

YOUTH DIVERSION PROGRAM
Financial Statements
Year Ended March 31, 2016

YOUTH DIVERSION PROGRAM
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Year Ended March 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Directors 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, 2016 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 Directors 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 fundraising, donations and sponsorships 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, 2016 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
July 7, 2016

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

YOUTH DIVERSION PROGRAM
Statement of Financial Position
March 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 21,979	\$ 34,882
Marketable securities (Note 4)	214,240	245,154
Accounts receivable (Note 5)	30,535	49,757
Prepaid expenses	1,618	11,992
	268,372	341,785
CAPITAL ASSETS (Note 6)	26,003	2,332
	\$ 294,375	\$ 344,117
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 14,026	\$ 18,467
Deferred revenue (Note 7)	50,000	37,137
	64,026	55,604
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	24,169	-
	88,195	55,604
NET ASSETS	206,180	288,513
	\$ 294,375	\$ 344,117

ON BEHALF OF THE BOARD

_____ Director

_____ Director

YOUTH DIVERSION PROGRAM
Statement of Revenues and Expenditures
For the Year Ended March 31, 2016

	2016	2015
REVENUES		
Prevention programs	\$ 307,520	\$ 487,241
Ministry of Children and Youth Services	296,651	224,008
United Way funding	162,000	162,000
Donations and fundraising	79,503	57,550
Trillium funding	-	14,000
	<u>845,674</u>	<u>944,799</u>
EXPENDITURES		
Salaries and wages	676,925	744,007
Rent and utilities	50,050	42,504
Program costs	31,883	36,947
Professional fees	29,866	8,308
Advertising	23,108	8,134
Volunteer training	21,976	2,395
Staff travel	21,972	21,628
Staff training	19,510	7,670
Equipment maintenance	9,191	4,820
Telephone	8,731	6,984
Insurance	8,088	8,085
Office supplies	6,549	4,330
Amortization	5,902	659
Sub-contracts	4,190	2,298
Bad debts	3,437	267
Donations	1,527	3,146
Annual meeting	1,226	533
Resources	1,074	1,207
Scholarships	565	703
Interest and bank charges	10	148
	<u>925,780</u>	<u>904,773</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FROM OPERATIONS	<u>(80,106)</u>	<u>40,026</u>
OTHER INCOME		
Segregated fund income	14,171	8,891
Interest income	86	588
Unrealized gains on marketable securities	(16,484)	9,524
	<u>(2,227)</u>	<u>19,003</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (82,333)</u>	<u>\$ 59,029</u>

YOUTH DIVERSION PROGRAM
Statement of Changes in Net Assets
Year Ended March 31, 2016

	2015 Balance	Deficiency of revenues over expenditures	Interfund transfers (Note 9)	2016 Balance
Capital fund (Note 10)	\$ 149,477	\$ (2,228)	\$ 3,053	\$ 150,302
General fund	136,705	(79,608)	(3,053)	54,044
Net assets invested in capital assets	2,331	(497)	-	1,834
	\$ 288,513	\$ (82,333)	\$ -	\$ 206,180

	2014 Balance	Deficiency of revenues over expenditures	2015 Balance
Capital fund (Note 10)	\$ 130,474	\$ 19,003	\$ 149,477
General fund	96,020	40,685	136,705
Net assets invested in capital assets	2,990	(659)	2,331
	\$ 229,484	\$ 59,029	\$ 288,513

YOUTH DIVERSION PROGRAM
Statement of Cash Flow
Year Ended March 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ (82,333)	\$ 59,029
Items not affecting cash:		
Amortization	5,902	659
Unrealized gains (losses) on marketable securities	16,484	(9,524)
Segregated fund income	(14,171)	(8,891)
	<u>(74,118)</u>	<u>41,273</u>
Changes in non-cash working capital:		
Accounts receivable	19,222	(28,985)
Accounts payable	(4,440)	6,291
Deferred revenue	12,863	(87,275)
Prepaid expenses	10,374	(10,374)
	<u>38,019</u>	<u>(120,343)</u>
Cash flow used by operating activities	<u>(36,099)</u>	<u>(79,070)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(29,574)	-
Purchase of marketable securities	(1,399)	(11,862)
Proceeds from sale of marketable securities	30,000	9,851
	<u>(973)</u>	<u>(2,011)</u>
Cash flow used by investing activities	<u>(973)</u>	<u>(2,011)</u>
FINANCING ACTIVITIES		
Capital contributions received	29,574	-
Capital contributions amortized	(5,405)	-
	<u>24,169</u>	<u>-</u>
Cash flow from financing activities	<u>24,169</u>	<u>-</u>
DECREASE IN CASH FLOW	(12,903)	(81,081)
Cash - beginning of year	<u>34,882</u>	<u>115,963</u>
CASH - END OF YEAR	\$ 21,979	\$ 34,882

