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9B21M037

Youth opportunities unlimited: seeking shelter

Jack Stevenson wrote this case under the supervision of Julie Gosse solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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In January 2017, Jamie Lee Arseneau, community engagement coordinator for Youth Opportunities Unlimited (YOU), was pondering how to proceed with a decision that would significantly impact the future trajectory of her organization. YOU was a non-profit organization (NPO) based in London, Ontario, whose mission was to help youth build the skills, confidence, and independence needed to reach their full potential. Arseneau had just received a call from Emma Kushnir, her contact at the City of London (the City), with a request for proposal (RFP) to build a new youth shelter in London. Although she was thrilled at the opportunity, Arseneau knew the organization was already committed to several large projects and so she worried about overextending its resources. If she decided to submit a proposal, it would need to include a description of where the shelter would be located, the services it would offer, and how YOU planned to raise the funds required to build the shelter beyond those that the City agreed to provide. Arseneau’s quarterly meeting with YOU’s board of directors and leadership team was scheduled for the end of the week and she needed to be ready to present her recommendation at that time.

HOMELESSNESS IN CANADA

Homelessness in Canada was a pressing issue, costing the government $7 billion each year.[[1]](#footnote-1) An estimated 235,000 Canadians experienced homelessness annually, with 35,000 citizens without a home on any given night.[[2]](#footnote-2) It was estimated that for every visibly homeless individual, there were at least three “hidden” homeless people who couch-surfed or slept in their cars. With an average life expectancy of 39 years,[[3]](#footnote-3) Canada’s homeless population was at a higher risk for unintentional injuries, infectious diseases, malnutrition, and many other potentially life-threatening problems.[[4]](#footnote-4) Although the typical portrayal in popular culture of homeless people was of older men and women, youth also experienced homelessness. Twenty per cent of Canada’s homeless population consisted of youth between the ages of 13 and 24, with 40 per cent of these individuals experiencing homelessness for the first time before the age of 16.[[5]](#footnote-5) Causes of youth homelessness ranged from childhood trauma to mental illness, but the largest contributor was family breakdown.[[6]](#footnote-6) Youth from marginalized groups were especially at risk of homelessness, with 29.5 per cent of youth identifying as LGBTQ2S+ and 58.8 per cent identifying as members of racialized communities.[[7]](#footnote-7) Although the Canadian government had systems in place to assist at-risk youth, child protective services and foster care were not a cure-all for youth homelessness. In fact, over 40 per cent of homeless youth had had child welfare systems involved in their lives at least once before becoming homeless,[[8]](#footnote-8) and 30 per cent of all youth placed in foster care had graduated the system at age 18 with no job, money, or safety net, and with nowhere to go but the street.[[9]](#footnote-9)

Organizations like YOU were founded with the purpose of bridging these support gaps. YOU focused on at-risk and homeless youth as homelessness was especially dangerous for youth due to the increased risk it posed of exploitation, violence, victimization, and physical and sexual abuse.[[10]](#footnote-10) This risk made safe spaces like youth-focused shelters important for homeless youth. Offering spaces exclusively to youth helped to protect them from potential abuse. As youth were often smaller and weaker than their adult counterparts, youth-focused shelters also decreased the risk of theft or violence that was sometimes encountered in all-ages shelters that housed multiple people in one room. Youth also faced a higher risk of physical and mental health problems. The longer a youth experienced homelessness, the more serious the mental and physical impacts could be.[[11]](#footnote-11) Luckily, when given access to the proper resources and support, youth tended to successfully exit the streets at high rates.[[12]](#footnote-12) As homeless youth typically did not have support from their families or more formal systems, they usually required assistance to develop emotional assets such as self-esteem and perseverance,[[13]](#footnote-13) as well as employment-based skills such as time management and decision regulation.[[14]](#footnote-14)

NON-PROFIT ORGANIZATIONS

The NPO industry was one of the largest in Canada with more than 86,000 registered NPOs and charities.[[15]](#footnote-15) These organizations represented $251 billion of the Canadian economy, with $168.5 billion coming from the government, $16.2 billion from private donations, and the remainder from businesses or untraceable donors.[[16]](#footnote-16) Government funding was often influenced by the political party in power, and Conservative governments had historically cut funding to social programs.[[17]](#footnote-17) There was an upcoming provincial election in 2018, and Arseneau was unsure which party would win.[[18]](#footnote-18)

Canadians understood the importance of donating to charity. Canada had the third highest rate of donations as a percentage of gross domestic product in the world. Most Canadians were motivated to donate by a mixture of personal and ideological factors⎯the former stemming from belief in the organization and the latter stemming from sympathy for the cause. Donations had increased approximately 150 per cent over the past three decades,[[19]](#footnote-19) but the way Canadians donated had shifted in recent years. Overall, fewer people were donating to charities, but the sum of each individual donation had increased.[[20]](#footnote-20) Individuals with higher incomes were more likely to claim donations, and the likelihood and average amount of the donation generally increased with age and level of education (see Exhibit 1).[[21]](#footnote-21)

YOUTH OPPORTUNITIES UNLIMITED (YOU)

YOU opened in 1982 as a local advisory committee of six people with a mandate to help local youth connect to employment programming. The organization reached its first major milestone in 1985 with the inception of the London Youth Project. This program provided hands-on training and experience in food service for youth who were no longer in school. Since then, YOU’s services had grown to include education, skills training, employment supports, referrals, health and dental care, housing, workshops, and job search assistance (see Exhibits 2, 3, and 4 for financial statements and ratios). YOU currently employed a staff of over 60, with as many volunteers. They worked with businesses, the community, and government partners to address youth’s most pressing needs, while assisting over 3,600 youth each year. After moving locations several times, YOU had purchased a three-storey heritage building at Richmond Street and York Street and converted it into a complex. This complex, known as “The Cornerstone,” contained office space, affordable housing units, the Youth Action Centre, and a community meeting room.

