



COATS O'NEILL MANNEROW ^{LLP}
Chartered Accountants

OUR PLACE (PEEL)
FINANCIAL STATEMENTS
MARCH 31, 2011



INDEPENDENT AUDITORS' REPORT

To the Directors

OUR PLACE (PEEL)

We have audited the accompanying financial statements of Our Place (Peel) which comprise the balance sheet as at March 31, 2011 and the statements of operations, changes in net assets and cash flows 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 the financial statements in accordance with Canadian generally accepted accounting principles 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of 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 principles 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Our Place (Peel) as at March 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Coats O'Neill Mannerow LLP

Licensed Public Accountants

Caledon, Ontario

June 16, 2011

OUR PLACE (PEEL)

BALANCE SHEET

MARCH 31, 2011

| | Notes | 2011 | 2010 |
|---|-------|---------------------|-------------------|
| ASSETS | | | |
| Current: | | | |
| Cash | 5 | \$ 150,764 | \$ 23,199 |
| Cash equivalents | 6 | 80,000 | 79,706 |
| Accounts receivable | | 84,619 | 81,503 |
| Construction funding receivable | 7 | 360,661 | |
| Prepaid expenses and deposits | | <u>8,589</u> | <u>14,910</u> |
| | | 684,633 | 199,318 |
| Capital | 7 | <u>1,174,910</u> | <u>664,260</u> |
| | | <u>\$ 1,859,543</u> | <u>\$ 863,578</u> |
| LIABILITIES | | | |
| Current: | | | |
| Accounts payable and accruals | | \$ 19,316 | \$ 27,176 |
| Construction costs payable | 7 | <u>389,401</u> | <u> </u> |
| | | 408,717 | 27,176 |
| Deferred revenue | 8 | 5,088 | 30,349 |
| Capital loan payable | 7 | <u>523,000</u> | <u> </u> |
| | | <u>936,805</u> | <u>57,525</u> |
| NET ASSETS | | | |
| Invested in capital assets | | 651,911 | 664,261 |
| Internally restricted for specific purposes | 9 | 90,000 | 90,000 |
| Unrestricted funds | | <u>180,827</u> | <u>51,792</u> |
| | | <u>922,738</u> | <u>806,053</u> |
| | | <u>\$ 1,859,543</u> | <u>\$ 863,578</u> |

On Behalf of the Board:



Director

Director



OUR PLACE (PEEL)
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2011

| | 2011 | 2010 |
|-------------------------------------|-------------------|------------------|
| Revenue: | | |
| Grants: | | |
| Region of Peel | \$ 358,881 | \$ 457,951 |
| United Way | 268,205 | 263,747 |
| Ontario Ministries (note 10) | 110,257 | 176,601 |
| The Ontario Trillium Foundation | 868 | 36,132 |
| Human Resources Development Canada | 3,242 | |
| Foundations | 83,118 | 80,065 |
| Donations | 92,067 | 69,152 |
| Fundraising (note 5) | 53,808 | 47,981 |
| Rent recovery | 1,300 | 12,602 |
| Interest earned | 1,901 | 3,269 |
| HST/GST recovery | <u>14,004</u> | <u>4,584</u> |
| | <u>987,651</u> | <u>1,152,084</u> |
| Expenditure: | | |
| Salaries and wages | 549,505 | 757,182 |
| Employee benefits | 74,167 | 99,665 |
| Subcontract | 1,194 | 7,056 |
| Staff travel and training | 7,380 | 13,690 |
| Financial and material aid | 72,258 | 58,694 |
| Program supplies | 1,196 | 2,425 |
| Resource room | 3,518 | 2,873 |
| Rent | 4,455 | 17,820 |
| Utilities | 14,967 | 16,498 |
| Repairs and maintenance (note 8) | 32,169 | 23,886 |
| Insurance | 13,389 | 13,981 |
| Office and computer supplies | 19,396 | 25,059 |
| Telephone | 8,352 | 14,447 |
| Public education | 4,154 | 1,277 |
| Fundraising (note 5) | 6,469 | 10,671 |
| Direct mail campaign | 2,867 | 8,024 |
| Special events | 8,269 | 1,552 |
| Professional fees | 10,744 | 10,099 |
| Feasibility study (note 8) | 868 | 33,331 |
| Organizational development (note 8) | 7,346 | 8,925 |
| Amortization of capital assets | <u>28,303</u> | <u>24,058</u> |
| | <u>870,966</u> | <u>1,151,213</u> |
| Excess of revenue over expenditures | <u>\$ 116,685</u> | <u>\$ 871</u> |

