



Financial Statements

YouthLink

March 31, 2023

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Independent Auditor's Report

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To the Members of
YouthLink

Opinion

We have audited the financial statements of YouthLink (the "Organization"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of YouthLink as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 opinion.

Other Matter

The prior year comparative financial statements for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on July 29, 2022.

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 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.

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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Markham, Canada
July 20, 2023

Chartered Professional Accountants
Licensed Public Accountants

YouthLink

Statement of Financial Position

March 31

	Operating and General Fund	Internally Restricted Fund	Externally Restricted Fund	Total 2023	Total 2022
Assets					
Current					
Cash	\$ 525,802	\$ -	\$ -	\$ 525,802	\$ 635,526
Investments (Note 3)	-	2,189,332	22,766	2,212,098	1,376,705
Accounts receivable	521,524	-	-	521,524	674,630
Prepaid expenses and deposits	60,451	-	-	60,451	27,648
	<u>1,107,777</u>	<u>2,189,332</u>	<u>22,766</u>	<u>3,319,875</u>	<u>2,714,509</u>
Capital assets (Note 4)	-	6,777,222	-	6,777,222	7,359,170
	<u>\$ 1,107,777</u>	<u>\$ 8,966,554</u>	<u>\$ 22,766</u>	<u>\$ 10,097,097</u>	<u>\$ 10,073,679</u>

Liabilities

Current

Accounts payable and accrued liabilities (Note 11)	\$ 547,172	\$ -	\$ -	\$ 547,172	\$ 631,228
Deferred contributions (Note 5)	1,222,333	-	-	1,222,333	700,289
Current portion of capital lease obligation (Note 9)	-	21,430	-	21,430	33,162
Interfund balances	(1,295,756)	1,322,249	(26,493)	-	-
	<u>473,749</u>	<u>1,343,679</u>	<u>(26,493)</u>	<u>1,790,935</u>	<u>1,364,679</u>
Capital lease obligation (Note 9)	-	24,630	-	24,630	46,006
Deferred capital contributions (Note 6)	-	1,053,903	-	1,053,903	1,444,208
	<u>473,749</u>	<u>2,422,212</u>	<u>(26,493)</u>	<u>2,869,468</u>	<u>2,854,893</u>
Fund balances	<u>634,028</u>	<u>6,544,342</u>	<u>49,259</u>	<u>7,227,629</u>	<u>7,218,786</u>
	<u>\$ 1,107,777</u>	<u>\$ 8,966,554</u>	<u>\$ 22,766</u>	<u>\$ 10,097,097</u>	<u>\$ 10,073,679</u>

Contingencies (Note 12)

On behalf of the Board of Directors

Sanjeev Agarwal

Director



Director

See accompanying notes to the financial statements.

YouthLink

Statement of Operations and Changes in Fund Balances

Year ended March 31

	Operating and General Fund	Internally Restricted Fund	Externally Restricted Fund	Total 2023	Total 2022
Contributions and Grants					
Province of Ontario grants	\$ 2,825,923	\$ -	\$ -	\$ 2,825,923	\$ 2,931,109
City of Toronto	1,955,329	-	-	1,955,329	2,036,787
Pathways Canada	1,044,340	-	-	1,044,340	979,111
Other agencies	880,704	-	-	880,704	630,739
United Way	693,340	-	-	693,340	649,840
Donations	389,842	-	-	389,842	494,187
Bequests	12,950	-	-	12,950	17,500
Other Income					
Miscellaneous income	67,134	-	-	67,134	38,498
Rental income	-	12,400	-	12,400	465
Investment income	6,350	19,043	511	25,904	5,461
Amortization of deferred capital contributions (Note 6)					
	-	581,740	-	581,740	502,251
Amortization of deferred capital contributions related to disposal of capital assets (Note 6)					
	-	-	-	-	57,641
	<u>7,875,912</u>	<u>613,183</u>	<u>511</u>	<u>8,489,606</u>	<u>8,343,589</u>
Expenses					
Salaries and wages	4,061,082	-	-	4,061,082	3,744,122
Building occupancy	815,014	-	-	815,014	724,795
Depreciation	-	773,383	-	773,383	710,315
Employee benefits	635,444	-	-	635,444	584,476
Purchased services	596,223	-	-	596,223	395,767
Direct program costs	502,972	-	-	502,972	543,687
Client costs	413,916	-	-	413,916	664,322
Office	321,680	-	-	321,680	362,685
Food services	181,524	-	-	181,524	184,499
Miscellaneous	84,287	-	-	84,287	86,345
Staff training/conferences	74,610	-	-	74,610	116,428
Staff travel	39,148	-	-	39,148	27,242
Promotion and publicity	2,584	-	-	2,584	12,738
Pandemic pay and benefits	504	-	-	504	55,516
	<u>\$ 7,728,988</u>	<u>\$ 773,383</u>	<u>\$ -</u>	<u>\$ 8,502,371</u>	<u>\$ 8,212,937</u>

See accompanying notes to the financial statements.

