

HOMELESS CONNECT TORONTO

Financial Statements

December 31, 2018

Independent Auditors' Report

To the Directors of Homeless Connect Toronto

We have audited the accompanying financial statements of Homeless Connect Toronto (the Entity), which comprise the balance sheet as at December 31, 2018, the statement of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Homeless Connect Toronto as at December 31, 2018, and the results of its operations, changes in net assets 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 Entity 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.

DO Chartered Accountant

Hamilton, Ontario

May 28, 2019

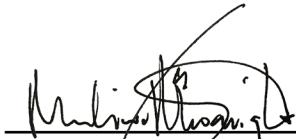
Licensed Public Accountant

Homeless Connect Toronto


Balance Sheets as at December 31, 2018

	2018	2017
ASSETS		
Current:		
Cash	\$ 74,122	\$ 72,335
Amounts receivable	3,873	260
Prepaid Expenses	1,232	876
Other assets (Note 4)	<u>30,664</u>	<u>250</u>
	<u>109,891</u>	<u>73,721</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	8,444	7,970
Deferred revenue (Note 4)	<u>30,664</u>	<u>250</u>
	39,108	8,220
NET ASSETS	<u>70,783</u>	<u>65,501</u>
	<u>\$ 109,891</u>	<u>\$ 73,721</u>

Approved by the Board



Director



Director

HOMELESS CONNECT TORONTO

Statement of Operations and changes in Net Assets

For the year ended December 31, 2018

	2018	2017
REVENUES		
Corporate donation	\$ 27,392	\$ 66,773
In kind donation (Note 3)	72,709	39,494
Individual donation	10,314	9,891
Harmonized sales tax	2,109	-
Interest	71	38
Fundraising	303	-
	<u>112,898</u>	<u>116,196</u>
EXPENSES		
Program expenses (Note 3)	96,518	79,131
Fundraising expense	1,430	-
General and administrative	7,973	6,484
Professional fee	1,695	1,695
	<u>107,616</u>	<u>87,310</u>
EXCESS OF REVENUES OVER EXPENSES	5,282	28,886
Net asset, beginning of year	<u>65,501</u>	<u>36,615</u>
Net assets, end of year	<u>\$ 70,783</u>	<u>\$ 65,501</u>

HOMELESS CONNECT TORONTO

Statement of Cash Flows

For the year ended December 31, 2018

	2018	2017
Cash generated (used in):		
Operating activities		
Excess of revenues over expenses	\$ 5,282	\$ 28,886
Impact on cash of changes in non-cash operating working capital items:		
Amounts receivable	(3,613)	22,080
Prepaid expenses	(356)	1,291
Other assets	(30,414)	1,086
Accounts payable and accrued liabilities	474	4,094
Deferred revenues	30,414	(1,086)
Increase (decrease) in cash	1,787	56,351
Cash and cash equivalents, beginning of year	72,335	15,984
Cash and cash equivalents, end of year	\$ 74,122	\$ 72,335

HOMELESS CONNECT TORONTO

Notes to Financial Statements

December 31, 2018

1. NATURE AND PURPOSE OF THE ORGANIZATION

Homeless Connect Toronto is a not-for-profit organization incorporated without share capital under the laws of the Province of Ontario on October 23, 2013. The organization is exempt from paying tax under the income tax legislation.

The organization coordinates a one day events – essentially a “one-stop-shop” for supports and services for individual’s at-risk or experiencing homelessness.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenues in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions explicitly and implicitly restricted by the donor are deferred when received and recognized as revenues in the year in which the related activity takes place and expenses are incurred. In kind donations are recorded at their estimated fair values only when the goods and services would have otherwise been purchased by the organization.

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and amounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

The carrying value of the organization’s financial instruments approximates their fair value due to the relatively short term to maturity of those instruments. It is management’s opinion that the organization is not exposed to significant liquidity risk, interest rate or credit risk arising from these financial instruments.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Contributed services

Contributed goods and services are recorded on the financial statements only when fair value of these goods and services can be reasonably determined, and the goods and services are used in the normal course of operations and would otherwise have been purchased.

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3. IN KIND DONATION

Included in kind donations are

	2018	2017
Care package items	\$ 68,015	\$ 35,678
Venue	3,500	2,500
Transportation	1,194	1,316
	<u>\$ 72,709</u>	<u>\$ 39,494</u>

Included in program expenses in 2018 is \$72,709 (2017 - \$39,494) of in-kind donations

4. DEFERRED REVENUES AND OTHER ASSETS

Included in deferred revenues and other assets are unused care package items donated.