

HOME SUITE HOPE SHARED LIVING CORP.

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Directors
Home Suite Hope Shared Living Corp.

Qualified Opinion

We have audited the financial statements of Home Suite Hope Shared Living Corp. which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives 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. Consequently, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenue over expenditure and cash flow from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both 2024 and 2023. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 qualified audit 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 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.

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.

INDEPENDENT AUDITORS' REPORT, continued

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 auditors' 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 auditors' 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.

Glenn Graydon Wright LLP

Chartered Professional Accountants
Licensed Public Accountants
Oakville, Ontario
June 19, 2025

John R. Nunnikhoven, CPA, CA Anthony Falco, CPA, CA Atif Akhtar, CPA, CA Christopher J. Reinhardt, CPA, CA

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HOME SUITE HOPE SHARED LIVING CORP.

(Incorporated without share capital)

Statement of financial position**As at December 31, 2024**

	General Fund	Capital Fund	Total 2024	Total 2023
Assets (Note 7)				
Current assets				
Cash and cash equivalents	\$ 326,166	349,200	675,366	225,907
Short-term investments (Note 4)	-	66,342	66,342	454,517
Accounts receivable	32,604	-	32,604	48,568
Prepaid expenses	16,659	-	16,659	15,810
	375,429	415,542	790,971	744,802
Property, plant and equipment (Note 5)		41,561	41,561	58,246
Investments				
Oakville Community Funds (Note 6)	104,841	340,000	444,841	415,856
	\$ 480,270	797,103	1,277,373	1,218,904
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$ 25,582	-	25,582	27,707
Deferred revenue (Note 8)	219,321	-	219,321	68,773
	244,903	-	244,903	96,480
Deferred contributions – property, plant and equipment (Note 9)	-	33,525	33,525	47,894
	244,903	33,525	278,428	144,374
Net assets				
Internally restricted	104,841	755,542	860,383	980,527
Invested in property, plant and equipment	-	8,036	8,036	10,352
Unrestricted	130,526	-	130,526	83,651
	235,367	763,578	998,945	1,074,530
	\$ 480,270	797,103	1,277,373	1,218,904

Approved by the Board

Emma Garratt
Director

Al Zaneh
Director



Glenn
Graydon
Wright LLP

HOME SUITE HOPE SHARED LIVING CORP.**(Incorporated without share capital)****Statement of changes in net assets****For the year ended December 31, 2024**

		General Fund	Capital Fund	Total 2024	Total 2023
Net assets, beginning of year	\$	159,507	915,023	1,074,530	1,042,421
Excess of (expenditure over revenue) revenue over expenditure for year		(147,210)	71,625	(75,585)	32,109
Interfund transfer (Note 10)		223,070	(223,070)	-	-
Net assets, end of year	\$	235,367	763,578	998,945	1,074,530



Glenn
Graydon
Wright LLP

HOME SUITE HOPE SHARED LIVING CORP.**(Incorporated without share capital)****Statement of operations****For the year ended December 31, 2024**

		General Fund	Capital Fund	Total 2024	Total 2023
Revenue					
Donations	\$	193,745	15,200	208,945	378,592
Fundraising		42,990	-	42,990	23,016
Grants (Note 12)		481,152	14,369	495,521	537,307
Other		-	61,542	61,542	42,517
Sponsorship		41,500	-	41,500	68,500
		759,387	91,111	850,498	1,049,932
Expenditure					
Amortization		-	19,486	19,486	6,922
Fundraising		16,880	-	16,880	123,242
Insurance		9,509	-	9,509	7,220
Non-recoverable sales tax		5,307	-	5,307	10,406
Office and general		68,187	-	68,187	68,586
Participant support		624,967	-	624,967	599,079
Professional fees		71,740	-	71,740	67,790
Volunteer program		-	-	-	588
Wages and benefits		110,007	-	110,007	133,990
		906,597	19,486	926,083	1,017,823
Excess of expenditure over revenue					
(revenue over expenditure) for year	\$	(147,210)	71,625	(75,585)	32,109

HOME SUITE HOPE SHARED LIVING CORP.**(Incorporated without share capital)****Statement of cash flows****For the year ended December 31, 2024**

	2024	2023
Cash flows from (used in) operating activities		
Excess of expenditure over revenue (revenue over expenditure) for year		
General Fund	\$ (147,210)	(195,393)
Capital Fund	71,625	227,502
Adjustments for		
Amortization of property, plant and equipment	19,486	6,922
Amortization of deferred contributions – property, plant and equipment	(14,369)	(1,228)
Unrealized gain on investments	-	(30,463)
	(70,468)	7,340
Changes in non-cash working capital		
Increase (decrease) in short-term investments	388,175	(192,286)
Increase (decrease) in accounts receivable	15,964	(24,470)
Decrease in prepaid expenses	(849)	(609)
Increase in accounts payable and accrued liabilities	(2,126)	(12,608)
Decrease (increase) in deferred revenue	150,548	(39,819)
Cash flows from (used in) operating activities	481,244	(262,452)
Cash flows from (used in) investing activities		
Acquisition of property, plant and equipment	(2,800)	(56,222)
Oakville Community Funds	(28,985)	(16,361)
Long-term investments	-	157,543
Cash flows from (used in) investing activities	(31,785)	84,960
Cash flows from (used in) financing activities		
Deferred contributions – property, plant and equipment	-	49,122
Cash flows from (used in) financing activities	-	49,122
Net increase (decrease) in cash and cash equivalents during the year	449,459	(128,370)
Cash and cash equivalents, beginning of year	225,907	354,277
Cash and cash equivalents, end of year	\$ 675,366	225,907

HOME SUITE HOPE SHARED LIVING CORP.**(Incorporated without share capital)****Notes to financial statements****As at December 31, 2024**

1. Purpose of the organization

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

d) Short-term and long-term investments

The short-term and long-term investments are recorded at fair market value.

