

*Financial Statements of*

**END HOMELESSNESS WINNIPEG INC.**

*March 31, 2021*

## 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, 2021, and the statements of revenue and expenditures and changes in fund balances and 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, 2021, 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.

*Deloitte LLP*

Chartered Professional Accountants

July 29, 2021  
Winnipeg, Manitoba

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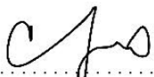
**END HOMELESSNESS WINNIPEG INC.**  
**Statement of Revenue and Expenditures and Changes in Fund Balances**  
**Year Ended March 31, 2021**

	2021					2020	
	General Fund	Community Entity Fund	Housing Benefits Fund	Housing Supply Fund	Capital Asset Fund	Total	
REVENUE							
Grants (Note 3)	\$ 850,000	\$ 20,340,783	\$ -	\$ -	\$ -	\$ 21,190,783	\$ 10,298,835
Other funding (Note 4)	139,077	-	-	-	-	139,077	150,505
Interest revenue	-	-	-	-	-	-	274
	<b>989,077</b>	<b>20,340,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,329,860</b>	<b>10,449,614</b>
EXPENDITURES							
Community investment (Note 5)	1,116,840	-	-	-	-	1,116,840	565,070
Reaching Home: Designated Communities							
Non-Indigenous Organizations	-	2,982,914	-	-	-	2,982,914	3,041,471
Indigenous Organizations	-	452,963	-	-	-	452,963	673,420
Reaching Home: Indigenous Homelessness	-	3,780,865	-	-	-	3,780,865	4,000,589
COVID-19 Support							
Reaching Home: Designated Communities	-	3,850,285	-	-	-	3,850,285	-
Reaching Home: Indigenous Homelessness	-	2,240,440	-	-	-	2,240,440	-
	<b>1,116,840</b>	<b>13,307,467</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,424,307</b>	<b>8,280,550</b>
Operations and administration							
Salaries and benefits	113,686	800,556	13,004	-	-	927,246	908,817
Office expenses	41,907	41,991	8,042	-	-	91,940	121,589
Lease and leasehold improvements	33,519	44,253	1,870	-	-	79,642	114,089
Supplies	-	19,413	-	-	-	19,413	80,019
Computer hardware and software support	12,309	-	6,472	-	-	18,781	12,051
Conferences and travel	2,514	18,661	-	-	-	21,175	31,739
Professional fees							
Audit and legal fees	28,228	-	-	-	-	28,228	19,837
Administrative professional fees	22,500	77,461	3,945	-	-	103,906	151,742
Insurance	3,555	2,089	-	-	-	5,644	5,006
Advertising	-	128	-	-	-	128	1,828
Amortization of capital assets	-	-	-	-	50,496	50,496	22,171
	<b>258,218</b>	<b>1,004,552</b>	<b>33,333</b>	<b>-</b>	<b>50,496</b>	<b>1,346,599</b>	<b>1,468,888</b>
<b>TOTAL EXPENDITURES</b>	<b>1,375,058</b>	<b>14,312,019</b>	<b>33,333</b>	<b>-</b>	<b>50,496</b>	<b>15,770,906</b>	<b>9,749,438</b>
OTHER REVENUE (EXPENSES)							
Coordinated Access	132,573	(132,573)	-	-	-	-	-
Homeless Individuals and Families Information System	480,567	(480,567)	-	-	-	-	-
Astum Api Niikinaahk - The Village	75,463	(75,463)	-	-	-	-	-
COVID-19 funding administration	161,504	(161,504)	-	-	-	-	-
	<b>850,107</b>	<b>(850,107)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
EXCESS (DEFICIENCY) OF REVENUE							
OVER EXPENDITURES FOR THE YEAR	464,126	5,178,657	(33,333)	-	(50,496)	5,558,954	700,176
FUND BALANCES, BEGINNING OF YEAR	253,654	583,390	-	-	82,314	919,358	219,182
INTERFUND TRANSFERS (NOTE 10)	(435,515)	-	-	400,000	35,515	-	-
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 282,265</b>	<b>\$ 5,762,047</b>	<b>\$ (33,333)</b>	<b>\$ 400,000</b>	<b>\$ 67,333</b>	<b>\$ 6,478,312</b>	<b>\$ 919,358</b>

