

Financial Statements of

**YOUTH SERVICES OF LAMBTON COUNTY
INCORPORATED
(operating as Huron House Boys' Home)**

March 31, 2022

**YOUTH SERVICES OF LAMBTON COUNTY
INCORPORATED**

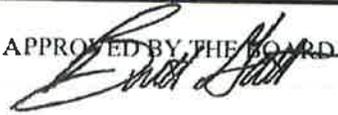
(operating as Huron House Boys' Home)

Statement of Financial Position

As at March 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT		
Cash	\$ 174,896	\$ 121,675
Accounts receivable	102,217	82,731
Prepaid expenses	48,482	36,289
Inventory	1,086	1,086
	<u>326,681</u>	<u>241,781</u>
INVESTMENTS (Note 4)	28,103	28,036
PROPERTY AND EQUIPMENT (Note 5)	1,206,643	1,207,163
	<u>\$ 1,561,427</u>	<u>\$ 1,476,980</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued charges (Note 6)	\$ 71,224	\$ 126,372
Due to Huron House Boys' Home Foundation Inc. (Note 7)	523,514	364,041
Current portion of capital lease (Note 8)	4,527	3,991
	<u>599,265</u>	<u>494,404</u>
DEFERRED REVENUE	265,428	241,652
ACCUMULATED SICK LEAVE BENEFITS	11,674	11,674
CANADIAN EMERGENCY BUSINESS LOAN (Note 9)	-	40,000
CAPITAL LEASE (Note 8)	3,418	7,878
	<u>879,785</u>	<u>795,608</u>
NET ASSETS		
Operating fund	681,642	681,372
	<u>\$ 1,561,427</u>	<u>\$ 1,476,980</u>

APPROVED BY THE BOARD



Director



Director

**YOUTH SERVICES OF LAMBTON COUNTY
INCORPORATED**

(operating as Huron House Boys' Home)

Statement of Operations

For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUE		
Ministry of Health	\$ 516,707	\$ 612,678
CAS - per diem rates	35,190	68,082
FCC - per diem rates	81,209	78,709
FCC - supervision	71,730	102,105
Grand Erie - per diem	61,185	-
Halton - supervision	6,670	-
Helplink - per diem rate	56,042	80,208
Helplink - supervision	8,940	31,960
Helplink - COVID-19 funding	-	12,931
HRDC employment grant	13,460	17,434
Huron Perth - supervision	9,576	-
Jordan's Principal	82,812	8,120
Keystone Services - per diem rate	81,209	-
Keystone Services - supervision	35,760	-
Hamilton Health Sciences	143,194	88,683
Sarnia Community Foundation	-	10,560
Ontario Trillium Foundation	-	23,300
Parental contributions and children allowances	59,582	47,251
COVID-19 Federal government subsidies (Note 9)	123,668	42,256
Donations	53,197	17,011
Amortization of deferred capital contribution	11,066	3,947
Bingo fundraising	8,959	9,551
Community jobs	2,016	672
Interest	850	1,208
Huron House Boys' Home Foundation Inc. operating subsidy	31,080	124,846
Loss on disposal of equipment	(1,609)	(847)
	1,492,493	1,380,665
EXPENDITURE		
Advertising	597	-
Amortization	54,094	46,906
Bad debts	4,853	-
Bank charges	1,980	2,197
Bingo operating	26	-
Food	46,445	43,062
Insurance	40,577	33,515
Personal needs	20,170	19,026
Purchased services	8,782	12,346
Repairs and maintenance	12,293	11,769
Salaries and benefits	1,164,613	1,138,975
Staff training	9,790	6,814
Staff travel and conferences	658	969
Supplies	80,665	77,365
Utilities	36,513	34,058
Vehicles	10,167	3,129
	1,492,223	1,430,131
EXCESS OF REVEUNE OVER EXPENDITURE		
(EXPENDITURE OVER REVENUE)	\$ 270	\$ (49,466)

YOUTH SERVICES OF LAMBTON COUNTY INCORPORATED

(operating as Huron House Boys' Home)

Notes to the Financial Statements

For the year ended March 31, 2022

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Youth Services of Lambton County Incorporated (operating as Huron House Boys' Home) is incorporated under the Corporations Act of the Province of Ontario as a corporation without share capital.

It has been granted tax exempt status as a registered charity (Business number 119307726 RR 0001) and is classified as a registered charity under Sections 149 and 149.1 of the Income Tax Act, Canada.

Huron House Boys' Home provides residential facilities, youth oriented social services and educational programs for young boys.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The Entity follows the deferral method for accounting for contributions.

Government grants and subsidies are recorded as earned according to the provisions of the project.

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 net investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted net investment income is recognized as revenue when earned.