HOME SUITE HOPE SHARED LIVING CORP.

(Incorporated without share capital)

Notes to financial statements

As at December 31, 2024

2. Significant accounting policies – continued

e) 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. In the year of acquisition, property, plant and equipment are amortized at one-half of the normal rate. Methods and rates used are:

Office equipment
20% diminishing balance basis

Computer equipment
55% diminishing balance basis

Computer software
Straight-line basis over 3 years

Motor Vehicle
30% diminishing balance basis

Leasehold improvements
Straight-line basis over 5 years

f) Deferred revenue

Deferred revenue consists of funding received during the year which is designated for subsequent years' programs.

g) 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.

h) Fund balances

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.

i) Contributed materials and services

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

HOME SUITE HOPE SHARED LIVING CORP.**(Incorporated without share capital)****Notes to financial statements****As at December 31, 2024**

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.

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 short-term and long-term investments bear 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 asset.

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. Short-term investments

Term deposits mature between May 23, 2025 and March 23, 2026. The interest rates vary from 2.75% to 4.25%.

HOME SUITE HOPE SHARED LIVING CORP.
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5. Property, plant and equipment

		2024		2023
	Cost	Accumulated amortization	Net	Net
Office equipment	\$ 7,265	4,188	3,077	3,845
Computer equipment	56,548	51,590	4,958	6,506
Computer software	27,932	27,932	-	-
Motor Vehicle	49,122	15,596	33,526	47,895
Leasehold improvements	24,123	24,123	-	-
	<u>\$ 164,990</u>	<u>123,429</u>	<u>41,561</u>	<u>58,246</u>

Amortization recorded during the year amounted to \$19,486.

During the year, property, plant and equipment were acquired for cash in the amount of \$2,800.

6. Oakville Community Funds

During the year, the pooled Investment Fund earned \$43,425, net of fees and expenses and received a spendable amount of \$14,440.

The organization established the Home Suite Hope Endowed Fund at the Oakville Community Foundation under the terms of an agency endowment agreement. Under the terms of the agreement, the Endowed Fund will be held in perpetuity for the organization. The market value of the Home Suite Hope Endowed Fund as at December 31, 2024 was \$52,835.

The organization receives investment income from the Home Suite Hope Endowed Fund to be used for operations. During the year, the organization received investment income of \$1,716 which has been included in other revenue on the statement of operations.

7. Bank indebtedness

The organization has an authorized line of credit of \$75,000 at a rate of bank prime plus 2% per annum, of which \$75,000 remained unused as at December 31, 2024. The operating line of credit is secured by a general security agreement covering all assets of the organization.

8. Deferred revenue

Deferred revenue represents grants received during the year that relate to a future period.

	2024	2023
Balance, beginning of year	\$ 68,773	108,592
Contributions received for future expenses	646,675	244,657
Recognized as grant revenue	(496,127)	(284,476)
Balance, end of year	<u>\$ 219,321</u>	<u>68,773</u>

HOME SUITE HOPE SHARED LIVING CORP.
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Notes to financial statements
As at December 31, 2024

9. Deferred contributions – property, plant and equipment

Deferred contributions – property, plant and equipment represents the unamortized amount of grants received for the purchase of property, plant and equipment.

	2024	2023
Balance, beginning of year	\$ 47,894	-
Contributions received for purchase of property, plant and equipment	-	49,122
Recognized as grant revenue	(14,369)	(1,228)
Balance, end of year	\$ 33,525	47,894

10. Interfund transfer

During the year, \$223,070 was transferred from the Capital Fund to the General Fund. The transfer represents the net investment earnings from the Oakville Community Foundation investments in excess of additions to the fund investment and investment in property, plant and equipment.

11. Allocation of expenses

Wages and benefits total \$434,082 reported in the statement of operations under various expense categories including an allocation of \$383,552 to participant support.

12. Grants

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

	2024	2023
The Fleck Family Foundation	\$ -	12,500
Greater Toronto Apartment Association	-	30,000
JP Bickell Foundation	-	12,746
Oakville Community Foundation	70,600	92,185
Ontario Trillium Foundation	-	74,706
Ontario Realtors Care Foundation	13,838	-
Other Foundation Grants	94,196	57,840
St. Jude's Church	11,500	-
The Regional Municipality of Halton	305,387	257,330
	\$ 495,521	537,307

HOME SUITE HOPE SHARED LIVING CORP.
(Incorporated without share capital)
Notes to financial statements
As at December 31, 2024

13. Operating lease commitments

Future minimum rental payments required under operating leases that have remaining terms in excess of one year are:

2025	\$	25,014
2026		28,494
2027		<u>14,964</u>
	\$	<u>68,472</u>

14. Income taxes

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