YouthLink

Statement of Operations and Changes in Fund Balances

(continued)

Year ended March 31

	Operating and General Fund	Internally Restricted Fund	Externally Restricted Fund	Total 2023	Total 2022
Excess (deficiency) of revenue over expenses	\$ 146,924	\$ (160,200)	\$ 511	\$ (12,765)	130,652
Gain on sale of property (Note 4)	-	-	-	-	774,031
Contribution to BSLF	-	-	5,950	5,950	-
Change in unrealized gain on investment	-	15,658	-	15,658	6,263
Excess (deficit) of revenue over expenses	146,924	(144,542)	6,461	8,843	910,946
Fund balance, beginning of year	487,104	6,688,884	42,798	7,218,786	6,307,840
Fund balance, end of year	\$ 634,028	\$ 6,544,342	\$ 49,259	\$ 7,227,629	\$ 7,218,786

See accompanying notes to the financial statements.

YouthLink

Statement of Cash Flows

Year ended March 31

2023

2022

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenue over expenses	\$ 8,843	\$ 910,946
Items not affecting cash		
Depreciation of capital assets	773,383	710,315
Gain on sale of property	-	(774,031)
Amortization of deferred capital contributions	(581,740)	(502,251)
Amortization of deferred capital contributions related to disposal of capital assets	-	(57,641)
Change in unrealized gain on investment	(15,658)	(6,263)
	<u>184,828</u>	<u>281,075</u>
Change in non-cash working capital items		
Accounts receivable	153,106	101,253
Prepaid expenses and deposits	(32,803)	33,719
Accounts payable and accrued liabilities	(84,056)	117,166
Deferred contributions	522,044	30,126
	<u>743,119</u>	<u>563,339</u>

Financing

Deferred capital contributions	191,435	180,000
Repayment of capital lease obligation	(33,162)	(31,073)
Repayment of long-term debt	-	(937,637)
	<u>158,273</u>	<u>(788,710)</u>

Investing

Purchase of capital assets	(191,435)	(218,048)
Proceeds from sale of capital assets	-	876,198
(Purchase) sale of investments – net	(819,681)	84,595
	<u>(1,010,116)</u>	<u>742,745</u>

(Decrease) increase in cash	(109,724)	517,374
Cash, beginning of year	<u>635,526</u>	<u>118,152</u>
Cash, end of year	<u>\$ 525,802</u>	<u>\$ 635,526</u>

See accompanying notes to the financial statements.

YouthLink

Notes to Financial Statements

March 31, 2023

1. Nature of operations

YouthLink (the “Organization”) is a charitable organization registered under the Income Tax Act. In operation since 1914, YouthLink addresses the needs of disadvantaged youth by providing a multi-faceted service that responds to their developmental, emotional and social needs and acts as an advocate on their behalf within the community.

2. Summary of significant accounting policies

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) under Part III of the Chartered Professional Accountants of Canada Handbook - Accounting, applied within the framework of the accounting policies summarized below.

YouthLink uses fund accounting to present its financial statements whereby resources for particular purposes are classified for accounting and reporting purposes into one of the following funds:

Operating and General Fund

This fund records all recurring revenue and expenses related to the operations of YouthLink.

Internally Restricted Fund

These funds have been restricted by the Board of Directors to fund certain commitments entered into by YouthLink and to help ensure its financial security. Internally Restricted Funds include the following funds:

- (i) *Capital Fund* – this fund records all the activities associated with property and equipment plus any accumulated investment income earned on the reserve fund.
- (ii) *Reserve Fund* – created in the event of a financial emergency or in the event of an interruption in cash flow.

