

Sarnia Lambton "Rebound" - A
Program for Youth
Financial Statements
For the Year Ended March 31, 2024

Sarnia Lambton "Rebound" - A Program for Youth
Financial Statements
For the Year Ended March 31, 2024

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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, 2024, 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, 2024, 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

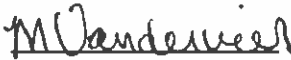
Chartered Professional Accountants, Licensed Public Accountants

Sarnia, Ontario
June 14, 2024

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

As at March 31,	2024	2023
Assets		
Current		
Cash	\$ 543,804	\$ 562,026
Short-term investments	283,769	271,502
Accounts receivable (Note 3)	177,902	113,678
Inventories	23,301	11,141
Prepaid expenses	7,715	6,965
	<u>1,036,491</u>	<u>965,312</u>
Equipment and leasehold improvements (Note 4)	<u>47,214</u>	<u>54,954</u>
	<u>\$ 1,083,705</u>	<u>\$ 1,020,266</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)(Note 8)	\$ 56,556	\$ 41,629
Deferred revenue (The Hub - \$168,615)	414,933	475,439
	<u>471,489</u>	<u>517,068</u>
Deferred capital contribution (The Hub - \$5,528)	<u>11,017</u>	<u>16,634</u>
	<u>482,506</u>	<u>533,702</u>
Net Assets		
Contingency reserve fund	425,000	425,000
Invested in equipment	36,197	38,320
Unrestricted deficit	(84,998)	(51,756)
Internally restricted	225,000	75,000
	<u>601,199</u>	<u>486,564</u>
	<u>\$ 1,083,705</u>	<u>\$ 1,020,266</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,	Contingency Reserve Fund	Invested in Equipment	Unrestricted	Program Expansion and Enhancement Fund	2024 Total	2023 Total
Balance, beginning of the year	\$ 425,000	\$ 38,320	\$ (51,756)	\$ 75,000	\$ 486,564	\$ 521,927
Excess (deficiency) of revenues over expenses	-	(13,194)	127,829	-	114,635	(35,363)
Investment in equipment	-	11,071	(11,071)	-	-	-
Interfund transfer	-	-	(150,000)	150,000	-	-
Balance, end of the year	\$ 425,000	\$ 36,197	\$ (84,998)	\$ 225,000	\$ 601,199	\$ 486,564

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,	2024	2023
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Revenue		
Amortization of deferred capital contribution	\$ 5,616	\$ 7,948
Donations	144,809	196,851
Fundraising	174,056	292,897
Grants	1,548,793	1,165,180
Interest	21,742	11,080
Memberships	7,000	9,000
Bequests (Note 3)	150,000	-
Other	3,442	28,927
Store sales	54,507	-
	<hr/>	<hr/>
	2,109,965	1,711,883
<hr/>		
Expenses		
Amortization	18,811	20,109
Bank charges	4,707	4,027
Fundraising	44,373	47,762
Insurance	15,358	14,066
Office and miscellaneous	57,598	65,909
Professional fees	31,467	29,462
Programs	180,542	157,978
Public relations	4,722	11,956
ReFound Store expenditures	71,165	63,746
Rent	70,566	69,745
Staff development	16,035	30,139
Telephone	17,791	16,335
Travel and promotion	6,531	8,776
Wages and benefits	1,455,664	1,207,236
	<hr/>	<hr/>
	1,995,330	1,747,246
<hr/>		
Excess (deficiency) of revenues over expenses	\$ 114,635	\$ (35,363)
<hr/>		

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,	2024	2023
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ 114,635	\$ (35,363)
Items not affecting cash:		
Amortization of equipment and leasehold improvements	18,811	20,109
Amortization of deferred capital contributions	(5,617)	(7,948)
	127,829	(23,202)
Changes in non-cash working capital:		
Accounts receivable	(64,224)	(90,290)
Inventories	(12,160)	(11,141)
Prepaid expenses	(750)	-
Accounts payable and accrued liabilities	14,927	(31,418)
Deferred contributions	(60,506)	(88,064)
	5,116	(244,115)
Cash flows from investing activities		
Acquisition of equipment and leasehold improvements	(11,071)	(15,271)
Interest earned by short-term investments	(12,267)	(7,917)
	(23,338)	(23,188)
Cash flows from financing activities		
Deferred capital contribution	-	3,457
Net decrease in cash	(18,222)	(263,846)
Cash, beginning of the year	562,026	825,872
Cash, end of the year	\$ 543,804	\$ 562,026

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

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

March 31, 2024

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 organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unearned grants and donations are recorded as deferred revenue.

