



Financial statements

Support & Housing - Halton

March 31, 2019

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Revenue and Expenditures	4
Statement of Change in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 17
Housing Costs (Schedule 1)	18
Operating expenses (Schedule 2)	18

Independent auditor's report

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To the Members of Support & Housing – Halton

Opinion

We have audited the financial statements of **Support & Housing - Halton** (“the Organization”), which comprise the statement of financial position as at March 31, 2019, and the statements of revenue and expenditures, 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, the accompanying financial statements present fairly, in all material respects, the financial position of **Support & Housing - Halton** as at March 31, 2019, and its results of its operations 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 Organization 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter – Restated Comparative Information

The financial statements for the year ended March 31, 2018, excluding the adjustments that were applied to restate certain comparative information as described in Note 2 were audited by another auditor who expressed a qualified opinion relating to the lack of amortization expense on property, plant and equipment on those financial statements on June 29, 2018.

As part of our audit of the financial statements for the year ended March 31, 2019, we also audited the adjustments applied to restate certain information presented. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustments applied to restate certain comparative information, we were not engaged to audit, review, or apply any procedures to the financial statements for the year ended March 31, 2018. Accordingly, we do not express an opinion or any other form of assurance on the financial statements for the year ended March 31, 2018 taken as a whole.

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 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.

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 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Mississauga, Canada
June 24, 2019

Chartered Professional Accountants
Licensed Public Accountants

Support & Housing - Halton

Statement of Financial Position

March 31,

2019

2018

Assets

Current

Cash	\$ 42,628	\$ 406,514
Restricted cash – bingo fund	13,746	5,616
Investments – unrestricted (Note 5)	55,523	54,548
Restricted investments (Note 5)	114,041	42,080
Accounts receivable	37,746	20,012
Harmonized sales tax recoverable	78,598	74,491
Prepaid expenses	<u>28,593</u>	<u>45,471</u>
	370,875	648,732

Property and equipment (Note 4)	971,458	620,799
Investments – unrestricted (Note 5)	-	35,968
Investments – restricted (Note 5)	<u>35,640</u>	<u>65,195</u>
	\$ 1,377,973	\$ 1,370,694

Liabilities

Current

Accounts payable (Note 6)	319,567	204,513
Current portion of long-term debt (Note 9)	<u>44,335</u>	<u>44,135</u>
	363,902	248,648

Deferred revenue (Note 7)	481,795	739,405
Deferred capital contributions (Note 8)	839,116	485,756
Long term debt (Note 9)	<u>286,139</u>	<u>329,575</u>
	1,970,952	1,803,384

Net assets

Operating fund	(1,006,665)	(858,906)
Restricted funds (Note 10)	278,754	318,941
Replacement reserve fund	<u>134,932</u>	<u>107,275</u>
	(592,979)	(432,690)
	\$ 1,377,973	\$ 1,370,693

Commitments (Note 11)
Economic dependence (Note 13)
Comparative figures (Note 15)

On behalf of the Board,

_____ Director _____ Director

See accompanying notes to the financial statements.

