

*Financial Statements of*

**END HOMELESSNESS WINNIPEG INC.**

*March 31, 2019*

## Independent Auditor's Report

To the Board of Directors of  
End Homelessness Winnipeg Inc.

### Opinion

We have audited the financial statements of End Homelessness Winnipeg Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2019, and the statement revenue and expenditures and changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, 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 ("ASNPO").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 GAAS 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 GAAS, 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 Deloitte LLP, featuring the word "Deloitte" in a stylized, cursive script followed by "LLP" in a smaller, sans-serif font.

Chartered Professional Accountants

Winnipeg, Manitoba  
June 5, 2019

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**END HOMELESSNESS WINNIPEG INC.****Statement of Revenue and Expenditures and Changes in Net Assets**

Year Ended March 31, 2019

	2019	2018
REVENUE		
Grants (Note 3)	\$ 600,000	\$ 850,000
Community/Other funding (Note 4)	22,970	121,066
CAEH17 conference sponsorships	60	53,908
Service Expo	29,750	-
Interest revenue	1,355	819
	<b>654,135</b>	<b>1,025,793</b>
EXPENDITURES		
Community investment (Note 5)		
Housing support	294,525	328,586
Measurement & shared evaluation	257,644	158,276
Prevention	208,266	178,871
Housing access	155,811	141,072
Special projects	5,467	-
Service Expo	29,976	-
CAEH17 conference costs	-	49,026
	<b>951,689</b>	<b>855,831</b>
Operations and administration		
Salaries and benefits	204,959	263,873
Office expenses	59,361	39,730
Lease and leasehold improvements	29,667	31,930
Computer hardware and software support	11,382	2,094
Professional fees	6,726	13,317
Insurance	3,245	3,141
Amortization of capital assets	7,013	7,013
United Way of Winnipeg administration fee	65,000	85,000
	<b>387,353</b>	<b>446,098</b>
TOTAL EXPENDITURES	<b>1,339,042</b>	<b>1,301,929</b>
DEFICIENCY OF REVENUE OVER EXPENDITURES	<b>(684,907)</b>	<b>(276,136)</b>
NET ASSETS, BEGINNING OF YEAR	<b>839,770</b>	<b>1,115,906</b>
NET ASSETS, END OF YEAR	<b>\$ 154,863</b>	<b>\$ 839,770</b>

**END HOMELESSNESS WINNIPEG INC.****Statement of Financial Position**

March 31, 2019

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash	\$ 339,282	\$ 618,784
Accounts receivable	83,213	305,622
Prepaid expenses	23,854	3,351
Capital assets (Note 6)	99,202	41,896
	<u>\$ 545,551</u>	<u>\$ 969,653</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 304,258	\$ 129,883
Deferred revenue	22,111	-
Deferred contributions - capital (Note 7)	64,319	-
	<u>390,688</u>	<u>129,883</u>
<b>NET ASSETS</b>	<u>154,863</u>	<u>839,770</u>
	<u>\$ 545,551</u>	<u>\$ 969,653</u>

**APPROVED ON BEHALF OF THE BOARD**.....  
Charles Loewen, Co-Chairperson.....  
Jason Whitford, Co-Chairperson

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

Year Ended March 31, 2019

	<u>2019</u>	<u>2018</u>
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenditures	<b>\$ (684,907)</b>	\$ (276,136)
Item not involving cash		
Amortization	<b>7,013</b>	7,013
Net change in non-cash operating working capital items:		
Accounts receivable	<b>222,409</b>	544,378
Prepaid expenses	<b>(20,503)</b>	3,973
Accounts payable and accrued liabilities	<b>174,375</b>	14,656
Deferred revenue	<b>22,111</b>	(25,500)
	<b>(279,502)</b>	268,384
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<b>(64,319)</b>	-
<b>FINANCING ACTIVITY</b>		
Deferred contributions - capital	<b>64,319</b>	-
<b>NET (DECREASE) INCREASE IN CASH POSITION</b>	<b>(279,502)</b>	268,384
<b>CASH, BEGINNING OF YEAR</b>	<b>618,784</b>	350,400
<b>CASH, END OF YEAR</b>	<b>\$ 339,282</b>	\$ 618,784

**END HOMELESSNESS WINNIPEG INC.**  
**Notes to the Financial Statements**  
**March 31, 2019**

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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 became a registered charity in July 2017.

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**  
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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. GRANT REVENUE**

	<u>Maturity date of funding commitment</u>	<u>2019</u>	<u>2018</u>
United Way of Winnipeg	Annual	\$ 300,000	\$ 300,000
Government of Manitoba	n/a	-	250,000
City of Winnipeg	December, 2019	150,000	150,000
Winnipeg Regional Health Authority	March, 2022	150,000	150,000
		<b>\$ 600,000</b>	<b>\$ 850,000</b>

**4. COMMUNITY/OTHER FUNDING**

Other funding amounts were received during the year for the following: reimbursements for a part time staff role funded by the Social Planning Council of Winnipeg, to cover costs related to staff travel, funding from the Homelessness Partnering Strategy for non-capital purchases, and donations from the community.

**5. COMMUNITY INVESTMENT**

Included in the community investment expenses are a total of \$494,650 (2018 - \$417,887) of direct community costs and \$421,596 (2018 - \$388,918) of salaries & benefits. Direct community costs include funding to other organizations whose work directly aligns with the objectives of End Homelessness Winnipeg. Salaries & benefits include the salaries & benefits of four Manager positions that directly support the four community investment pillars, as well as a portion of the salaries & benefits of the Chief Executive Officer and the Administrative Coordinator.

**END HOMELESSNESS WINNIPEG INC.**  
**Notes to the Financial Statements**  
**March 31, 2019**

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**6. CAPITAL ASSETS**

	<b>2019</b>		<b>2018</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
Computer equipment	\$ 33,308	\$ 3,016	\$ 30,292	\$ 4,222
Furniture and fixtures	58,067	8,674	49,393	29,494
Leasehold improvements	25,359	5,842	19,517	8,180
	<b>\$ 116,734</b>	<b>\$ 17,532</b>	<b>\$ 99,202</b>	<b>\$ 41,896</b>

**7. DEFERRED CONTRIBUTIONS - CAPITAL**

	<b>2019</b>	<b>2018</b>
Balance, beginning of year	\$ -	\$ -
Contributions received	64,319	-
Balance, end of year	<b>\$ 64,319</b>	<b>\$ -</b>

The Organization received a grant from the Homelessness Partnering Strategy in part to purchase capital assets in anticipation of becoming the Community Entity for the federal government's Reaching Home strategy. As these assets were purchased at the end of the year no amortization was recorded for the year ended March 31, 2019.

**8. COMMITMENTS**

The Organization has a lease agreements for premises requiring minimum annual lease payments of \$95,940 in 2020 and \$30,000 in 2021.