

**HOME SUITE HOPE SHARED LIVING CORP.**  
**FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2017**

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## INDEPENDENT AUDITORS' REPORT

To the Directors  
Home Suite Hope Shared Living Corp.

We have audited the accompanying financial statements of Home Suite Home Shared Living Corp. which comprise the statement of financial position as at December 31, 2017, and the statements of net changes in assets, operations and 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.

### *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 auditors' 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 auditors consider 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.

### *Basis for Qualified Opinion*

In common with many charitable organizations, the organization derived revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, net assets or cash and cash equivalents at year end. The effect of this departure from Canadian accounting standards for not-for-profit organizations has not been determined.

### *Qualified Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Home Suite Hope Shared Living Corp. as at December 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.

The financial statements of Home Suite Hope Shared Living Corp. for the year ended December 31, 2016 were audited by another auditor who expressed a modified opinion on those financial statements on May 18, 2017.

*Glenn Graydon Wright LLP*

Chartered Accountants  
Licensed Public Accountants  
Oakville, Ontario  
May 28, 2018

**HOME SUITE HOPE SHARED LIVING CORP.**

(Incorporated without share capital)

**Statement of financial position**

As at December 31, 2017

	General Fund	Capital Fund	Total 2017	Total 2016
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 359,035	-	359,035	431,575
Accounts receivable	36,731	-	36,731	27,337
Fund investment	-	50,000	50,000	-
Prepaid expenses	9,547	-	9,547	8,929
	405,313	50,000	455,313	467,841
<b>Property, plant and equipment (Note 4)</b>	-	20,811	20,811	-
<b>Intangible assets (Note 5)</b>	-	-	-	2,291
<b>Investment</b>				
Oakville Community Fund (Note 6)	107,427	307,400	414,827	362,329
	\$ 512,740	378,211	890,951	832,461
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	\$ 27,340	-	27,340	39,611
<b>Net assets</b>				
Internally restricted	-	357,400	357,400	350,000
Invested in property, plant and equipment	-	20,811	20,811	2,291
Unrestricted	485,400	-	485,400	440,559
	485,400	378,211	863,611	792,850
	\$ 512,740	378,211	890,951	832,461

Approved by the Board

\_\_\_\_\_  
President and CEO\_\_\_\_\_  
Director

**HOME SUITE HOPE SHARED LIVING CORP.**

(Incorporated without share capital)

**Statement of changes in net assets****For the year ended December 31, 2017**

	General Fund	Capital Fund	Total 2017	Total 2016
<b>Net assets, beginning of year</b>	\$ 440,559	352,291	792,850	640,550
Excess of revenue over expenditure for year	13,540	26,696	40,236	152,300
Capital Fund contributions	-	30,525	30,525	-
Interfund transfer (Note 8)	31,301	(31,301)	-	-
<b>Net assets, end of year</b>	\$ 485,400	378,211	863,611	792,850



**HOME SUITE HOPE SHARED LIVING CORP.**

(Incorporated without share capital)

**Statement of operations****For the year ended December 31, 2017**

	General Fund	Capital Fund	Total 2017	Total 2016
<b>Revenue</b>				
Donations	\$ 130,815	-	130,815	168,102
Fundraising	101,722	-	101,722	73,505
Grants (Note 7)	482,081	-	482,081	579,329
Other	3,783	31,301	35,084	15,331
Sponsorship	41,500	-	41,500	31,576
	759,901	31,301	791,202	867,843
<b>Expenditure</b>				
Amortization	-	4,605	4,605	8,571
Fundraising	28,916	-	28,916	50,116
Household expense	272,829	-	272,829	202,284
Insurance	1,328	-	1,328	1,415
Non-recoverable sales tax	5,495	-	5,495	4,741
Office and general	29,935	-	29,935	29,985
Participant support	237,279	-	237,279	212,557
Professional fees	32,119	-	32,119	30,454
Volunteer program	2,297	-	2,297	4,121
Wages and benefits	136,163	-	136,163	171,299
	746,361	4,605	750,966	715,543
<b>Excess of revenue over expenditure for year</b>	\$ 13,540	26,696	40,236	152,300



**HOME SUITE HOPE SHARED LIVING CORP.**

(Incorporated without share capital)

**Statement of cash flows****For the year ended December 31, 2017**

	2017	2016
<b>Cash flows from (used in) operating activities</b>		
Excess of revenue over expenditure for year		
General Fund	\$ 13,540	146,342
Capital Fund	26,696	5,958
Adjustment for		
Amortization of property, plant and equipment	4,605	8,571
	44,841	160,871
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	(9,394)	31,089
Increase in prepaid expenses and deposits	(618)	(694)
(Decrease) increase in accounts payable and accrued liabilities	(12,271)	6,565
<b>Cash flows from operating activities</b>	<b>22,558</b>	<b>197,831</b>
<b>Cash flows from (used in) investing activities</b>		
Acquisition of property, plant and equipment	(23,125)	-
Capital Fund contributions	30,525	-
Fund investment	(50,000)	250,000
Investment in Oakville Community Fund	(52,498)	(159,951)
<b>Cash flows (used in) from investing activities</b>	<b>(95,098)</b>	<b>90,049</b>
<b>Net (decrease) increase in cash and cash equivalents during year</b>	<b>(72,540)</b>	<b>287,880</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>431,575</b>	<b>143,695</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 359,035</b>	<b>431,575</b>



**HOME SUITE HOPE SHARED LIVING CORP.****(Incorporated without share capital)****Notes to financial statements****As at December 31, 2017**

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**1. Purpose of the organization**

The purpose of Home Suite Hope Shared Living Corp. (the "organization") is to assist single-parent families end the cycle of poverty and homelessness.