Support & Housing

Statement of Revenue and Expenditures

Year ended March 31, 2019

	Operating Fund		Restricted Funds (Note 10)		Replacement Reserve Fund		Total 2019	Total 2018 (As Restated)
	2019	2018	2019	2018	2019	2018		
Revenue								
Grants								
LHIN/MOHLTC operating grant	\$ 3,308,717	\$ 3,023,364	\$ -	\$ -	\$ -	\$ -	\$ 3,308,717	\$ 3,023,364
LHIN/MOHLTC one-time funding	317,118	318,414	-	149,384	20,000	2,300	337,118	470,098
United Way Halton & Hamilton	240,984	249,386	-	18,374	-	-	240,984	267,760
Recognition of deferred capital contributions (Note 8)	93,980	78,631	6,965	-	-	-	100,945	78,631
Just Be You (JBY) revenue	-	-	61,551	39,864	-	-	61,551	39,864
Municipality of Halton	62,890	-	-	-	-	-	62,890	-
Other grant funding	-	-	37,741	-	-	-	37,741	-
Government of Canada	35,708	28,609	-	-	-	-	35,708	28,609
Ontario Trillium Foundation	-	-	22,669	53,068	-	-	22,669	53,068
MOHLTC Capital Branch CIRF grant (Note 8)	3,380	143,627	-	-	-	-	3,380	143,627
Housing revenue	245,979	222,393	-	-	-	-	245,979	222,393
Other revenue	39,496	13,878	7,402	61,977	1,375	946	48,273	76,801
Bingo fundraising	-	-	16,946	31,930	-	-	16,946	31,930
Donations	10,000	4,513	-	-	-	-	10,000	4,513
	<u>4,358,252</u>	<u>4,082,815</u>	<u>153,274</u>	<u>354,597</u>	<u>21,375</u>	<u>3,246</u>	<u>4,532,901</u>	<u>4,440,658</u>
Expenses								
Salaries and wages	2,585,107	2,230,634	120,209	129,093	-	-	2,705,316	2,359,727
Operating expenses (Schedule 2)	869,030	853,410	62,349	46,889	-	-	931,379	900,299
Housing costs (Schedule 1)	523,339	555,181	-	159,002	-	-	523,339	714,183
Employee benefits	415,924	410,218	16,287	16,799	-	-	432,211	427,017
Amortization (Note 2)	100,945	78,631	-	-	-	-	100,945	78,631
	<u>4,494,345</u>	<u>4,128,074</u>	<u>198,845</u>	<u>351,783</u>	<u>-</u>	<u>-</u>	<u>4,693,190</u>	<u>4,479,857</u>
Excess (deficiency) of revenue over expenses	\$ <u>(136,093)</u>	\$ <u>(45,259)</u>	\$ <u>(45,571)</u>	\$ <u>2,814</u>	\$ <u>21,375</u>	\$ <u>3,246</u>	\$ <u>(160,289)</u>	\$ <u>(39,199)</u>

See accompanying notes to the financial statements.

Support & Housing - Halton

Statement of Change in Net assets

Year ended March 31, 2019

	Year ended March 31, 2019			Total 2019
	Operating Fund	Restricted Funds (Note 6)	Replacement Reserve Fund	
Fund balance as restated, beginning of year	\$ (858,906)	\$ 318,941	\$ 107,275	\$ (432,690)
Interfund transfers	(11,666)	5,384	6,282	-
Excess (deficiency) of revenue over expenses	<u>(136,093)</u>	<u>(45,571)</u>	<u>21,375</u>	<u>(160,289)</u>
Fund balance, end of year	<u><u>\$ (1,006,665)</u></u>	<u><u>\$ 278,754</u></u>	<u><u>\$ 134,932</u></u>	<u><u>\$ (592,979)</u></u>
	Year ended March 31, 2018			
	Operating Fund	Restricted Funds (Note 6)	Replacement Reserve Fund	Total 2018
Fund balance as previously stated, beginning of year	\$ 70,064	\$ 355,432	\$ 106,318	\$ 531,814
Prior year recovery of MOH-LHIN funding	(12,448)	-	-	(12,448)
Prior period adjustment (Note 2)	<u>(912,857)</u>	<u>-</u>	<u>-</u>	<u>(912,857)</u>
Fund balance as restated, beginning of year	(855,241)	355,432	106,318	(391,491)
Interfund transfers	41,594	(39,305)	(2,289)	-
Excess (deficiency) of revenue over expenses	<u>(45,259)</u>	<u>(2,814)</u>	<u>3,246</u>	<u>(39,199)</u>
Fund balance as restated, end of year	<u><u>\$ (858,906)</u></u>	<u><u>\$ 318,941</u></u>	<u><u>\$ 107,275</u></u>	<u><u>\$ (432,690)</u></u>

See accompanying notes to the financial statements.