Arseneau joined YOU just under two years ago, after working at another London-based organization in the housing and non-profit sector for several years. She left this organization for YOU because she aspired to help individuals who were marginalized and vulnerable and because she believed that youth had a great deal of untapped potential. Initially, Arseneau took a pay cut and was put back on the front line. After a short time with the organization, her innate ability to work effectively with youth and other YOU staffers had earned her a promotion to her current position.

YOU currently ran five different social enterprises that served the dual purpose of providing job experience for youth while also providing income to run YOU’s daily operations. These enterprises included the YOU Made It Café, YOU Catering, Mushed by YOU Jams and Preserves, YOU Made It Recycling facility, and YOU Woodshop. Each of these businesses had full-time YOU staff running operations and offered front-line employment opportunities to youth looking to gain a new skill set or build their resume. Arseneau was particularly proud of the YOU Made it Café and the Mushed by YOU Jams and Preserves. The café had recently opened in the same building as YOU’s head office and had already built a strong reputation as a welcoming place to grab a coffee or a bite to eat downtown. Mushed by YOU Jams and Preserves had originally been exclusively sold out of the café but had recently procured a contract to start selling products at some local grocery stores. To help YOU maintain consistent oversight, all five social enterprises operated from 9:00 a.m.–5:00 p.m., Monday to Friday⎯the same time frame that YOU was open. They also provided healthy levels of income that YOU needed in order to run programs that did not generate revenue.

THE SHELTER OPPORTUNITY

A youth-focused shelter in London had been on YOU’s radar for the last several years. To get out of homelessness, youth needed rapid intervention, and YOU already offered many of the services needed to help youth create a stable life and career. Currently, around 500 homeless youth per year were living in London, and a shelter could help reduce this number.[[22]](#footnote-22) The shelter, at minimum, needed to provide temporary housing for youth experiencing homelessness, with 20 to 30 beds available 24 hours a day and 365 days a year. Beyond these specifications, any services or programs YOU wished to run at the shelter would be up to its discretion. The City’s RFP also indicated that the shelter should follow the Housing First philosophy, which focused on getting homeless individuals into independent and permanent housing first, and then providing them with appropriate supports. This method aimed to improve housing stability and education outcome, aid in physical and mental health recovery, and lead to family reunification if possible. The shelter itself would be anchored in the principles outlined in Exhibit 5.

As a public project, the City needed to reach out to several organizations for proposals before deciding which group would receive the contract for the shelter. If selected, YOU would oversee every step of the shelter’s development, which included land selection, building construction, and daily operations. The estimated cost to build and open this shelter was $1.85 million. The City had committed $1.2 million to assist with the initial development of the shelter. Arseneau also expected to receive $150,000 in funding from the Canadian Mortgage and Housing Corporation (CMHC) and $100,000 from other government grants to contribute to the initial development costs. Beyond these funds, YOU would need to lead fundraising efforts in order to cover the initial development deficit itself (see Exhibit 6). The projected cost to run the shelter was $1.1 million per year, with the City committing an annual recurring amount of $800,000 to help cover these costs. Arseneau believed YOU could cover the remaining ongoing operating costs by using the surplus generated from normal operating activities. To confirm this, she would need to project 2017’s income statement and determine if the excess revenues[[23]](#footnote-23) yielded without the shelter would be enough.[[24]](#footnote-24)

OTHER BIDDERS

Unity Project[[25]](#footnote-25)

The Unity Project (Unity), founded in 2001, was a small local charity that operated out of a downtown location and employed a full-time staff of around 10 people. This location housed offices and a homeless shelter for people of all genders over the age of 16 and had a home-like environment. Like YOU, Unity believed that homelessness was a crisis a person experienced; it did not define a person. Individuals staying at the shelter had to participate in programming that included cooking, cleaning, and daily upkeep. This process embedded life skills into the individuals’ daily routine and instilled in them the importance of taking care of themselves, each other, and the community. The shelter was open 24 hours a day, 365 days a year, and aimed to make stays comfortable, productive, and as short as possible. Unity supported roughly 1,000 individuals annually across all of its services, with 545 of those individuals needing nightly shelter.[[26]](#footnote-26)

Atlohsa[[27]](#footnote-27)

Atlohsa, founded in 1986, was a charity in London that catered specifically to London’s First Nations communities. Its aim was to promote the physical, mental, emotional, and spiritual needs of First Nations women, men, and children. In urban areas such as London, Indigenous people were eight times more likely to experience homelessness than their non-native counterparts, with Native American women being particularly vulnerable.[[28]](#footnote-28) Atlohsa saw this need and responded by creating the Zhaawanong Emergency Women’s Shelter in 1992, which provided 24-hour shelter for Indigenous women and their children who were at risk of homelessness. The shelter was located in downtown London, several blocks southwest from YOU’s head office. It offered crisis counselling and intervention services for women and children, emergency transportation, and referrals to other London-based services. Atlohsa also offered a large variety of services including transitional housing support, legal and mediation services, anti-human trafficking programs, men and women’s support groups, and addiction services.

