

OUR PLACE (PEEL)

FINANCIAL STATEMENTS

MARCH 31, 2017



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Our Place (Peel)

Report on the Financial Statements

We have audited the accompanying financial statements of Our Place (Peel), which comprise the statement of financial position as at March 31, 2017, 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 these 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.

Auditors' 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 about whether the financial statements are free from 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 Organization'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 policies 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 qualified audit opinion.

Basis for Qualified Opinion

Our Place (Peel) derives part of its revenue from the general public in the form of donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from donations and fundraising was limited to the amounts recorded in the records of the Organization and we were unable to determine whether any adjustments might be necessary to donations and fundraising income, excess of revenue over expenditures, assets and net assets as at March 31, 2017 and 2016 and for the years then ended.

INDEPENDENT AUDITORS' REPORT, continued

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Our Place (Peel) as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Mississauga, Ontario
June 19, 2017



CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

OUR PLACE (PEEL)


STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

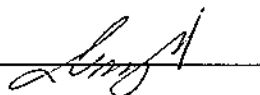
	2017	2016
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 1,138,614	\$ 1,027,673
Accounts receivable (Note 3)	9,561	2,718
HST rebate recoverable	9,527	11,160
Prepaid expenses and deposits	49,055	30,364
	<u>1,206,757</u>	<u>1,071,915</u>
Property and equipment (Note 4)	<u>1,367,701</u>	<u>1,403,676</u>
	<u>\$ 2,574,458</u>	<u>\$ 2,475,591</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 45,635	\$ 48,090
Deferred revenue (Note 5)	262,528	214,069
	<u>308,163</u>	<u>262,159</u>
Forgivable capital loan (Note 6)	37,624	56,436
Restricted contributions (Note 7)	<u>190,460</u>	<u>184,320</u>
	<u>536,247</u>	<u>502,915</u>
COMMITMENTS (Note 11)		
NET ASSETS		
Invested in property and equipment (Note 8)	1,139,617	1,162,920
Internally restricted for specific purposes (Note 9)	90,000	90,000
Unrestricted funds	808,594	719,756
	<u>2,038,211</u>	<u>1,972,676</u>
	<u>\$ 2,574,458</u>	<u>\$ 2,475,591</u>

Approved on behalf of the board

Director



Director



See accompanying notes to the financial statements



OUR PLACE (PEEL)

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016 <i>(note 13)</i>
Revenue		
Grants:		
Region of Peel	\$ 1,033,206	\$ 845,679
United Way	305,020	305,020
Ontario Ministries (Note 10)	50,342	50,342
Donations	108,565	214,608
Fundraising	23,910	28,350
Interest	13,692	7,467
Recognition of restricted contribution (Notes 7 & 8)	7,373	7,680
Forgiveness of capital loan (Notes 6 & 8)	18,812	123,412
Other revenue	22,438	16,093
	<u>1,583,358</u>	<u>1,598,651</u>
Expenditures		
Labour	1,086,621	928,067
Youth program support	204,819	157,576
Amortization	54,442	56,131
Technology	45,096	35,540
Professional fees	41,845	49,126
Staff development	17,906	13,330
General and administrative	59,198	37,443
Community outreach	7,896	19,028
	<u>1,517,823</u>	<u>1,296,241</u>
Excess of revenue over expenditures	<u>\$ 65,535</u>	<u>\$ 302,410</u>

See accompanying notes to the financial statements



OUR PLACE (PEEL)

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2017

	Invested in property and equipment	Internally restricted for specific purposes	Unrestricted	2017 Total	2016 Total
Net assets, beginning of year	\$ 1,162,920	\$ 90,000	\$ 719,756	\$ 1,972,676	\$ 1,670,266
Excess (deficiency) of revenue over expenditures	(28,257)	-	93,792	65,535	302,410
Investment in property and equipment	4,954	-	(4,954)	-	-
Net assets, end of year	<u>\$ 1,139,617</u>	<u>\$ 90,000</u>	<u>\$ 808,594</u>	<u>\$ 2,038,211</u>	<u>\$ 1,972,676</u>



See accompanying notes to the financial statements

OUR PLACE (PEEL)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
Cash flows from operating activities		
Cash received from grants and other	\$ 1,600,079	\$ 1,658,042
Cash paid to suppliers and employees	(1,484,527)	(1,350,026)
Interest received	13,856	7,479
	<u>129,408</u>	<u>315,495</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(18,467)</u>	<u>(35,031)</u>
Increase in cash and cash equivalents	110,941	280,464
Cash and cash equivalents, beginning of year	<u>1,027,673</u>	<u>747,209</u>
Cash and cash equivalents, end of year	<u>\$ 1,138,614</u>	<u>\$ 1,027,673</u>
Represented by:		
Cash on hand and balance with banks	\$ 331,036	\$ 233,951
Guaranteed investment certificates and savings	807,578	793,722
	<u>\$ 1,138,614</u>	<u>\$ 1,027,673</u>

See accompanying notes to the financial statements



OUR PLACE (PEEL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

1. DESCRIPTION

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 as 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.

In 2016, Our Place Peel added a Community Outreach Program that focuses on outreach and advocacy to support homeless youth in the community and those at risk of becoming homeless between the ages of 16-24. The Outreach team offers 3 main services; family reconciliation, housing and community outreach workers.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies adopted by the Organization are as follows:

(a) 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.



OUR PLACE (PEEL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(b) 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 property and equipment, 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.

Investment income is recognized as revenue once the money has been received or accrued as receivable within the brokerage account.

(c) Cash equivalents

The Organization considers all highly liquid investments that can be readily converted to known amounts of cash at any point during the investment term without penalty to be cash equivalents.