Support & Housing - Halton Statement of Cash Flows

Year ended March 31	2019	2018
Operating activities		
Excess (deficiency) of revenues over expenses	\$ (160,289)	\$ (39,199)
Non-cash items		
Amortization expense	100,945	78,631
Recognition of deferred capital contributions	(100,945)	(78,631)
Change in non-cash working capital:		
Accounts receivable	(17,734)	16,830
Harmonized sales tax recoverable	(4,107)	(22,610)
Accounts payable	115,055	154,918
Prepaid expenses	16,878	(7,427)
Deferred revenue	(257,610)	(128,434)
	<u>(307,808)</u>	<u>(104,553)</u>
Investing activities		
Purchase of property and equipment	(451,604)	-
Funding received for capital asset purchases	454,305	78,631
Purchase of investments - restricted	(42,406)	(5,157)
Purchase of investments – unrestricted	34,993	(419)
	<u>(4,712)</u>	<u>73,055</u>
Financing activities		
Repayment of long-term debt	(43,236)	(43,500)
Repayment of MOH/LHIN funding	-	(12,448)
	<u>(42,236)</u>	<u>(55,948)</u>
Increase (decrease) in cash	(355,756)	(87,446)
Cash, beginning of year	412,130	499,576
Cash, end of year	\$ <u>56,374</u>	\$ <u>412,130</u>
Cash consists of:		
Cash	\$ 42,628	\$ 406,514
Restricted cash – bingo fund	<u>13,746</u>	<u>5,616</u>
	\$ <u>56,374</u>	\$ <u>412,130</u>

See accompanying notes to the financial statements.

Support & Housing - Halton

Notes to the financial statements

March 31, 2019

1. Nature of operations

Support & Housing – Halton (“the Organization”) is an Ontario non-profit corporation without share capital. Its purpose is to provide community-based housing, mental wellness programs and support services for people living with mental illness and/or addictions including youth at risk. Using a person-centred approach, the Organization is committed to the philosophy of personal recovery.

The Organization is a registered charity as defined by subsection 149(1) of the Canadian Income Tax Act.

2. Prior period adjustment

During the year, the Organization chose to comply with Canadian accounting standards for not-for-profit organizations (“ASNPO”) in regards to amortizing its property and equipment. The Organization has not recorded amortization expense since April 1, 2013. Accordingly, in order to correct this ASNPO departure, the Organization recorded the appropriate net book value of property and equipment as at March 31, 2019. The amortization that should have been recorded since April 1, 2013 has been recorded as a prior period adjustment as it is a correction of an error.

In addition, the Organization had previously recorded revenues received specifically relating to the purchase of capital assets as revenues. The prior period adjustment has corrected this to reflect these revenues as deferred capital contributions, to be amortized over the life of the related asset.

Support & Housing - Halton

Notes to the financial statements

March 31, 2019

2. Prior period adjustment (continued)

As a result of the corrections, the following financial statement items at the end of 2018 have been increased (decreased) by the following amounts:

<u>March 31, 2018</u>	<u>Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
Statements of revenue and expenditures and changes in net assets			
Revenue			
Recognition of deferred capital contributions	\$ -	\$ 78,631	\$ 78,631
Expenditures			
Amortization	-	(78,631)	(78,631)
(Deficiency) of revenue over expenses	<u>\$ (39,199)</u>	<u>\$ -</u>	<u>\$ (39,199)</u>
Statement of financial position			
Property and equipment	1,047,900	(427,101)	620,799
Deferred capital contributions	-	(485,756)	(485,756)
	<u>\$ 1,047,900</u>	<u>\$ 912,857</u>	<u>\$ 135,043</u>
Changes in Net Assets			
Net assets (deficit), beginning of year	<u>\$ 519,366</u>	<u>\$ (912,857)</u>	<u>\$ (393,491)</u>
(Deficiency) excess of revenue over expenditures	<u>\$ (39,199)</u>	<u>\$ -</u>	<u>\$ (39,199)</u>
Net assets (deficit), ending of year	<u>\$ 480,167</u>	<u>\$ (912,857)</u>	<u>\$ (432,690)</u>

3. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Use of estimates

The preparation of these financial statements 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Contributed services

The value of services contributed by volunteers and supplies provided as donations are not reflected in these financial statements, as they are not clearly measurable.

Support & Housing - Halton

Notes to the financial statements

March 31, 2019

3. Summary of significant accounting policies (continued)

Cash

Cash includes the following items that are restricted in their future use:

Funds held in the bingo current account total \$13,746 (2018 - \$5,616). Use of bingo funds is restricted to a listing of eligible expenses.

Fund accounting

The Organization follows the restricted fund method of accounting for contributions.

Net assets

Unrestricted:

The Operating Fund reports the Organization's program delivery and administrative activities. This fund reports unrestricted resources and operating grants.

Internally restricted:

The Restricted Funds report the revenues and expenditures for specific internally and externally restricted programs and activities.

The Capital Fund reports the assets, liabilities, revenues and expenditures related to Support & Housing – Halton's capital assets.