YOUTH DIVERSION PROGRAM
Notes to Financial Statements
Year Ended March 31, 2016

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

In the year of acquisition, amortization is claimed at one-half the normal rate. In the year of disposition, no amortization is claimed and the resulting gain or loss is adjusted through income.

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.

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YOUTH DIVERSION PROGRAM
Notes to Financial Statements
Year Ended March 31, 2016

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

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. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2016.

(a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other risks arising from these financial instruments.

4. MARKETABLE SECURITIES

	2016		2015	
	Book Value	Fair Value	Book Value	Fair Value
	-		-	
Great-West Life Mutual Funds	\$ 105,911	\$ 127,189	\$ 128,924	\$ 158,680
Great-West Life Mutual Funds (Capital Fund)	<u>67,025</u>	<u>87,051</u>	67,025	86,474
	<u>\$ 172,936</u>	<u>\$ 214,240</u>	\$ 195,949	\$ 245,154

5. ACCOUNTS RECEIVABLE

	2016	2015
Receivable from services rendered	\$ 16,233	\$ 40,838
HST refund	14,919	8,870
Other receivables	-	616
Allowance for doubtful accounts	<u>(617)</u>	<u>(567)</u>
	<u>\$ 30,535</u>	<u>\$ 49,757</u>

YOUTH DIVERSION PROGRAM
Notes to Financial Statements
Year Ended March 31, 2016

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Equipment	\$ 18,649	\$ 4,936	\$ 13,713	\$ 2,231
Computer equipment	17,397	5,107	12,290	101
	\$ 36,046	\$ 10,043	\$ 26,003	\$ 2,332

7. 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 are funding received to purchase capital assets. The contributions will be recognized as revenue over the useful life of the assets.

	2016	2015
Student in Need Attendance Program	\$ 27,000	\$ 5,000
Kairos	15,000	20,000
Mentor Program	4,000	7,137
Improv/Rebound	4,000	5,000
	\$ 50,000	\$ 37,137

8. INTERFUND TRANSFERS

During the year the Board of Directors approved the transfer of \$3,053 (2015 - \$NIL) related to donations allocated to the capital fund.

9. DEFERRED CAPITAL CONTRIBUTIONS

	2016	2015
Balance at beginning of year	\$ -	\$ -
Contributions received during the year	29,574	-
Amortized to revenue during the year	(5,405)	-
	\$ 24,169	\$ -

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.

YOUTH DIVERSION PROGRAM
Notes to Financial Statements
Year Ended March 31, 2016

10. 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.

	2016	2015
Segregated fund income	\$ 5,588	\$ 8,891
Interest	86	588
Unrealized capital gains (losses)	(7,902)	9,524
	\$ (2,228)	\$ 19,003

11. 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.

12. 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**A802 Extrajudicial Measures****(Schedule 1)****Year Ended March 31, 2016**

	2016	2015
REVENUE		
Ministry of Children and Youth Services	\$ 34,089	\$ 29,089
EXPENDITURES		
Salaries and wages	19,579	20,606
Rent and utilities	7,495	2,495
Administration costs	2,665	2,665
Staff travel	1,197	1,399
Professional fees	1,000	-
Telephone	615	334
Staff training	474	489
Office supplies	440	313
Insurance	400	400
Equipment maintenance	166	444
Sub-contracts	43	64
Resources	-	50
Program costs	-	15
Advertising	-	125
	34,074	29,399
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 15	\$ (310)

YOUTH DIVERSION PROGRAM
A804 Other Extrajudicial Sanctions
Year Ended March 31, 2016

(Schedule 2)

	2016	2015
REVENUE		
Ministry of Children and Youth Services	\$ 74,618	\$ 74,618
EXPENDITURES		
Salaries and wages	51,069	53,025
Administration costs	6,852	6,852
Rent and utilities	6,415	6,415
Staff travel	3,507	3,625
Program costs	1,206	78
Staff training	1,098	1,231
Equipment maintenance	860	691
Insurance	849	849
Telephone	849	832
Office supplies	847	774
Professional fees	500	-
Sub-contracts	102	128
Advertising	36	134
Volunteer training	15	25
Resources	-	113
	74,205	74,772
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 413	\$ (154)