Externally Restricted Funds

These funds record resources that are to be used for specific purposes, as specified by donors. Externally Restricted Funds include the following funds:

- (i) *Big Sister Legacy Fund (“BSLF”)* – created with the proceeds on the sale of the Big Sister Thrift Shop. Restricted donations and interest income earned are recorded in the BSLF. Any expenses are approved by the BSLF Committee.
- (ii) *Camping Fund* – created to offset camping expenses incurred by YouthLink. Only the interest on the donation is available to be used for this purpose.
- (iii) *Joy Blossom Fund* – created by a donation from the estate of Mrs. Edna Byrne. Only the interest on the donation is available to be used for physically disabled or ill Little Sisters.

YouthLink

Notes to Financial Statements

March 31, 2023

2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of the contribution.

Buildings	20 years straight line
Buildings improvements	3-5 years straight line
Furniture and fixtures	5 years straight line
Vehicle	30 percent declining balance
Computer equipment	Term of lease or 3 years straight line
Tenant improvements	Term of lease (10 years)

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

Income taxes

Under the Income Tax Act, the Organization is classified as a registered charity and is exempt from income tax provided it complies with certain requirements as specified by the Act. As of March 31, 2023, management believes that YouthLink has complied with these requirements.

Financial instruments

Financial assets and financial liabilities include cash, accounts receivable, investments, accounts payable and accrued liabilities, and interfund balances.

Initial measurement

YouthLink initially measures all financial assets and financial liabilities at fair value.

Subsequent measurement

Investments are recorded at fair value and all changes in the fair value are recorded in the statement of operations. Related party balances and transactions are recorded at the exchange amount. All other financial assets and liabilities are recorded at amortized cost. Financial assets are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired. Any impairment loss is recognized in the statement of operations.

Revenue recognition

The Organization follows the deferral method of accounting for restricted contributions.

Contributions and grants are recorded when received or receivable. Restricted contributions and grants are received in advance of the related expense are recorded as deferred contributions.

YouthLink

Notes to Financial Statements

March 31, 2023

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Restricted contributions and grants for which no corresponding restricted fund is presented in the financial statements, is recorded in the Operating and General Fund. Contributions and grants received specifically for the purchase of property and equipment are deferred and amortized to revenue on the same basis as the related property and equipment.

Rental and miscellaneous income are recorded on an accrual basis and recognized when services are rendered.

Investment income is recognized on the accrual basis and includes interest and realized and unrealized gains and losses.

Inter-fund loans

Inter-fund loans bear no interest and are due on demand with no fixed terms of repayment.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Actual results could vary from those estimates.

3. Investments

	<u>Cost</u>	<u>2023 Fair Value</u>	<u>Cost</u>	<u>2022 Fair Value</u>
Big Sister Legacy Fund	\$ 22,765	\$ 22,766	\$ 22,254	\$ 22,254
Internally restricted investments	<u>2,180,894</u>	<u>2,189,332</u>	<u>1,348,188</u>	<u>1,354,451</u>
	<u>\$ 2,203,659</u>	<u>\$ 2,212,098</u>	<u>1,370,442</u>	<u>1,376,705</u>

Investments are comprised of Investment Savings Accounts which are redeemable at any time, with no maturity date, and bear interest between 0.00% and 4.57% (2022 - between 0.80% and 1.06%). In addition, investments include fixed income securities with maturity dates between May 3, 2023 and April 2, 2024 (2022 – between August 9, 2022 and November 1, 2022) and bear interest between 1.10% and 5.02% (2022 – between 0.9% and 1.06%).

YouthLink

Notes to Financial Statements

March 31, 2023

4. Capital assets

			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 2,967,524	\$ -	\$ 2,967,524	\$ 2,967,524
Buildings	5,987,087	3,233,362	2,753,725	3,061,009
Buildings improvements	2,100,340	1,203,254	897,086	1,066,408
Furniture and fixtures	697,076	611,937	85,139	94,775
Vehicle	63,492	59,048	4,444	17,778
Computer equipment	697,298	661,167	36,131	81,164
Computer equipment capital lease	234,503	201,330	33,173	70,512
Tenant improvements	<u>202,790</u>	<u>202,790</u>	<u>-</u>	<u>-</u>
	<u>\$ 12,950,110</u>	<u>\$ 6,172,888</u>	<u>\$ 6,777,222</u>	<u>\$ 7,359,170</u>

Property held for sale

On February 25, 2021, the Board of Directors approved to put up for sale the property located at 57 Elfreda Boulevard, Toronto, Ontario. The property has an original cost of \$431,275 and a net book value of \$102,167 as at that date.

The property was sold on May 27, 2021 and the agreement of purchase and sale closed on June 15, 2021. The resulting gain on the sale is \$774,031 which has been recorded in the Statement of operations and changes in fund balances in the comparative period.