THE SHELTER: STRATEGIC ALTERNATIVES

Shelter Location

The main objective of the shelter would be to divert youth from shelters that did not cater specifically to them. Arseneau had consulted internal and external stakeholders and identified a list of criteria she intended to apply to the selection of a shelter location, beyond the basic requirements set out by the City. The property would need to have a minimum of two acres, offer at least 20 parking spaces, and be located near a residential area. Ideally, the site would have some green space and require minimal re-zoning for construction to commence. The building needed to have sidewalks and streetlights; be accessible by public transit; and not be near schools, another shelter, or the London downtown core. Arseneau knew that many homeless youth avoided shelters because they did not want to share rooms with other people. This meant that YOU’s shelter needed to allow for each youth to have an individual bedroom. Finally, in order for YOU to access CMHC resources, the building needed to be energy efficient and wheelchair accessible.

Clarke Road

One viable location was a building on Clarke Road near Oxford Street East. The property was 2.5 acres and contained a large warehouse. The building was over eight kilometres from YOU’s downtown location, with the nearest bus stop a 15-minute walk away. This property was within walking distance to 3M Anniversary Park and a relatively new residential neighbourhood, while also being located near Fanshawe College. The building was currently owned by a construction company that had just declared bankruptcy. The listing stipulated that everything currently on the site was included in the sale, which meant that the site would need to be torn down and sent to a landfill, which would take about three months. Arseneau estimated the total cost to purchase the property, demolish the current structure, and build a shelter would be $1.85 million and anticipated YOU would need to raise $400,000 through fundraising to cover the initial costs. Building a shelter from scratch would give YOU complete control over what services would be offered at the shelter, as well as the size and location of each of the rooms. The lot would allow for a building with 25 individual rooms for youth, a small office space, a laundry room, a functioning kitchen, and four to five private meeting rooms for any services that YOU chose to locate in the building.

Hamilton Hotel

Arseneau was also considering the Hamilton Hotel, a popular hotel located on Hamilton Road near Adelaide Street North. Situated only two kilometres from YOU’s downtown office, this location was in close proximity to the organization’s resources but also near potentially harmful influences. It was on the edge of the downtown core and could be accessed by homeless youth via bus or on foot. The two-acre property would need to be rezoned before renovations could commence, and Arseneau knew that the zoning department had a wait time of six months. The hotel was located near a residential area and several parks, and had full streetlight and sidewalk coverage. The hotel already had 20 single-room units ready for use, as well as a kitchen, laundry facility, and office.

YOU had contemplated purchasing this location in the past for the Joan’s Place complex, a project YOU was currently undertaking. The owners of the Hamilton Hotel were getting close to retirement and had told YOU that if it wanted to purchase the building and land, it would have to buy the entire business. Although YOU would replace the hotel with a shelter, the purchase price Arseneau offered would need to reflect the value of the business. She had already reached out to the current owners to obtain recent financial statements and projections for future performance (see Exhibits 7 and 8). Revenue was expected to increase by 5 per cent, cost of goods sold to decrease to 43 per cent of sales, and wages to decrease to 8 per cent of sales, with all other expenses remaining the same dollar amount or sales percentage as the year before. Arseneau estimated renovations would cost $350,000 on top of the purchase price she decided on. Unfortunately, due to the way the hotel was designed, it did not qualify for the CMHC grant, and project management fees would increase to $300,000. All other revenues and capital costs (see Exhibit 6) would remain the same.

Services Provided

Basic Needs Model

YOU had recently formed a community advisory group comprised of shelter leaders, community advocates, and homeless youth in order to discuss ways YOU could better support youth. From these meetings, Arseneau had determined that there were several different levels of service the shelter could offer, all of which had similar costs. The first model was a Basic Needs Model, where the shelter would cater only to the primary needs of youth. It included providing housing, free food, shower facilities, laundry facilities, and a cooling and warming station (depending on the time of year). YOU would continue to offer all other services at The Cornerstone. Food was the primary need for homeless youth seeking shelter, and YOU currently handed out roughly 500−900 bagged and frozen meals per month (depending on the season) to youth who were homeless or facing homelessness. Arseneau anticipated that the demand for these meals would not change by offering free food at the shelter. Meals would be prepared at YOU headquarters, and as long as there was a kitchen in the shelter, YOU would be able to store the meals with a negligible increase to cost.

Healthcare Model

The Healthcare Model was the next level of care being considered. This model included all of the services of the Basic Needs Model, as well as an additional focus on physical and mental health. YOU would leverage its partnerships with local organizations to bring in mental health and medical professionals to assess and assist youth. Services would include individual counselling, group counselling, general check-ups, and dental check-ups and cleanings. Since the organizations with which YOU partnered could provide only a limited number of volunteer professionals, YOU would need to split the organizations’ volunteer hours between the youth shelter and The Cornerstone. This meant that the more involved these organizations were with the shelter, the less time they would be able to allocate to the non-homeless youth YOU worked with.