The Education Fund reports funds set aside and controlled by the Education Committee for the training of mental health and/or addiction staff arranged by the Education Committee.

Externally restricted:

The Replacement Reserve Fund reports the amounts received from the Ministry of Health and Long Term Care (MOHLTC) under an agreement to fund future unexpected major replacement expenditures.

The Bingo Fund is restricted and reports resources for eligible expenses related to bingo.

Externally restricted (continued):

The POSSE Fund reports the revenue and expenditures related to the Peer Outreach Support Services & Education (POSSE) project. The project is funded by United Way of Milton and donations.

Inter fund transfers are made as and when required.

Support & Housing - Halton

Notes to the financial statements

March 31, 2019

3. Summary of significant accounting policies (continued)

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted Fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions for replacement reserve costs are recognized as revenue in the Replacement Reserve Fund. Externally restricted contributions used to purchase property and equipment is deferred and amortized over the useful lives of the related property and equipment so that revenue recognition corresponds with the related amortization expense.

Investment income earned on Replacement Reserve Fund resources that must be spent on major expenditures is recognized as revenue of the Replacement Reserve Fund. Investment income earned on Capital Fund resources is recognized as revenue of the Capital Fund. Other investment income is recognized as revenue of the Operating Fund when earned.

Bingo revenue is recognized as revenue of the Bingo Fund when the events are held.

Property and equipment

Effective April 1, 2013, the Organization stopped recording amortization. During the year, the Organization determined that they will catch up any amortization and put the policy back into place. Refer to Note 2 for the prior period adjustment details.

Property and equipment purchased with a value of greater than \$5,000 are recorded at cost. Where property and equipment have been donated, cost is considered to be the fair value at the time the goods are donated.

Property and equipment is recorded at cost less accumulated amortization. Property and equipment is amortized on a straight-line basis as follows:

Furniture, fixtures and equipment	- 5 years
Motor vehicles including passenger vans	- 5 years
Buildings and renovations/improvements	- 25 years

Support & Housing - Halton

Notes to the financial statements

March 31, 2019

3. Summary of significant accounting policies (continued)

Financial instruments

The Organization considers any contract creating a financial asset or liability as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- cash
- restricted cash
- investments (restricted and unrestricted)
- accounts receivable
- payables
- long term debt

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the company is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, restricted cash, investments (GICs), and receivables.

Financial liabilities measured at amortized cost include accounts payable and long term debt.

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Support & Housing - Halton Notes to the financial statements

March 31, 2019

4. Property and equipment	Cost	Accumulated Amortization	2019	2018
			Net Book Value	(As restated) Net Book Value
Land and building - CMHC	\$ 1,501,332	\$ 1,211,044	\$ 290,288	\$ 143,254
Land and building - Acton	711,989	187,650	524,339	338,237
Land and building – Grace House	174,134	41,792	132,342	139,308
Furniture and equipment	173,104	169,863	3,241	-
Passenger vehicle	26,560	5,312	21,248	-
	<u>\$ 2,587,119</u>	<u>\$ 1,615,661</u>	<u>\$ 971,458</u>	<u>\$ 620,799</u>

5. Investments

Restricted

	2019	2018
Guaranteed Investment Certificates (GIC's)	\$ 114,041	\$ 107,275
Current portion	<u>114,041</u>	<u>42,080</u>
Long term investments	<u>\$ -</u>	<u>\$ 65,195</u>

The GICs mature between June 5, 2019 and June 12, 2019 and have nominal interest rates ranging from 1.20% to 1.22%.

Unrestricted

	2019	2018
Mutual Funds (Money Market)	\$ 55,523	\$ 54,548
Preferred Shares	<u>35,640</u>	<u>35,968</u>
	<u>91,163</u>	<u>90,516</u>
Current portion	<u>55,523</u>	<u>54,548</u>
Long term	<u>\$ 35,640</u>	<u>\$ 35,968</u>

Mutual funds and preferred shares are stated at fair value. The fair value includes unrealized investment losses of \$4,360 (2018: \$4,032).

6. Accounts payable

The accounts payable balance includes government remittances totalling \$Nil (2018 - \$Nil).