YOUTH DIVERSION PROGRAM
Ministry of Attorney General Program
Year Ended March 31, 2016

(Schedule 3)

	2016	2015
REVENUE		
Prevention programs	\$ 40,308	\$ 40,267
Donations and fundraising	-	1,700
	40,308	41,967
EXPENDITURES		
Salaries and wages	35,818	35,806
Staff travel	1,250	1,577
Rent and utilities	1,200	1,200
Office supplies	503	301
Insurance	400	400
Professional fees	400	400
Telephone	264	342
Staff training	240	240
Equipment maintenance	135	192
Volunteer training	130	853
Sub-contracts	69	76
Resources	-	150
Advertising	-	1,517
Program costs	-	44
	40,409	43,098
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ (101)	\$ (1,131)

YOUTH DIVERSION PROGRAM
Ministry of Community Safety and Correctional Services *(Schedule 4)*
Year Ended March 31, 2016

	2016	2015
REVENUE		
Prevention programs	\$ 28,549	\$ 28,549
EXPENDITURES		
Salaries and wages	27,443	27,196
Staff travel	426	400
Rent and utilities	400	400
Staff training	190	190
Insurance	173	173
Telephone	132	90
Office supplies	63	41
Sub-contracts	55	58
Program costs	52	-
Equipment maintenance	13	28
	28,947	28,576
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ (398)	\$ (27)

YOUTH DIVERSION PROGRAM
A440 Child & Family Intervention Operating Non-Residential (Schedule 5)
Year Ended March 31, 2016

	2016	2015
REVENUE		
Ministry of Children and Youth Services	\$ 2,001	\$ 2,001
EXPENDITURES		
Salaries and wages	2,047	2,019
Sub-contracts	1	1
	<u>2,048</u>	<u>2,020</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES	<u>\$ (47)</u>	<u>\$ (19)</u>

YOUTH DIVERSION PROGRAM
A556 BPS - Other Children's Services
Year Ended March 31, 2016

(Schedule 6)

	2016	2015
REVENUE		
Ministry of Children and Youth Services	\$ 80,492	\$ 80,210
EXPENDITURES		
Salaries and wages	70,201	70,201
Administration costs	4,670	4,670
Rent and utilities	2,700	2,700
Staff travel	1,200	1,200
Staff training	836	750
Telephone	509	421
Office supplies	496	388
Equipment maintenance	209	245
Program costs	167	697
Insurance	150	-
Sub-contracts	132	150
Advertising	52	75
Resources	-	110
Volunteer training	-	25
	81,322	81,632
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ (830)	\$ (1,422)

YOUTH DIVERSION PROGRAM**A837 Substance Abuse****(Schedule 7)****Year Ended March 31, 2016**

	2016	2015
REVENUE		
Ministry of Children and Youth Services	\$ 38,090	\$ 38,090
EXPENDITURES		
Salaries and wages	29,056	30,057
Rent and utilities	4,461	4,461
Administration costs	3,172	3,172
Telephone	478	322
Staff travel	447	200
Insurance	150	-
Staff training	145	150
Office supplies	118	260
Equipment maintenance	92	149
Sub-contracts	59	64
	38,178	38,835
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ (88)	\$ (745)

YOUTH DIVERSION PROGRAM
A905 Youth Outreach Worker Program
Year Ended March 31, 2016

(Schedule 8)

	2016	2015
REVENUE		
Ministry of Children and Youth Services	\$ 5,200	\$ -
EXPENDITURES		
Advertising	<u>5,200</u>	-
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>

YOUTH DIVERSION PROGRAM
A920 OYAP - Restorative Justice and Conflict Mediation Program
(Schedule 9)
Year Ended March 31, 2016

	2016	2015
REVENUE		
Ministry of Children and Youth Services	\$ 86,600	\$ -
EXPENDITURES		
Capital Expenditures	29,572	-
Salaries and wages	22,580	-
Professional fees	8,975	-
Volunteer training	8,052	-
Advertising	4,548	-
Rent and utilities	4,021	-
Staff training	2,029	-
Sub-contracts	2,003	-
Telephone	1,365	-
Administration costs	1,125	-
Equipment maintenance	1,091	-
Office supplies	686	-
Staff travel	488	-
Program costs	65	-
	<u>86,600</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>