Comprehensive Model

The final model that YOU was contemplating was a Comprehensive Model. The Comprehensive Model would include all of the services offered in the Basic Needs and Healthcare models, plus many of the services offered at The Cornerstone itself. The shelter would offer addictions counselling, child care, employment and skills training, and career counselling. As these sessions would be run by YOU staff members, they would require these staff members to start working at the shelter one or two days each week. This would translate to fewer staff members being available to run sessions at The Cornerstone and would limit the total number of hours available to youth who were not homeless but still needed assistance. Under this model, YOU would turn the youth shelter into a comprehensive assistance centre for youth facing homelessness, and the shelter would be a haven for homeless youth in London. Arseneau wondered if this would result in youth becoming overly dependent on the shelter and thus less likely to leave.

FUNDRAISING OPTIONS

Arseneau knew that the $1.2 million the City had pledged would not be enough to cover the shelter development costs, meaning YOU would be responsible for initiating fundraising activities to cover the deficit. Since this was a long-term project, the initial funding provided by the City would fund operations for at least the first year; however, YOU would be required to bridge the gap by mid-2019, when the City wanted the shelter to open. Arseneau and her team had brainstormed fundraising options, and she wondered whether any of these would be enough to bridge the gap alone or whether they would need to be combined with another option:

Fight to End Homelessness

The first fundraising option being considered was a “Fight to End Homelessness” event. This would be a charity boxing event where local boxers would be paired up for exhibition matches. Arseneau had run a similar event for her previous employer and knew several boxers who would happily donate their time. The event would be logistically complex, as YOU would need to organize volunteers and staff to help run the event, coordinate vendors to distribute food, create advertisements for the event, and carry out several other small tasks. YOU could run the event two or three times before the shelter opened. Arseneau expected variable costs per ticket to be 35 per cent of the sale price. The largest individual costs per event would be advertising, wages, and food, at $7,000, $8,000, and $6,000, respectively. All other costs would total $8,000 per event. Arseneau expected between 8,000 and 12,000 people to attend each of the first two events, but if it ran a third event, YOU would experience lower attendance levels due to a lack of novelty. Arseneau planned to set the ticket price at $20, and she wondered if this would allow YOU to breakeven on running each event and earn a large enough profit to help fund the shelter.

YOU Made It Breakfast Fundraiser

Another option was to raise funds with a “YOU Made It Breakfast Fundraiser.” For this event, businesses and individuals would purchase plates to attend a breakfast gala, with breakfast made by staff from the YOU Made it Café and served by employees from YOU Catering. Although YOU owned these social enterprises, they were separate business entities, and so the revenue generated by the café and the catering would not go towards building the shelter. At the event, speakers from YOU and the community would share their personal experiences and stories. The event would be held at the London Convention Centre (LCC) and target businesses and individuals who worked downtown. Arseneau anticipated 2,000 attendees, with corporate donors representing 70 per cent of the group. Based on LCC availability, Arseneau could run the event only once per year before the shelter opened. She anticipated costs would include food and catering fees, at $15 and $5 per attendee, respectively, as well as technology rental, decoration, and YOU staff wages, at $5,000 each. YOU would allocate $15,000 to cover speaker transportation and all other miscellaneous costs. The LCC charged a $20,000 rental fee for each event.

Arseneau decided that the minimum price for each plate would be set at $40. Corporate donors were expected not only to pay the minimum price for a plate but also to send multiple people, making attracting even a handful of businesses appealing. In her experience, though, the remaining 30 per cent of patrons would pay above the minimum price. Arseneau knew that the amount each person donated would be highly influenced by their age and career stage.[[29]](#footnote-29) She expected all attendees to be above 25 years old, with half falling between the ages of 45 and 54, and all other age groups split evenly. She also knew that YOU Catering did not currently have the resources to cater such a large event and would require YOU to invest $30,000 in more equipment. She wondered if her price per plate would generate enough money both to pay back new equipment and to fund the shelter.

Drag Brunch Series

The final fundraiser Arseneau was considering was a series of drag brunches. Arseneau knew that a great way to sustainably raise money over time was with several small events. The drag brunches would take place on Sunday mornings and consist of a series of lip-synch performances by London Drag Queens,[[30]](#footnote-30) interactive games, and photo opportunities. The price per ticket would be $40 and include one free coffee or cocktail (age and choice dependent), the brunch, and drag show. YOU had a strong relationship with London’s LGBTQ2S+ community, and Arseneau knew that she would be able to recruit drag queens to perform for a small fee to cover costumes and makeup,[[31]](#footnote-31) with all additional tips going to the shelter. Tipping was a huge part of drag show culture, and so Arseneau believed that YOU could generate $20 in tips per person attending. Food and drink costs were expected to be $4 per attendee.

Arseneau planned to schedule two brunch performances[[32]](#footnote-32) each Sunday, and she expected similar levels of attendance at both. YOU had strong connections to downtown venues, and Arseneau was confident she could rotate between several breakfast locations at no cost, as each event would provide free publicity to these small businesses. Beyond booking venues and performers, minimal YOU staff would be needed to attend each brunch. Arseneau expected to run drag brunch events twice a month over the next two years, with venue capacities of about 40 people. She hoped this could become a sustainable fundraising option. One drawback to the brunch option was its seasonality. Attendance levels were projected to be at 50 per cent capacity from November to April and at 100 per cent during the remaining months.

