

Nexus Youth Services

Financial Statements
March 31, 2015



May 27, 2015

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, 2015 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, 2015 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, 2015

	2015 \$	2014 \$
Assets		
Current assets		
Cash	177,547	137,607
Accounts receivable	43	3,644
Due from Peel Children's Centre (note 3)	-	4,024
HST/GST recoverable	4,347	1,182
	181,937	146,457
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	21,318	21,599
Due to Peel Children's Centre (note 3)	7,415	-
Deferred revenue (note 4)	70,829	42,961
	99,562	64,560
Net Assets		
Internally restricted	82,375	81,897
	181,937	146,457
Commitments (note 5)		

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, 2015

	2015 \$	2014 \$
Revenue		
United Way	325,354	325,354
Ministry of Children and Youth Services	232,008	229,508
Region of Peel	40,560	93,761
Ontario Trillium Foundation	12,678	74,747
City of Mississauga	40,115	35,500
Fundraising and donations	42,908	17,429
Rental and fee income	7,297	6,862
	<hr/> 700,920	<hr/> 783,161
Operating costs		
Salaries and benefits	557,336	632,384
Program and operating (note 3)	49,744	87,328
Building occupancy (note 3)	67,964	73,401
Purchased services (note 3)	29,744	38,213
HST/GST recoveries	(4,346)	(1,182)
	<hr/> 700,442	<hr/> 830,144
Excess (deficiency) of revenue over operating costs for the year	<hr/> 478	<hr/> (46,983)

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, 2015

			2015	2014
	Unrestricted	Internally	Total	Total
	\$	restricted	\$	\$
		\$		
Balance - Beginning of year	-	81,897	81,897	128,880
Transfer from internally restricted	68,900	(68,900)	-	-
Excess (deficiency) of revenue over				
operating costs for the year	478	-	478	(46,983)
Transfer to internally restricted	(69,378)	69,378	-	-
Balance - End of year	-	82,375	82,375	81,897

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

Nexus Youth Services

Statement of Cash Flows

For the year ended March 31, 2015

	2015 \$	2014 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over operating costs for the year	478	(46,983)
Net changes in working capital items		
Accounts receivable	3,601	(3,592)
Due to/from Peel Children's Centre	11,439	(117,764)
HST/GST recoverable	(3,165)	3,259
Accounts payable and accrued liabilities	(281)	(2,031)
Deferred revenue	27,868	(53,130)
	<hr/>	<hr/>
Change in cash during the year	39,940	(220,241)
Cash - Beginning of year	137,607	357,848
	<hr/>	<hr/>
Cash - End of year	177,547	137,607
	<hr/>	<hr/>

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

Nexus Youth Services

Notes to Financial Statements

March 31, 2015

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 and government grants.

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 and materials

The work of the organization is supported by contributions of services. The value of these services is not recognized 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.

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.

Nexus Youth Services

Notes to Financial Statements

March 31, 2015

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 may 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 revenues 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, 2015, there was an amount of \$7,415 due to Peel Children's Centre. As at March 31, 2014, there was an amount of \$4,024 due from Peel Children's Centre. These amounts are unsecured, non-interest bearing and due on demand.

Nexus Youth Services

Notes to Financial Statements

March 31, 2015

	2015 \$	2014 \$
Administrative and executive support	6,176	49,198
Building occupancy	16,384	26,684
Intake recovery	23,350	23,350
Other consulting services	-	9,843
	<hr/>	<hr/>
	45,910	109,075
	<hr/>	<hr/>

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

Deferred revenue comprises the following:

	2015 \$	2014 \$
Region of Peel	55,829	30,283
Other grants (JCS, KAMM Foundation, Youth Action)	15,000	-
The Ontario Trillium Foundation	-	12,678
	<hr/>	<hr/>
	70,829	42,961
	<hr/>	<hr/>

5 Commitments

	Total \$
2015	35,500
2016	35,500
2017	35,500
2018	26,625
	<hr/>
	133,125
	<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.

Nexus Youth Services

Notes to Financial Statements

March 31, 2015

6 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 \$16,454 (2014 - \$15,973).

7 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, \$13,427 (2014 - \$15,030) is included in accounts payable and accrued liabilities.

8 Public sector salary disclosure

As required by the Public Sector Salary Disclosure Act, the organization filed salary disclosure forms with the Ministry on March 4, 2015 (2014 - February 25, 2014).

9 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>232,008</u>
Operating costs	
Salaries and benefits	209,665
Purchased services	12,097
Program operating	<u>10,246</u>
	<u>232,008</u>
Excess of revenue over operating costs for the year	<u>-</u>