OUR PLACE (PEEL)

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2011

| | Invested in capital assets | Internally restricted for specific purposes | Unrestricted | 2011 Total | 2010 Total |
|---------------------------------------|----------------------------------|--|-------------------|-------------------|-------------------|
| Net assets, beginning of year | \$ 664,261 | \$ 90,000 | \$ 51,792 | \$ 806,053 | \$ 805,182 |
| Revenue over (under) expenses | (28,303) | - | 144,988 | 116,685 | 871 |
| Investment in capital assets (note 9) | <u>15,953</u> | <u>-</u> | <u>(15,953)</u> | <u>-</u> | <u>-</u> |
| Net assets, end of year | <u>\$ 651,911</u> | <u>\$ 90,000</u> | <u>\$ 180,827</u> | <u>\$ 922,738</u> | <u>\$ 806,053</u> |

OUR PLACE (PEEL)
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2011

| | 2011 | 2010 |
|---|-------------------|-------------------|
| Cash flow was provided from (applied to): | | |
| Operating activities: | | |
| Cash received from grants and other | \$ 956,246 | \$ 1,112,938 |
| Cash paid to suppliers and employees | (842,903) | (1,116,713) |
| Interest received | <u>1,729</u> | <u>3,269</u> |
| | 115,072 | (506) |
| Financing activity | | |
| Advance of capital loan proceeds | 162,339 | |
| Investing activity | | |
| Purchase of capital assets | <u>(149,552)</u> | <u>(2,202)</u> |
| Increase (decrease) in cash and equivalents | 127,859 | (2,708) |
| Cash and equivalents, beginning of year | <u>102,905</u> | <u>105,613</u> |
| Cash and equivalents, end of year | <u>\$ 230,764</u> | <u>\$ 102,905</u> |
| Represented by: | | |
| Cash on hand and balance with banks | \$ 150,764 | \$ 23,199 |
| Guaranteed investment certificates | <u>80,000</u> | <u>79,706</u> |
| | <u>\$ 230,764</u> | <u>\$ 102,905</u> |

OUR PLACE (PEEL)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2011

1. Purpose of the organization

Our Place (Peel) is incorporated without share capital, by Letters Patent of the Province of Ontario. The organization qualifies as a tax exempt not-for-profit organization and a registered charity under provisions of The Income Tax Act (Canada).

The organization was formed to provide community leadership to address the needs of youth aged 16 to 21 within the Region of Peel. It exists to provide advocacy, education, residential and support services to disadvantaged and homeless youth. Through programs designed to empower youth, the organization strives to instill hope and enhance lives by providing counselling and resources along with the basic necessities of life.

2. Summary of significant accounting policies

Fund accounting

These financial statements reflect the assets, liabilities, revenues and expenses of the following funds:

Unrestricted funds

The directors utilize funds obtained through general donations, investment and fundraising activities to fulfil their mandate.

The Ontario Ministry of Community and Social Services under their Child and Family Intervention Services Program reimburses Our Place (Peel) for approved expenditures incurred in providing residential services to specified youth in Peel.

The Region of Peel, United Way, Ontario Ministries, fundraising, grants and donations combine to fund the continuing operation of a fourteen bed Emergency Youth Shelter in Mississauga and related youth programs.

Capital asset fund

The capital asset fund reports the assets, liabilities (if any), revenues and expenses related to capital expenditures and improvements.

Capital reserve

A board designated reserve has been internally restricted to set aside funds to meet anticipated future repairs, replacements and improvements that are capital in nature for the existing shelter, as well as the capital costs associated with the development of future shelter facilities.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted grants and donations are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted grants and donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Fundraising revenues are recognized once the event has occurred. Rent recovery is recognized on occupancy and when collection is reasonably assured.