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.

Fundraising revenue is recognized as revenue when the event occurs.

Store revenue is recognized when goods are sold and payment is received.

Interest income from short-term investments is recognized as revenue of the appropriate fund when earned on an accrual basis.

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.

Expenses Expenses 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.

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

March 31, 2024

1. Significant Accounting Policies (continued)

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.		
Inventory	Inventory consisting of clothes and other thrift items for resale, is valued at the lower of cost and net realizable value with cost determined on a first-in, first-out basis and net realizable value determined to be current replacement cost.		
Equipment and Leasehold Improvements	Equipment and leasehold improvements are recorded at cost and amortized using the following annual rates and methods:		
		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. • The program expansion reserve was established in 2021 by resolution of the Board of Directors to provide funds to be used to expand programming in the future. 		

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

March 31, 2024

1. Significant Accounting Policies (continued)

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, 2024

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

The Organization recognized a bequest receivable of \$150,000 in the year.

	2024	2023
Trade	\$ 7,715	\$ 92,669
Harmonized sales tax recoverable	20,187	21,009
Bequest receivable	150,000	-
	<u>\$ 177,902</u>	<u>\$ 113,678</u>

4. Equipment and Leasehold Improvements

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	\$ 89,195	\$ (69,714)	\$ 89,195	\$ (64,844)
Computer equipment	136,829	(120,217)	128,124	(110,186)
The Hub - equipment	29,581	(22,093)	27,215	(19,091)
Computer software	15,257	(15,257)	15,257	(15,257)
Leasehold improvements	30,075	(26,442)	30,075	(25,534)
	<u>300,937</u>	<u>(253,723)</u>	<u>289,866</u>	<u>(234,912)</u>
	<u>\$ 47,214</u>		<u>\$ 54,954</u>	

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

March 31, 2024

5. Accounts Payable and Accrued Charges

	2024	2023
Accounts payable and other accruals	\$ 42,952	\$ 34,292
Government remittances	13,604	7,337
	<u>\$ 56,556</u>	<u>\$ 41,629</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, 2024 and that there are no amounts owing to or from the Ministry.

7. Commitments

The Organization is committed to leases for office space.

Future minimum payments under these agreements over the next five years are as follows:

2025:	\$51,936
2026:	\$46,936
2027:	\$ 4,500
2028:	\$ 4,500
2029:	\$ 1,875

8. Subsequent Events

Subsequent to year end, there were two significant events:

1) Due to economic difficulty, the Organization announced the closure the ReFound Store. The store is set to close in July 2024 and inventory is discounted starting in May 2024. An analysis was performed on the value of inventory and total impairment is not determinable at this time.

2) The Organization received a notice that they will be receiving another bequest of \$50,000 in fiscal 2025. This amount as well as the residue amount from the bequest receivable is not recognized in the financial statements as the ultimate collection has not yet been reasonably assured.

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

For the year ended March 31	2024	2023
Revenues		
Donations	\$ 21,964	\$ 108,281
Grants	245,602	101,469
Amortization of deferred capital contribution	2,596	2,824
	<u>270,162</u>	<u>212,574</u>
Expenses		
Wages and benefits	218,532	160,639
Programs	25,996	27,585
Rent	12,250	11,200
Amortization	3,002	2,824
Insurance	2,500	2,000
Telephone	3,097	2,672
Staff development	3,359	2,130
Office and miscellaneous	1,426	3,524
	<u>270,162</u>	<u>212,574</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>