STATUS QUO

Knowing that YOU was juggling multiple projects, Arseneau wanted to thoroughly analyze the option of not submitting a bid for the youth shelter. On top of the five social enterprises YOU currently operated, the organization was in the middle of its largest capital project to date⎯Joan’s Place. The previous year, YOU purchased a bar complex across the street from The Cornerstone that it planned on converting to affordable housing for young moms and families, as well as a youth wellness hub. The hub would house support resources such as addiction services, mental health services, child care, training and employment seminars, and justice system support. YOU estimated the project would cost approximately $16 million upon completion in the next five to seven years. Although Arseneau did not anticipate that YOU would be asking the same groups of people for donations for Joan’s Place as for the youth shelter, Joan’s Place was still in the initial stages of development and required constant attention from YOU staff.

Arseneau projected that YOU’s total revenue in 2017 would be $7,217,149. Joan’s Place would require several new staff members, and Arseneau projected salaries and benefits would increase by $70,000. Utilities were also expected to increase, by 2 per cent. Luckily, the previous week Arseneau had renegotiated YOU’s insurance policy and secured a $2,000 decrease on annual fees. All other expenses would stay the same dollar amount or percent of sales as 2016.

CONCLUSION

Arseneau leaned back in her chair and considered all of the options in front of her. Every choice she was considering for the shelter had strong pros and cons. The prospect of building a youth shelter was an exciting opportunity, but it could not come at the cost of diminishing YOU’s other projects and services. She needed to think critically about which options made the most sense and whether this was the right time to submit a proposal. Arseneau looked at the clock and realized an hour had already passed. She needed to get to work if she was going to make it to her family barbecue after work later that afternoon.

EXHIBIT 1: DONATION AMOUNT BY AGE GROUP

| Age Group | Average Annual Donation |
| --- | --- |
| 15 to 24 Years | $219 |
| 25 to 34 Years | $366 |
| 35 to 44 Years | $441 |
| 45 to 54 Years | $650 |
| 55 to 64 Years | $673 |
| 65 to 74 Years | $724 |
| 75 Years+ | $731 |

Source: David Lasby and Cathy Barr, *30 Years of Giving in Canada: The Giving Behaviour of Canadians: Who Gives, How, and Why?*, RIFFRH: Fondation Rideau Hall Foundation and Imagine Canada, 2018, accessed February 10, 2021, [www.cagp-acpdp.org/sites/default/files/media/rideau\_hall\_foundation\_30years\_report\_eng\_fnl.pdf](http://www.cagp-acpdp.org/sites/default/files/media/rideau_hall_foundation_30years_report_eng_fnl.pdf).

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EXHIBIT 2: YOU INCOME STATEMENTS For years ending December 31 (CA$)

|  |  | **2016** | | | **2015** | |
| --- | --- | --- | --- | --- | --- | --- |
| **Revenues** |  |  |  | |  |  |
| Ontario Ministries Contribution |  | $ 3,199,878 | | 45.8% | $ 3,155,981 | 49.0% |
| City of London |  | 572,565 | | 8.2% | 586,308 | 9.1% |
| Service Canada |  | 967,662 | | 13.8% | 842,278 | 13.1% |
| Project Funding |  | 376,960 | | 5.4% | 255,140 | 4.0% |
| Social Enterprise Revenue |  | 836,467 | | 12.0% | 642,054 | 10.0% |
| Affordable Housing Rent |  | 179,904 | | 2.6% | 175,006 | 2.7% |
| External NPO Donations |  | 311,348 | | 4.5% | 237,087 | 3.7% |
| Donations |  | 244,755 | | 3.5% | 261,688 | 4.1% |
| Amortization |  | 260,099 | | 3.7% | 262,315 | 4.1% |
| Interest |  | - | | 0.0% | 4 | 0.0% |
| Other Revenue |  | 40,876 | | 0.6% | 16,547 | 0.3% |
| **Total Revenue** |  | $ 6,990,514 | | 100% | $ 6,434,408 | 100% |
|  |  |  | |  |  |  |
| **Expenses** |  |  | |  |  |  |
| Salaries and Benefits |  | $ 2,314,504 | | 33.1% | $ 2,241,331 | 34.8% |
| Employer Subsidies |  | 1,054,265 | | 15.1% | 1,052,180 | 16.4% |
| Participant Wages and Stipends |  | 903,154 | | 12.9% | 1,015,849 | 15.8% |
| Program Delivery |  | 848,904 | | 12.1% | 653,766 | 10.2% |
| Amortization of Capital Assets |  | 444,463 | | 6.4% | 443,762 | 6.9% |
| General and Administrative |  | 434,199 | | 6.2% | 404,238 | 6.3% |
| Rent |  | 260,774 | | 3.7% | 229,309 | 3.6% |
| Professional Services |  | 181,391 | | 2.6% | 84,839 | 1.3% |
| Interest on LTD |  | 169,771 | | 2.4% | 184,009 | 2.9% |
| Fundraising |  | 66,703 | | 1.0% | 38,099 | 0.6% |
| Bank and Other Interest Charges |  | 19,247 | | 0.3% | 18,079 | 0.3% |
| Miscellaneous |  | 27,871 | | 0.4% | 14,537 | 0.2% |
| **Total Expenditures** |  | $ 6,725,246 | | 96.2% | $ 6,379,998 | 99.2% |
| Taxes |  | - | |  | - |  |
| **Excess of Revenues** |  | $ 265,268 | | 3.8% | $ 54,410 | 0.8% |

Note: NPO = non-profit organizations; LTD = long-term debt.