The Entity follows a policy of deferring grants, donations and fundraising revenues received for a specific purpose until the expense relating to those funds has been incurred. Deferred revenue represents funds received for and expended on the acquisition of equipment property and equipment and is recognized as revenue using the same rate and method as the corresponding related asset.

Accumulated sick leave benefits

The Entity has a sick leave policy which entitles existing non-union full-time employees as of June 7, 2012 to a payout of two thirds of any unused accumulated sick leave benefits when they leave the employment of Youth Services of Lambton County Incorporated. The accumulated sick leave benefits payable under this plan is recorded as a non-current liability. The change in this liability from year-to-year is recorded as salaries and benefits on the statement of revenue and expenditure.

**YOUTH SERVICES OF LAMBTON COUNTY
INCORPORATED**

(operating as Huron House Boys' Home)

Notes to the Financial Statements

For the year ended March 31, 2022

2. ACCOUNTING POLICIES - continued

Investments

Investments are carried at fair market value (see Note 4).

Property and equipment

Purchased assets are stated at cost less accumulated amortization. Contributed assets are recorded at fair value at the date of the contribution unless the fair value is not determined in which case the assets are recorded at nominal value at the date of contribution. Contributed assets are subsequently amortized. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

Computers	30%	diminishing-balance
Computer software	50%	diminishing-balance
Vehicles	30%	diminishing-balance
Building	4%	diminishing-balance
Bridge	4%	diminishing-balance
Furniture and fixtures	20%	diminishing balance
Workshop	4%	diminishing balance
Website	30%	diminishing balance

Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. Assets recorded under capital leases are amortized based on the estimated useful life of the asset calculated as follows:

Computers	15%	diminishing-balance
-----------	-----	---------------------

Management 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 revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

**YOUTH SERVICES OF LAMBTON COUNTY
INCORPORATED**
(operating as Huron House Boys' Home)
Notes to the Financial Statements
For the year ended March 31, 2022

2. ACCOUNTING POLICIES - continued

Financial Instruments

Financial Instruments are recorded at fair value at initial recognition. In subsequent periods, equities traded in an active market are reported at fair value, with any change in fair value reported in the statement of changes in net assets. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

3. FINANCIAL INSTRUMENTS

The Entity has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Entity monitors its accounts receivable regularly and establishes allowances for doubtful accounts as needed. The Entity is also exposed to a concentration of credit risk arising from its bank account and investments being held at one financial institution. There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Entity will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Entity will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Entity is exposed to this risk mainly in respect of its accounts payable and accrued charges, due to Huron House Boys' Home Foundation Inc., deferred revenue, accumulated sick leave benefits, Canadian emergency business loan and capital lease. The Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The Entity maintains a portion of its invested assets in liquid securities. There have not been any changes in the risk from the prior year.

**YOUTH SERVICES OF LAMBTON COUNTY
INCORPORATED**
(operating as Huron House Boys' Home)
Notes to the Financial Statements
For the year ended March 31, 2022

4. INVESTMENTS

	<u>2022</u>	<u>2021</u>
Mutual funds (cost \$28,103; 2021 - \$28,036)	\$ 28,103	\$ 28,036

5. PROPERTY AND EQUIPMENT

	<u>2022</u>			<u>2021</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Pre 1998 assets, nominal value	\$ 1	\$ -	\$ 1	\$ 1
Computers	91,929	76,503	15,426	18,705
Software	4,845	4,572	273	545
Vehicles	66,783	45,939	20,844	3,980
Building	1,974,000	858,419	1,115,581	1,128,275
Furniture and fixtures	52,170	42,317	9,853	8,985
Workshop	78,317	39,973	38,344	39,941
Bridge	12,640	6,699	5,941	6,188
Website	5,425	5,045	380	543
	<u>\$ 2,286,110</u>	<u>\$ 1,079,467</u>	<u>\$ 1,206,643</u>	<u>\$ 1,207,163</u>

Computers includes assets held under capital lease with a cost of \$16,809 (2021 - \$16,809) and related accumulated amortization of \$3,593 (2021 - \$1,261).

6. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	<u>2022</u>	<u>2021</u>
Accounts payable and other accruals	\$ 68,263	\$ 124,706
Government remittances	3,616	1,666
	<u>\$ 71,879</u>	<u>\$ 126,372</u>

7. DUE TO HURON HOUSE BOYS' HOME FOUNDATION INC.

The amount due to a related party, Huron House Boys' Home Foundation Inc. ("the Foundation"), is unsecured, non-interest bearing and has no set repayment terms.

All or part of the interest earned on the entity's operating bank account is allocated monthly to the Foundation based on the balance due to the Foundation.