



Grant Thornton

Financial Statements

Toronto Youth for Christ
(operating as Youth Unlimited)

June 30, 2023

Contents

	Page
Independent Auditor's Report	1 – 3
Statement of Financial Position	4
Statement of Activities and Changes in Fund Balances	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 – 11
Schedule 1 – Schedule of Operating Fund Activities	12
Schedule 2 – Schedule of Restricted Funds Activities	13

Independent Auditor's Report

Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4
T +1 416 366 0100
F +1 416 360 4949

To the Board of Directors of
Toronto Youth for Christ (operating as Youth Unlimited)

Qualified Opinion

We have audited the financial statements of Toronto Youth for Christ (operating as Youth Unlimited) ("TYFC"), which comprise the statement of financial position as at June 30, 2023, and the statements of activities and changes in fund balances 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* paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of TYFC as at June 30, 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 ("ASNPO").

Basis for Qualified Opinion

In common with many charities, TYFC derives revenue from donations from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of TYFC. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenditures, and cash flows from operations for the years ended June 30, 2023 and 2022, current assets as at June 30, 2023 and 2022 and fund balances as at July 1, 2022 and 2021 and June 30, 2023 and 2022. Our audit opinion on the financial statements for the year ended June 30, 2022 was modified accordingly because of the possible effects of this limitation in 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 TYFC 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.

Other Matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in the Schedules are presented for purposes of additional information and has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 TYFC's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate TYFC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing TYFC'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:

- 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 TYFC'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 TYFC'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 TYFC 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.

Grant Thornton LLP

Toronto, Canada
November 28, 2023

Chartered Professional Accountants
Licensed Public Accountants

Toronto Youth For Christ
 (operating as Youth Unlimited)
Statement of Financial Position
 As at June 30

	Operating Fund	Property Fund	Restricted Funds	2023 Total	2022 Total
Assets					
Current					
Cash	\$ 56,275	\$ 39,212	\$ 772,728	\$ 868,215	\$ 1,053,884
Accounts receivable	95,417	-	-	95,417	102,049
Prepaid expenses	<u>26,034</u>	<u>-</u>	<u>-</u>	<u>26,034</u>	<u>1,639</u>
	177,726	39,212	772,728	989,666	1,157,572
Long-term					
Investments (Note 3)	-	-	2,216,509	2,216,509	2,351,986
Property and equipment (Note 4)	<u>-</u>	<u>366,839</u>	<u>-</u>	<u>366,839</u>	<u>358,841</u>
	<u>\$ 177,726</u>	<u>\$ 406,051</u>	<u>\$ 2,989,237</u>	<u>\$ 3,573,014</u>	<u>\$ 3,868,399</u>
Liabilities					
Current					
Accounts payable and accrued liabilities	\$ 135,657	\$ -	\$ -	\$ 135,657	\$ 81,353
Fund balances					
Unrestricted	42,069	-	-	42,069	24,566
Invested in property and equipment	-	366,839	-	366,839	358,841
Internally restricted – property and equipment	-	39,212	-	39,212	53,720
Internally restricted (Schedule 2)	-	-	1,370,772	1,370,772	1,330,349
Externally restricted (Schedule 2)	<u>-</u>	<u>-</u>	<u>1,618,465</u>	<u>1,618,465</u>	<u>2,019,570</u>
	<u>42,069</u>	<u>406,051</u>	<u>2,989,237</u>	<u>3,437,357</u>	<u>3,787,046</u>
	<u>\$ 177,726</u>	<u>\$ 406,051</u>	<u>\$ 2,989,237</u>	<u>\$ 3,573,014</u>	<u>\$ 3,868,399</u>

Commitments (Note 7)

On behalf of the Board of Directors _____ Director _____ Director

See accompanying notes and schedules to the financial statements.

Toronto Youth For Christ

(operating as Youth Unlimited)

Statement of Activities and Changes in Fund Balances

Year ended June 30

	Operating Fund	Property Fund	Restricted Funds	2023 Total	2022 Total
Revenue					
Operations (Schedule 1)	\$ 947,027	\$ -	\$ -	\$ 947,027	\$ 898,834
Gifts in kind (Schedule 1)	235,069	-	-	235,069	216,780
Program contributions (Schedule 2)	-	-	4,646,019	4,646,019	4,565,828
Capital contributions	-	-	-	-	41,564
	<u>1,182,096</u>	<u>-</u>	<u>4,646,019</u>	<u>5,828,115</u>	<u>5,723,006</u>
Expenditures					
Operations (Schedule 1)	891,140	-	-	891,140	821,976
Gifts in kind (Schedule 1)	235,069	-	-	235,069	216,780
Unrealized loss on investments (Schedule 1)	13,818	-	-	13,818	52,292
Program expenses (Schedule 2)	-	-	4,971,267	4,971,267	4,480,945
Amortization	-	66,510	-	66,510	82,480
	<u>1,140,027</u>	<u>66,510</u>	<u>4,971,267</u>	<u>6,177,804</u>	<u>5,654,473</u>
(Deficiency) excess of revenue over expenditures	42,069	(66,510)	(325,248)	(349,689)	68,533
Fund balances, beginning of year	24,566	412,561	3,349,919	3,787,046	3,718,513
Transfer to internally restricted funds	(24,566)	60,000	(35,434)	-	-
Fund balances, end of year	<u>\$ 42,069</u>	<u>\$ 406,051</u>	<u>\$ 2,989,237</u>	<u>\$ 3,437,357</u>	<u>\$ 3,787,046</u>

