

**YOUTH EMERGENCY SHELTER OF  
PETERBOROUGH INCORPORATED**

**FINANCIAL STATEMENTS**

**MARCH 31, 2023**

*Draft November 1, 2023*

**YOUTH EMERGENCY SHELTER OF  
PETERBOROUGH INCORPORATED**

**FINANCIAL STATEMENTS**

**MARCH 31, 2023**

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*Draft November 1, 2023*

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Directors of Youth Emergency Shelter of Peterborough Incorporated**

#### *Qualified Opinion*

We have audited the financial statements of Youth Emergency Shelter of Peterborough Incorporated (the Organization), which comprise the statement of financial position as at March 31, 2023, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, 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.

#### *Basis for Qualified Opinion*

In common with most not-for-profit organizations, Youth Emergency Shelter of Peterborough Incorporated derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit evidence. Accordingly, our verification of these revenues was limited to the amounts recorded by the Organization and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenditure, assets and net assets. 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 qualified 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.

Draft November 1, 2023

### *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.

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
November 2, 2023

*Draft November 1, 2023*

# YOUTH EMERGENCY SHELTER OF PETERBOROUGH INCORPORATED

## STATEMENT OF FINANCIAL POSITION As at March 31, 2023

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	1,889,846	1,938,938
Accounts receivable	257,311	205,314
HST receivable	123,006	93,479
Prepaid expenses	20,275	1,382
Investments (note 5)	83,730	83,504
	2,374,168	2,322,617
<b>Tangible capital assets (note 6)</b>	1,963,432	1,918,243
<b>Investment (note 5)</b>	2,338	1,834
	4,339,938	4,242,694
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	164,104	167,730
Current portion of deferred contributions (note 7)	533,782	591,395
	697,886	759,125
<b>Deferred contributions (note 7)</b>	1,292,830	1,220,901
	1,990,716	1,980,026
<b>Net assets</b>		
Unrestricted	80,000	80,000
Internally restricted (note 10)	1,518,312	1,453,094
Equity in tangible capital assets	750,910	729,574
	2,349,222	2,262,668
	4,339,938	4,242,694

The accompanying notes are an integral part of these financial statements

Draft November 1, 2023

# YOUTH EMERGENCY SHELTER OF PETERBOROUGH INCORPORATED

## STATEMENT OF CHANGES IN NET ASSETS For the Year Ended March 31, 2023

	Unrestricted 2023 \$	Internally restricted 2023 \$	Equity in tangible capital assets 2023 \$	Total 2023 \$	Total 2022 \$
<b>Net assets - beginning of year</b>	80,000	1,453,094	729,574	2,262,668	1,674,828
Excess of revenue over expenditure for the year	86,554	-	-	86,554	587,840
Purchase of tangible capital assets	(148,177)	-	148,177	-	-
Amortization of tangible capital assets	102,988	-	(102,988)	-	-
Capital contributions spent	141,280	-	(141,280)	-	-
Capital contributions received but not spent	(38,945)	-	38,945	-	-
Amortization of deferred contributions	(78,482)	-	78,482	-	-
Transfers	(65,218)	65,218	-	-	-
<b>Net assets - end of year</b>	<b>80,000</b>	<b>1,518,312</b>	<b>750,910</b>	<b>2,349,222</b>	<b>2,262,668</b>