(d) Property and equipment

Purchased property and equipment are recorded in the property and equipment fund at cost. Amortization is provided on the declining balance basis over the estimated useful life of the asset as follows:

Building	Declining balance	4%
Furniture and equipment	Declining balance	20%

(e) Contributed goods and services

Due to the difficulty of determining their fair value, contributed goods and services are not recognized in the financial statements.

(f) Financial instruments

The Organization's financial instruments are measured at fair value when issued or acquired. Subsequent to initial recognition, financial instruments are measured at fair value, cost or amortized cost.

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.



OUR PLACE (PEEL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Accounts specifically affected by estimates in these financial statements are certain accounts receivable, property and equipment, accounts payable and accrued liabilities and deferred revenue.

3. CASH EQUIVALENTS

Cash equivalents consist of Canadian money market mutual funds with interest paid monthly and cashable guaranteed investment certificates of up to \$100,000 with interest at 1.25% to 2.07% (2016 - 0.75% to 2.07%). Accrued interest to year-end is \$2,554 (2016 - \$2,718), and is included in accounts receivable.

4. PROPERTY AND EQUIPMENT

	2017 Cost	2017 Accumulated amortization	2017 Net	2016 Net
Land	\$ 250,000	\$ -	\$ 250,000	\$ 250,000
Building	1,688,357	604,979	1,083,378	1,114,983
Furniture and equipment	79,884	45,561	34,323	38,693
	<u>\$ 2,018,241</u>	<u>\$ 650,540</u>	<u>\$ 1,367,701</u>	<u>\$ 1,403,676</u>

5. DEFERRED REVENUE

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

	2017	2016
Region of Peel	\$ 230,686	\$ 202,402
Home Depot Canada Foundation	21,487	-
Community Foundation of Mississauga	-	11,667
United Way	911	-
Canada - Ontario Job Grant	9,444	-
	<u>\$ 262,528</u>	<u>\$ 214,069</u>

Changes in deferred revenue are as follows:

Balance, beginning of year	\$ 214,069	\$ 37,416
Less amount recognized as revenue during the year	(214,069)	(24,683)
Add amount received related to next year	262,528	201,336
	<u>\$ 262,528</u>	<u>\$ 214,069</u>



OUR PLACE (PEEL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

6. 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 original 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 that was fully forgiven as at March 31, 2016.

The Phase II agreement provided funding 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.

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 \$579,436 of the loans to March, 31, 2017.

7. RESTRICTED CONTRIBUTIONS

In a prior year, the Organization was the recipient of a \$200,000 grant to renovate the shelter's program, administration and resource space to improve confidentiality of service delivery and safety. The renovations were completed in the prior year. Amortization of these restricted contributions is provided on a 4% declining balance basis beginning in the 2015 fiscal year and is reported in the property and equipment fund.

In the current year, the Organization received a \$35,000 grant from The Home Depot Canada Foundation for the purpose of new lighting and improvements to the interior and exterior of the shelter to improve accessibility. As at year-end, the Organization spent \$13,513 of the grant on building improvements, leaving a balance of \$21,487 in deferred revenue. As at year-end, the renovations have not been completed and no amortization of the restricted contribution has been recognized to date. Subsequent to year-end, the Organization spent the remaining balance in deferred revenue from The Home Depot Canada Foundation on building improvements.

Restricted contributions represent the unamortized balance of the grants and donations received and is comprised as follows:

	2017	2016
Balance, beginning of year	\$ 184,320	\$ 192,000
Restricted contributions during the year	13,513	-
Amount recognized as revenue in the year	(7,373)	(7,680)
Balance, end of year	<u>\$ 190,460</u>	<u>\$ 184,320</u>



OUR PLACE (PEEL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

8. NET ASSETS INVESTED IN PROPERTY AND EQUIPMENT

	2017	2016
Revenue		
Forgiveness of capital loan	\$ 18,812	\$ 123,412
Recognition of restricted contributions	<u>7,373</u>	<u>7,680</u>
	26,185	131,092
Expenditure		
Amortization of property and equipment	<u>(54,442)</u>	<u>(56,131)</u>
Excess of revenue over expenditure	(28,257)	74,961
Funded by unrestricted funds	4,954	35,031
Balance, beginning of year	<u>1,162,920</u>	<u>1,052,928</u>
Balance, end of year	<u>\$ 1,139,617</u>	<u>\$ 1,162,920</u>
Represented by:		
Property and equipment, net	\$ 1,367,701	\$ 1,403,676
Forgivable capital loans	(37,624)	(56,436)
Restricted contributions	<u>(190,460)</u>	<u>(184,320)</u>
Invested in property and equipment	<u>\$ 1,139,617</u>	<u>\$ 1,162,920</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 contracts 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. These reports show no surplus in the individual service codes at March 31, 2017.



OUR PLACE (PEEL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

11. COMMITMENTS

The Organization receives funding from the Region of Peel for certain programs such as the emergency-shelter, youth support workers, outreach services and core operational funding. The Organization obtains confirmation of funding at the beginning of the calendar year and under the terms of the agreement is committed to providing these services to December 2017.

The Organization receives funding from the United Way of Peel Region for operational expenditures for the shelter and outreach programs. The Organization is committed to providing these services to March 31, 2018.

The Organization leases office premises under an operating lease agreement. The future minimum payments under this lease are as follows:

2018	\$ 33,477
2019	<u>11,167</u>
	<u>\$ 44,644</u>

12. FINANCIAL INSTRUMENTS

It is management's opinion that the Organization is not exposed to significant interest rate, currency or credit risks arising from its financial instruments. Liquidity and funding risk is managed by the preparation of an approved annual budget, monthly monitoring of budget variances and maintenance of adequate cash reserves to fund existing program commitments and future contingencies.

There have been no changes to the assessed risks from the prior year.

13. COMPARATIVE AMOUNTS

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