**END HOMELESSNESS WINNIPEG INC.**  
**Statement of Financial Position**  
**March 31, 2021**

	2021					2020	
	General Fund	Community Entity Fund	Housing Benefits Fund	Housing Supply Fund	Capital Asset Fund	Total	Total
<b>ASSETS</b>							
Cash	\$ 378,118	\$ 8,324,811	\$ -	\$ -	\$ -	\$ 8,702,929	\$ 1,980,403
Accounts receivable	87,168	1,119,309	485	-	-	1,206,962	87,489
Due from Community Entity Fund	406,792	-	-	-	-	406,792	78,948
Due from Housing Benefit Fund	23,926	10,861	-	-	-	34,787	-
Due from General Fund	-	-	-	400,000	-	400,000	-
Prepaid expenses	7,661	1,584	969	-	-	10,214	21,771
	<b>903,665</b>	<b>9,456,565</b>	<b>1,454</b>	<b>400,000</b>	<b>-</b>	<b>10,761,684</b>	<b>2,168,611</b>
CAPITAL ASSETS (Note 6)	-	-	-	-	67,333	67,333	82,314
	<b>\$ 903,665</b>	<b>\$ 9,456,565</b>	<b>\$ 1,454</b>	<b>\$ 400,000</b>	<b>\$ 67,333</b>	<b>\$ 10,829,017</b>	<b>\$ 2,250,925</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ 201,660	\$ 63,421	\$ -	\$ -	\$ -	\$ 265,081	\$ 255,744
Deferred revenue	19,740	-	-	-	-	19,740	26,240
Due to General Fund	-	406,792	10,861	-	-	417,653	78,948
Due to Community Entity Fund	-	-	23,926	-	-	23,926	-
Due to Housing Supply Fund	400,000	-	-	-	-	400,000	-
Project holdbacks payable (Note 7)	-	3,224,305	-	-	-	3,224,305	970,635
	<b>621,400</b>	<b>3,694,518</b>	<b>34,787</b>	<b>-</b>	<b>-</b>	<b>4,350,705</b>	<b>1,331,567</b>
COMMITMENTS (NOTE 8)							
<b>FUND BALANCES</b>							
General Fund	282,265	-	-	-	-	282,265	253,654
Community Entity Fund (Note 9)	-	5,762,047	-	-	-	5,762,047	583,390
Housing Benefit Fund	-	-	(33,333)	-	-	(33,333)	-
Housing Supply Fund	-	-	-	400,000	-	400,000	-
Capital Asset Fund	-	-	-	-	67,333	67,333	82,314
	<b>282,265</b>	<b>5,762,047</b>	<b>(33,333)</b>	<b>400,000</b>	<b>67,333</b>	<b>6,478,312</b>	<b>919,358</b>
	<b>\$ 903,665</b>	<b>\$ 9,456,565</b>	<b>\$ 1,454</b>	<b>\$ 400,000</b>	<b>\$ 67,333</b>	<b>\$ 10,829,017</b>	<b>\$ 2,250,925</b>

APPROVED ON BEHALF OF THE BOARD

  
 .....  
 Crystal Laborero, Vice Chairperson

  
 .....  
 Phil Chiappetta, Audit Committee Chairperson

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

Year Ended March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures	<b>\$ 5,558,954</b>	\$ 700,176
Item not involving cash		
Amortization	<b>50,496</b>	22,171
Net change in non-cash operating working capital items:		
Accounts receivable	<b>(1,119,473)</b>	(4,276)
Prepaid expenses	<b>11,557</b>	2,083
Accounts payable and accrued liabilities	<b>9,337</b>	(48,514)
Deferred revenue	<b>(6,500)</b>	4,129
Project holdbacks payable	<b>2,253,670</b>	970,635
	<b>6,758,041</b>	1,646,404
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<b>(35,515)</b>	(5,283)
<b>NET INCREASE (DECREASE) IN CASH POSITION</b>	<b>6,722,526</b>	1,641,121
<b>CASH, BEGINNING OF YEAR</b>	<b>1,980,403</b>	339,282
<b>CASH, END OF YEAR</b>	<b>\$ 8,702,929</b>	\$ 1,980,403

# END HOMELESSNESS WINNIPEG INC.

## Notes to the Financial Statements

March 31, 2021

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### 1. NATURE AND OBJECTIVE OF THE ORGANIZATION

End Homelessness Winnipeg Inc. (the “Organization” or “EHW”), 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 is to use a collective impact approach towards ending homelessness. EHW is a backbone support organization that brokers stakeholder relationships and coordinates efforts through its various committees and working groups. 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) *Fund accounting*

The Organization maintains the following funds:

The General Fund is available for the operation of the Organization in accordance with the aims and objectives of the Organization and the discretion of the Board.

The Community Entity Fund is available to administer the funding agreements between the Organization and Her Majesty the Queen in Right of Canada related to the Reaching Home Designated funding stream and Reaching Home Indigenous funding stream. The funds are restricted for distribution in accordance with the conditions attached by the funding agreements.

The Housing Benefit Fund is available for the administration of the Canada-Manitoba Housing Benefit (CMHB) (and the related building services program) which is a portable shelter benefit paid to eligible renters in core housing need. The CMHB is available to individuals at risk of homelessness or who are homeless, and are connected with housing support programming at the time of application.

