

**Sarnia Lambton "Rebound" - A
Program for Youth
Financial Statements
For the Year Ended March 31, 2019**

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Financial Statements
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Independent Auditor's Report

To the members of Sarnia Lambton "Rebound" - A Program for Youth

Opinion

We have audited the financial statements of Sarnia Lambton "Rebound" - A Program for Youth (the Organization), which comprise the statement of financial position as at March 31, 2019, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

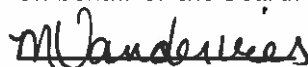
Chartered Professional Accountants, Licensed Public Accountants

London, Ontario
June 17, 2019

**Sarnia Lambton "Rebound" - A Program for Youth
Statement of Financial Position**

As at March 31	2019	2018
Assets		
Current		
Cash	\$ 498,926	\$ 356,377
Short-term investments	259,556	256,005
Accounts receivable (Note 3)	44,374	193,029
Prepaid expenses	2,690	7,096
Deposits	10,000	10,000
	<u>815,546</u>	<u>822,507</u>
Equipment and leasehold improvements (Note 4)	<u>48,282</u>	<u>62,866</u>
	<u>\$ 863,828</u>	<u>\$ 885,373</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 77,615	\$ 89,912
Deferred revenue (The Hub - \$112,037)	427,062	416,742
	<u>504,677</u>	<u>506,654</u>
Deferred capital contribution (The Hub - \$11,081)	<u>19,342</u>	<u>24,797</u>
	<u>524,019</u>	<u>531,451</u>
Net Assets		
Contingency reserve fund	288,605	285,055
Invested in equipment	28,940	38,069
Unrestricted surplus	22,264	30,798
	<u>339,809</u>	<u>353,922</u>
	<u>\$ 863,828</u>	<u>\$ 885,373</u>

On behalf of the Board:

 Director

**Sarnia Lambton "Rebound" - A Program for Youth
Statement of Changes in Net Assets**

For the year ended March 31	Contingenc y Reserve Fund	Invested in Equipment	Unrestricted	2019 Total	2018 Total
Balance, beginning of the year	\$ 285,055	\$ 38,069	\$ 30,798	\$ 353,922	\$ 356,298
Deficiency of revenues over expenses	-	(11,762)	(5,901)	(17,663)	(4,866)
Non-operating revenue	3,550	-	-	3,550	2,490
Investment in equipment and leasehold improvements	-	2,633	(2,633)	-	-
Balance, end of the year	\$ 288,605	\$ 28,940	\$ 22,264	\$ 339,809	\$ 353,922

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

Sarnia Lambton "Rebound" - A Program for Youth Statement of Operations

For the year ended March 31	2019	2018
Revenue		
Grants	\$ 1,429,893	\$ 1,296,251
Fundraising	178,486	261,268
Donations	123,894	146,669
Memberships	17,950	6,000
Amortization of deferred capital contribution	5,455	7,326
Client fees	1,075	2,938
Other	534	14,220
Loss on disposal of capital assets	-	(1,213)
	<u>1,757,287</u>	<u>1,733,459</u>
Expenses		
Wages and benefits	1,266,981	1,306,215
Programs	212,651	121,282
Fundraising	106,744	99,881
Rent	56,614	56,099
Office and miscellaneous	30,254	43,417
Professional fees	24,065	27,362
Staff development	17,801	15,940
Amortization	17,217	20,263
Telephone	11,205	13,965
Insurance	10,283	9,501
Public relations	9,771	11,259
Travel and promotion	9,012	9,490
Bank charges	2,352	3,651
	<u>1,774,950</u>	<u>1,738,325</u>
Deficiency of revenues over expenses	\$ (17,663)	\$ (4,866)

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

Sarnia Lambton "Rebound" - A Program for Youth Statement of Cash Flows

For the year ended March 31	2019	2018
Cash flows from operating activities		
Deficiency of revenues over expenses	\$ (17,663)	\$ (4,866)
Items not affecting cash:		
Amortization of capital assets	14,030	15,941
Amortization of deferred capital contributions	(2,269)	(3,004)
Loss on disposal of equipment	-	1,213
	<u>(5,902)</u>	9,284
Changes in non-cash working capital:		
Accounts receivable	148,654	(134,499)
Prepaid expenses	4,406	(3,579)
Deposits	-	(10,000)
Accounts payable and accrued liabilities	(12,295)	(15,556)
Deferred contributions	10,320	17,255
	<u>145,183</u>	<u>(137,095)</u>
Cash flows from investing activities		
Changes in short-term investments	(3,550)	72,510
Acquisition of equipment and leasehold improvements	(2,634)	(11,946)
Interest earned by contingency reserve fund	3,550	2,490
	<u>(2,634)</u>	<u>63,054</u>
Net increase (decrease) in cash	142,549	(74,041)
Cash, beginning of the year	356,377	430,418
Cash, end of the year	\$ 498,926	\$ 356,377

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

Sarnia Lambton "Rebound" - A Program for Youth Notes to Financial Statements

March 31, 2019

1. Significant Accounting Policies

Statutes of Incorporation and Nature of Activities Sarnia - Lambton "Rebound" - A Program for Youth (the Organization) is incorporated under the Business Corporations Act of the Province of Ontario as an Organization without share capital subject to the Charities Accounting Act.

The Organization has been granted tax exempt status as a registered charity and is classified as a charitable organization under Sections 149 and 149.1 of the Income Tax Act, Canada. The Organization is in compliance with its disbursement quota requirement as set by the Canada Revenue Agency.

The Organization provides prevention and early intervention supports for youth ages 8-24. Programs focus on life skills and social competencies. Programs include: community and school based services, groups and diversion services offered through a service contract with the Ministry of Children and Youth Services - Youth Justice Division. A variety of community partnerships exist to allow for a continuum of youth focused supports.