Source: Company files

EXHIBIT 3: YOU BALANCE SHEETS For years at December 31 (CA$)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ASSETS** |  | | **2016** |  | **2015** |
| Current Assets: |  | |  |  |  |
| Cash |  | $ 70,666 | |  | $ – | |
| Accounts Receivable |  | 263,954 | |  | 355,498 | |
| Inventory |  | 44,769 | |  | 43,719 | |
| Prepaid Expenses |  | 34,762 | |  | 77,311 | |
| **Total Current Assets** |  | 414,151 | |  | 476,528 | |
|  |  |  | |  |  | |
| **Net Fixed Assets** |  | 10,097,139 | |  | 8,607,845 | |
|  |  |  | |  |  | |
| **TOTAL ASSETS** |  | $ 10,511,290 | |  | $ 9,084,373 | |
|  |  |  | |  |  | |
| **LIABILITIES** |  |  | |  |  | |
| Current Liabilities: |  |  | |  |  | |
| Bank Indebtedness |  | $ - | |  | $ 1,371 | |
| Accounts Payable |  | 365,197 | |  | 483,513 | |
| Government Premium Payable |  | 5,388 | |  | 12,848 | |
| Ministry Contributions Receivable |  | 288,615 | |  | 28,055 | |
| Deferred Revenue |  | 490,141 | |  | 458,620 | |
| LTD Interest Fluctuation Protection |  | 22,734 | |  | 63,610 | |
| Current Portion of LTD Owing |  | 1,807,214 | |  | 355,763 | |
| Current portion of LTD Forgivable |  | 52,500 | |  | 111,147 | |
| **Total Current Liabilities** |  | 3,031,789 | |  | 1,614,927 | |
| Long-term Liabilities: |  |  | |  |  | |
| Deferred Capital Assets Contribution |  | $ 4,025,309 | |  | $ 4,162,756 | |
| Long-term Debt |  | 2,412,211 | |  | 2,569,424 | |
| Contingent Commitments and Liabilities | | 1,041,981 | |  | 737,266 | |
| **Total Long-term Liabilities** |  | 7,479,501 | |  | 7,469,446 | |
| **TOTAL LIABILITIES** |  | $ 10,511,290 | |  | $ 9,084,373 | |

Note: LTD = long-term debt.

Source: Company files.

EXHIBIT 4: YOU RATIO ANALYSIS

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016** | **2015** |  | **2016** | **2015** |
| **Liquidity** |  |  | **Stability** |  |  |
| Current Ratio | 0.14:1 | 0.30:1 | Net Worth to Total Assets | N/A | N/A |
| Acid Test | 0.11:1 | 0.22:1 | Interest Coverage | 2.6 | 1.3 |
|  |  |  |  |  |  |
| **Efficiency** |  |  | **Growth** |  |  |
| Age of Receivables | 13.8 | 20.2 | Sales | 9% | N/A |
| Age of Payables | N/A | N/A | Excess of Revenues | 388% | N/A |
| Age of Inventory\* | 19.2 | 24.4 | Total Assets | 16% | N/A |
|  |  |  | Equity | N/A | N/A |

Note: \*Program delivery as proxy for cost of goods sold.

Source: Company files.

EXHIBIT 5: YOUTH SHELTER PRINCIPLES

| Transitions youth out of emergency shelters into permanent housing of their choice with intensive, in-home support services. |
| --- |
| Customizes solutions that observe the unique needs of each youth including family reunification where appropriate. |
| Collaborates with partnering organizations to establish an effective system approach with a focus on successful transition into adulthood for young people. |
| Fosters a sense of belonging and acceptance in an accessible location outside of the downtown core. |

Source: Company files.

EXHIBIT 6: PROJECTED SHELTER CAPITAL AND OPERATING BUDGET (CA$)

| **Capital Budget** | | | |  | **Operating Budget** | |
| --- | --- | --- | --- | --- | --- | --- |
| **Revenues** | |  | |  | **Revenues** |  |
| City of London | $ 1,200,000 | |  | | City of London | $ 800,000 |
| CMHC | 150,000 | |  | | **Total Revenues** | 800,000 |
| Other NPOs | 100,000 | |  | |  |  |
| **Total Externally Generated Revenues** | 1,450,000 | |  | | **Estimated Operating Expenses** |  |
|  |  | |  | | Staff & Management Wages | $ 839,003 |
| **Capital Cost Estimates** |  | |  | | General & Administration | 74,136 |
| Purchase Price Estimation | $ 400,000\* | |  | | Raw Materials | 48,000 |
| Construction/Renovations Estimation | 1,200,000 | |  | | Property Tax | 38,549 |
| Project Management | 100,000 | |  | | Office Expenses | 39,703 |
| Contingency Planning | 60,000 | |  | | Technology | 4,680 |
| HST | 50,000 | |  | | Cleaning | 3,000 |
| Data Management System | 40,000 | |  | | Advertising & Outreach | 1,842 |
| **Total Capital Cost Estimates** | $ 1,850,000 | |  | | Insurance | 4,071 |
|  |  | |  | | Travel | 8,540 |
| **YOU Fundraising Needs** | $ 400,000 | |  | | Utilities & Maintenance | 15,100 |
|  |  | |  | | Interest | 20,404 |
|  |  | |  | | Miscellaneous | 2,972 |
|  |  | |  | | **Total Estimated Expenses** | $ 1,100,000 |
|  |  | |  | |  |  |
|  |  | |  | | **YOU Operating Needs** | $ 300,000\*\* |

