



COATS O'NEILL LLP
Chartered Professional Accountants

OUR PLACE (PEEL)
FINANCIAL STATEMENTS
MARCH 31, 2015



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, 2015 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 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 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 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 audit 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, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Coats O'Neill LLP

Licensed Public Accountants

Caledon, Ontario

June 12, 2015

OUR PLACE (PEEL)

BALANCE SHEET

MARCH 31, 2015

	Notes	2015	2014
ASSETS			
Current:			
Cash		\$ 277,966	\$ 158,549
Cash equivalents	3	469,243	462,199
Accounts receivable		40,308	19,052
Capital funding receivable	4		82,360
Prepaid expenses and deposits		<u>10,285</u>	<u>9,572</u>
		797,802	731,732
Property and equipment	5	<u>1,481,173</u>	<u>1,163,346</u>
		<u>\$ 2,278,975</u>	<u>\$ 1,895,078</u>
LIABILITIES			
Current:			
Accounts payable and accruals		\$ 201,795	\$ 26,069
Deferred revenue	6	<u>37,416</u>	<u>84,095</u>
		239,211	110,164
Forgivable capital loans	4	179,848	303,260
Restricted contributions	7	<u>192,000</u>	<u>200,000</u>
		<u>611,059</u>	<u>613,424</u>
NET ASSETS			
Invested in property and equipment	8	1,109,325	860,086
Internally restricted for specific purposes	9	90,000	90,000
Unrestricted funds		<u>468,591</u>	<u>331,568</u>
		<u>1,667,916</u>	<u>1,281,654</u>
		<u>\$ 2,278,975</u>	<u>\$ 1,895,078</u>

On Behalf of the Board:

Ingrid Obendorf

Director

Diana Noel

Director

OUR PLACE (PEEL)
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2015

	2015	2014
Revenue:		
Grants:		
Region of Peel	\$ 785,751	\$ 419,253
United Way	302,000	302,000
Ontario Ministries (note 10)	50,342	50,342
Donations	179,312	185,035
Fundraising	21,494	18,942
Rent recovery	8,849	16,833
Interest earned	7,001	6,117
Forgiveness of capital loan (notes 4, 8)	123,412	104,600
Recognition of restricted contributions (notes 7, 8)	<u>8,000</u>	<u> </u>
	<u>1,486,161</u>	<u>1,103,122</u>
Expenditure:		
Salaries and subcontract	705,604	635,524
Employee benefits	92,309	89,804
Staff travel and training	17,496	7,469
Youth program support	72,325	62,497
Occupancy	56,600	58,329
Insurance	13,608	12,606
Community outreach	17,037	20,738
Professional fees	23,340	25,104
Office and general	18,376	12,391
Technology	21,828	14,397
Amortization of property and equipment	<u>61,376</u>	<u>46,424</u>
	<u>1,099,899</u>	<u>985,283</u>
Excess of revenue over expenditure	<u>\$ 386,262</u>	<u>\$ 117,839</u>

OUR PLACE (PEEL)

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2015

	Invested in property and equipment	Internally restricted for specific purposes	Unrestricted	2015 Total	2014 Total
Net assets, beginning of year	\$ 860,086	\$ 90,000	\$ 331,568	\$ 1,281,654	\$ 1,163,815
Revenue over expenditure	72,341	-	313,921	386,262	117,839
Investment in property and equipment	<u>176,898</u>	<u>-</u>	<u>(176,898)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 1,109,325</u>	<u>\$ 90,000</u>	<u>\$ 468,591</u>	<u>\$ 1,667,916</u>	<u>\$ 1,281,654</u>

See Accompanying Notes to Financial Statements

OUR PLACE (PEEL)
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2015

	2015	2014
Cash flow was provided from (applied to):		
Operating activities:		
Cash received from grants and other	\$ 1,279,769	\$ 1,091,489
Cash paid to suppliers and employees	(863,509)	(930,321)
Interest received	<u>7,044</u>	<u>4,343</u>
	<u>423,304</u>	<u>165,511</u>
Financing activities:		
Receipt of capital loan proceeds	82,360	11,700
Receipt of grants for capital improvements	<u> </u>	<u>150,000</u>
	<u>82,360</u>	<u>161,700</u>
Investing activity		
Purchase of property and equipment	<u>(379,203)</u>	<u>(108,558)</u>
Increase in cash	126,461	218,653
Cash and equivalents, beginning of year	<u>620,748</u>	<u>402,095</u>
Cash and equivalents, end of year	<u>\$ 747,209</u>	<u>\$ 620,748</u>
Represented by:		
Cash on hand and balance with banks	\$ 277,966	\$ 158,549
Guaranteed investment certificates and savings	<u>469,243</u>	<u>462,199</u>
	<u>\$ 747,209</u>	<u>\$ 620,748</u>

See Accompanying Notes to Financial Statements

OUR PLACE (PEEL)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

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

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.

