

YOUTH DIVERSION PROGRAM
Financial Statements
Year Ended March 31, 2017

YOUTH DIVERSION PROGRAM
Index to Financial Statements
Year Ended March 31, 2017

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 10
Ministry of Community Safety and Correctional Services (<i>Schedule 1</i>)	11
Ministry of Attorney General Program (<i>Schedule 2</i>)	12
A349 - Counselling (<i>Schedule 3</i>)	13
A352 - Coordinated Access (<i>Schedule 4</i>)	14
A354 - Case Management (<i>Schedule 5</i>)	15
A356 - Target (<i>Schedule 6</i>)	16
A440 - Child & Family Intervention Operating Non-Residential (<i>Schedule 7</i>)	17
A802 - Extrajudicial Measures (<i>Schedule 8</i>)	18
A804 - Other Extrajudicial Sanctions (<i>Schedule 9</i>)	19
A837 - Substance Abuse (<i>Schedule 10</i>)	20
A905 - Youth Outreach Worker Program (<i>Schedule 11</i>)	21
A920 - OYAP - Restorative Justice and Conflict Mediation Program (<i>Schedule 12</i>)	22

INDEPENDENT AUDITOR'S REPORT

To the Members of Youth Diversion Program

I have audited the accompanying financial statements of Youth Diversion Program, which comprise the statement of financial position as at March 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and 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.

(continues)



Independent Auditor's Report to the Members of Youth Diversion Program *(continued)*

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from fundraising, donations and sponsorships, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

Qualified Opinion

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the revenues referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Youth Diversion Program as at March 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Kingston, Ontario
May 31, 2017

CPA Professional Corporation
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

YOUTH DIVERSION PROGRAM
Statement of Financial Position
March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 172,189	\$ 21,979
Marketable securities (Note 3)	234,395	214,240
Accounts receivable (Note 4)	12,621	30,535
Prepaid expenses	1,618	1,618
	420,823	268,372
CAPITAL ASSETS (Note 5)	20,307	26,003
	\$ 441,130	\$ 294,375
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 31,412	\$ 14,026
Deferred revenue (Note 6)	118,956	50,000
	150,368	64,026
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	15,663	24,169
	166,031	88,195
NET ASSETS	275,099	206,180
	\$ 441,130	\$ 294,375

ON BEHALF OF THE BOARD

_____ Director

_____ Director

YOUTH DIVERSION PROGRAM
Statement of Revenues and Expenditures
Year Ended March 31, 2017

	2017	2016
REVENUES		
Ministry of Children and Youth Services	\$ 373,405	\$ 296,651
Donations and fundraising	221,567	79,503
Prevention programs	196,522	307,520
United Way funding	162,000	162,000
	<u>953,494</u>	<u>845,674</u>
EXPENDITURES		
Salaries and wages	690,575	676,925
Rent and utilities	39,987	50,050
Administration costs	33,614	-
Supplies and equipment	29,951	38,223
Travel	18,971	21,972
Donations	16,815	1,527
Professional fees	13,466	29,866
Program costs	11,449	13,353
Staff training	11,319	19,748
Communication	10,282	8,731
Amortization	9,951	5,902
Insurance	5,676	8,088
Advertising and promotion	3,761	23,108
Volunteer training	3,616	21,976
Interest and bank charges	1,228	9
Scholarships	1,055	565
Annual meeting	37	1,226
Resources	-	1,074
Bad debts	-	3,437
	<u>901,753</u>	<u>925,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FROM OPERATIONS	<u>51,741</u>	<u>(80,106)</u>
OTHER INCOME		
Capital gains	48,305	-
Interest income	77	86
Segregated fund income	(306)	14,171
Unrealized gains (losses) on marketable securities	(30,898)	(16,484)
	<u>17,178</u>	<u>(2,227)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 68,919</u>	<u>\$ (82,333)</u>

YOUTH DIVERSION PROGRAM
Statement of Changes in Net Assets
Year Ended March 31, 2017