Note: CMHC = Canadian Mortgage and Housing Corporation; NPO = non-profit organization; HST = harmonized sales tax; \*Purchase Price and Construction/Renovation values are estimates. Total Fundraising Needs will change depending on which location is selected for the shelter. \*\*YOU Operating Needs will not change regardless of which shelter operation model is chosen.

Source: Company files.

EXHIBIT 7: HAMILTON HOTEL INCOME STATEMENTS For years ending December 31 (CA$)

|  | **2016** | **2015** | **2014** |
| --- | --- | --- | --- |
|  |  |  |  |
| Net Sales | $ 1,126,755 | $ 1,073,100 | $ 1,022,000 | |
| Cost of Goods Sold | 507,040 | 482,895 | 459,900 | |
| Gross Profit | 619,715 | 590,205 | 562,100 | |
|  |  |  |  | |
| **Expenses** |  |  |  | |
| Wages | $ 112,676 | $ 107,310 | $ 102,200 | |
| Internet and Telephone | 22,535 | 21,462 | 20,440 | |
| Interest | 11,268 | 10,731 | 10,220 | |
| Decorations | 33,803 | 32,193 | 30,660 | |
| General and Administration | 56,338 | 53,655 | 51,100 | |
| Linen Cleaning | 13,467 | 12,826 | 12,215 | |
| Cleaning Supplies | 22,535 | 21,462 | 20,440 | |
| Reservation Fees | 38,328 | 36,503 | 34,765 | |
| Credit Card Fees | 22,535 | 21,462 | 20,440 | |
| Utilities | 33,803 | 32,193 | 30,660 | |
| Food Costs | 56,338 | 53,655 | 51,100 | |
| Depreciation | 11,268 | 10,731 | 10,220 | |
| Advertising | 45,070 | 42,924 | 40,880 | |
| Maintenance | 33,803 | 32,193 | 30,660 | |
| **Total Expenses** | 513,765 | 489,300 | 466,000 | |
|  |  |  |  | |
| **Net Income Before Taxes** | $ 105,950 | $ 100,905 | $ 96,100 | |
|  |  |  |  | |
| Income Tax | 24,369 | 23,208 | 22,103 | |
|  |  |  |  | |
| **Net Earnings** | $ 81,582 | $ 77,697 | $ 73,997 | |

Source: Created by the author.

EXHIBIT 8: HAMILTON HOTEL BALANCE SHEETS (CA$) FOR YEARS AT DECEMBER 31

|  | **2016** | **2015** | **2014** |
| --- | --- | --- | --- |
| **ASSETS** |  |  |  |
| Current Assets: |  |  |  |
| Cash | $ 52,015 | $ 51,500 | $ 50,000 |
| Accounts Receivable | 139,149 | 137,771 | 135,468 |
| Inventory | 13,053 | 12,797 | 12,546 |
| Prepaid Expense | 1,615 | 1,599 | 1,568 |
| Marketable Securities | 1,125 | 1,114 | 1,086 |
| Other Current Assets | 68,316 | 67,307 | 65,987 |
| **Total Current Assets** | 275,274 | 272,088 | 266,655 |
|  |  |  |  |
| **Net Fixed Assets** | 1,000,000 | 1,000,000 | 1,000,000 |
|  |  |  |  |
| **TOTAL ASSETS** | $ 1,275,274 | $ 1,272,088 | $ 1,266,655 |
|  |  |  |  |
| **LIABILITIES** |  |  |  |
| Current Liabilities: |  |  |  |
| Working Capital Loan | $ 84,486 | $ 82,025 | $ 80,654 |
| Accounts Payable | 105,552 | 103,078 | 100,564 |
| Customer Security Deposits | 11,006 | 10,706 | 10,569 |
| Other Current Liabilities | 157,893 | 154,949 | 150,436 |
| **Total Current Liabilities** | 358,937 | 350,759 | 342,223 |
|  |  |  |  |
| Long-term Liabilities: |  |  |  |
| Long-term Debt | 216,820 | 303,395 | 384,194 |
| **Total Long-term Liabilities** | 216,820 | 303,395 | 384,194 |
|  |  |  |  |
| **SHAREHOLDERS' EQUITY** |  |  |  |
| Retained Earnings | $ 699,516 | $ 617,935 | $ 540,238 |
| **Total Equity** | 699,516 | 617,935 | 540,238 |
|  |  |  |  |
| **TOTAL LIABILITIES AND EQUITY** | $ 1,275,274 | $ 1,272,088 | $ 1,266,655 |

Source: Created by the author.

