

**CENTRE YOUVILLE CENTRE OTTAWA-CARLETON INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2024**

**CENTRE YOUVILLE CENTRE OTTAWA-CARLETON INC.**

**MARCH 31, 2024**

**CONTENTS**

	<u>Page</u>
Independent Auditors' Report	1 - 3
Statement of financial position	4
Statement of changes in fund balances	5
Statement of operations	6
Statement of cash flows	7
Notes to financial statements	8 - 15



**McCay Duff LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

979 Bank Street, Suite 210  
Ottawa, ON K1S 5K5  
1 (613) 236-2367  
Fax: 1 (613) 236-5041

1.

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Centre Youville Centre Ottawa-Carleton Inc.

### Qualified Opinion

We have audited the financial statements of Centre Youville Centre Ottawa-Carleton Inc. (the "Centre"), which comprise the statement of financial position as at March 31, 2024, and the statement of operations, statement of changes in fund balances and statement of 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 Centre as at March 31, 2024, 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 many charitable organizations, the Centre derives revenue from the general public in the form of fundraising activities and donations, 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 Centre. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donation revenue, net revenue (expenses), and cash flows from operations for the years ended March 31, 2024 and 2023, current assets and net assets as at March 31, 2024 and 2023. Our audit opinion on the financial statements for the year ended March 31, 2023 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Centre 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.

.../2



**2.**

## **INDEPENDENT AUDITORS' REPORT (Cont'd)**

### **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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

### **Auditors' 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 auditors' 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.

.../3



**McCay Duff LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

979 Bank Street, Suite 210  
Ottawa, ON K1S 5K5  
1 (613) 236-2367  
Fax: 1 (613) 236-5041

**3.**

#### **INDEPENDENT AUDITORS' REPORT (Cont'd)**

- 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 Centre'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 Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Centre 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.

*McCay Duff LLP*  
McCay Duff LLP,  
Licensed Public Accountants.

Ottawa, Ontario,  
July 17, 2024.



## CENTRE YOUVILLE CENTRE OTTAWA-CARLETON INC.

## STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 2024

	Unrestricted				Internally Restricted	Restricted		
			Operating Fund Invested in Tangible Capital Assets	Property Fund Invested in Tangible Capital Assets				
	Operating Fund	Property Fund			Restricted Funding	Replace- ment Reserve	2024 Total	2023 Total
FUND BALANCES - BEGINNING OF YEAR	\$ 1,274,016	\$ 100,607	\$ 18,630	\$ 1,580,429	\$ 35,500	\$ 432,592	\$ 3,441,774	\$ 3,324,020
Net revenue (expenses) for the year								
- Childcare	167,623	-	-	-	-	-	167,623	( 183,332)
- Outreach	271,611	-	-	-	-	-	271,611	204,625
- Property fund	-	74,011	-	-	-	-	74,011	96,461
	1,713,250	174,618	18,630	1,580,429	35,500	432,592	3,955,019	3,441,774
Amortization (net of tangible capital asset contributions recognized as revenue)	-	-	( 5,433)	( 33,644)	-	-	( 39,077)	( 32,169)
Transfer from Invested in tangible capital assets	( 1,739)	( 386,842)	-	-	-	-	( 388,581)	( 82,205)
Transfer from Unrestricted	-	-	-	-	-	33,644	33,644	( 36,332)
Transfer to Replacement Reserve	-	( 33,644)	-	-	-	-	( 33,644)	36,332
Purchase of tangible capital assets	-	-	14,724	1,724,063	-	-	1,738,787	162,195
Funding received for tangible capital assets	-	-	( 7,552)	(1,303,577)	-	-	( 1,311,129)	( 47,821)
FUND BALANCES - END OF YEAR	\$ 1,711,511	\$ ( 245,868)	\$ 20,369	\$ 1,967,271	\$ 35,500	\$ 466,236	\$ 3,955,019	\$ 3,441,774

