

**Jessie's, The June Callwood Centre for  
Young Women**

**Financial Statements**

**For the Year Ended March 31, 2017**

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Collins Barrow Toronto  
Collins Barrow Place  
11 King Street West  
Suite 700, PO Box 27  
Toronto, Ontario M5H 4C7  
Canada  
T: 416.480.0160  
F: 416.480.2646

[toronto.collinsbarrow.com](http://toronto.collinsbarrow.com)

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Jessie's, The June Callwood Centre for Young Women which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in fund balances 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.

#### *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 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 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 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### *Basis for Qualified Opinion*

As is common with many charitable organizations, Jessie's, The June Callwood Centre for Young Women derives part of its income from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from this source was limited to amounts recorded in the records of Jessie's, The June Callwood Centre for Young Women. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenues, excess (deficiency) of revenues over expenses and cash flows from operations for the year ended March 31, 2017, current assets as at March 31, 2017 and net assets as at April 1, 2016 and March 31, 2017.

*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 Jessie's, The June Callwood Centre for Young Women as at March 31, 2017, 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.

*Collins Barrow Toronto LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
July 12, 2017  
Toronto, Ontario

**Jessie's, The June Callwood Centre for Young Women**  
**Statement of Financial Position**  
**As at March 31, 2017**

	2017	2016
<b>Assets</b>		
<b>Current</b>		
Unrestricted cash and cash equivalents (Note 3)	\$ 143,016	\$ 235,230
Short-term investments	10,372	20,000
HST recoverable	8,299	17,868
Grants receivable	28,019	4,028
Due from Jessie's Centre, Non-Profit Homes Corporation (Note 4)	169,195	94,009
Prepaid expenses	23,499	16,533
	<b>382,400</b>	<b>387,668</b>
<b>Capital assets</b> (Note 5)	<b>1,032,121</b>	<b>1,092,788</b>
<b>Restricted cash and cash equivalents</b> (Note 3)	<b>153,642</b>	<b>148,092</b>
<b>Term investments</b>	<b>171,240</b>	<b>160,684</b>
	<b>\$ 1,739,403</b>	<b>\$ 1,789,232</b>

**Liabilities**

<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 83,300	\$ 54,390
Deferred contributions	113,778	164,111
	<b>197,078</b>	<b>218,501</b>

**Net Assets**

<b>Unrestricted operating surplus</b>	<b>1,388,683</b>	<b>1,422,639</b>
<b>Restricted funds</b> (Note 3)	<b>153,642</b>	<b>148,092</b>
	<b>1,542,325</b>	<b>1,570,731</b>
	<b>\$ 1,739,403</b>	<b>\$ 1,789,232</b>

Approved by the Board

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

**Jessie's, The June Callwood Centre for Young Women**  
**Statement of Changes in Fund Balances**  
**Year Ended March 31, 2017**

	Opening Balance	Revenue	Expenses	Deficiency of Revenue Over Expenses	Ending Balance
<b>Unrestricted</b>					
Operations	\$ 1,422,639	\$ (1,449,411)	\$ 1,422,700	\$ (33,956)	\$ 1,388,683
<b>Internally Restricted</b>					
Capital improvement	37,855	14,133	3,352	10,781	48,636
Endowment	33,402	-	-	-	33,402
Scholarship	53,602	-	4,500	(4,500)	49,102
<b>Externally Restricted</b>					
Casey Frayne	23,233	-	731	(731)	22,502
	148,092	14,133	8,583	5,550	153,642
<b>Total Funds</b>	<b>\$ 1,570,731</b>	<b>\$ (1,435,278)</b>	<b>\$ 1,431,283</b>	<b>\$ (28,406)</b>	<b>\$ 1,542,325</b>
Prior year totals	\$ 1,606,415	\$ 1,469,238	\$ 1,504,922	\$ (35,684)	\$ 1,570,731

**Jessie's, The June Callwood Centre for Young Women**  
**Statement of Operations**  
**Year Ended March 31, 2017**

	2017	2016
<b>Revenues</b>		
Ministry of Children and Youth	\$ 526,816	\$ 515,355
United Way	400,256	406,154
Fundraising	268,635	292,380
City of Toronto	144,783	94,516
Public Health Agency	31,305	34,935
Social Services	14,292	14,292
Interest	3,324	2,984
Miscellaneous	-	1,804
Bequests	60,000	253
	<b>1,449,411</b>	<b>1,362,673</b>
<b>Expenses</b>		
Salaries	919,374	883,076
Benefits and staff expenses	211,032	212,760
Program supplies	140,940	128,880
Building occupancy	77,829	56,875
Office expenses	38,288	28,615
Communications	13,204	14,218
Purchased services	1,353	14,161
Legal, audit and consulting	6,648	7,500
Advertising and fundraising	9,385	4,768
Volunteer expenses	3,305	1,546
Equipment	1,342	425
	<b>1,422,700</b>	<b>1,352,824</b>
<b>Excess of revenues over expenses before amortization</b>	<b>26,711</b>	<b>9,849</b>
Amortization	(60,667)	(60,667)
<b>Deficiency of revenues over expenses</b>	<b>\$ (33,956)</b>	<b>\$ (50,818)</b>