Support & Housing - Halton Notes to the financial statements

March 31, 2019

7. Deferred revenue	<u>2019</u>	<u>2018</u>
Land and Building – Acton – Forgivable Loan	\$ 411,649	\$ 411,649
Land and Buildings – CMHC	-	209,616
Just Be You (JBY) Program	35,320	62,612
The Home Depot Canada Foundation – The Orange Door Project	34,826	40,438
Ontario Trillium Foundation Grant – Social Isolation Initiative	-	15,090
	<u>\$ 481,795</u>	<u>\$ 739,405</u>

In fiscal 2011, the Organization received funding from the Canadian Mortgage and Housing Corporation (CMHC) for renovations in the Acton property. The loan is forgivable in 15 years provided certain conditions are met. The Organization has agreed to operate in accordance with the terms and conditions stated in a formal agreement. Should the Organization breach this agreement, the funding may have to be repaid.

In fiscal 2017, the Organization received funding from the Ministry of Health and Long-Term Care (MOHLTC) of \$359,000. The funding, provided through the Social Housing Improvement Program (SHIP) was used to renovate and upgrade the CMHC buildings, thereby extending the long-term physical sustainability of the properties.

Just Be You, is a youth-led group program providing social recreation and peer-support for ages 15 to 22, experiencing mental health and/or addictions issues. Funding for this program is raised by a private individual in Oakville via Shine Out! Shout Out! Hockey Tournament. Remaining \$35,320 of the funds received by the Organization will be used in future periods.

The Home Depot Canada Foundation – The Orange Door Project grant is to fund the Organization's Youth Homelessness Initiatives. Remaining \$34,826 of the funds received by the Organization will be used in future periods.

The Ontario Trillium Foundation grant is to combat social isolation for youth who are abusing substances. All funds have been spend in the year.

8. Deferred capital contributions	<u>2019</u>	<u>2018</u>
Deferred capital contributions, beginning of year	\$ 485,756	\$ 485,756
Funds received during the year	454,305	78,631
Less: revenue recognized during the year	<u>(100,945)</u>	<u>(78,631)</u>
Deferred capital contributions, end of year	<u>\$ 839,116</u>	<u>\$ 485,756</u>

Support & Housing - Halton

Notes to the financial statements

March 31, 2019

9. Long term debt

	<u>2019</u>	<u>2018</u>
a) Canada Mortgage and Housing Corporation, interest at 1.39% per annum, repayable in blended monthly payments of \$1,938, balance due June 1, 2020. Secured by 109 Brook Street and 13 Normandy Place, Oakville Ontario .	\$ 130,218	\$ 151,503
b) Canada Mortgage and Housing Corporation, interest at 2.60% per annum, repayable in blended monthly payments of \$1,292, balance due April 1, 2028. Secured by 10 Hill St and A006 Kingham Rd, Halton Hills, Ontario.	125,397	137,638
c) Canada Mortgage and Housing Corporation, interest at 1.39% per annum, repayable in blended monthly payments of \$932, balance due June 1, 2020. Secured by 39 Normandy Place, Oakville, Ontario.	64,859	74,569
d) Canada Mortgage and Housing Corporation interest free loan with no fixed repayment terms. The loan is to provide seed funding for a housing project and is repayable or forgivable provided certain conditions are met.	<u>10,000</u>	<u>10,000</u>
	330,474	373,710
Less: current portion	<u>(44,335)</u>	<u>(44,135)</u>
	\$ 286,139	\$ 329,575

Management believes that all loans will be renewed upon maturity at prevailing interest rates in effect at that time.

Principal repayments in the next five years and thereafter are approximately:

2020	\$ 44,335
2021	175,882
2022	13,066
2023	13,408
2024	13,755
Thereafter	<u>70,028</u>
	\$ 330,474

Support & Housing - Halton

Notes to the financial statements

March 31, 2019

10. Restricted funds

	<u>Restricted Fund</u>	<u>Capital Fund</u>	<u>Education Fund</u>	<u>Bingo Fund</u>	<u>POSSE Fund</u>	Total 2019	Total 2018
Balance, beginning of year	\$ <u>34,537</u>	\$ <u>264,650</u>	\$ <u>10,589</u>	\$ <u>9,165</u>	\$ <u>-</u>	\$ <u>318,941</u>	\$ <u>355,432</u>
Revenues	121,961	6,965	7,402	16,946	-	153,274	354,197
Expenditures	<u>181,513</u>	<u>6,965</u>	<u>7,387</u>	<u>2,980</u>	<u>-</u>	<u>198,845</u>	<u>351,783</u>
Excess (deficiency) of revenue over expenses	(59,552)	-	15	13,966	-	(45,571)	2,814
Interfund transfers	<u>53,268</u>	<u>(41,792)</u>	<u>(240)</u>	<u>(5,852)</u>	<u>-</u>	<u>5,384</u>	<u>(39,305)</u>
Balance, end of year	\$ <u>28,253</u>	\$ <u>222,858</u>	\$ <u>10,364</u>	\$ <u>17,279</u>	<u>-</u>	\$ <u>278,754</u>	\$ <u>318,941</u>