See accompanying notes and schedules to the financial statements.

Toronto Youth For Christ

(operating as Youth Unlimited)

Statement of Cash Flows

Year ended June 30

2023

2022

Increase (decrease) in cash

Operating

(Deficiency) excess of revenue over expenditures \$ (349,689) \$ 68,533

Items not affecting cash

Unrealized loss on investments 13,818 52,292

Amortization 66,510 82,480

(269,361) 203,305

Change in non-cash working capital items

Accounts receivable 6,632 (25,610)

Prepaid expenses (24,395) 24,483

Accounts payable and accrued liabilities 54,304 7,385

36,541 6,258

(232,820) 209,563

Investing

Purchase of investments (312,263) (667,394)

Proceeds on disposition of investments 433,922 356,305

Purchase of property and equipment (74,508) (93,422)

47,151 (404,511)

Change in cash

(185,669) (194,948)

Cash

Beginning of year 1,053,884 1,248,832

End of year \$ 868,215 \$ 1,053,884

Toronto Youth For Christ

(operating as Youth Unlimited)

Notes to the Financial Statements

June 30, 2023

1. Purpose and governing statutes

Toronto Youth for Christ (operating as Youth Unlimited) ("TYFC") is a charitable organization committed to helping young people attain their full potential by providing caring people to whom they can turn.

TYFC is incorporated under the Canada Not-for-profit Corporations Act. It is a not-for-profit corporation subject to the Charities Accounting Act and the Charitable Gifts Act. TYFC is a registered charity within the meaning of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), the more significant of which are outlined below.

Fund accounting

Separate funds are maintained to account for and to report on the separate activities or objectives as determined by resolution of the Board of Directors (the "Board") or by donors (within TYFC's mandate). It is the policy of TYFC that donor restricted funds may not be utilized, or borrowed from, to finance general operations. For financial reporting purposes, the funds have been grouped into the following categories:

Operating fund

The operating fund is a ministry in itself since it supports all of the other ministries in TYFC including fundraising, human resources, facilities, information systems and general office activities. The results of the operating fund have been detailed in Schedule 1.

Property fund

The property fund reflects revenue and expenditures to purchase property and equipment and amortization and related charges as the property and equipment are used.

Internally restricted funds

These include the following Board restricted funds:

Contingency Reserve

This fund is established as part of the capital management of TYFC. The amount is based on an estimate of 6 to 12 months of future operating expenses.

New Initiatives

These funds are held for the development of new programs or capacity building.

Open Hearts

These funds are set aside to assist staff and programs.

Toronto Youth For Christ

(operating as Youth Unlimited)

Notes to the Financial Statements

June 30, 2023

2. Summary of significant accounting policies (continued)

Fund accounting (continued)

Externally restricted funds

The externally restricted funds include donor restricted funds consisting of: (1) deputations, which includes the revenue and expenditures of the individual workers of TYFC, and (2) the various programs and ministries that TYFC is operating and/or developing. These programs and ministries fall into four general categories of focus: (1) community outreach, (2) marketplace initiatives, (3) training and equipping, and (4) specialized initiatives.

Interfund transfers

Transfers between funds are recorded when the Board approves the use of unrestricted resources for specific purposes or when a project fund is closed due the conclusion of a project and remaining resources are transferred to another fund with a similar purpose; given the nature of the externally restricted funds, the mandates of funds can overlap.

Revenue recognition

TYFC follows the restricted fund method of accounting for contributions. Unrestricted contributions are recognized as revenue of the operating fund in the fiscal year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. All externally restricted contributions are recorded in the appropriate externally restricted fund in the fiscal year received or receivable, if collectability is reasonably assured. In the rare circumstance that externally restricted contributions are received where the restriction does not correspond to a restricted fund, the contribution is deferred and recognized in revenue in a manner consistent with the related expense. Investment income are recognized as earned. Government grants are recognized in the statement of activities and changes in fund balances when received or receivable in the year to which it relates.