## CENTRE YOUVILLE CENTRE OTTAWA-CARLETON INC.

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2024

				<u>Total</u>	
	<u>Childcare</u>	<u>Outreach</u>	<u>Property Fund</u>	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>					
City of Ottawa Childcare					
Fee Subsidy	\$ 1,429,870	\$ -	\$ -	\$ 1,429,870	\$ 1,157,446
City of Ottawa grants	622,150	-	-	622,150	523,054
Donations	-	206,706	-	206,706	213,367
Endowment fund income					
(note 9)	-	31,191	-	31,191	30,533
Fundraising	-	16,422	-	16,422	11,580
Investment income	-	87,806	71,841	159,647	41,196
MCCSS grant(note 11)	-	232,889	-	232,889	206,454
Other grants (note 10)	-	369,392	-	369,392	577,277
Rent	-	-	35,814	35,814	35,814
Contributions related to					
tangible capital assets					
(note 8)	<u>-</u>	<u>9,364</u>	<u>53,192</u>	<u>62,556</u>	<u>45,150</u>
	2,052,020	953,770	160,847	3,166,637	2,841,871
<b>EXPENSES</b>					
Administrative costs	34,205	3,199	-	37,404	39,845
Amortization	5,433	9,364	86,836	101,633	77,319
Fundraising	-	13,127	-	13,127	9,462
Occupancy	86,837	24,961	-	111,798	117,723
Program support	256,787	65,154	-	321,941	323,481
Salaries	<u>1,501,135</u>	<u>566,354</u>	<u>-</u>	<u>2,067,489</u>	<u>2,156,287</u>
	<u>1,884,397</u>	<u>682,159</u>	<u>86,836</u>	<u>2,653,392</u>	<u>2,724,117</u>
<b>NET REVENUE FOR THE YEAR</b>	<u>\$ 167,623</u>	<u>\$ 271,611</u>	<u>\$ 74,011</u>	<u>\$ 513,245</u>	<u>\$ 117,754</u>



## CENTRE YOUNVILLE CENTRE OTTAWA-CARLETON INC.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Net revenue for the year	\$ 513,245	\$ 117,754
Items not involving cash		
- amortization	101,633	77,319
- contributions related to tangible capital assets recognized as revenue	( 62,556)	( 45,150)
- unrealized gain on investments	( 122,648)	( 17,383)
	( 83,571)	14,786
	429,674	132,540
Net change in non-cash working capital		
- amounts receivable	34,245	( 120,972)
- HST recoverable	( 9,777)	8,078
- prepaid expenses	( 5,738)	( 34,170)
- accounts payable and accrued liabilities	( 85,056)	39,226
- City of Ottawa grants repayable	16,988	-
- City of Ottawa Childcare Fee Subsidy repayable	( 65,911)	65,911
- deferred contributions	( 91,404)	83,106
	( 206,653)	41,179
	223,021	173,719
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	( 1,738,788)	( 162,195)
Purchase of investments	( 500,000)	( 833,161)
Proceeds from maturity of investments	833,161	-
	( 1,405,627)	( 995,356)
<b>FINANCING ACTIVITY</b>		
Contributions related to tangible capital assets received (note 8)	1,311,129	47,821
<b>CHANGE IN CASH POSITION DURING THE YEAR</b>	128,523	( 773,816)
Cash position - beginning of year	447,151	1,220,967
<b>CASH POSITION - END OF YEAR</b>	<u>\$ 575,674</u>	<u>\$ 447,151</u>

**CENTRE YOVILLE CENTRE OTTAWA-CARLETON INC.****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2024****1. PURPOSE OF THE CENTRE**

Centre Youville Centre Ottawa-Carleton Inc. (the "Centre") is a charitable organization incorporated in 1985 under Ontario Letters Patent. Its purpose is to be an innovative centre that inspires, educates and nurtures young mothers and their children to utilize their strengths and achieve their goals. It provides a myriad of social services including mental health and addiction counselling. The Centre is an accredited child and youth mental health centre through the Canadian Centre for Accreditation.

The Centre is a registered charity under the Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Centre's significant accounting policies are as follows:

**(a) Revenue Recognition**

The Centre follows the deferral method of accounting for contributions, which it receives in the form of grant, donation and fundraising revenues. Restricted contributions are 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 to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions related to tangible capital assets are recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets.

Investment income is comprised of trust distributions and unrealized gains and losses as a result of changes in investment fair market value. Trust distribution revenue is recognized in the year it becomes receivable.

**(b) Subsidies**

The Centre receives subsidies from the Province of Ontario and the City of Ottawa to assist in the operation of its programs and to supplement employee wages. Advances for programs or employee wages are reflected as deferred revenue on the balance sheet until the funds are earned (the program is delivered) or the funds are disbursed. At that time, the subsidies are recorded as revenue in the statement of operations.

The Centre's accounting records are subject to audit by the contributors to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore, would be refundable to the contributor. Adjustments to prior years' contributions are recorded in the year in which the funder requests the adjustment.