Support & Housing - Halton

Notes to the financial statements

March 31, 2019

11. Lease commitments

The Organization has long term leases with respect to its office premises in Milton, Burlington and Mississauga, and residential leases in Oakville and Burlington. Future minimum lease payments for the next five years are as follows:

	<u>Housing</u>	<u>Operating</u>	<u>Total</u>
2020	\$ 41,100	\$ 42,755	\$ 83,855
2021	19,800	37,371	57,171
2022	-	39,632	39,632
2023	-	11,185	11,185
2024	-	1,416	1,416
	<u>\$ 60,900</u>	<u>\$ 132,359</u>	<u>\$ 193,259</u>

12. Line of credit

The Organization has a line of credit of up to \$100,000 available for use. The line of credit is subject to interest of the prime rate +1% which was 5.25% as at March 31, 2019, and is secured by the first collateral mortgage, general assignment of leases and rents and a general security agreement. The line of credit balance as at March 31, 2019 was \$Nil (2018 - \$Nil)

13. Economic dependence

Operations of the Organization depend to a large extent upon the funding that it receives from the Federal and Provincial Governments. Any significant reduction in this source would significantly curtail the Organization's ability to offer a complete range of programs.

14. Financial instrument risks

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. There was no significant change in risk exposure from the prior year.

Credit risk

The Organization is subject to credit risk through receivables. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. As revenue is mainly derived from the Ministry of Health and Long Term Care (MOHLTC) through the Local Health Integrated Network (LHIN) and funding agencies, the Organization is not subject to significant credit risk. The Organization's management does not expect any financial loss on the March 31, 2019 receivable balance.

Support & Housing - Halton

Notes to the financial statements

March 31, 2019

14. Financial instrument risks (continued)

Liquidity risk

Liquidity risk is the risk that the Organization may encounter difficulty in meeting its obligations associated with its financial liabilities as they become due. It is management's opinion that the Organization is not exposed to significant liquidity risks arising from its financial instruments.

Interest rate risk

The Organization's financial instruments expose it to interest rate risk due to its investments with fixed interest rates. This risk is mitigated by the Organization through investing in instruments which have a low susceptibility to significant fluctuations in future changes in market interest rates.

15. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2019 financial statements.

Support & Housing - Halton Housing Costs (Schedule 1)

Year ended March 31,	2019	2018
Rent paid	\$ 384,753	\$ 250,285
Repairs and maintenance	42,666	326,618
Utilities	33,185	42,053
Food costs	26,822	43,201
Office	10,998	6,431
Telephone and interest	9,228	19,655
Mortgage interest	7,024	5,718
Minor equipment purchases	3,240	6,158
Travel	1,892	5,742
Staff development	1,818	202
Program expenses	<u>1,714</u>	<u>8,120</u>
	<u>\$ 523,339</u>	<u>\$ 714,183</u>

Support & Housing - Halton Operating expenses (Schedule 2)

Year ended March 31,	2019	2018
Program expenses	\$ 199,273	\$ 158,414
Professional fees	162,292	124,351
Office rent and utilities	119,422	147,282
Staff development	90,527	14,597
Office	78,072	48,922
Travel	55,162	54,812
Telephone and internet	39,366	56,452
Equipment	37,296	140,822
Computer maintenance and supplies	36,561	42,424
Repairs and maintenance	30,506	25,128
Insurance	23,558	19,374
Consumer transportation	19,255	15,257
Audit fees	14,250	17,878
Advertising and promotion	9,987	13,758
Bank charges and payroll service	6,306	5,656
Memberships	4,805	5,779
Client expense	<u>4,742</u>	<u>9,393</u>
	<u>\$ 931,380</u>	<u>\$ 900,299</u>
