of \$154,870 (2017 - \$nil).

	2018	2017
	\$	\$
Administrative and executive support	47,666	17,717
Building occupancy	46,813	45,306
Intake recoveries	23,350	23,350
	<u>117,829</u>	<u>86,373</u>

In the statement of operations, administrative and executive support is recorded in program and 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.

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4 Deferred revenue grants

Changes in deferred revenue grants are as follows:

	2018	2017
	\$	\$
Balance - Beginning of year	90,023	101,505
Less: Amounts recognized as revenue during the year	(138,941)	(97,258)
Add: Amounts received	150,465	85,776
	<hr/>	<hr/>
Balance - End of year	101,547	90,023
	<hr/>	<hr/>

5 Transfers

The organization's Board approved a transfer from internally restricted net assets to unrestricted net assets in the amount of \$91,146 (2017 - \$79,807) and a transfer from unrestricted net assets to internally restricted net assets in the amount of \$98,216 (2017 - \$99,950).

6 Commitments

	\$
2018	35,500
2019	26,625
	<hr/>
	62,125
	<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.

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 \$17,458 (2017 - \$17,622).

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, \$nil (2017 - \$11,414) 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 March 7, 2018 (2017 - February 23, 2017).

Nexus Youth Services

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10 Ministry of Children and Youth Services 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.

	2018 \$	2017 \$
Revenue		
Ministry of Children and Youth Services	229,508	229,508
Operating costs		
Salaries and benefits	145,840	175,546
Clinical services	54,165	
Purchased services	15,063	14,648
Building occupancy	24,585	25,713
Program and operating	10,660	13,858
	<u>250,313</u>	<u>229,765</u>
Excess of operating costs over revenue for the year	<u>(20,805)</u>	<u>(257)</u>