## CENTRE YOUVILLE CENTRE OTTAWA-CARLETON INC.

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)****(c) Description of Funds****Unrestricted:****Operating Fund**

The operating fund accounts for the Centre's delivery of programs and administrative activities. This fund reports restricted operating grants and unrestricted revenue.

**Operating Fund Invested in Tangible Capital Assets**

This fund reports the activity related to tangible capital assets held by the Operating Fund.

**Property Fund**

The Property fund reports the Centre's building and land assets as well as the related building amortization expense. In addition, it reports deferred contributions received through a capital fundraising campaign.

**Property Fund Invested in Tangible Capital Assets**

This fund reports the activity related to tangible capital assets held by the Property Fund.

**Restricted:****Internally restricted**

This fund was established to fund the future costs that the Centre will be incurring in order to remain an accredited child and youth mental health agency through the Canadian Centre for Accreditation.

**Replacement Reserve**

The Replacement Reserve was established to provide for future building replacement costs and is funded through an annual charge to operations.

## CENTRE YOUNVILLE CENTRE OTTAWA-CARLETON INC.

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

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

The Centre's financial instruments consist of cash, investments, amounts receivable, accounts payable and accrued liabilities, City of Ottawa grants repayable and City of Ottawa Childcare Fee Subsidy repayable.

*Measurement*

Financial instruments are recorded at fair value on initial recognition.

The Centre subsequently measures its financial instruments as follows:

Cash, amounts receivable, accounts payable and accrued liabilities, City of Ottawa grants repayable and City of Ottawa Childcare Fee Subsidy repayable are subsequently measured at amortized cost.

Investments are subsequently measured at fair value. Changes in fair value are recognized in net revenue (expenses).

*Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue (expenses).

**(e) Tangible Capital Assets and Amortization**

Tangible capital assets are stated at cost, less accumulated amortization. Amortization is provided on a straight line basis at the following rates:

Building	- 20 Years
Furniture and equipment	- 5 and 10 Years
Software	- 5 Years

The Centre's policy is to capitalize all additions greater than \$2,000 whose useful life exceeds one year.

**CENTRE YOUNVILLE CENTRE OTTAWA-CARLETON INC.****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2024****2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)****(f) Contributed Materials and Services**

The Centre received approximately \$8,647 (2023 - \$6,907) of donations in kind to help with its fundraising goals. It is the Centre's policy not to record these contributions in the financial statements because they are not used in the normal course of the Centre's operations and would not have otherwise been purchased.

Volunteers contribute many hours per year to the Centre to meet its charitable objectives. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

**(g) 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 that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the period. These estimates are reviewed periodically and adjustments are made to net revenue (expenses) as appropriate in the year they become known.

**3. FINANCIAL RISKS AND CONCENTRATION OF RISKS**

It is management's opinion that the Centre is not exposed to significant interest rate, liquidity, currency or credit risks arising from its financial instruments. There has been no change to the risk exposure from the prior year.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Centre is exposed to market risk on its investments. There has been no change to the risk exposure from the prior year.

**4. INVESTMENTS**

The Centre's investment portfolio is comprised of a pooled fund investment and guaranteed investment certificates. The pooled fund's underlying assets are a mixture of fixed income and equity investments.

## CENTRE YOUNVILLE CENTRE OTTAWA-CARLETON INC.

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

## 5. TANGIBLE CAPITAL ASSETS

	2024			2023
	Cost	Accumulated Amortization	Net	Net
Property				
Land	\$ 970,000	\$ -	\$ 970,000	\$ 970,000
Building	<u>6,391,777</u>	<u>3,426,755</u>	<u>2,965,022</u>	<u>1,327,795</u>
	7,361,777	3,426,755	3,935,022	2,297,795
Operating				
Furniture and equipment	125,769	89,554	36,215	36,288
Software	<u>44,779</u>	<u>44,729</u>	<u>50</u>	<u>50</u>
	<u>170,548</u>	<u>134,283</u>	<u>36,265</u>	<u>36,338</u>
	<u>\$ 7,532,325</u>	<u>\$ 3,561,038</u>	<u>\$ 3,971,287</u>	<u>\$ 2,334,133</u>

## 6. CREDIT FACILITY

The Centre has access to a line of credit to a maximum of \$250,000 which is payable on demand, bearing interest at the bank's prime rate plus 1% per annum and secured by a general security agreement. As at March 31, 2024 and 2023, no amount was drawn on this credit facility.

## 7. DEFERRED CONTRIBUTIONS

Deferred contributions represent restricted funding received in the current or previous periods that is related to subsequent periods.