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

Draft November 1, 2023

# YOUTH EMERGENCY SHELTER OF PETERBOROUGH INCORPORATED

## STATEMENT OF OPERATIONS For the Year Ended March 31, 2023

	2023 \$	2022 \$
<b>Revenue</b>		
City of Peterborough	730,367	721,225
Province (note 9)	200,253	213,699
United Way	134,556	123,856
Children's Aid Society/DBCFS	25,293	21,333
Canada Mortgage and Housing Corporation (CMHC)	-	3,293
Trillium:		
Transitional support	172,374	239,642
Host Homes	49,909	8,387
Rentals	140,724	151,237
Kawartha Pine Ridge School Board	26,526	29,790
Donations and fundraising	551,943	820,574
Other	221,222	495,885
<b>Total revenue</b>	<b>2,253,167</b>	<b>2,828,921</b>
<b>Expenditure</b>		
Operations (note 8)	1,511,421	1,388,702
Province (note 9)		
Youth in Transition	75,633	75,633
Youth Outreach Worker	62,433	62,433
Housing Support Worker	62,186	75,633
CMHC other	-	3,293
Trillium:		
Transitional support	194,443	239,642
Host Homes	29,829	8,387
Family Reconnect	55,236	78,925
Fundraising	44,455	44,347
Other projects	130,977	264,086
	2,166,613	2,241,081
<b>Excess (deficiency) of revenue over expenditure for the year</b>	<b>86,554</b>	<b>587,840</b>

The accompanying notes are an integral part of these financial statements

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# YOUTH EMERGENCY SHELTER OF PETERBOROUGH INCORPORATED

## STATEMENT OF CASH FLOWS For the Year Ended March 31, 2023

	2023	2022
	\$	\$
<b>CASH PROVIDED FROM (USED FOR):</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditure for the year	86,554	587,840
Non-cash charges to operations		
Amortization	102,988	140,103
Deferred contributions - CMHC	-	(3,293)
	<u>189,542</u>	<u>724,650</u>
Changes in non-cash working capital items		
Increase in accounts receivable	(51,997)	(60,666)
Increase in HST receivable	(29,527)	(34,624)
(Increase)/decrease in prepaid expenses	(18,893)	35,093
Increase/(decrease) in accounts payable and accrued liabilities	(3,626)	(97,993)
	<u>(104,043)</u>	<u>(158,190)</u>
<b>Net increase in cash from operating activities</b>	<u>85,499</u>	<u>566,460</u>
<b>Investing activities</b>		
Purchase of investments	167,008	(83,504)
Disposal of investments	(167,234)	83,254
Change in KCU shares	(504)	(484)
Increase in TCA and deferred	(148,177)	(102,083)
	<u>(148,907)</u>	<u>(102,817)</u>
<b>Net increase/(decrease) in cash from investing activities</b>	<u>(148,907)</u>	<u>(102,817)</u>
<b>Financing activities</b>		
Decrease in due from City of Peterborough	-	300,472
Increase in deferred contributions	246,009	365,030
Deferred contributions utilized	(231,693)	(81,062)
	<u>14,316</u>	<u>584,440</u>
<b>Net Increase in cash from financing activities</b>	<u>14,316</u>	<u>584,440</u>
<b>Increase/(decrease) in cash</b>	<u>(49,092)</u>	<u>1,048,083</u>
<b>Cash - beginning of year</b>	<u>1,938,938</u>	<u>890,855</u>
<b>Cash - end of year</b>	<u>1,889,846</u>	<u>1,938,938</u>

The accompanying notes are an integral part of these financial statements

Draft November 1, 2023



# YOUTH EMERGENCY SHELTER OF PETERBOROUGH INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

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### 1. NATURE OF OPERATIONS

The Youth Emergency Shelter of Peterborough Incorporated is incorporated under the Corporations Act (Ontario) as a corporation without share capital and is registered as a charitable organization.

The objective of the Organization is to provide a residential unit and basic care on an emergency basis for youth in need of shelter and to assist in facilitating their transition to more stable accommodations.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Significant aspects of the accounting policies are as follows:

#### (a) *Recognition of Revenues and Expenses*

The Organization utilizes the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, such as donations, are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes expenses in the period the goods or services are acquired and a legal liability is incurred.

#### (b) *Fund accounting*

The Organization reports on a fund accounting basis. The funds maintained are as follows:

- (i) Unrestricted fund - accounts for the Organization's program delivery and administrative activities. The fund reports unrestricted resources and restricted operating grants.
- (ii) Internally restricted fund - accounts for funds set aside by the organization for future operating and capital requirements
- (iii) Equity in Capital Assets - includes the Organization's assets, liabilities, revenue and expenses related to tangible capital assets.