	2016 Balance	Excess (deficiency) of revenues over expenditures	Interfund transfers (Note 8)	2017 Balance
General fund	\$ 54,044	\$ 53,186	\$ (4,254)	\$ 102,976
Capital fund	150,302	17,179	-	167,481
Net assets invested in capital assets	1,834	(1,446)	4,254	4,642
	\$ 206,180	\$ 68,919	\$ -	\$ 275,099

	2015 Balance	Deficiency of revenues over expenditures	Withdrawals	2016 Balance
General fund	\$ 136,705	\$ (79,608)	\$ (3,053)	\$ 54,044
Capital fund	149,477	(2,228)	3,053	150,302
Net assets invested in capital assets	2,331	(497)	-	1,834
	\$ 288,513	\$ (82,333)	\$ -	\$ 206,180

YOUTH DIVERSION PROGRAM
Statement of Cash Flow
Year Ended March 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 68,919	\$ (82,333)
Items not affecting cash:		
Amortization	9,951	5,902
Unrealized gains (losses) on marketable securities	30,898	16,484
Segregated fund income	306	(14,171)
Capital gains	(48,305)	-
	<u>61,769</u>	<u>(74,118)</u>
Changes in non-cash working capital:		
Accounts receivable	17,914	19,222
Accounts payable	17,386	(4,440)
Deferred revenue	68,956	12,863
Prepaid expenses	-	10,374
	<u>104,256</u>	<u>38,019</u>
Cash flow from (used by) operating activities	<u>166,025</u>	<u>(36,099)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(4,254)	(29,574)
Proceeds from sale of marketable securities	221,231	30,000
Purchase of marketable securities	(224,286)	(1,399)
Cash flow used by investing activities	<u>(7,309)</u>	<u>(973)</u>
FINANCING ACTIVITIES		
Capital contribution received	-	29,574
Capital contribution amortized	(8,506)	(5,405)
Cash flow from (used by) financing activities	<u>(8,506)</u>	<u>24,169</u>
INCREASE (DECREASE) IN CASH FLOW	150,210	(12,903)
Cash - beginning of year	<u>21,979</u>	<u>34,882</u>
CASH - END OF YEAR	\$ 172,189	\$ 21,979

YOUTH DIVERSION PROGRAM
Notes to Financial Statements
Year Ended March 31, 2017

1. NATURE OF OPERATIONS

The organization is incorporated without share capital under the laws of Ontario to provide services, under the authority of the Youth Criminal Justice Act, in Kingston, Ontario. As a non-profit organization, the organization is exempt from income tax under the provisions of Section 149 of the Income Tax Act (Canada). The organization is a registered charity and the registration number is 10822 8172 RR0001.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost, and tested for impairment at each reporting date.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Equipment	20%	declining balance method
Computer Equipment	50%	declining balance method

Capital assets acquired during the year are amortized at one-half the annual rate. In the year of disposition, no amortization is claimed and the resulting gain or loss is adjusted through income.

Deferred revenue

Deferred revenues are designated funds received by the organization for programs that have not yet been completed as at year end.

Deferred capital contributions represent the balance from government contributions received for the purchase of capital assets. The amount of the annual charge to the general fund revenue is equivalent to the annual amortization expense of the capital assets.

(continues)

YOUTH DIVERSION PROGRAM
Notes to Financial Statements
Year Ended March 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Youth Diversion Program follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Fees for service are recognized as revenue as the services are provided.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Measurement uncertainty

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. MARKETABLE SECURITIES

	2017		2016	
	Book Value	Fair Value	Book Value	Fair Value
	-		-	
Great-West Life Mutual Funds	\$ 132,812	\$ 137,812	\$ 105,911	\$ 127,189
Great-West Life Mutual Funds (Capital Fund)	91,482	96,583	67,025	87,051
	\$ 224,294	\$ 234,395	\$ 172,936	\$ 214,240

4. ACCOUNTS RECEIVABLE

	2017	2016
HST refund	\$ 7,145	\$ 14,919
Receivable from services rendered	5,476	16,233
Allowance for doubtful accounts	-	(617)
	\$ 12,621	\$ 30,535