	Balance - Beginning of Year	Plus: Amounts Received	Less: Revenue Recognized	Balance - End of Year
Operating				
Outreach	\$ 265,761	\$ 18,419	\$ 103,854	\$ 180,326
Property				
Deferred contributions related to building repairs and elevator maintenance	<u>96,353</u>	<u>-</u>	<u>5,969</u>	<u>90,384</u>
	<u>\$ 362,114</u>	<u>\$ 18,419</u>	<u>\$ 109,823</u>	<u>\$ 270,710</u>

## CENTRE YOUNVILLE CENTRE OTTAWA-CARLETON INC.

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

**8. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS**

Deferred contributions related to tangible capital assets represents contributions restricted for use towards the purchase of tangible capital assets. Deferred contributions are amortized to income on the same basis as the related asset.

Contributions of \$1,260,578 were received in the year from Investing in Canada Infrastructure Program (ICIP) that was used towards the replacement of the Centre's roof and HVAC systems.

	<u>Balance - Beginning of Year</u>	<u>Plus: Amounts Received</u>	<u>Less: Revenue Recognized</u>	<u>Balance - End of Year</u>
Operating				
Deferred contributions related to furniture and equipment	\$ 17,708	\$ 7,552	\$ 9,364	\$ 15,896
Property Fund				
Deferred contributions related to building purchase and renovation	<u>717,366</u>	<u>1,303,577</u>	<u>53,192</u>	<u>1,967,751</u>
	<u>\$ 735,074</u>	<u>\$ 1,311,129</u>	<u>\$ 62,556</u>	<u>\$ 1,983,647</u>

**9. ENDOWMENT FUND HELD BY COMMUNITY FOUNDATION OF OTTAWA**

The Centre is the beneficiary of a designated fund held by the Community Foundation of Ottawa. Pursuant to the terms of the agreement establishing this fund, contributions to the Community Foundation of Ottawa are held in a separate fund designated for the benefit of the Centre. In accordance with its spending policy, the Foundation makes annual distributions from the fund to the Centre. The Foundation's disbursement policy is to distribute 4.25% of the average ending quarterly market values of the endowment fund for the 4 quarters ending December 31 of the preceding year. This fund is not included in these financial statements since all contributions to the fund were made to the Community Foundation of Ottawa, and are to be held and administered for the benefit of the Centre.

The Community Foundation of Ottawa has a December 31 year-end and the December 31 financial statements which occur in the Centre's fiscal year ended March 31 were used for financial statement purposes. During the year the Centre earned and reported as income \$31,191 (2023 - \$30,533) of unrestricted and \$2,585 (2023 - \$2,496) of restricted contributions on the fund. At December 31, 2023, the market value of the fund assets were \$807,237 (2022 - \$784,643).

## CENTRE YOUVILLE CENTRE OTTAWA-CARLETON INC.

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

## 10. OTHER GRANTS

	<u>2024</u>	<u>2023</u>
Abiona Centre	\$ 168,979	\$ 188,388
Brighter Futures for Children	52,947	68,818
United Way East Ontario	43,659	50,024
CWF COVID Shock Grant	31,091	-
Telus Friendly Futures	10,255	-
Ontario Trillium Foundation	-	122,100
Canadian Women's Foundation	-	95,000
Other	<u>62,461</u>	<u>56,370</u>
	<u>\$ 369,392</u>	<u>\$ 580,700</u>



## CENTRE YOUNVILLE CENTRE OTTAWA-CARLETON INC.

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

**11. SERVICE CONTRACT/CFSA APPROVAL WITH THE MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES**

The Centre has a Service Contract/CFSA Approval with the Ministry of Children, Community and Social Services. A reconciliation report summarizes by project, all revenue and expenses and identifies any resulting surplus or deficit that relates to the Service Contract/CFSA Approval, net of amortization and vacation expenses in accordance with provincial policy.

The Centre captures the revenue and expenses of the Services for Children and Youth with Complex Special Needs project (formerly project code a566) in department 4000 of their accounting records.

According to these accounting records, the projects had no unspent funding as of March 31, 2024:

<b>Project</b>	<b>Total Funding Received</b>	<b>Other Revenue</b>	<b>Total Expenditures</b>	<b>Less: Vacation Adjustment</b>	<b>Adjusted Expenditures</b>
Services for Children and Youth with Complex Special Needs	\$ 232,889	\$ 139,746	\$ 378,037	\$ ( 5,402)	\$ 372,635

**12. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current financial statement presentation.