**Jessie's, The June Callwood Centre for Young Women**  
**Statement of Cash Flows**  
**Year Ended March 31, 2017**

	2017	2016
<b>Unrestricted cash and cash equivalents provided by (used in)</b>		
<b>Operations</b>		
Deficiency of revenues over expenses	\$ (33,956)	\$ (50,818)
Items not affecting cash		
Amortization	60,667	60,667
	26,711	9,849
Net changes in non-cash operating assets and liabilities (Note 9)	(117,997)	10,716
	(91,286)	20,565
<b>Investing</b>		
Purchase of short-term investments	(928)	(180,684)
<b>Net change in unrestricted cash and cash equivalents</b>	<b>(92,214)</b>	<b>(160,119)</b>
<b>Unrestricted cash and cash equivalents, beginning of year</b>	<b>235,230</b>	<b>395,349</b>
<b>Unrestricted cash and cash equivalents, end of year</b>	<b>\$ 143,016</b>	<b>\$ 235,230</b>

**1. PURPOSE OF THE CORPORATION**

Jessie's, The June Callwood Centre for Young Women (the "Corporation") 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 Corporation's mission is to nurture the healthy development of pregnant teenagers, teenage parents and their children. By offering a wide range of programs, the Corporation 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 Corporation is a charitable corporation (exempt from income tax) within the meaning of the Income Tax Act.

The Corporation is funded by the Ministry of Children and Youth Services (MCYS), the City of Toronto, the United Way of Greater Toronto, Federal government agencies and by private donors. The Corporation is dependent on this funding for its continuing operation.

During the fiscal year ended 2017, the Corporation added a new service line called "It's All About Kindness" (the "Social Enterprise"). It's All About Kindness is a social enterprise service line offering prenatal, birth and postpartum services to families in the Toronto Area. The goal is to provide young mothers with employment training and skills in order to assist them in obtaining a sustainable livelihood. The service line provides a bridge between the corporate and social service sectors.

**2. 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**

The Corporation follows the restricted fund method of accounting.

i) Operating Fund

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

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 Corporation to raise funds to be used toward the capital improvement of the facility.



**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Fund Accounting (Cont'd)**

v) Endowment Fund

In 2011, the Corporation 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.

**Revenue Recognition**

The Corporation 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.

**Short-term Investments**

Short-term investments consist of highly liquid investments with original maturities greater than three months but less than one year when purchased, and are carried at cost plus accrued interest.

**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 are recorded at cost. Amortization is provided over the estimated useful life of the assets using the following annual rates on a straight-line basis:

Building	35 years
Artwork	35 years

When capital assets no longer contributes to the Corporation's ability to provide services, its carrying amount is written down to its residual value.

**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.

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Financial Instruments**

The Corporation initially measures its financial assets and liabilities at fair value. The Corporation 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 and are reflected in the accounts at current market values.

Cash and cash equivalents are allocated as follows:

	<b>2017</b>	<b>2016</b>
<b>Restricted</b>		
Scholarship Fund	\$ 49,102	\$ 53,602
Casey Frayne Fund	22,503	23,234
Capital Improvement Fund	48,636	37,855
Endowment Fund	33,401	33,401
	<b>153,642</b>	<b>148,092</b>
<b>Unrestricted</b>	<b>143,016</b>	<b>235,230</b>
	<b>\$ 296,658</b>	<b>\$ 383,322</b>

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

The Corporation has leased its property at 205 Parliament Street, Toronto to the Home, a related party, at no charge and the Home has leased back a portion of the property to the Corporation at no charge. The Corporation also provides the Home with various administrative services at no charge, with the exception of social services at a cost of \$14,292 (2016 - \$14,292). As at the year end, the Home owes the Corporation \$169,195 (2016 - \$94,009). These corporations are related by virtue of the fact that some of the directors of the Corporation are also directors of the Home.

**Jessie's, The June Callwood Centre for Young Women**  
**Notes to Financial Statements**  
**March 31, 2017**

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**5. CAPITAL ASSETS**

Capital assets consist of the following:

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2017</b>	<b>Net 2016</b>
Land	\$ 444,351	\$ -	\$ 444,351	\$ 444,351
Building	2,086,855	1,507,324	579,531	639,155
Artwork	36,500	28,261	8,239	9,282
	<b>\$ 2,567,706</b>	<b>\$ 1,535,585</b>	<b>\$ 1,032,121</b>	<b>\$ 1,092,788</b>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Included in accounts payable and accrued liabilities are the amounts payable in respect to government remittances of \$1,545 (2016 - \$321).

**7. CONTINGENT LIABILITY**

The Corporation has a service contract with MCYS to provide counselling, therapy and family support services. The Corporation is required to produce a Transfer Payment Annual Reconciliation (TPAR) report showing a summary by service of all revenues and expenditures and the resulting surplus or deficit that relates to the contract. The March 31, 2017 assessment is pending. Should there be any surplus of funds, the Corporation may have to reimburse the MCYS for the amount.

**8. THE SOCIAL ENTERPRISE SERVICE LINE**

During the year, the service line's revenue over expenses amounted to \$20,336. These amounts are included in statement of operations as follows:

<b>Revenue</b>	<b>\$ 58,594</b>
<b>Expenses</b>	
Salary and benefits	22,798
Office expenses	115
Program supplies	15,345
	<b>38,258</b>
<b>Revenue over expenses</b>	<b>\$ 20,336</b>

**Jessie's, The June Callwood Centre for Young Women**  
**Notes to Financial Statements**  
**March 31, 2017**

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**9. STATEMENT OF CASH FLOWS**

The net change in non-cash working capital balances as related to operations consists of the following:

	<b>2017</b>	<b>2016</b>
HST recoverable	\$ 9,569	\$ 4,009
Grants receivable	(23,991)	13,584
Due from Jessie's Centre, Non-Profit Homes Corporation	(75,186)	(15,456)
Prepaid expenses	(6,966)	(3,122)
Accounts payable and accrued liabilities	28,910	3,706
Deferred contributions	(50,333)	7,995
	<b>\$ (117,997)</b>	<b>\$ 10,716</b>