The Housing Supply Fund is available for early-stage funding for the Housing Supply Action Committee of End Homelessness Winnipeg with respect to their proposed “cost-avoidance” model of government and private financing for capital investment. This fund will allow End Homelessness Winnipeg to provide an upfront capital investment, along with private investors, to fund additional affordable housing units under this model, with the commitment of government to return principle with interest over an agreed upon term.



**END HOMELESSNESS WINNIPEG INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

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

*a) Fund accounting (continued)*

The Capital Asset Fund reports the assets, liabilities, revenue and expenses related to the Organization's capital assets.

*b) Revenue recognition*

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

Externally restricted contributions are recognized in the fund corresponding to the purpose for which they are contributed. Other restricted contributions received for funds not presented separately are deferred and recognized as revenue in the General Fund in the year which the related restriction is met.

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

*c) 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 the statement of revenues and expenditures in the period the reversal occurs.

**END HOMELESSNESS WINNIPEG INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

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

*d) Capital assets*

Capital assets are recorded at cost. Amortization is determined on a declining balance basis using the following rates:

Computer equipment	55%
Furniture and fixtures	20%
Leasehold improvements	term of lease

During the year, the Organization changed its accounting policy for amortizing computer equipment and furniture and fixtures from a straight-line basis to a declining balance basis to better reflect the assets useful lives. The updates were as follows:

	Straight Line	Declining Balance
Computer equipment	5 years	55%
Furniture and fixtures	10 years	20%

The Organization has accounted for these changes prospectively.

*e) 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. Significant estimates include the useful life of capital assets and the Community Entity project expense accruals. Actual results could differ from these estimates.

**3. GRANT REVENUE**

General Fund

	Maturity date of funding commitment	<b>2021</b>	<b>2020</b>
United Way of Winnipeg	Annual	\$ 300,000	\$ 300,000
Government of Manitoba	March, 2022	250,000	250,000
City of Winnipeg	Annual	150,000	150,000
Winnipeg Regional Health Authority	March, 2022	120,000	120,000
Winnipeg Regional Health Authority – Resource Assistance for Youth Inc.	March, 2022	30,000	30,000
		<b>\$ 850,000</b>	<b>\$ 850,000</b>

**END HOMELESSNESS WINNIPEG INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

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**3. GRANT REVENUE (continued)**

<u>Community Entity Fund</u>	<u>Maturity date of funding commitment</u>	<u>2021</u>	<u>2020</u>
Government of Canada	March, 2024	\$ 9,431,335	\$ 9,448,835
Government of Canada	June, 2021	10,909,448	-
		<b>\$ 20,340,783</b>	<b>\$ 9,448,835</b>

**4. OTHER FUNDING**

Other funding amounts were received during the year for the following: program support from Coordinated Access, HIFIS, a new transitional housing complex, Astum Api Niikinaahk – The Village Project, various street health survey sub-reports, and donations from the community.

**5. COMMUNITY INVESTMENT**

Included in the community investment expenses are a total of \$312,814 (2020 - \$118,455) of direct community costs and \$804,026 (2020 - \$446,615) 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 and Director positions that directly support the four community investment pillars, as well as a portion of the salaries & benefits of the Chief Executive Officer, Senior Director of Finance and Operations, Administrative Coordinator, Communications Manager, Executive Assistant and the Senior Director of Reaching Home.

**6. CAPITAL ASSETS**

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 38,591	\$ 16,462	\$ 22,129	\$ 23,575
Furniture and fixtures	58,067	14,032	44,035	43,586
Leasehold improvements	25,359	24,190	1,169	15,153
	<b>\$ 122,017</b>	<b>\$ 54,684</b>	<b>\$ 67,333</b>	<b>\$ 82,314</b>

**7. HOLDBACKS PAYABLE**

Holdbacks payable represents the remaining payments for each of the Community Entity sub-projects as the Organization is awaiting final expense support.

**8. COMMITMENTS**

The Organization has lease agreements for premises requiring minimum annual lease payments of \$146,678 in 2022.

**END HOMELESSNESS WINNIPEG INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

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**9. COMMUNITY ENTITY FUND**

The surplus in the Community Entity Fund has been approved by Service Canada to be carried over to provide additional funding to sub-projects in the 2021-2022 fiscal year.

**10. INTERFUND TRANSFERS**

During the year \$35,515 (2020 - \$ 5,283) of general funds were transferred to the capital fund for the purchase of capital assets. Further, \$400,000 (2020 - nil) was transferred from the General Fund to the Housing Supply Fund.

**11. COVID-19**

In March 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place. The duration and impacts of COVID-19 continue to be unknown and it is not possible to reliably estimate the impact that these developments will have on the financial results of EHW in future periods.