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 or if received for the purchase of capital assets, are deferred and recognized as revenue on the same amortization basis as the asset for which it was received. 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)

Property and equipment

Purchased property and equipment are recorded in the Property and Equipment Fund at cost. Contributed property and equipment 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 annually 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 year. 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. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known. Actual results could differ from those estimates.

3. Cash equivalents

Cash equivalents consist of Canadian money market mutual funds with interest paid monthly and four cashable guaranteed investment certificates of up to \$100,000 with interest at 1.55% to 1.85% (2014 - 1.40% to 1.65%) maturing within one year. Accrued interest to year end is included in accounts receivable.

4. Forgivable capital loans

In prior years, the organization entered into two agreements with the Regional Municipality of Peel in connection with the federal government's Homelessness Partnering Initiative to provide support to communities.

The Phase I agreement provided funding to renovate the shelter 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 to March 31, 2016.

4. Forgivable capital loans (cont'd)

The Phase II agreement provided funding in the prior year to further renovate the shelter's program, administration and resource space to improve safety and confidentiality of service delivery. The grant was in the form of a \$94,060 interest-free forgivable loan to be forgiven at 20% per year to March 31, 2019. Eligibility requirements were met during the prior fiscal period, however \$82,360 of the capital loan was received during the current fiscal period.

To ensure forgiveness, the organization must continue to operate for its intended purpose of providing shelter housing for people in transition who have experienced homelessness. The agreements provide 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 organization has been in compliance with all significant terms and conditions of the contracts during the year and to date, and has been eligible for forgiveness of \$437,212 of the loans to March, 31, 2015.

5. Property and equipment

	2015		2014	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 250,000		\$ 250,000	
Building	1,698,560	\$ 515,753	1,339,653	\$ 466,469
Furniture and equipment	<u>74,930</u>	<u>26,564</u>	<u>54,634</u>	<u>14,472</u>
	<u>\$ 2,023,490</u>	<u>\$ 542,317</u>	<u>\$ 1,644,287</u>	<u>\$ 480,941</u>
Net book value		<u>\$ 1,481,173</u>		<u>\$ 1,163,346</u>

6. Deferred revenue

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

	2015	2014
Amounts received related to the following year:		
Region of Peel:		
Core operational	\$ 37,040	
Fundraising reduction support		28,500
Youth caseworker		16,250
Small capital		2,305
Program consultant	<u>\$ 37,416</u>	<u> </u>
Balance, end of year	<u>\$ 37,416</u>	<u>\$ 84,095</u>

7. Restricted contributions

In prior years, the organization was the recipient of grants and donations to renovate the shelter's program, administration and resource space to improve confidentiality of service delivery and safety. The renovations were undertaken during the current year. Amortization of these restricted contributions is provided on a 25 year straight-line basis beginning in the current year and is reported in the Property and Equipment Fund. Restricted contributions represent the unamortized balance of the \$200,000 of grants and donations received and is comprised as follows:

	2015	2014
Balance, beginning of year	\$ 200,000	\$ 200,000
Amount recognized as revenue in the year	<u>8,000</u>	<u> </u>
Balance, end of year	<u>\$ 192,000</u>	<u>\$ 200,000</u>

8. Net assets invested in property and equipment

	2015	2014
Revenue:		
Forgiveness of capital loan	\$ 123,412	\$ 104,600
Recognition of restricted contributions	8,000	-
Region of Peel small capital funding	<u>2,305</u>	<u>9,695</u>
	133,717	114,295
Expenditure		
Amortization of property and equipment	<u>61,376</u>	<u>46,424</u>
Excess of revenue over expenditure	72,341	67,871
Funded by unrestricted funds	176,898	4,803
Balance, beginning of year	<u>860,086</u>	<u>787,412</u>
Balance, end of year	<u>\$ 1,109,325</u>	<u>\$ 860,086</u>
Represented by:		
Property and equipment, net	\$ 1,481,173	\$ 1,163,346
Forgivable capital loans	179,848	303,260
Restricted contributions	<u>192,000</u>	<u> </u>
Invested in property and equipment	<u>\$ 1,109,325</u>	<u>\$ 860,086</u>

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.

Surplus amounts, if any, are reflected as a liability on the balance sheet. As at March 31, 2015, review of these reports shows no surplus or deficit in the individual service codes.

11. Spending commitments

The organization remains committed to expenditures of \$308,000 to December 2015 which will be entirely funded by the Region of Peel to support the emergency shelter, resource room and its youth support coordinator. The Region of Peel is also funding \$285,000 to support core operational sustainability, fundraising reduction support, a youth caseworker and a program consultant to December 2015.

The United Way of Peel Region has granted \$302,000 for core operational expenditures of the shelter and increased outreach programs in the next fiscal year to March 31, 2016.

12. Financial instruments

The organization's financial instruments consist of cash and equivalents, accounts receivable, accounts payable and accruals and the forgivable capital loans. Financial instruments are initially recorded at fair value. 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.