

**HOMELESS CONNECT TORONTO  
FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

## 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, 2021, 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, 2021, 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 10, 2022  
Toronto, Ontario



**RSSM LLP**  
Licensed Public Accountants

**HOMELESS CONNECT TORONTO**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	224,097	120,675
Accounts receivable	18,820	-
Prepaid expenses	1,033	2,434
HST recoverable	8,503	1,736
	<b>252,453</b>	<b>124,845</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	15,448	20,240
Deferred revenue (Note 3)	83,984	9,051
	<b>99,432</b>	<b>29,291</b>
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b>	<b>153,021</b>	<b>95,554</b>
	<b>252,453</b>	<b>124,845</b>

**APPROVED ON BEHALF OF THE BOARD:**

*Nikki Latta*

Nikki Latta (Aug 12, 2022 11:05 EDT)

Director



Jennifer Ho (Jul 5, 2022 11:39 EDT)

Director

See accompanying notes to the financial statements

RSSM<sub>L.P.</sub>

**HOMELESS CONNECT TORONTO**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Grants	157,349	64,965
Sponsorships (Note 2)	117,888	40,319
Donations (Note 2)	41,003	3,480
Fundraising	18,574	-
Interest	<u>365</u>	<u>435</u>
	<u>335,179</u>	<u>109,199</u>
<b>EXPENSES</b>		
Program (Note 2)	223,359	66,544
General and administrative	25,396	23,788
Fundraising	19,287	-
Professional fees	<u>9,670</u>	<u>2,850</u>
	<u>277,712</u>	<u>93,182</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	57,467	16,017
<b>NET ASSETS, beginning of year</b>	95,554	79,537
<b>NET ASSETS, end of year</b>	<b><u>153,021</u></b>	<b><u>95,554</u></b>

See accompanying notes to the financial statements

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**HOMELESS CONNECT TORONTO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Excess of revenue over expenses, for the year	57,467	16,017
Changes in non-cash operating working capital:		
Accounts receivable	(18,820)	-
Prepaid expenses	1,401	(1,466)
HST recoverable	(6,767)	755
Accounts payable and accrued liabilities	(4,792)	9,996
Deferred revenue	<u>74,933</u>	<u>(26,949)</u>
	<u>103,422</u>	<u>(1,647)</u>
<b>INCREASE (DECREASE) IN CASH, during the year</b>	103,422	(1,647)
<b>CASH, beginning of year</b>	120,675	122,322
<b>CASH, end of year</b>	<b><u>224,097</u></b>	<b><u>120,675</u></b>

See accompanying notes to the financial statements

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**HOMELESS CONNECT TORONTO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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 \$2,140 (2020 - \$nil).

(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, 2021**

**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:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Care package items	9,756	22,914
Storage	984	360
Clothing	108,998	-
Equipment	516	90
<b>Total</b>	<b>120,254</b>	<b>23,364</b>

Included in program expenses in 2021 is \$120,254 (2020 - \$23,364) of in-kind donations.

**3 DEFERRED REVENUE**

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

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of the year	9,051	36,000
Add: amounts received	410,112	82,250
Less: revenue recognized	(335,179)	(109,199)
<b>Balance, end of the year</b>	<b>83,984</b>	<b>9,051</b>



**HOMELESS CONNECT TORONTO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**4 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.

**5 FUTURE UNCERTAINTY RESULTING FROM THE PANDEMIC**

There is some uncertainty around the long-term economic and business consequences of COVID-19. Future revenue from donations, fundraising, sponsorships, and grants may be negatively affected due to shut downs or limited operations resulting from the pandemic. It is not possible to estimate the extent of the financial effects at this time.

**6 COMPARATIVE FIGURES**

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.