1. “For Media: Facts and Figures,” Raising the Roof ⎪ Chez Toit, accessed July 2, 2020, <https://raisingtheroof.org/media/>; all currency amounts are in CA$ unless otherwise specified. [↑](#footnote-ref-1)
2. Ibid. [↑](#footnote-ref-2)
3. “About Youth Homelessness,” eva’s, accessed July 1, 2020, www.evas.ca/about-us/facts-about-youth-homelessness/. [↑](#footnote-ref-3)
4. Emma Woolley, “What Are the Top 10 Health Issues Homeless People Face?,” Homeless Hub, February 6, 2015, accessed July 8, 2020 www.homelesshub.ca/blog/what-are-top-10-health-issues-homeless-people-face. [↑](#footnote-ref-4)
5. “Who We Are: Youth Homelessness,” Youth Without Shelter, accessed July 7, 2020, www.yws.on.ca/who-we-are/youth-homelessness/. [↑](#footnote-ref-5)
6. Ibid. [↑](#footnote-ref-6)
7. “About Youth Homelessness,” op. cit. [↑](#footnote-ref-7)
8. “Who We Are,” op. cit. [↑](#footnote-ref-8)
9. “Three Differences between Youth and Adult Homelessness,” NH: New Horizons, June 28, 2016, accessed July 5, 2020, https://nhmin.org/2016/06/28/three-differences-between-youth-and-adult-homelessness/. [↑](#footnote-ref-9)
10. “Who We Are,” op. cit. [↑](#footnote-ref-10)
11. *“*Youth Homelessness in Canada: The Road to Solutions,” Raising the Roof ⎪ Chez Toit, 2009, accessed July 20, 2020, www.homelesshub.ca/sites/default/files/attachments/qbvwqaqz.pdf. [↑](#footnote-ref-11)
12. “Three Differences,” op. cit. [↑](#footnote-ref-12)
13. Ibid. [↑](#footnote-ref-13)
14. A. Raon, A.L. Rapaport, and R. Sajid, “Developing a Framework for Goal-Setting and Goal-Attainment for At-Risk Youth,” (undergraduate thesis), Western University, 2020. [↑](#footnote-ref-14)
15. Registered charities had to use their resources for charitable activities whereas NPOs were operated for any purpose except profit. [↑](#footnote-ref-15)
16. Raon, Rapaport, and Sajid, op. cit.; YOU itself had received over $4.5 million from the federal, provincial, and municipal governments combined; David Lasby and Cathy Barr, *30 Years of Giving in Canada: The Giving Behaviour of Canadians: Who Gives, How, and Why?*, RIFFRH: Fondation Rideau Hall Foundation and Imagine Canada, 2018, accessed February 10, 2021, www.cagp-acpdp.org/sites/default/files/media/rideau\_hall\_foundation\_30years\_report\_eng\_fnl.pdf. [↑](#footnote-ref-16)
17. Les Whittington, “Conservatives Dismantling Social Programs Built over Generations,” *Toronto Star*, December 9, 2013, accessed July 12, 2020, www.thestar.com/news/canada/2013/12/09/conservatives\_dismantling\_social\_programs\_built\_over\_generations.html. [↑](#footnote-ref-17)
18. “Ontario Election Results 2018: Poll-by-Poll Riding Vote Map,” Global News, June 8, 2018, accessed July 12, 2020, https://globalnews.ca/news/4257183/ontario-election-results-2018/. [↑](#footnote-ref-18)
19. Lasby and Barr, op. cit. [↑](#footnote-ref-19)
20. Ibid. [↑](#footnote-ref-20)
21. Ibid. [↑](#footnote-ref-21)
22. “Why Adult Shelters Are Scary for London’s Homeless Youth,” CBC News, January 7, 2019, accessed February 10, 2021, [www.cbc.ca/news/canada/london/london-homeless-youth-shelters-1.4968715](http://www.cbc.ca/news/canada/london/london-homeless-youth-shelters-1.4968715). [↑](#footnote-ref-22)
23. “Excess revenues” is known as “profit” in private corporations. [↑](#footnote-ref-23)
24. As a registered NPO, YOU did not pay any income tax on activities related to regular operations. [↑](#footnote-ref-24)
25. “For Relief of Homelessness in London,” Unity Project, accessed July 6, 2020, https://unityproject.ca/. [↑](#footnote-ref-25)
26. Unity Project, *Annual Report 2015–16*, 4, accessed July 6, 2020, https://unityproject.ca/wp-content/uploads/Unity-Project-Annual-Report-2015-16-small.pdf. [↑](#footnote-ref-26)
27. “What We Do,” Atlohsa: Family Healing Services, 2019, accessed July 10, 2020, https://atlohsa.com/. [↑](#footnote-ref-27)
28. “About Homelessness: Indigenous Peoples,” Homeless Hub, accessed July 8, 2020, www.homelesshub.ca/about-homelessness/population-specific/indigenous-peoples. [↑](#footnote-ref-28)
29. Arseneau anticipated this event would represent half of the average person’s yearly charitable contributions. [↑](#footnote-ref-29)
30. A drag queen was a person, usually male, who used clothing and makeup to imitate and often exaggerate female gender characteristics and gender roles for entertainment. [↑](#footnote-ref-30)
31. Performer fees were projected to cost $100 per event. [↑](#footnote-ref-31)
32. These performances were scheduled for one at 11:30 a.m. and another at 1:30 p.m. [↑](#footnote-ref-32)