2. Summary of significant accounting policies (cont'd)

Capital assets

Purchased capital assets are recorded in the Capital Asset Fund at cost. Contributed capital assets are recorded in the Capital Asset Fund at management's best estimate of fair value at the date of contribution. Amortization was provided on leasehold improvements on a straight-line basis over five years. Amortization is provided on the declining balance basis at 4% and 20% on buildings, and furniture and equipment respectively. Amortization expense is reported in the Capital Asset Fund.

Contributed services and materials

Volunteers contribute approximately 1,500 hours per year to assist Our Place (Peel) in carrying out its service delivery activities. Because of the difficulty of determining the fair value of the contributed services as well as contributed materials, these items are not recognized in the financial statements.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the years. Actual results could differ from those estimates. Key areas of estimation where management has made judgments, often as a result of matters that are inherently uncertain, include certain accounts receivable and accrued liabilities, deferred revenues and the useful lives of depreciable assets.

3. Capital management

The organization's main objective when managing capital is to safeguard its ability to continue as a going concern, so that it can ensure the continuation of its programs. The capital structure of the organization consists of unrestricted and internally restricted net assets and capital assets. The organization manages its capital structure and makes adjustments to it in light of economic conditions and the risk characteristics of the underlying assets. The organization's primary uses of capital are to finance working capital requirements and capital expenditures. Cash equivalents are held to ensure sufficient liquidity, and a reserve has been established to ensure liquidity is available for significant future capital costs. The organization is not subject to any externally imposed capital requirements and does not presently utilize any other quantitative measures to monitor its capital.

4. Financial instruments

The organization's financial instruments consist of cash and equivalents, accounts receivable and accounts payable and accruals. Cash and equivalents are classified as held for trading. Financial instruments are initially recorded at historical cost. If subsequent circumstances indicate that a decline in the fair value of a financial asset is other than temporary, the financial instrument is written down to its fair value. The carrying amounts of financial instruments approximate their fair value because of the short-term maturities of these items. Unless otherwise indicated, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. Liquidity and funding risk is managed by the preparation of an approved annual budget, monthly monitoring of budget variance and maintenance of adequate cash reserves to fund existing programs and future contingencies.

5. Restricted cash and fundraising

The organization's fundraising activities included events as follows:

| | Revenue | Expense | 2011 Net | 2010 Net |
|---------------------|------------------|-------------------|------------------|------------------|
| Bingo, Mississauga | - | - | - | \$ 10,303 |
| Fund-raising events | \$ 7,808 | \$ 6,469 | \$ 1,339 | 22,007 |
| Third-party events | <u>46,000</u> | <u> </u> | <u>46,000</u> | <u>5,000</u> |
| | <u>\$ 53,808</u> | <u>\$ 6,469</u> | <u>\$ 47,339</u> | <u>\$ 37,310</u> |

Bingo activities were undertaken under licenses issued by the Alcohol and Gaming Commission of Ontario, and discontinued in June 2009. Revenue generated from this source was deposited into segregated accounts and withdrawn for expenditures in accordance with the license application.

6. Cash equivalents

Cash equivalents consist of cashable guaranteed investment certificates of \$30,000 and \$50,000 with interest at 0.75% and 1.25% (2010 - 4.0%) and due April 2011 and August 2011 respectively. Accrued interest to year end is included in accounts receivable.

