JESSIE'S, THE JUNE CALLWOOD CENTRE FOR YOUNG WOMEN

Financial Statements

Year Ended March 31, 2023

JESSIE'S, THE JUNE CALLWOOD CENTRE FOR YOUNG WOMEN
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INDEPENDENT AUDITOR'S REPORT

To the Directors of Jessie's, The June Callwood Centre for Young Women

Qualified Opinion

We have audited the financial statements of Jessie's, The June Callwood Centre for Young Women (the organization), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, operations 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 possible 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 cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2023, current assets as at March 31, 2023 and net assets as at April 1, 2022 and March 31, 2023. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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 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 audit 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 ASNPO, 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.

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:

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Independent Auditor's Report To the Directors of Jessie's, The June Callwood Centre for Young Women *(continued)*

- 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.

NVS Professional Corporation

NVS Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

Markham, Ontario
July 19, 2023

JESSIE'S, THE JUNE CALLWOOD CENTRE FOR YOUNG WOMEN

Statement of Financial Position
March 31, 2023

		2023		2022
Assets				
Current				
Cash and cash equivalents *(Note 3)*	**$**	**268,279**	$	250,652
Restricted funds *(Notes 3, 9)*		**1,271,788**		1,153,235
Short-term investments *(Note 4)*		**-**		11,435
Harmonized sales tax recoverable		**12,317**		12,924
Prepaid expenses		**24,525**		27,918
Due from Jessie's Homes *(Note 5)*		**685,074**		586,758
Grants receivable		**175**		1,056
		2,262,158		2,043,978
Capital assets *(Note 6)*		**668,119**		728,786
Long term Investments *(Note 4)*		**-**		20,000
	$	**2,930,277**	$	2,792,764
Liabilities and Net Assets				
Current				
Accounts payable	**$**	**81,290**	$	92,614
Deferred contributions		**156,342**		133,319
		237,632		225,933
Net Assets				
Restricted funds *(Note 3)*and *(Note 9)*		**1,271,788**		1,153,235
Operating fund		**1,420,857**		1,413,596
		2,692,645		2,566,831
	$	**2,930,277**	$	2,792,764

On behalf of the Board

_______________________ *Director*

Brittaney Caron

_______________________ *Director*

See accompanying notes to financial statements

JESSIE'S, THE JUNE CALLWOOD CENTRE FOR YOUNG WOMEN

Statement of Changes in Net Assets

Year Ended March 31, 2023

	2022 Balance Beginning of Year	Excess of revenues over operating expenses	Transfer	2023 Balance End of Year
Unrestricted - Operations	$ 1,413,596	$ 142,261	$ (135,000)	**$ 1,420,857**
Internally Restricted				
Scholarship	396,000	1,000	(11,000)	**386,000**
Program Development	620,633	(17,446)	46,000	**649,187**
Capital improvement	83,569	-	100,000	**183,569**
Endowment	33,402	-	-	**33,402**
Externally Restricted				
Casey Frayne	19,631	-	-	**19,631**
	2,566,831	125,815	-	**2,692,646**
	$ 2,566,831	$ 125,815	$ -	**$ 2,692,646**

	2021 Balance Beginning of Year	Excess of revenues over operating expenses	Transfer	2022 Balance End of Year
Unrestricted - Operations	$ 1,404,293	$ 399,303	$ (390,000)	$ 1,413,596
Internally Restricted				
Scholarship	396,000	-	-	396,000
Program Development	236,470	(5,837)	390,000	620,633
Capital improvement	90,585	(7,016)	-	83,569
Endowment	33,402	-	-	33,402
Externally Restricted				
Casey Frayne	20,521	(890)	-	19,631
	2,181,271	385,560	-	2,566,831
	$ 2,181,271	$ 385,560	$ -	$ 2,566,831