Contributed goods and services

Contributed goods and capital donations are recorded in the accounts at fair market value as at the date of contribution when such value is reasonably determinable. Contributed services are not recognized in these financial statements due to the difficulty in determining their fair value.

Financial instruments

TYFC considers any contract creating a financial asset, liability or equity instrument as a financial instrument. TYFC's financial instruments are comprised of cash, accounts receivable, investments, and accounts payable. Financial assets or liabilities are initially measured at their fair value and subsequently measured at amortized cost except for investments, which is subsequently measured at fair value. Unrealized gains and losses arising from the change in fair value of the investments are recorded in excess (deficiency) of revenue over expenditures.

Toronto Youth For Christ

(operating as Youth Unlimited)

Notes to the Financial Statements

June 30, 2023

2. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment are recorded in the property fund at cost and are amortized over their estimated useful life using the following annual rates and methods:

Vehicles	3 years straight-line
Computer equipment	3 years straight-line
Computer software	3 years straight-line
Furniture and equipment	10 years straight-line

Leasehold improvements are amortized over the life of the lease.

Property and equipment are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of activities and changes in fund balances. Any impairment recognized is not reversed.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess (deficiency) of revenue over expenditures as appropriate in the fiscal year they become known.

3. Investments

	<u>2023</u>	<u>2022</u>
Equities	\$ 1,350,101	\$ 1,492,763
Fixed income	<u>866,408</u>	<u>859,223</u>
	<u>\$ 2,216,509</u>	<u>\$ 2,351,986</u>

Fixed income investments consist of three bonds earning interest at annual rates from 1.94% to 2.85% (2022 – 1.94% to 2.85%) maturing between March 2024 and May 2025 (2022 - May 2023 and May 2025) and fixed income pooled funds. As these investments are intended to be held for long-term purposes, they have been classified as such.

Toronto Youth For Christ
 (operating as Youth Unlimited)
Notes to the Financial Statements
 June 30, 2023

4. Property and equipment

			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Vehicles	\$ 228,943	\$ 213,724	\$ 15,219	\$ 30,000
Computer equipment	142,374	129,368	13,006	13,137
Computer software	54,378	-	54,378	-
Furniture and equipment	336,079	265,224	70,855	85,604
Leasehold improvements – Jonesville Crescent Office	<u>298,309</u>	<u>84,928</u>	<u>213,381</u>	<u>230,100</u>
	<u>\$ 1,060,083</u>	<u>\$ 693,244</u>	<u>\$ 366,839</u>	<u>\$ 358,841</u>

Computer software of \$54,378 was purchased during the year, however, the asset is not in use and accordingly, amortization has not commenced.

5. Pension plan

TYFC contributes to a defined contribution pension plan to provide post-retirement revenue to its eligible retirees. During the year, total contributions made by TYFC for its obligations under the defined contribution plan amounted to \$62,316 (2022 - \$63,631).

6. 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 the financial statements in assessing the extent of risk related to financial instruments. There have been no significant changes to the risks from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its obligation. TYFC's main credit risks relate to its accounts receivable.

This risk is mitigated by TYFC through ensuring revenue is derived from qualified sources and providing for an allowance for doubtful accounts when appropriate. At June 30, 2023, the allowance for doubtful accounts in relation to accounts receivable is \$Nil (2022 - \$Nil).

Toronto Youth For Christ
(operating as Youth Unlimited)
Notes to the Financial Statements
June 30, 2023

6. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. TYFC is exposed to liquidity risk with respect to its accounts payable.

TYFC reduces its exposure to liquidity risk by ensuring that it documents when authorized payments are due and maintaining adequate cash reserves to meet obligations.

Included in accounts payable and accrued liabilities are government remittances owing of \$51,691 (2022 - \$12,184) in relation to sales tax payable.

Interest rate price risk

Interest rate price 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. TYFC is exposed to interest rate price risk with respect to its investments with fixed interest rates.

Other price risk

TYFC is exposed to certain price risks which cause the fair value of its investments to fluctuate. To protect against this risk, management has developed an investment policy which requires diversified investments to ensure the portfolio meets specific requirements.

Other risks

It is management's opinion that TYFC is not exposed to significant currency or other risks arising from its financial instruments.

7. Commitments

TYFC is committed under an operating lease for the rental of property to May 31, 2030. Minimum lease payments required over the next five fiscal years are as follows:

2024	\$ 120,000
2025	120,000
2026	120,000
2027	120,000
2028	120,000

8. Comparative amounts

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2023 financial statements.