#### (c) *Income taxes*

The Organization is a qualifying non-profit corporation under section 149 of the Income Tax Act and is therefore not subject to corporate income taxes.

#### (d) *Donated materials and services*

The organization often receives small contributions of personal type items for residents which are not recognized in the financial statements due to the difficulty in determining their fair value. Significant donated materials that donation slips are issued for, are recorded at their fair value.

The organization's volunteers provide a significant amount of time in support of operational and fundraising activities. Donated services are not recognized in the financial statements due to the difficulty in determining their fair value.

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# YOUTH EMERGENCY SHELTER OF PETERBOROUGH INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (e) *Tangible capital assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized, over the expected useful life of the asset, as follows:

Building	20-25 years straight line
Building improvements	15-25 years straight line
Carriage House	4% declining balance
Computer equipment	30% declining balance
Furniture and equipment	20% declining balance
Vehicle	5 years straight line

Amortization of tangible capital assets acquired during the year is calculated at one-half the stated rates with the exception of the buildings. The amortization policy on the Shelter and Abbott House buildings were originally set up as 15 year straight line to coincide with their 15 year forgivable CMHC loans. The policy was revised to 20 years in 2013 with the remaining NBV at that point being amortized on a straight line basis over their remaining 10 year useful lives.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

Tangible capital assets are reviewed for impairment whenever events or conditions indicate that the assets no longer contribute to the Organization ability to provide services or that the service potential of the assets are less than their net carrying amount. When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the asset is written down to the asset's fair value or replacement cost.

#### (f) *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 where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, allowance for doubtful accounts, useful lives of tangible capital assets and amortization, accrued liabilities and revenues. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

Draft November 1, 2023

**YOUTH EMERGENCY SHELTER OF  
PETERBOROUGH INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended March 31, 2023**

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**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

*(g) Financial Instruments*

(i) Measurement

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for investments quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include accounts receivable, HST receivable and due from City of Peterborough.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, government remittances payable and short term financing.

Financial assets measured at fair value include cash and investments.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations.

**3. ECONOMIC DEPENDENCE**

The Organization receives a significant amount of financial support from the City of Peterborough and as such is economically dependent upon this sources of revenue for the continued sustainability of its operations.

**4. COMPARATIVE FIGURES**

Certain comparative figures were restated, where required, to conform with the current year presentation.

*Draft November 1, 2023*

# YOUTH EMERGENCY SHELTER OF PETERBOROUGH INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

### 5. INVESTMENTS

Investments consists of the following

	2023	2022
	\$	\$
Short term investments		
RIC investment held with Kawartha Credit Union with an interest rate of 2.0% (2022 - 0.5%) and a maturity date of September 23, 2023 (2022 - March 9, 2023)	83,730	83,504
Long term investment		
Kawartha Credit Union Shares	2,338	1,834
	<b>86,068</b>	<b>85,338</b>

### 6. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	Net Book Value	
			2023	2022
	\$	\$	\$	\$
Land	329,001	-	329,001	329,001
Building - Shelter	1,274,014	1,065,626	208,388	186,135
Building - Abbott House	361,138	264,679	96,459	87,609
Building - 12 Plex	1,376,897	175,062	1,201,835	1,182,755
Carriage House	41,976	18,150	23,826	13,623
Computer equipment	34,794	29,591	5,203	10,525
Furniture and Equipment	227,207	142,922	84,285	88,989
Vehicle	49,780	36,847	12,933	18,106
Works of Art	1,500	-	1,500	1,500
	<b>3,696,307</b>	<b>1,732,877</b>	<b>1,963,430</b>	<b>1,918,243</b>

Included in building are \$112,107 of renovation costs which were classified as assets under construction at March 31, 2023.

