COATS O'NEILL MANNEROW LLP
Chartered Accountants

OUR PLACE (PEEL)

FINANCIAL STATEMENTS

MARCH 31, 2013

COATS O'NEILL MANNEROW LLP
Chartered Accountants

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, 2013, March 31, 2012 and April 1, 2011 and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the 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 in our audits 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, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Coats O'Neill Mannerow LLP

Licensed Public Accountants

Caledon, Ontario
June 6, 2013

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OUR PLACE (PEEL)

BALANCE SHEET

MARCH 31, 2013

	Notes	March 31 2013	March 31 2012	April 1 2011
ASSETS				
Current:				
Cash		$ 94,239	$ 225,978	$ 150,764
Cash equivalents	4	307,856	80,625	80,000
Accounts receivable		32,347	61,927	84,619
Construction funding receivable				360,661
Prepaid expenses and deposits		8,049	7,874	8,589
		442,491	376,404	684,633
Property and equipment	5	1,101,212	1,144,911	1,174,910
		$ 1,543,703	$ 1,521,315	$ 1,859,543
LIABILITIES				
Current:				
Accounts payable and accruals		$ 16,005	$ 30,811	$ 19,314
Construction costs payable				389,400
Deferred revenue	6	50,080		5,088
		66,085	30,811	413,802
Forgivable capital loan	7	313,800	418,400	523,000
		379,885	449,211	936,802
NET ASSETS				
Invested in property and equipment	8	787,412	726,511	651,910
Internally restricted for specific purposes	9	90,000	90,000	90,000
Unrestricted funds		286,406	255,593	180,831
		1,163,818	1,072,104	922,741
		$ 1,543,703	$ 1,521,315	$ 1,859,543

On Behalf of the Board:

Pamela Yudcovitch

Director

Ingrid Obendorf

Director

See Accompanying Notes to Financial Statements

OUR PLACE (PEEL)

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2013

	2013	2012
Revenue:		
Grants:		
Region of Peel	$ 423,891	$ 403,959
United Way	259,817	264,905
Ontario Ministries (note 10)	50,342	50,342
Foundations	111,220	101,976
Donations	84,383	109,650
Fundraising	10,939	5,180
Rent recovery	12,319	2,705
Interest earned	3,026	391
Forgiveness of capital loan (notes 7, 8)	104,600	104,600
	1,060,537	1,043,708
Expenditure:		
Salaries and wages	581,140	533,715
Employee benefits	88,654	70,587
Subcontract	48,807	45,129
Staff travel and training	8,452	7,639
Program	79,223	68,280
Technology	16,082	14,617
Rent	4,469	4,320
Utilities	24,782	27,681
Repairs and maintenance	18,845	18,777
Insurance	12,106	12,780
Office and general	21,273	15,248
Agency special events	8,111	10,427
Professional fees	13,180	17,569
Amortization of property and equipment	43,699	47,576
	968,823	894,345
Excess of revenue over expenditures	$ 91,714	$ 149,363

OUR PLACE (PEEL)

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2013

	Invested in property and equipment	**Internally restricted for specific purposes**	**Unrestricted**	**2013 Total**	**2012 Total**
Net assets, beginning of year	$ 726,511	$ 90,000	$ 255,593	$ 1,072,104	$ 922,741
Revenue over expenditures	60,901	-	30,813	91,714	149,363
Net assets, end of year	$ 787,412	$ 90,000	$ 286,406	$ 1,163,818	$ 1,072,104

See Accompanying Notes to Financial Statements

OUR PLACE (PEEL)

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2013

	2013	2012
Cash flow was provided from (applied to):		
Operating activities:		
Cash received from grants and other	$ 1,033,325	$ 955,915
Cash paid to suppliers and employees	(940,105)	(834,557)
Interest received	2,272	797
	95,492	122,155
Financing activity		
Advance of capital loan proceeds		360,661
Investing activity		
Purchase of property and equipment		(406,977)
Increase in cash	95,492	75,839
Cash and equivalents, beginning of year	306,603	230,764
Cash and equivalents, end of year	$ 402,095	$ 306,603
Represented by:		
Cash on hand and balance with banks	$ 94,239	$ 225,978
Guaranteed investment certificates and savings	307,856	80,625
	$ 402,095	$ 306,603

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. Adoption of accounting standards for not-for-profit organizations

These financial statements have been prepared in accordance with Part III of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting. The organization's first reporting period using Part III is for the year ended March 31, 2013. As a result, the date of transition to Part III is April 1, 2011. As these are the organization's first financial statements prepared in accordance with Part III, the financial statements have been prepared in accordance with the transitional provisions set out in Section 1501 of Part III, First-time Adoption by not-for-profit organizations. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policy note have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 30, 2012 and the opening balance sheet at April 1, 2011. There have been no changes to assets, liabilities or net assets at the date of transition.

3. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following 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 to fulfil their mandate, including the continuing operation of a residential facility for youth in Mississauga with fourteen beds for emergency shelter and six beds for longer-term transitional occupancy, and related support programs.

Property and equipment fund

The property and equipment fund reports the assets, liabilities, revenues and expenses related to capital expenditures and improvements.

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

Internally restricted 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.

Property and equipment

Purchased capital assets are recorded in the Property and Equipment Fund at cost. Contributed capital assets are recorded in the Property and Equipment Fund at management's best estimate of fair value at the date of contribution. Amortization is provided on the declining balance basis at 4% on buildings and 20% on furniture and equipment. Amortization expense is reported in the Property and Equipment 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 contributed services and materials, these items are not recognized in the financial statements.

Use of estimates

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the years. Key areas of estimation where management has made judgments, often as a result of matters that are inherently uncertain, include the allowance for doubtful accounts, certain accounts receivable and accrued liabilities, deferred revenues and the useful lives of depreciable assets. Actual results could differ from those estimates.

4. Cash equivalents

Cash equivalents consist of cashable guaranteed investment certificates of $75,551 and $91,273 with interest at 1.40% and 1.75% (2012 - 0.65% and 0.81%) and due September 2013, and Canadian money market mutual funds with interest paid monthly. Accrued interest to year end is included in accounts receivable.

5. Property and equipment

	2013 Cost	2013 Accumulated Amortization	2012 Cost	2012 Accumulated Amortization
Land	$ 250,000		$ 250,000	
Building	1,241,788	$ 430,086	1,241,788	$ 396,265
Furniture and equipment	70,400	30,890	99,890	50,502
	$ 1,562,188	$ 460,976	$ 1,591,678	$ 446,767
Net book value		$ 1,101,212		$ 1,144,911

6. Deferred revenue

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

	2013	2012
Amounts received related to the following year:		
Shelter Enhancement Phase II (note 11)	$ 50,000	$ -
Canadian Tire Jumpstart	80	-
Balance, end of year	$ 50,080	$ -

7. Forgivable capital loan

During the 2011 fiscal 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 provided funding 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 was 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 of providing 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 to provide similar services for the homeless. The transitional beds were available for use commencing June 2011. The organization has been in compliance with all significant terms and conditions of the contract during the year and to date, and was eligible for forgiveness of 20% of the financing on March, 31, 2013 and 2012.

8. Net assets invested in property and equipment

	2013	2012
Revenue:		
Forgiveness of capital loan	$ 104,600	$ 104,600
Foundation grant	-	10,848
Donations	-	6,729
	104,600	122,177
Expenses:		
Amortization of property and equipment	43,699	47,576
Increase in the year	60,901	74,601
Balance, beginning of year	726,511	651,910
Balance, end of year	$ 787,412	$ 726,511
Represented by:		
Property and equipment, net	$ 1,101,212	$ 1,144,911
Forgivable capital loan	313,800	418,400
Invested in property and equipment	$ 787,412	$ 726,511

9. Internally restricted 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.

10. Contracts with Ontario Ministries

The organization has contracts with the Ontario Ministry of Community and Social Services and the Ministry of Children and Youth Services in support of pay equity costs. One requirement of the contract is the production by management of a Broader Public Sector 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, 2013:

		Surplus	
Code	**Description**	**2013**	**2012**
8783	Pay Equity - adult	$ -	$ -
A440	Pay Equity - children	-	-
		$ -	$ -

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

11. Spending commitments

The organization remains committed to expenditures of $93,000 to December 2013 which will be entirely funded by the Region of Peel to support the Resource Room and its Youth Support Worker. In addition, $285,000 annual block funding for 2013 has been secured from the Region and $302,000 has been granted by the United Way of Peel Region for its emergency shelter programs in the next fiscal year to March 31, 2014.

Early in 2012, the organization received confirmation of additional funding from the Region of Peel through the federal government's Homelessness Partnering Initiative (note 7) to undertake a $300,000 capital project to upgrade the kitchen and counselling space at the existing shelter. The Region has committed $94,000 to the project. The organization has secured $150,000 of Ontario Trillium Foundation grants and $50,000 of capital donations (note 6) towards this project, and will fund the balance of the construction costs with its own funds. Construction will commence in summer of 2013 and the Regional funds must be expended by March 31, 2014.

12. Financial instruments

The organization's financial instruments consist of cash and equivalents, accounts receivable, accounts payable and accruals and the forgivable capital loan. Financial instruments are initially recorded at market value. The organization subsequently measures all its financial assets and liabilities at amortized cost.

At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. 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. If circumstances are reversed then the subsequent increase in value is recognized in the statement of operations in the period the reversal occurs.

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 program commitments and future contingencies.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is exposure to interest rate risk arising from the investment in Guaranteed Investment Certificates and money market funds. Changes in the bank’s prime rate can cause fluctuations in interest income and cash flows. The organization does not use derivative financial instruments to alter the effects of this risk.

13. Comparative figures

Certain prior year comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.