5. Deferred contributions

	<u>2023</u>	<u>2022</u>
Children's Aid Society of Toronto	\$ 420,805	\$ 126,500
Ontario Ministry of Health	116,102	-
Ontario Ministry of Children, Community and Social Services	108,028	57,528
Shoppers Drug Mart	100,000	-
ECHO	60,000	60,000
Peter Gilgan Foundation	57,044	57,044
TD Canada Bank - Black Mental Health	56,500	56,500
Estate of Sheila Anne Skelly	51,250	56,250
City of Toronto	49,500	-
Royal Bank of Canada	40,401	26,498
Scheinberg Foundation	33,566	88,296
Others	<u>129,137</u>	<u>171,673</u>
	<u>\$ 1,222,333</u>	<u>\$ 700,289</u>

YouthLink

Notes to Financial Statements

March 31, 2023

6. Deferred capital contributions

Deferred capital contributions represent restricted donations, government grants and Board-approved allocations, for the purchase of property and equipment. The changes in the deferred capital contributions balance are as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,444,208	\$ 1,824,100
Capital donations	191,435	180,000
Amortization to revenue related to disposal of capital assets	-	(57,641)
Amortization to revenue	<u>(581,740)</u>	<u>(502,251)</u>
Balance, end of year	<u>\$ 1,053,903</u>	<u>\$ 1,444,208</u>

7. Internally restricted funds

	Balance March 31, <u>2022</u>	Excess revenue over expenses	Balance March 31, 2023
Capital Fund	\$ 5,938,884	\$ (144,542)	\$ 5,794,342
Reserve Fund	<u>750,000</u>	<u>-</u>	<u>750,000</u>
	<u>\$ 6,688,884</u>	<u>\$ (144,542)</u>	<u>\$ 6,544,342</u>

The Board of Directors did not approve any transfers during 2023 or 2022.

8. Externally restricted funds

	Balance March 31, <u>2022</u>	Excess revenue over expenses	Balance March 31, 2023
Big Sister Legacy Fund	\$ 21,762	\$ 6,461	\$ 28,223
Camping Fund	2,184	-	2,184
Joy Blossom Fund	<u>18,852</u>	<u>-</u>	<u>18,852</u>
	<u>\$ 42,798</u>	<u>\$ 6,461</u>	<u>\$ 49,259</u>

YouthLink

Notes to Financial Statements

March 31, 2023

9. Commitments

YouthLink leases premises and equipment under operating and capital leases which expire at various dates up to July 2026. Future minimum lease payments are as follows:

	Operating lease	Capital lease
2024	\$ 47,600	\$ 21,430
2025	43,697	18,250
2026	28,914	6,380
Thereafter	<u>71,959</u>	-
	192,170	46,060
Less: current portion	<u>-</u>	<u>21,430</u>
	<u>\$ 192,170</u>	<u>\$ 24,630</u>

The implied interest rates for the capital lease are 5.48% and 7.71% and mature in October 2025. Interest expense on the capital lease is included in the Statement of operations and changes in fund balances.

10. Guarantees

In the normal course of business, YouthLink enters into agreements that meet the definition of a guarantee. Indemnity has been provided to all directors and/or officers of YouthLink for various items including, but not limited to, all costs to settle suits or actions due to association with YouthLink, subject to certain restrictions. YouthLink has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of YouthLink. The maximum amount of any potential future payment cannot be reasonably estimated.

11. Financial risk management

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.

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 discharge an obligation. YouthLink is exposed to credit risk associated with accounts receivables and investments.

YouthLink

Notes to Financial Statements

March 31, 2023

11. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. YouthLink manages its liquidity risk by maintaining sufficient cash balances and monitoring forecasted and actual cash flows. Included in accounts payable and accrued liabilities are government remittances of \$27,989 (2022 - \$22,892). These amounts are not in arrears.

Interest rate risk

YouthLink is exposed to interest rate risk with respect to its investments. In order to reduce its interest rate risk, YouthLink holds highly liquid investments that can be redeemed at any time in case of a significant reduction in nominal interest rates.

12. Contingencies

In the normal course of business operations, the Organization is involved with outstanding claims and grievances in respect to employment related matters, including the Organization's workplace environment, policies, and procedures. The outcomes of the various proceedings cannot be determined as of the date of these financial statements and have not been accrued in these financial statements.

13. Comparative figures

Certain prior period comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.