

**HOMELESS CONNECT TORONTO
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

INDEPENDENT AUDITOR'S REPORT

To the Members of Homeless Connect Toronto,

Qualified Opinion

We have audited the accompanying financial statements of Homeless Connect Toronto, which comprise the statement of financial position as at December 31, 2022, and the statements 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.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Homeless Connect Toronto as at December 31, 2022, 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 Qualified Opinion

In common with many charitable organizations, the Organization derives cash income from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this income was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donation and fundraising income, excess of revenue over expenses, assets and net assets.

Responsibility 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.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibility 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.

June 9, 2023
Toronto, Ontario




RSSM LLP
Licensed Public Accountants

HOMELESS CONNECT TORONTO
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	2022	2021
	\$	\$
ASSETS		
CURRENT		
Cash	269,711	224,097
Accounts receivable	27,025	18,820
Prepaid expenses	2,624	1,033
HST recoverable	16,339	8,503
	315,699	252,453
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	48,640	15,448
Deferred revenue (Note 3)	86,834	83,984
	<u>135,474</u>	<u>99,432</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	180,225	153,021
	315,699	252,453

APPROVED ON BEHALF OF THE BOARD:


Jennifer Ho (Jul 5, 2023 19:38 EDT)

Director

Richard Teicher

Director

See accompanying notes to the financial statements

RSSM_{L.P.}

HOMELESS CONNECT TORONTO
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
REVENUE		
Grants (Note 4)	264,886	157,349
Sponsorships (Note 2)	76,708	117,888
Donations (Note 2)	33,507	41,003
Fundraising	11,361	18,574
Interest	<u>652</u>	<u>365</u>
	<u>387,114</u>	<u>335,179</u>
EXPENSES		
Program (Note 2)	308,513	223,359
General and administrative	24,963	25,396
Fundraising	15,803	19,287
Professional fees	<u>10,631</u>	<u>9,670</u>
	<u>359,910</u>	<u>277,712</u>
EXCESS OF REVENUE OVER EXPENSES	27,204	57,467
NET ASSETS, beginning of year	153,021	95,554
NET ASSETS, end of year	<u>180,225</u>	<u>153,021</u>

See accompanying notes to the financial statements

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HOMELESS CONNECT TORONTO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY OPERATING ACTIVITIES		
Excess of revenue over expenses, for the year	27,204	57,467
Changes in non-cash operating working capital:		
Accounts receivable	(8,205)	(18,820)
Prepaid expenses	(1,591)	1,401
HST recoverable	(7,836)	(6,767)
Accounts payable and accrued liabilities	33,192	(4,792)
Deferred revenue	<u>2,850</u>	<u>74,933</u>
	<u>45,614</u>	<u>103,422</u>
INCREASE IN CASH , during the year	45,614	103,422
CASH , beginning of year	224,097	120,675
CASH , end of year	<u>269,711</u>	<u>224,097</u>

See accompanying notes to the financial statements

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HOMELESS CONNECT TORONTO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

PURPOSE OF THE ORGANIZATION

Homeless Connect Toronto (the "Organization") is a registered charity incorporated without share capital under the laws of the Province of Ontario, and is exempt from paying income taxes under the Income Tax Act.

The Organization coordinates "one-stop-shop" events for individuals at risk of and experiencing homelessness in Toronto. These events bring together essential resources on housing, employment, ID clinics, health care, and other services under one roof for those at risk of or experiencing homelessness.

1 SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Capital assets

Capital assets are expensed in the year of acquisition. During the year, the Organization purchased computer equipment in the amount of \$993 (2021 - \$2,140).

(b) 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.

Revenue from grants, sponsorships and fundraising is recognized in the period in which the related expenses are incurred or related events take place, and if any amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from donations are recognized as revenue when the amount can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as it's earned.

(c) Donations-in-kind

The work of the Organization is dependent on the voluntary services of many individuals. Since these services are not normally purchased by the Organization and because of the difficulty of determining their fair value, donated services are not recognized in these statements. Other donations-in-kind are recorded on the financial statements only when fair value of these goods can be reasonably determined, and the goods are used in the normal course of operations and would otherwise have been purchased.

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring the use of management estimates include the allocation of expenses to program, general and administrative, and fundraising expenses. Actual results could differ from those estimates.

HOMELESS CONNECT TORONTO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

1 **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(e) Financial Instruments

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial instruments that will be subsequently measured at amortized cost are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement provided that it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

2 **IN-KIND DONATIONS**

The following in-kind donations are included in donations and sponsorships revenue:

	2022	2021
	\$	\$
Care package items	61,189	9,756
Storage	3,588	984
Clothing	6,000	108,998
Food	889	-
Venue	3,250	-
Miscellaneous	985	-
Equipment	807	516
Total	76,708	120,254

Included in program expenses for the current year is \$76,708 (2021 - \$120,254) of in-kind donations.

HOMELESS CONNECT TORONTO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

3 DEFERRED REVENUE

Deferred revenue represents grants received in advance, and is recognized as revenue in the period in which the the related expenses are incurred.

	2022	2021
	\$	\$
Balance, beginning of the year	83,984	36,000
Add: amounts received	(262,036)	(109,365)
Less: revenue recognized	264,886	157,349
Balance, end of the year	86,834	83,984

4 FUNDING FROM GOVERNMENT

Revenue from grants recognized in the year includes funding from the following government agencies:

	2022	2021
	\$	\$
Ministry of Employment and Social Development Canada	8,984	-
Ontario Trillium Foundation	21,632	-

The main purpose of the funding from the Ministry of Employment and Social Development Canada is to assist the Organization with hiring summer students.

The main purpose of the funding from the Ontario Trillium Foundation is to assist the Organization rebuild and recover from impacts of COVID-19 by creating an online marketplace and convene stakeholders to identify opportunities and barriers to program delivery. The primary conditions that the Organization must meet to receive the funding are that the Organization is to implement and carry out the services as set out in the agreements, expend the grants only on eligible expenditures, and provide periodic progress reports.

5 FINANCIAL INSTRUMENTS

The significant financial risk to which the Organization is exposed is liquidity risk.

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to liquidity risk arising primarily from the accounts payable. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations.











HCT - 2022 Financial Statements

Final Audit Report

2023-07-05

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