

*Financial Statements of*

**END HOMELESSNESS WINNIPEG INC.**

*March 31, 2017*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of End Homelessness Winnipeg

We have audited the accompanying financial statements of End Homelessness Winnipeg Inc. which comprise the statement of financial position as at March 31, 2017 and the statements of revenue and expenditures and net assets and cash flows for the period then ended and a summary of significant accounting policies and notes to the financial statements.

### 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants

June 7, 2017  
Winnipeg, Manitoba

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**END HOMELESSNESS WINNIPEG INC.**  
**Statement of Revenue and Expenditures and Net Assets**  
For the period ended March 31, 2017

	<u>2017</u> (365 days)	<u>2016</u> (323 days)
<b>REVENUE</b>		
Grants (Note 4)	\$ 850,000	\$ 1,275,000
Interest income	184	-
<b>TOTAL REVENUE</b>	<b>850,184</b>	<b>1,275,000</b>
<b>EXPENDITURES</b>		
Operating expenditures		
Salaries and benefits	489,742	130,868
Office expenses	59,151	35,247
Lease and leasehold improvements	29,652	3,368
Computer hardware and software support	21,254	6,979
Professional fees	7,136	10,096
Insurance	3,208	897
Amortization of capital assets	3,507	-
Innovation and engagement	547	610
United Way of Winnipeg administration fee	85,000	85,000
	<b>699,197</b>	<b>273,065</b>
Community investment	37,016	-
<b>TOTAL EXPENDITURES</b>	<b>736,213</b>	<b>273,065</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>113,971</b>	<b>1,001,935</b>
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<b>1,001,935</b>	<b>-</b>
<b>NET ASSETS, END OF PERIOD</b>	<b>\$ 1,115,906</b>	<b>\$ 1,001,935</b>

**END HOMELESSNESS WINNIPEG INC.**  
**Statement of Financial Position**  
**March 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash	\$ 350,400	\$ 409,935
Accounts receivable	850,000	700,000
Prepaid expenses	7,324	1,922
Capital assets (Note 3)	48,909	-
	<b>\$ 1,256,633</b>	<b>\$ 1,111,857</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 115,227	\$ 109,922
Deferred revenue	25,500	-
	<b>140,727</b>	<b>109,922</b>
<b>FUND BALANCES</b>		
Net assets	1,115,906	1,001,935
	<b>\$ 1,256,633</b>	<b>\$ 1,111,857</b>

APPROVED BY THE BOARD

..... Charles Loewen, Co-Chairperson

..... Diane Redsky, Co-Chairperson

**END HOMELESSNESS WINNIPEG INC.****Statement of Cash Flows**

For the period ended March 31, 2017

	<u>2017</u> <u>(365 days)</u>	<u>2016</u> <u>(323 days)</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	<b>\$ 113,971</b>	\$ 1,001,935
Items not involving cash		
Amortization	<b>3,507</b>	-
Net change in non-cash operating working capital items:		
Accounts receivable	<b>(150,000)</b>	(700,000)
Prepaid expenses	<b>(5,402)</b>	(1,922)
Accounts payable and accrued liabilities	<b>5,305</b>	109,922
Deferred revenue	<b>25,500</b>	-
	<b>7,119</b>	<b>(409,935)</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<b>(52,416)</b>	-
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>(59,535)</b>	409,935
<b>CASH, BEGINNING OF PERIOD</b>	<b>409,935</b>	-
<b>CASH, END OF PERIOD</b>	<b>\$ 350,400</b>	<b>\$ 409,935</b>

# END HOMELESSNESS WINNIPEG INC.

## Notes to the Financial Statements

March 31, 2017

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### 1. NATURE AND OBJECTIVE OF THE ORGANIZATION

End Homelessness Winnipeg Inc. (the "Organization") was formed by Articles of Incorporation under the Corporations Act of Manitoba on May 14, 2015, without share capital, is a non-profit organization and therefore, is exempt from income taxes.

The Organization receives grants to help bring an end to homelessness in the City of Winnipeg. As a non-profit organization, the goal of End Homelessness Winnipeg ("EHW") is to use a community-based approach towards ending homelessness. EHW is a backbone support organization that brokers stakeholder relationships and coordinates efforts through its various committees and working groups using a collective impact approach. EHW both leads and supports initiatives that are created and led by other organizations.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### a) *Revenue recognition*

The Organization follows the deferral method of accounting for contributions. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted revenues are originally deferred and recognized as revenue in accordance with the restrictions placed on them by the funder.

#### b) *Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

The Organization does not have any financial instruments measured at fair value.

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

**END HOMELESSNESS WINNIPEG INC.**  
**Notes to the Financial Statements**  
**March 31, 2017**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*c) Capital assets*

Capital assets are recorded at cost. Amortization is provided on a straight-line basis using the following rates.

Computer equipment	5 years
Furniture and fixtures	10 years
Leasehold improvements	term of lease

*d) 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 and disclosures 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 these estimates.

**3. CAPITAL ASSETS**

	<b>2017</b>		<b>2016</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
Computer equipment	\$ 6,032	\$ 603	\$ 5,429	\$ -
Furniture and fixtures	34,699	1,735	32,964	-
Leasehold improvements	11,685	1,169	10,516	-
	<b>\$ 52,416</b>	<b>\$ 3,507</b>	<b>\$ 48,909</b>	<b>\$ -</b>

**4. GRANT REVENUE**

	<b>Maturity date of funding commitment</b>	<b>2017 (365 days)</b>	<b>2016 (323 days)</b>
United Way of Winnipeg	Annual	\$ 300,000	\$ 600,000
Government of Manitoba	March, 2018	250,000	375,000
City of Winnipeg	December, 2019	150,000	150,000
Winnipeg Regional Health Authority	March, 2022	150,000	150,000
		<b>\$ 850,000</b>	<b>\$ 1,275,000</b>

**5. COMMITMENTS**

The Organization has a lease agreement for premises requiring minimum annual lease payments of \$30,000 per year until February, 2021.