Draft November 1, 2023

# YOUTH EMERGENCY SHELTER OF PETERBOROUGH INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

### 7. DEFERRED CONTRIBUTIONS

Deferred contributions consist of forgivable loans and deferred grant revenue as follows:

	2023	2022
	\$	\$
Home Depot Foundation	52,446	57,482
HRSDC Transitional Housing	9,052	9,052
City of Peterborough	1,278,491	1,246,113
Donations	308,564	293,382
Province of Ontario	24,720	14,052
Rotary	49,158	50,000
Community Foundation of Greater Peterborough	7,548	18,954
Trillium - transitional housing	39,024	83,796
Trillium - resilient communities	16,509	16,509
Other	41,100	22,956
	1,826,612	1,812,296
Less current portion of deferred contributions	(533,782)	(591,395)
	1,292,830	1,220,901

### 8. OPERATIONS

The Organizations operating expenses have been classified as follows:

	2023	2022
	\$	\$
Wages and benefits	1,077,063	883,685
Food	8,150	10,988
Personal support	9,235	4,956
Repairs and maintenance	66,850	101,178
Utilities	62,864	60,628
Office and general	50,632	54,765
Insurance	26,990	23,397
Telephone	14,276	13,279
Travel	12,459	7,688
Bank charges	4,882	4,207
Professional fees	59,569	77,900
Training	21,051	11,023
Meetings	801	1,133
Advertising	25	4,135
Amortization	96,574	133,032
	1,511,421	1,391,994

Draft November 1, 2023

# YOUTH EMERGENCY SHELTER OF PETERBOROUGH INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

### 9. PROVINCE OF ONTARIO

The Organization received funding from the Ministry of Children and Youth Services for the period ended March 31, 2023. The reconciliation of the funding between the amount received and the amount recorded on the Statement of Operations is as follows:

	2023	2022
	\$	\$
<b>Youth in Transition</b>		
Funding received/amounts spent	75,000	75,000
Amortization of deferred contributions for tangible capital assets	633	633
	<b>75,633</b>	<b>75,633</b>
<b>Youth Outreach Worker</b>		
Funding received/amounts spent	62,100	62,100
Amortization of deferred contributions for tangible capital assets	333	333
	<b>62,433</b>	<b>62,433</b>
<b>Housing Support Worker</b>		
Funding received/amounts spent	61,554	75,000
Amortization of deferred contributions for tangible capital assets	633	633
	<b>62,187</b>	<b>75,633</b>
	<b>200,253</b>	<b>213,699</b>

### 10. INTERNALLY RESTRICTED FUND BALANCES

Internally restricted fund balances consist of the following

	2023	2022
	\$	\$
Operating	200,000	200,000
Capital replacement	300,000	300,000
Transitional housing - operations	896,671	831,454
Contingency	121,640	121,640
	<b>1,518,311</b>	<b>1,453,094</b>

Draft November 1, 2023

# YOUTH EMERGENCY SHELTER OF PETERBOROUGH INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

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### 11. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. In the opinion of management, the organization is not exposed to any significant interest rate risk as the organization's investment policy requires management to invest in low risk investments.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization has limited exposure to credit risk as most receivables are from government agencies. The organization manages credit risk related to other receivables by setting up an allowance for doubtful accounts for amounts that are past due and are not expected to be recovered.

(c) Liquidity risk

Liquidity risk relates to the risk the organization will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on the statement of financial position consist of accounts payable and accrued liabilities and government remittances payable. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.

(d) Other risks

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments. The risk assessment has been updated from the prior period for impact of COVID-19.

### 12. ONTARIO PRIORITIES HOUSING INITIATIVE FUNDING

During the 2020 fiscal year, the Organization entered into an agreement to receive funding through the Ontario Priorities Housing Initiative funding (OPHI) for 75% of the purchase price if a building to a maximum of \$900,000. Total expenditures for the building purchased were in excess of the \$1,200,000 resulting in a receivable of \$900,000 at March 31, 2020. \$90,000 was still outstanding at March 31, 2021 which was received in December 2021.

As part of the OPHI funding agreement with the City of Peterborough, the Organization acknowledges that the units funded under the OPHI shall remain affordable housing over a minimum 20 year affordability period.

*Draft November 1, 2023*