

**THE HOUSING HELP CENTRE**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**The Housing Help Centre**

We have audited the accompanying financial statements of The Housing Help Centre ("THHC"), which comprise the statement of financial position as at December 31, 2016 and the statement of operations and changes in net assets (operating fund), statement of operations and changes in net assets (reserve fund) and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of THHC as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**UHY McGovern Hurley LLP**



Chartered Professional Accountants  
Licensed Chartered Accountants

Toronto, Canada  
June 23, 2017

	2016 \$	2015 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	157,198	231,508
Term deposit	10,000	10,000
Accounts receivable	57,410	27,271
Government remittances receivable	7,858	15,081
Prepaid expenses	<u>13,040</u>	<u>15,879</u>
<b>TOTAL CURRENT ASSETS</b>	245,506	299,739
<b>EQUIPMENT</b> (Note 2)	<u>47,303</u>	<u>59,547</u>
<b>TOTAL ASSETS</b>	<u><u>292,809</u></u>	<u><u>359,286</u></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	14,148	22,463
Deferred revenue (Note 3)	<u>93,803</u>	<u>168,237</u>
<b>TOTAL LIABILITIES</b>	<u>107,951</u>	<u>190,700</u>
<b>NET ASSETS</b>		
Operating fund	4,858	3,586
Reserve fund	<u>180,000</u>	<u>165,000</u>
<b>TOTAL NET ASSETS</b>	<u>184,858</u>	<u>168,586</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>292,809</u></u>	<u><u>359,286</u></u>
<b>COMMITMENTS AND CONTINGENCIES</b> (Notes 4 and 5)		

APPROVED ON BEHALF OF THE BOARD:

Signed (William Sinclair) \_\_\_\_\_, Director

Signed (C. John Harty) \_\_\_\_\_, Director

THE HOUSING HELP CENTRE  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**OPERATING FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 \$	2015 \$
<b>REVENUE</b>		
City of Toronto (Note 4)	880,375	973,077
Federal	164,402	105,393
United Way	46,185	21,456
York Region	121,866	87,932
Community donations	105,796	53,948
Miscellaneous	5,098	5,136
Foundations - Ontario Trillium Foundation	<u>38,500</u>	<u>36,000</u>
<b>TOTAL REVENUE</b>	<u>1,362,222</u>	<u>1,282,942</u>
<b>EXPENSES</b>		
Salaries and benefits	1,014,942	955,921
Program expenses	112,129	107,413
Rental expenses	93,571	90,807
Purchase of service	41,250	52,000
Office expenses	19,096	11,593
Building organizational capacity	18,392	9,521
Other	16,450	9,055
Accounting and auditing	8,168	7,794
Amortization	<u>21,952</u>	<u>13,631</u>
<b>TOTAL EXPENSES</b>	<u>1,345,950</u>	<u>1,257,735</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b> for the year	16,272	25,207
<b>NET ASSETS</b> , beginning of the year	<u>3,586</u>	<u>3,379</u>
	19,858	28,586
<b>TRANSFER TO RESERVE FUND</b>	<u>15,000</u>	<u>25,000</u>
<b>NET ASSETS</b> , end of the year	<u><u>4,858</u></u>	<u><u>3,586</u></u>

See accompanying notes to the financial statements

THE HOUSING HELP CENTRE  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**RESERVE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
	\$	\$
<b>NET ASSETS</b> , beginning of the year	165,000	140,000
<b>TRANSFER FROM OPERATING FUND</b>	<u>15,000</u>	<u>25,000</u>
<b>NET ASSETS</b> , end of the year	<u>180,000</u>	<u>165,000</u>

See accompanying notes to the financial statements

THE HOUSING HELP CENTRE  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses for the year	16,272	25,207
Adjustments for items not affecting cash		
Amortization	21,952	13,631
Changes in working capital:		
Decrease in term deposit	-	5,000
(Increase) decrease in accounts receivable	(30,139)	(26,834)
Decrease (increase) in government remittances receivable	7,223	(4,404)
Decrease (increase) in prepaid expenses	2,839	(8,712)
(Decrease) increase in accounts payable and accrued liabilities	(8,315)	4,717
(Decrease) in deferred revenue	<u>(74,434)</u>	<u>(89,546)</u>
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>(64,602)</u>	<u>(80,941)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	<u>(9,708)</u>	<u>(55,208)</u>
Change in cash	(74,310)	(136,149)
<b>CASH, beginning of the year</b>	<u>231,508</u>	<u>367,657</u>
<b>CASH, end of the year</b>	<u><u>157,198</u></u>	<u><u>231,508</u></u>

See accompanying notes to the financial statements

The Housing Help Centre ("THHC") was incorporated on February 2, 2001. The purpose of THHC is to provide a housing referral service of available, affordable housing to those who are homeless or at risk of becoming homeless. THHC assists homeless persons obtain temporary emergency shelter or secure permanent accommodations, and assists those at risk of becoming homeless maintain current housing or secure alternate housing. THHC is a not-for-profit organization under the Income Tax Act (Canada).