The organization was incorporated without share capital on January 15, 2004 under the laws of Ontario.

**2. Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies where alternatives are available:

**a) Management estimates**

The preparation of the 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**b) Basis of accounting**

The organization follows the deferral method of accounting for contributions whereby revenue and expenditure are reflected in the accounts in the period in which they have been earned and incurred, respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

**c) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts.



## HOME SUITE HOPE SHARED LIVING CORP.

(Incorporated without share capital)

Notes to financial statements

As at December 31, 2017

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### 2. Significant accounting policies – continued

#### d) Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful lives. Methods and rates used are:

Computer equipment  
3 years straight-line basis

Computer software  
3 years straight-line basis

Leasehold improvements  
5 years straight-line basis

#### e) Revenue recognition

The organization recognizes donations, fundraising, other and sponsorship as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

The organization recognizes grant revenue in the fiscal period to which they relate.

#### f) Fund investments

The General Fund accounts for the organization's program delivery and administrative activities. The fund reports unrestricted and internally restricted resources.

The Capital Fund reports the accounts for assets, liabilities, revenues and expenditures relating to property, plant and equipment and investments.

#### g) Contributed materials and services

The value of contributed materials and services and volunteer time is not reflected in these financial statements.

### 3. Financial instruments

#### a) Fair value

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.





## HOME SUITE HOPE SHARED LIVING CORP.

(Incorporated without share capital)

Notes to financial statements

As at December 31, 2017

### 3. Financial instruments - continued

#### b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in underlying market factors. The organization is exposed to interest rate risk.

##### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The organization's Fund investment bears interest at fixed rates. Consequently, the cash flow risks are not significant. However, there is a risk of fair value on this part of the investment.

#### c) Liquidity risk

Liquidity risk is the risk that the organization cannot meet a demand for cash or fund its obligations as they come due. Unless otherwise noted, the organization is not subject to significant liquidity risk. The organization manages liquidity risk by:

- maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements.
- Investing in liquid fixed income securities and cash and cash equivalents that, if necessary, can be sold to generate cash flow.

### 4. Property, plant and equipment

	2017		2016	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 27,932	27,932	-	-
Computer software	10,226	10,226	-	-
Leasehold improvements	23,125	2,314	20,811	-
	<u>\$ 61,283</u>	<u>40,472</u>	<u>20,811</u>	<u>-</u>

Amortization recorded during the year amounted to \$4,605.

During the year, property, plant and equipment were acquired for cash at an aggregate cost of \$23,125.

### 5. Intangible assets

	2017		2016	
	Cost	Accumulated amortization	Net	Net
Branding costs	\$ 20,000	20,000	-	2,291



**HOME SUITE HOPE SHARED LIVING CORP.**  
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**6. Oakville Community Fund Investment and Endowment Funds**

No new investments were made by the organization in 2017 to the pooled investment funds of the Oakville Community Foundation (2016 - \$140,000).

During the year, the investment earned \$28,182 net of fees and expenses.

In fiscal 2017, the organization recognized \$30,525 of capital additions to the Endowment Fund on which earnings are available to the organization on an annual basis.

During the year, the investment earned \$2,661, net of fees and expenses.

	2017	2016
Oakville Community Fund Investment Fund	\$ 371,603	352,291
Oakville Community Fund Endowment Fund	43,224	10,038
	<u>\$ 414,827</u>	<u>362,329</u>

**7. Grants**

The organization received grants during the year from the following organizations:

	2017	2016
Oakville Community Foundation	\$ 25,000	57,166
Ontario Trillium Foundation	111,000	279,500
Other Foundation grants	89,582	5,549
Peter Gilgan Foundation	90,000	80,000
The Regional Municipality of Halton	166,499	132,114
Toronto-Dominion Bank Foundation	-	25,000
	<u>\$ 482,081</u>	<u>579,329</u>

**8. Interfund transfers**

During the year, \$31,301 (2016 - \$14,529) was transferred from the Capital Fund to the General Fund to fund operating expenses. The transfer represents net investment earnings from investments in the Oakville Community Foundation, as well as Fund Investment, which is utilized for General Fund purposes.

**9. Income tax status**

The organization is a registered charity and is therefore exempt from income taxes under Section 149(1)(f) of the Income Tax Act.