See accompanying notes to financial statements

JESSIE'S, THE JUNE CALLWOOD CENTRE FOR YOUNG WOMEN

Statement of Operations

Year Ended March 31, 2023

		2023		2022
Revenues				
Fundraising	**$**	**611,932**	$	759,138
Ministry of Children, Community and Social Services		**488,612**		488,612
United way		**315,057**		360,229
City of Toronto		**75,025**		84,260
Social services *(Note 5)*		**65,292**		14,292
Public Health Agency		**28,661**		25,448
Interest		**17,548**		26,239
		1,602,127		1,758,218
Operating expenses				
Salaries and wages		**874,828**		854,289
Benefits and Staff Expenses		**185,626**		190,583
Program supplies		**105,837**		70,485
Building occupancy		**96,491**		90,365
Miscellaneous		**51,721**		50,254
Communications		**19,062**		18,892
Advertising and fundraising		**15,445**		12,690
Purchased services		**7,515**		2,226
Legal, audit and consulting		**7,200**		7,639
Volunteer expenses		**3,333**		825
		1,367,058		1,298,248
Unrealized loss on marketable securities		**(32,141)**		-
Amortization		**(60,667)**		(60,667)
		(92,808)		(60,667)
Excess of revenues over expenses	**$**	**142,261**	$	399,303

See accompanying notes to financial statements

JESSIE'S, THE JUNE CALLWOOD CENTRE FOR YOUNG WOMEN

Statement of Cash Flows

Year Ended March 31, 2023

	2023	2022
Operating activities		
Excess of revenues over operating expenses	$ 142,261	$ 399,303
Item not affecting cash:		
Amortization of capital assets	60,667	60,667
	202,928	459,970
Changes in non-cash working capital:		
Accounts receivable	607	11,204
Prepaid expenses	3,393	(384)
Accounts payable	(11,324)	(2,470)
Deferred income	23,023	(1,200)
Grants receivable	881	5,444
Due from Jessie's Homes	(98,316)	(108,233)
	(81,736)	(95,639)
	121,192	364,331
Investing activities		
Short-term investments	11,435	67,861
Long-term investments	20,000	-
	31,435	67,861
Financing activity		
Transfer to internally restricted funds	(135,000)	(390,000)
Increase in cash flow	17,627	42,192
Cash - beginning of year	250,652	208,460
Cash - end of year	$ 268,279	$ 250,652
Cash consists of:		
Cash and cash equivalents	$ 268,279	$ 250,652

See accompanying notes to financial statements

1. PURPOSE OF THE ORGANIZATION

Jessie's, The June Callwood Centre for Young Women (the "Organization") was incorporated under Letters Patent of the Province of Ontario on February 24, 1981 and amended on March 27, 1984, February 7, 2008 and December 2, 2011 under The Corporations Act as a corporation without share capital.

The Organization's mission is to nurture the healthy development of pregnant teenagers, teenage parents and their children. By offering a wide range of programs, the Organization assists teenagers with their education, health, housing, income, daycare and in developing their parenting and life skills while promoting the healthy development of their children.

The Organization is a charitable corporation (exempt from income tax) within the meaning of the Income Tax Act.

The Organization is funded by the Ministry of Children, Community and Social Services ("MCCSS"), the City of Toronto, the United Way of Greater Toronto, Federal government agencies and by private donors. The Organization is dependent on this funding for its continuing operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO), as issued by the Canadian Accounting Standards Board and reflect the following policies.

Fund accounting

Jessie's, The June Callwood Centre for Young Women follows the restricted fund method of accounting.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

i) Operating Fund

The operating fund reflects the day-to-day operating activities of the Organization.

ii) Casey Frayne Fund

The externally restricted Casey Frayne fund was designated to honour the memory of Casey Frayne. The original fund capital of $12,500 is to be retained and invested. The interest income can be expended for the benefit of the clients.

iii) Scholarship Fund

The internally restricted Scholarship Fund was established to provide financial support for young parents who are pursuing post-secondary education.

iv) Capital Improvement Fund

The internally restricted Capital Improvement Fund was established to allow the Organization to raise funds to be used toward the capital improvement of the facility.

v) Program Development Fund

The internally restricted fund was established for general program development.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

vi) Endowment Fund

In 2011, the Organization received an unrestricted endowment bequest of $125,000. The Board established the internally restricted Endowment Fund by restricting a portion of these funds for future use as determined by the Board.