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The policies set out below were consistently applied to all the periods presented unless otherwise noted. Outlined below are those policies considered particularly significant.

### **Cash and Cash Equivalents:**

Cash and cash equivalents are defined as cash and short-term investments with maturity dates of less than 90 days. As at December 31, 2016, THHC had no cash equivalents.

### **Financial Instruments:**

Financial assets and liabilities are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for trading financial instruments are measured at their fair value with changes in fair value recognized in the statement of operations for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in the Statement of Changes in Net Assets until the asset is removed from the statement of financial position or until impairment is determined to be other than temporary. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. THHC's financial instruments recognized in the statement of financial position consist of cash, government remittance receivable, and accounts receivable classified as loans receivables (financial assets), and accounts payable and accrued liabilities classified as other (financial liabilities). The carrying amounts of these instruments approximate their fair value due to the short-term maturity of these instruments.

### **Prepaid Expenses:**

Prepaid expenses represent assets that are capable of being separated or divided from the organization and sold, transferred, licensed, rented, or exchanged either individually or together with a related asset.

### **Fund Accounting:**

Revenues and expense related to program delivery and administrative activities are reported in the operating fund.

The Reserve fund is internally established to ensure the continuation of THHC and is estimated to be equal to an amount between one to four months of operating expenditures.

### **Revenue Recognition:**

THHC follows the deferral method of accounting for contributions. Contributions externally restricted are recognized as revenue in the year in which the related expenses are recognized. Unrestricted contributions are recorded as revenue when received.

### **Income Taxes:**

THHC is a not-for-profit organization under the Income Tax Act (Canada) and, as such, is exempt from corporate income tax.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Contributed Services:

Voluntary services are contributed to assist THHC in carrying out its activities. The fair value of these contributed services cannot be reasonably estimated and have not been recognized in these financial statements.

Equipment:

Equipment is stated at acquisition cost. Amortization is provided on the straight-line basis at the following annual rates:

<u>Category</u>	<u>Rate</u>
Office equipment & furniture	Three years
Computer & telephone	Three years
Database software	Ten years

Use of Estimates:

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 related reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

**2. EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2016 Net</u>	<u>2015 Net</u>
	\$	\$	\$	\$
Office equipment & furniture	52,586	41,831	10,755	19,076
Computer & telephone	44,467	16,945	27,522	29,634
Database software	18,112	9,086	9,026	10,837
	<u>115,165</u>	<u>67,862</u>	<u>47,303</u>	<u>59,547</u>

**3. DEFERRED REVENUE**

Deferred revenue represents unspent resources externally restricted for the use in the following projects:

	<u>2016</u>	<u>2015</u>
	\$	\$
Housing Help, Rent Bank and Streets to Homes	84,402	145,287
Miscellaneous	9,401	22,950
	<u>93,803</u>	<u>168,237</u>

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**4. REVENUE**

The following summarizes funding revenue from the City of Toronto:

	<u>2016</u>	<u>2015</u>
	\$	\$
Housing Help, Rent Bank and Streets to Homes	789,183	878,958
Trusteeship project	70,098	69,504
Other projects	<u>21,094</u>	<u>24,615</u>
	<u><u>880,375</u></u>	<u><u>973,077</u></u>

**5. LEASE COMMITMENTS**

THHC is committed to minimum rental under lease for its premise which expires in 2019. Minimum rental commitments remaining under this lease approximate the following:

2018	\$ 46,061
2019	<u>7,677</u>
	<u><u>\$ 53,738</u></u>

THHC is committed to minimum rental under a photocopier lease which expires in 2021. Minimum rental commitments remaining under this lease approximate the following:

2017	\$ 3,060
2018	3,060
2019	3,060
2020	3,060
2021	<u>1,020</u>
	<u><u>\$ 13,260</u></u>

**6. FINANCIAL INSTRUMENTS**

**Risks and Concentrations:**

THHC is exposed to various risks through its financial instruments. The following analysis provides a measure of THHC's risk exposure and concentrations at December 31, 2016.

**Credit Risk:**

THHC is exposed to credit risk on the accounts receivable from its customers. THHC has accounts receivable from various members. The credit risk related to any individual client or funder is considered minimal due to the size of the amounts due from each individual member.

**Liquidity Risk:**

Liquidity risk is the risk THHC will encounter difficulty in meeting obligations associated with financial liabilities. THHC is exposed to this risk mainly in respect of its accounts payable. The liquidity risk is considered minimal as THHC has a plan in place to meet their obligations as they come due, primarily from cash flow from operations.

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## **7. CAPITAL MANAGEMENT**

THHC defines capital as its internally restricted and unrestricted net assets. THHC is not subject to externally imposed requirements on capital other than as described in Note 3.

THHC's objectives when managing capital are to generally match the structure of its capital to the underlying nature and term of the assets being financed, and to hold sufficient funds to enable it to withstand negative unexpected financial events, in order to maintain stability in the financial structure. THHC seeks to maintain sufficient liquidity to enable it to meet its obligations as they become due.