Basis of Accounting The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Revenue Recognition The Theatre 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 reasonably be estimated and collection is reasonably assured.

Revenue from ticket sales, sponsorships and box office service charges are recognized when the performance occurs.

Revenue from technical services and rent is recognized when the service is provided.

Revenue from bar sales is recorded when the product is sold and payment has been received.

Fundraising revenue is recognized as revenue when the event occurs.

Deferred Capital Contributions Contributions received to fund the acquisition of equipment and leasehold improvements are deferred and amortized over the same term and on the same basis as the asset.

Sarnia Lambton "Rebound" - A Program for Youth Notes to Financial Statements

March 31, 2019

1. Significant Accounting Policies (continued)

Expenses	Expenditures are recognized as they are incurred and measurable as a result of receipt of goods and services and the creation of a legal obligation to pay.																		
Investments	Investments are recorded at cost, which equals net realizable value.																		
Management Estimates	The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expense during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported as revenue or expense in the period in which they became known.																		
In-Kind Contributions	Contributed goods received by the Organization are recognized at their fair value at the date of contribution where a fair value can be reasonably established.																		
Equipment and Leasehold Improvements	Equipment and leasehold improvements are recorded at cost and amortized using the following annual rates and methods: <table border="0" style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: left;">Method</th> <th style="text-align: left;">Rate</th> </tr> </thead> <tbody> <tr> <td>Office equipment</td> <td>Diminishing-balance</td> <td>20%</td> </tr> <tr> <td>The Hub equipment</td> <td>Diminishing-balance</td> <td>20-45%</td> </tr> <tr> <td>Computer equipment</td> <td>Diminishing-balance</td> <td>45%</td> </tr> <tr> <td>Computer software</td> <td>Diminishing-balance</td> <td>100%</td> </tr> <tr> <td>Leasehold improvements</td> <td>Straight line</td> <td>5 year</td> </tr> </tbody> </table>		Method	Rate	Office equipment	Diminishing-balance	20%	The Hub equipment	Diminishing-balance	20-45%	Computer equipment	Diminishing-balance	45%	Computer software	Diminishing-balance	100%	Leasehold improvements	Straight line	5 year
	Method	Rate																	
Office equipment	Diminishing-balance	20%																	
The Hub equipment	Diminishing-balance	20-45%																	
Computer equipment	Diminishing-balance	45%																	
Computer software	Diminishing-balance	100%																	
Leasehold improvements	Straight line	5 year																	
Internally Restricted Funds	<p>The internally restricted funds have been created by the Board for the following purposes:</p> <ul style="list-style-type: none"> • The contingency reserve has been established by resolutions of the Board of Directors. It provides funds to ensure a continuation of operations should there be a significant reduction in the Organization's sources of funding. 																		
Donated Services	A number of unpaid volunteers have made significant contributions of their time in the furtherance of the Organization's programs. Due to the difficulty of determining their fair value, the value of this contributed time has not been included in these financial statements.																		

Sarnia Lambton "Rebound" - A Program for Youth Notes to Financial Statements

March 31, 2019

2. Financial Instruments

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization monitors its accounts receivable regularly and establishes allowances for doubtful accounts as needed.

3. Accounts Receivable

	2019	2018
Trade	\$ 24,763	\$ 176,111
Harmonized sales tax recoverable	19,611	16,918
	\$ 44,374	\$ 193,029

4. Equipment and Leasehold Improvements

	2019		2018	
	Cost	Accumulate d Amortizatio n	Cost	Accumulated Amortization
Office equipment	\$ 63,599	\$ (45,650)	\$ 63,599	\$ (41,163)
Computer equipment	84,948	(77,766)	84,283	(72,163)
The Hub - equipment	21,087	(10,007)	21,087	(6,820)
Computer software	11,385	(10,401)	9,417	(9,233)
Leasehold improvements	30,075	(18,988)	30,075	(16,216)
	211,094	(162,812)	208,461	(145,595)
		\$ 48,282		\$ 62,866

Sarnia Lambton "Rebound" - A Program for Youth Notes to Financial Statements

March 31, 2019

5. Accounts Payable and Accrued Charges

	<u>2019</u>	<u>2018</u>
Accounts payable and other accruals	\$ 55,582	\$ 66,824
Government remittances	22,034	23,088
	<u>\$ 77,616</u>	<u>\$ 89,912</u>

6. Repayment of Program Supplies

The service contract with the Ministry of Children, Community and Social Services requires the Organization to file a reconciliation report summarizing, by project code, all revenue and expenditure and identifying any resulting surplus or deficiency relating to that service contract. A review of this report shows that the project is in a balanced position as at March 31, 2019 and that there are no amounts owing to or from the Ministry.

7. Commitments

The Organization is committed to leases for office equipment and office space.

Future minimum payments under these agreements over the next year is as follows:

2020:	\$56,189
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8. Comparative Figures

Certain comparative figures have been reclassified to conform to current year's presentation.

**Sarnia Lambton "Rebound" - A Program for Youth
Statement of Revenue and Expense for "The Hub"**

For the year ended March 31	2019	2018
Revenues		
Grants	\$ 176,885	\$ 148,721
Donations	30,504	50,342
Amortization of deferred capital contribution	3,186	4,322
	<u>\$ 210,575</u>	<u>\$ 203,385</u>
Expenses		
Wages and benefits	\$ 158,882	\$ 159,193
Programs	40,844	34,461
Rent	3,600	3,600
Amortization	3,186	4,322
Professional fees	2,339	-
Insurance	700	857
Telephone	535	380
Staff development	400	132
Office and miscellaneous	89	-
Travel and promotion	-	284
Public relations	-	156
	<u>\$ 210,575</u>	<u>\$ 203,385</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>