Revenues recognition

The Organization follows the deferral method of accounting for contributions (grants), where a specific fund is not present. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets. Donation revenues are recorded as revenue when received.

Term investments

Term investments consist of guaranteed investment certificates with terms to maturity ranging from one to four years when purchased, and are carried at cost plus accrued interest.

Capital assets and amortization

Capital assets is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Building	35 years	straight-line method
Artwork	35 years	straight-line method

The Organization reviews tangible capital assets for indications of impairment. When conditions indicate a tangible capital asset is impaired, it will be written down to its fair value or replacement cost, with the write-down recorded as an expense. Write-downs will not be reversed.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for- profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from the estimates used.

Financial instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures its financial assets and financial liabilities at amortized cost

Financial assets measured at amortized cost include grants receivable and due from Jessie's Centre, Non-Profit Homes Corporation. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and Canadian money market mutual funds with maturities of three months or less at the time of purchase.

Cash and cash equivalents are allocated as follows:

	2023	2022
Restricted		
Program Development fund	**$ 649,186**	$ 620,633
Scholarship Fund	**386,000**	396,000
Capital Improvement Fund	**183,569**	83,569
Endowment Fund	**33,402**	33,402
Casey Frayne Fund	**19,631**	19,631
	1,271,788	1,153,235
Unrestricted	**268,279**	250,652
	$ 1,540,067	$ 1,403,887

4. TERM INVESTMENTS

	2023	2022
Cash and cash equivalents	**$ -**	$ 11,435
Equity-linked guaranteed investment certificates	**-**	20,000
	-	31,435
Less: current portion	**-**	(11,435)
	$ -	$ 20,000

5. DUE FROM JESSIE'S CENTRE, NON-PROFIT HOMES CORPORATION

The Organization has leased its property at 205 Parliament Street, Toronto to Jessie's Centre, Non-Profit Homes Corporation (the "Homes"), a related party, at no charge and the Homes has leased back a portion of the property to the Organization at no charge. The Organization also provides the Home with various administrative services at no charge, with the exception of social services at the cost of $14,292 (2022 - $14,292). As at the year end, the Homes owes the Organization $685,074 (2022 - $586,758). These entities are related parties because they have common directors.

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Buildings	$ 2,086,855	$ 1,865,069	**$ 221,786**	$ 281,411
Land	444,351	-	**444,351**	444,351
Artwork	36,500	34,518	**1,982**	3,024
	$ 2,567,706	$ 1,899,587	**$ 668,119**	$ 728,786

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities include the following:

		2023		2022
Accounts Payable	**$**	**36,467**	$	2,978
Accrued Liabilities		**10,810**		57,199
Payroll Liabilities		**34,013**		32,437
	$	**81,290**	$	92,614

Included in payroll liabilities are the amounts payable in respect to government remittances of $4,828 (2022 - $1,829).

8. FINANCIAL INSTRUMENTS

Risks and Concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2023.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its grants receivable and due from Jessie's Centre, Non-Profit Homes Corporation. As these amounts are due from government sources and a related party, management believes the credit risk is low.

Liquidity risk

Liquidity risk is the risk that organization's will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly with respect to its accounts payable. The organization manages this risk by managing its working capital.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is not exposed to market risk.

9. INTERFUND TRANSFERS

Based on the surplus of funding as of March 31, 2023, the Board of Directors approved the transfer of $100,000 and $46,000 to the Capital Improvement Fund and Program Development Fund respectively. The organization also received $11,000 from Scholarship Fund.

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