

# **Nexus Youth Services**

Financial Statements

**March 31, 2013, March 31, 2012 and  
April 1, 2011**



June 3, 2013

## **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 statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, 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 audits. We conducted our audits 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nexus Youth Services as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

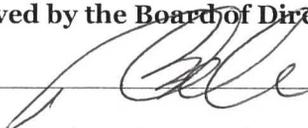
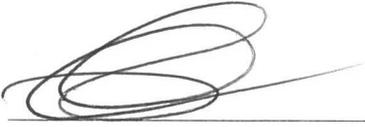
**Chartered Accountants, Licensed Public Accountants**

**Nexus Youth Services**  
 Statements of Financial Position

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	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash	357,848	256,433	147,391
Accounts receivable	52	3	20,678
HST/GST recoverable	4,441	2,942	642
	362,341	259,378	168,711
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities (note 6)	23,630	41,508	14,280
Due to Peel Children's Centre (note 3)	113,740	14,367	3,718
Deferred revenue (note 4)	96,091	45,493	5,000
	233,461	101,368	22,998
<b>Net Assets</b>			
<b>Internally restricted</b>	128,880	158,010	145,713
	362,341	259,378	168,711

Approved by the Board of Directors


 \_\_\_\_\_ Director
 
 \_\_\_\_\_ Director

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

# Nexus Youth Services

## Statements of Operations

For the years ended March 31, 2013 and March 31, 2012

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	2013 \$	2012 \$
<b>Revenue</b>		
United Way	325,352	325,352
Fundraising and donations	23,686	13,048
Ministry of Children and Youth Services	229,508	167,945
Region of Peel	110,451	113,351
Rental and fee income	7,539	8,594
Ontario Trillium Foundation	81,263	56,313
	<hr/> 777,799	<hr/> 684,603
<b>Operating costs</b>		
Salaries and benefits	597,675	478,065
Program and operating (note 3)	128,642	113,710
Building occupancy (note 3)	43,266	41,909
HST/GST recoveries	(4,441)	(2,942)
Purchased services (note 3)	41,787	41,564
	<hr/> 806,929	<hr/> 672,306
<b>Excess (deficiency) of revenue over operating costs for the year</b>	<hr/> (29,130)	<hr/> 12,297

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

# Nexus Youth Services

## Statements of Changes in Net Assets

For the years ended March 31, 2013 and March 31, 2012

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	<b>2013</b>		
	<b>Unrestricted \$</b>	<b>Internally restricted \$</b>	<b>Total \$</b>
<b>Balance - Beginning of year</b>	-	158,010	158,010
Excess (deficiency) of revenue over operating costs for the year	(29,130)	-	(29,130)
Transfer to internally restricted	29,130	(29,130)	-
<b>Balance - End of year</b>	-	128,880	128,880
	<b>2012</b>		
	<b>Unrestricted \$</b>	<b>Internally restricted \$</b>	<b>Total \$</b>
<b>Balance - Beginning of year</b>	-	145,713	145,713
Excess (deficiency) of revenue over operating costs for the year	12,297	-	12,297
Transfer to internally restricted	(12,297)	12,297	-
<b>Balance - End of year</b>	-	158,010	158,010

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

# Nexus Youth Services

## Statements of Cash Flows

For the years ended March 31, 2013 and March 31, 2012

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	2013 \$	2012 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over operating costs for the year	(29,130)	12,297
Net changes in working capital items		
Accounts receivable	(49)	20,675
HST/GST recoverable	(1,499)	(2,300)
Accounts payable and accrued liabilities	(17,878)	27,228
Due to Peel Children's Centre	99,373	10,649
Deferred revenue	50,598	40,493
	<hr/>	<hr/>
<b>Changes in cash during the year</b>	101,415	109,042
<b>Cash - Beginning of year</b>	256,433	147,391
	<hr/>	<hr/>
<b>Cash - End of year</b>	357,848	256,433
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The accompanying notes are an integral part of these financial statements.

# **Nexus Youth Services**

## Notes to Financial Statements

**March 31, 2013, March 31, 2012 and April 1, 2011**

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### **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**

Effective April 1, 2012, the organization elected to adopt Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board. The accounting policies selected under this framework have been applied consistently and retrospectively as if these policies had always been in effect.

The transition from Canadian generally accepted accounting principles to ASNPO had no impact on excess of revenue over operating costs and cash flows generated by the organization.

#### **Revenue recognition**

The organization follows the deferral method of accounting for contributions, which include 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 Nexus Youth Services is supported by the contribution of services and materials. The value of these goods and 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.

# Nexus Youth Services

## Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

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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 if 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 the present value of the expected cash flows, the amount that could be realized from selling the financial asset or 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 statements 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 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 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. As outlined below, Peel Children's Centre provided the following services and support to the organization for which it was reimbursed.

	2013 \$	2012 \$
Administrative and executive support	42,807	42,453
Building occupancy	42,780	41,909
Intake recovery	23,350	23,350
Other consulting services	13,537	13,313
Replacement services	-	9,894

# Nexus Youth Services

## Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

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In the statements of operations, administrative and executive support and replacement services are recorded in program and operating costs, 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 amount due to Peel Children's Centre of \$113,740 (2012 - \$14,367) is unsecured, non-interest bearing and due on demand.

### 4 Deferred revenue

Deferred revenue comprises the following:

	2013 \$	2012 \$
Region of Peel	83,666	26,806
The Ontario Trillium Foundation	12,425	12,500
Other	-	6,187
	<hr/>	<hr/>
Balance - End of year	96,091	45,493

### 5 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 \$12,952 (2012 - \$8,260).

### 6 Government remittances

Government remittances consist of amounts such as sales taxes and payroll withholding taxes required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$11,729 (2012 - \$13,271) is included within accounts payable and accrued liabilities.

### 7 Public sector salary disclosure

As required by the Public Sector Salary Disclosure Act, the organization filed salary disclosure forms with the Ministry on February 19, 2013 (2012 - February 22, 2012).

### 8 Ministry of Children and Youth Services reporting basis

The organization has a service contract/Child and Family Services Act approval with the Ministry of Children and Youth Services. 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.



June 3, 2013

### **Auditor's Comments on Supplementary Financial Information**

The accompanying schedule of revenue and operating costs for the program funded by the Ministry of Children and Youth Services is presented as supplementary information only. In this respect, it does not form part of the financial statements of Nexus Youth Services for the year ended March 31, 2013, and hence is excluded from the opinion expressed in our report dated June 3, 2013 on such financial statements.

*PricewaterhouseCoopers LLP*  
**Chartered Accountants, Licensed Public Accountants**

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# Nexus Youth Services

## Schedule of Revenue and Operating Costs

For the year ended March 31, 2013

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	\$
<b>Revenue</b>	
Ministry of Children and Youth Services	<u>229,508</u>
<b>Operating costs</b>	
Salaries and benefits	225,546
Program and operating	<u>3,962</u>
	<u>229,508</u>
<b>Excess of revenue over operating costs for the year</b>	<u>-</u>