YOUTH DIVERSION PROGRAM
Notes to Financial Statements
Year Ended March 31, 2017

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Equipment	\$ 18,649	\$ 7,678	\$ 10,971	\$ 13,713
Computer equipment	21,651	12,315	9,336	12,290
	\$ 40,300	\$ 19,993	\$ 20,307	\$ 26,003

6. DEFERRED REVENUE

	2017	2016
Kairos	\$ 51,158	\$ 15,000
Student in Need Attendance Program	48,100	27,000
Mentor Program	10,954	4,000
Improv/Rebound	8,744	4,000
	\$ 118,956	\$ 50,000

7. DEFERRED CAPITAL CONTRIBUTIONS

	2017	2016
Balance at beginning of year	\$ 24,169	\$ -
Contributions received during the year	-	29,574
Amortized to revenue during the year	(8,506)	(5,405)
	\$ 15,663	\$ 24,169

8. INTERFUND TRANSFERS

During the year the Board of Directors approved the transfer of \$4,254 (2016 - \$3,053) related to donations allocated to the capital fund.

9. CAPITAL FUND

The Board of Directors has determined that it is necessary to establish a fund to enable the organization to renovate the current location or relocate as the organization continues to grow. The change in the fund value is due to transfers within the capital fund account and the increases in market value of the investments. These amounts are included in the Statement of Revenues and Expenditures.

	2017	2016
Realized capital gains (losses)	\$ 17,102	\$ (7,902)
Interest	77	86
Segregated fund income	-	5,588
	\$ 17,179	\$ (2,228)

YOUTH DIVERSION PROGRAM
Notes to Financial Statements
Year Ended March 31, 2017

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. At the Ministry's request, the Allocated Central Administration costs have been included in other projects.

11. SUPPLEMENTARY FINANCIAL INFORMATION

The organization receives funding from the Ministry of Children and Youth Services - Youth Justice Services, Ministry of Community and Social Services, Ministry of Community Safety and Correctional Services and the Ministry of Attorney General. As part of its funding agreements the organization is required to provide supplementary financial information on programs funded by the Ministries. As such, schedules have been prepared which provide information on the revenues and expenditures of each detail code.

YOUTH DIVERSION PROGRAM
Ministry of Community Safety and Correctional Services *(Schedule 1)*
Year Ended March 31, 2017

	2017	2016
REVENUE	\$ 11,743	\$ 28,549
EXPENDITURES		
Salaries and wages	11,354	27,443
Insurance	173	173
Rent and utilities	132	400
Travel	48	426
Supplies and equipment	17	183
Communication	15	132
Staff training	4	190
	11,743	28,947
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ -	\$ (398)

YOUTH DIVERSION PROGRAM
Ministry of Attorney General Program
Year Ended March 31, 2017

(Schedule 2)

	<u>2017</u>	<u>2016</u>
REVENUE	\$ 35,000	\$ 40,308
EXPENDITURES		
Salaries and wages	22,885	35,818
Professional fees	2,583	400
Supplies and equipment	2,295	707
Travel	1,492	1,250
Communication	1,417	264
Rent and utilities	1,331	1,200
Insurance	1,000	400
Volunteer training	544	130
Advertising and promotion	500	-
Staff training	252	240
	<u>34,299</u>	<u>40,409</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 701	\$ (101)

YOUTH DIVERSION PROGRAM

A349 - Counselling

(Schedule 3)

Year Ended March 31, 2017

	2017	2016
REVENUE	\$ 60,718	\$ -
EXPENDITURES		
Salaries and wages	50,081	-
Administration costs	5,511	-
Rent and utilities	2,700	-
Travel	828	-
Staff training	798	-
Supplies and equipment	478	-
Advertising and promotion	279	-
Communication	162	-
	60,837	-
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ (119)	\$ -

YOUTH DIVERSION PROGRAM
A352 - Coordinated Access
Year Ended March 31, 2017

(Schedule 4)

	2017	2016
REVENUE	\$ 10,585	\$ -
EXPENDITURES		
Salaries and wages	9,623	-
Administration costs	962	-
	10,585	-
EXCESS OF REVENUE OVER EXPENDITURES	\$ -	\$ -

YOUTH DIVERSION PROGRAM

A354 - Case Management

(Schedule 5)

Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE	\$ 7,117	\$ -
EXPENDITURES		
Salaries and wages	6,415	-
Administration costs	702	-
	<u>7,117</u>	-
EXCESS OF REVENUE OVER EXPENDITURES	\$ -	\$ -

YOUTH DIVERSION PROGRAM

A356 - Target

(Schedule 6)

Year Ended March 31, 2017

	2017	2016
REVENUE	\$ 2,072	\$ -
EXPENDITURES		
Salaries and wages	1,794	-
Administration costs	305	-
	2,099	-
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ (27)	\$ -

YOUTH DIVERSION PROGRAM
A440 - Child & Family Intervention Operating Non-Residential (Schedule 7)
Year Ended March 31, 2017

	2017	2016
REVENUE	\$ 1,993	\$ 2,001
EXPENDITURES		
Salaries and wages	2,055	2,047
Supplies and equipment	-	1
	2,055	2,048
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ (62)	\$ (47)

YOUTH DIVERSION PROGRAM
A802 - Extrajudicial Measures
Year Ended March 31, 2017

(Schedule 8)

	<u>2017</u>	<u>2016</u>
REVENUE	\$ 29,088	\$ 34,089
EXPENDITURES		
Salaries and wages	21,334	19,579
Administration costs	2,665	2,665
Rent and utilities	2,497	7,495
Travel	1,428	1,197
Supplies and equipment	654	649
Staff training	530	474
Insurance	400	400
Advertising and promotion	45	-
Communication	-	615
Professional fees	-	1,000
	<u>29,553</u>	<u>34,074</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (465)	\$ 15

YOUTH DIVERSION PROGRAM
A804 - Other Extrajudicial Sanctions
Year Ended March 31, 2017

(Schedule 9)

	2017	2016
REVENUE	\$ 74,616	\$ 74,618
EXPENDITURES		
Salaries and wages	53,901	51,069
Administration costs	6,852	6,852
Rent and utilities	6,337	6,415
Travel	3,116	3,507
Supplies and equipment	2,337	3,015
Staff training	1,144	1,098
Insurance	849	849
Professional fees	533	500
Advertising and promotion	263	36
Communication	-	849
Volunteer training	-	15
	75,332	74,205
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (716)	\$ 413

YOUTH DIVERSION PROGRAM

A837 - Substance Abuse

(Schedule 10)

Year Ended March 31, 2017

	2017	2016
REVENUE	\$ 38,088	\$ 38,090
EXPENDITURES		
Salaries and wages	27,952	29,056
Rent and utilities	4,301	4,461
Administration costs	3,172	3,172
Travel	1,064	447
Staff training	534	145
Professional fees	533	-
Supplies and equipment	339	269
Insurance	200	150
Advertising and promotion	66	-
Communication	-	478
	38,161	38,178
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ (73)	\$ (88)

YOUTH DIVERSION PROGRAM
A905 - Youth Outreach Worker Program
Year Ended March 31, 2017

(Schedule 11)

	2017	2016
REVENUE	\$ 63,600	\$ 5,200
EXPENDITURES		
Salaries and wages	53,322	-
Administration costs	5,589	-
Travel	1,798	-
Supplies and equipment	1,220	-
Staff training	753	-
Staff training	753	-
Communication	574	-
Rent and utilities	269	-
Advertising and promotion	121	5,200
	64,399	5,200
EXCESS OF REVENUE OVER EXPENDITURES	\$ (799)	\$ -

YOUTH DIVERSION PROGRAM
A920 - OYAP - Restorative Justice and Conflict Mediation Program
(Schedule 12)
Year Ended March 31, 2017

	2017	2016
REVENUE	\$ 86,600	\$ 62,431
EXPENDITURES		
Salaries and wages	62,534	22,580
Administration costs	7,794	1,125
Supplies and equipment	4,931	3,694
Rent and utilities	4,083	4,021
Travel	3,478	488
Professional fees	2,044	8,975
Communication	847	1,365
Staff training	728	2,179
Advertising and promotion	279	4,548
Volunteer training	-	8,052
	86,718	57,027
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (118)	\$ 5,404