7. Capital assets and construction financing

| | 2011 | | 2010 | |
|-------------------------|---------------------|--------------------------|---------------------|--------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Land | \$ 250,000 | | \$ 250,000 | |
| Building | 1,230,940 | \$ 361,036 | 726,724 | \$ 345,136 |
| Leasehold improvements | | | 5,515 | 2,861 |
| Furniture and equipment | <u>128,848</u> | <u>73,842</u> | <u>188,054</u> | <u>158,036</u> |
| | <u>\$ 1,609,788</u> | <u>\$ 434,878</u> | <u>\$ 1,170,293</u> | <u>\$ 506,033</u> |
| Net book value | | <u>\$ 1,174,910</u> | | <u>\$ 664,260</u> |

During the year, the organization entered into an agreement with the Regional Municipality of Peel in connection with the federal government's Homelessness Partnering Initiative to provide support to communities. The contribution agreement provides funding for eligible project costs incurred to March 31, 2011 to renovate the Emergency Youth Shelter Program residence to accommodate six additional beds for transitional housing and to make necessary fire, safety and electrical upgrades. The grant is in the form of a \$523,000 interest-free forgivable loan to be forgiven at 20% per year over the next five years as long as the organization continues to operate for its intended purpose to provide shelter housing for people in transition who have experienced homelessness. The grant provides that the shelter may be sold if the proceeds of disposition are immediately committed towards a project to establish a facility for providing similar service for the homeless.

Construction was substantially complete at year end, however contractors remained unpaid and the full amount of construction funding had not yet been advanced. The organization has been in compliance with all significant terms and conditions of the contract during the year and to date.

8. Deferred revenue

Deferred revenue represents unspent externally restricted grants and donations for specific future costs and programs, and is comprised as follows:

| | 2011 | 2010 |
|---|-----------------|------------------|
| Balance, beginning of year: | \$ 30,349 | |
| Amount recognized as revenue in the year | <u>(26,720)</u> | |
| Balance remaining - United Way SOEF | 3,629 | |
| Amount received related to the following year: | | |
| GE Capital Canada for roof repairs | - | \$ 16,976 |
| The Ontario Trillium Foundation feasibility study | - | 868 |
| United Way Strengthening Organizational Effectiveness Fund (SOEF) | - | 10,976 |
| United Way one-time funding for gardens | 1,459 | - |
| Region of Peel Resource Room | <u>-</u> | <u>1,529</u> |
| Balance, end of year | <u>\$ 5,088</u> | <u>\$ 30,349</u> |

9. Capital reserve

In prior years, the Board of Directors internally restricted resources of \$90,000 to be used for future capital expenditures. These amounts are not available for other purposes without prior approval of the Board.

During the year, \$15,953 (2010 - \$2,202) was transferred to the Capital Asset Fund in order to fund cash outlays for equipment. A capital grant of \$10,214 was received in the year and restricted by the donor for this purpose; the balance was funded by internally generated funds.

10. Contracts with Ontario Ministries

The organization has service contracts with the Ontario Ministry of Community and Social Services and the Ministry of Children and Youth Services for the residential program in Brampton, pay equity and special projects. One requirement of the contracts is the production by management of a Transfer Payment Annual Reconciliation report. This report summarizes, by service detail code, all revenues and expenditures, and identifies any resulting surplus or deficit that relates to the contracts. A review of these reports shows the following positions as at March 31, 2011:

| Code | Description | Surplus | |
|------|--|-------------|-------------|
| | | 2011 | 2010 |
| A555 | Child and Family Intervention Services | \$ - | \$ - |
| 8783 | Pay Equity - adult | - | - |
| A440 | Pay Equity - children | - | - |
| | | <u>\$ -</u> | <u>\$ -</u> |

Surplus amounts, if any, are reflected as a liability on the balance sheet.

In consultation with the Ontario Ministries, the organization discontinued operation of its long-term residential facility in Brampton effective June 30, 2010.

11. Spending commitments

The organization remains committed to expenditures of \$90,299 to December 2011 which will be entirely funded by the Region of Peel to support the Resource Room and its Youth Support Worker, and has been granted \$259,817 by the United Way of Peel Region for its emergency shelter programs in the next fiscal year to March 31, 2012.

12. Accounting standards with future implementation dates

In December 2010, The Canadian Institute of Chartered Accountants (CICA) issued new accounting standards for not-for-profit organizations allowing not-for-profits in the private sector to choose between adopting International Financial Reporting Standards, and following the existing standards for not-for-profits supplemented by accounting standards applicable to private enterprises. The new standards will apply for fiscal years beginning after January 1, 2012. The impact of these changes is unlikely to be significant for the organization.