Toronto Youth For Christ

(operating as Youth Unlimited)

Schedule 1 – Schedule of Operating Fund Activities

Year ended June 30

2023

2022

Revenue		
Church	\$ 8,050	\$ 12,970
Corporate	16,575	41,742
Direct mail	20,190	6,060
Dividends and interest	164,289	47,082
Foundations	155,195	182,435
General income	326,564	397,769
Golf tournament	122,899	118,612
Government grant	-	7,424
Realized gain on investments	-	2,400
Reception	133,265	82,340
	947,027	898,834
Gifts in kind	235,069	216,780
	1,182,096	1,115,614
Expenditures		
Audit and legal	18,282	10,810
Bank charges	20,071	26,303
Board meetings	1,795	896
Chapter contributions	6,955	5,175
Communication	23,701	14,444
Consulting	96,331	19,890
Equipment leasing and maintenance	3,592	7,968
Established ministries and staff	3,984	1,200
Golf tournament	48,188	47,770
Insurance	25,316	18,816
Investment fees	26,525	28,265
Ministry resources	21,366	8,380
Office and general	51,861	40,815
Postage and courier	11,824	9,276
Reception	39,293	19,924
Rent	95,130	112,368
Telephone	3,649	2,815
Training and human resources	65,003	51,566
Travel and promotion	5,810	907
Staff support	32,412	24,280
Wages and benefits	273,599	364,791
Web and internet	16,453	5,317
	891,140	821,976
Gifts in kind	235,069	216,780
Unrealized loss on investments	13,818	52,292
	1,140,027	1,091,048
Excess of revenue and over expenditures	42,069	24,566
Transfers		
Contingency reserve	(24,566)	(319,275)
Fund balance, beginning of year	24,566	319,275
Fund balance, end of year	\$ 42,069	\$ 24,566

Toronto Youth For Christ

(operating as Youth Unlimited)

Schedule 2 – Schedule of Restricted Funds Activities

Year ended June 30, 2023

	Balance June 30, 2022	Contributions and other revenue	Expenses	Transfers in (out)	Balance June 30, 2023
Internally restricted funds					
Contingency reserve	\$ 788,864	\$ -	\$ (25,000)	\$ (35,434)	\$ 728,430
New Initiatives	432,606	214,813	(66,562)	-	580,857
Open hearts	108,879	31,401	(78,795)	-	61,485
	<u>1,330,349</u>	<u>246,214</u>	<u>(170,357)</u>	<u>(35,434)</u>	<u>1,370,772</u>
Externally restricted funds					
BECC specialized internships	20,144	-	-	-	20,144
Bless Up	1,505	6,577	(5,155)	-	2,927
Brampton	22,334	-	-	9,000	31,334
Brampton Start-up	9,000	-	-	(9,000)	-
Brampton Stepping Stone	17,360	250,289	(197,771)	-	69,878
Bridletown	13,699	43,911	(35,840)	-	21,770
Church and Family Resources	6,491	2,109	(9,034)	-	(434)
Compassion Series	68,339	19,158	(27,456)	-	60,041
Deputations	1,022,829	2,850,600	(3,100,935)	-	772,494
Development Jane/Finch	9,145	11,398	(18,885)	(700)	958
Downsview	16,454	43,745	(60,517)	-	(318)
Doxa	125,314	300,286	(337,746)	-	87,854
Frontiers	4,108	-	(4,070)	-	38
Good Samaritan	11,536	9,213	(858)	-	19,891
Hope in Jane/Finch	58,542	76,804	(79,564)	700	56,482
Internship	40,346	1,848	(11,791)	-	30,403
Iron Fruits	4,310	-	-	-	4,310
Jane/Finch Central	26,725	5,172	(17,443)	-	14,454
Job Opportunities and Placement Initiative	46,125	100	(7,666)	-	38,559
Launch	39,978	590	(1,891)	-	38,677
Light Patrol	69,005	93,315	(108,123)	-	54,197
Oshawa	3,169	-	-	-	3,169
Project Serve	(1,234)	21,691	(19,614)	-	843
Rahab	11,857	138,836	(110,025)	-	40,668
Rerouted	24,827	64,749	(69,483)	-	20,093
Shop Vehicle Program	62,592	227,021	(241,218)	-	48,395
SonLife	3,088	2,703	(4,973)	-	818
South Central Etobicoke	52,566	66,831	(86,785)	-	32,612
Staff Assistance	151,230	68,095	(136,277)	-	83,048
Today's teens	16,952	42,375	(49,882)	-	9,445
Willowdale	942	20	(942)	-	20
Young Parents	60,292	52,369	(56,966)	-	55,695
	<u>2,019,570</u>	<u>4,399,805</u>	<u>(4,800,910)</u>	<u>-</u>	<u>1,618,465</u>
	<u>\$ 3,349,919</u>	<u>\$ 4,646,019</u>	<u>\$(4,971,267)</u>	<u>\$ (35,434)</u>	<u>\$ 2,989,237</u>