



Financial Statements

Support House

March 31, 2022

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Independent Auditor's Report

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To the Members of
Support House

Opinion

We have audited the financial statements of **Support House** ("the Organization"), which comprise the statement of financial position as at March 31, 2022, and the statements of revenue and expenses, changes in net assets 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, the accompanying financial statements present fairly, in all material respects, the financial position of **Support House** as at March 31, 2022, and its results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 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.

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 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 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 Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Mississauga, Canada
June 27, 2022

Chartered Professional Accountants
Licensed Public Accountants

Support House

Statement of Financial Position

As at March 31

2022

2021

Assets

Current

Cash	\$ 1,935,526	\$ 282,049
Restricted cash – bingo fund	6,709	6,709
Investments (Note 3)	472,164	257,006
Accounts receivable and other receivables	39,514	95,914
Harmonized sales tax recoverable	104,198	70,953
Prepaid expenses	<u>118,150</u>	<u>59,468</u>
	2,676,261	772,099

Property and equipment (Note 4)	<u>1,560,094</u>	<u>1,353,497</u>
	\$ 4,236,355	\$ 2,125,596

Liabilities

Current

Accounts payable and accrued liabilities (Note 5)	\$ 96,965	\$ 172,062
Deferred revenue (Note 6)	539,365	490,747
Current portion of long-term debt (Note 9)	<u>46,725</u>	<u>46,153</u>
	683,055	708,962

Deferred rent	21,141	22,943
Deferred capital contributions (Note 8)	1,272,313	1,163,028
Forgivable loans (Note 7)	2,551,085	482,853
Long-term debt (Note 9)	<u>137,543</u>	<u>184,316</u>
	4,665,137	2,562,102

Net assets

Operating fund	(834,821)	(842,545)
Internally restricted funds (Note 10)	261,019	261,019
Replacement reserve fund	<u>145,020</u>	<u>145,020</u>
	(428,782)	(436,506)
	\$ 4,236,355	\$ 2,125,596

Commitments (Note 11)

Economic dependence (Note 13)

On behalf of the Board,

_____ Director _____ Director

See accompanying notes to the financial statements.

Support House

Statement of Revenue and Expenses

Year ended March 31

	<u>Operating fund</u>		<u>Internally restricted funds</u> (Note 10)		<u>Replacement reserve fund</u>		<u>Total</u>	<u>Total</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue								
Grants								
Ontario Health	\$ 3,710,842	\$ 3,689,376	\$ -	\$ -	\$ -	\$ -	\$ 3,710,842	\$ 3,689,376
Ministry of Health	773,277	721,433	-	-	-	14,695	773,277	736,118
Municipality of Halton	435,218	185,915	-	-	-	-	435,218	185,915
United Way Halton & Hamilton	327,060	138,850	-	-	-	-	327,060	138,850
Recognition of deferred capital contributions (Note 8)	147,123	159,713	5,312	5,312	-	-	152,435	165,025
Other grant funding	147,000	224,070	-	-	-	-	147,000	224,070
Government subsidy	-	25,000	-	-	-	-	-	25,000
Employment and Social Development Canada	-	4,144	-	-	-	-	-	4,144
Contributions from residents	295,472	249,766	-	-	-	-	295,472	249,766
Other revenue	63,485	25,569	-	-	-	1,193	63,485	26,762
Donations	1,610	26,509	-	-	-	-	1,610	26,509
Bingo fundraising	-	-	-	3,408	-	-	-	3,408
	<u>5,901,087</u>	<u>5,450,335</u>	<u>5,312</u>	<u>8,720</u>	<u>-</u>	<u>15,888</u>	<u>5,906,399</u>	<u>5,474,943</u>
Expenses								
Salaries and wages	2,528,667	2,323,535	-	-	-	-	2,528,667	2,323,535
Employee benefits	486,094	745,341	-	-	-	-	486,094	745,341
Operating expenses (Schedule 2)	1,574,694	1,173,097	-	1,709	-	-	1,574,694	1,174,806
Housing costs (Schedule 1)	1,150,598	1,037,648	-	-	-	7,964	1,150,598	1,045,612
Amortization	153,310	166,679	5,312	5,312	-	-	158,622	171,991
	<u>5,893,363</u>	<u>5,446,300</u>	<u>-</u>	<u>7,021</u>	<u>-</u>	<u>7,964</u>	<u>5,898,675</u>	<u>5,461,285</u>
Excess of revenue over expenses	\$ <u>7,724</u>	\$ <u>4,035</u>	\$ <u>-</u>	\$ <u>1,699</u>	\$ <u>-</u>	\$ <u>7,924</u>	\$ <u>7,724</u>	\$ <u>13,658</u>

See accompanying notes to the financial statements.

Support House

Statement of Change in Net Assets

Year ended March 31

	<u>Year ended March 31, 2022</u>			
	<u>Operating fund</u>	<u>Internally restricted funds (Note 10)</u>	<u>Replacement reserve fund</u>	<u>Total 2022</u>
Fund balance, beginning of year	\$ (842,545)	\$ 261,019	\$ 145,020	\$ (436,506)
Excess of revenue over expenses	7,724	-	-	7,724
Interfund transfers	-	-	-	-
Fund balance, end of year	\$ <u>(834,821)</u>	\$ <u>261,019</u>	\$ <u>145,020</u>	\$ <u>(428,782)</u>
	<u>Year ended March 31, 2021</u>			
	<u>Operating fund</u>	<u>Internally restricted funds (Note 10)</u>	<u>Replacement reserve fund</u>	<u>Total 2021</u>
Fund balance, beginning of year	\$ (870,973)	\$ 283,713	\$ 137,096	\$ (450,164)
Excess of revenue over expenses	4,035	1,699	7,924	13,658
Interfund transfers	<u>24,393</u>	<u>(24,393)</u>	-	-
Fund balance, end of year	\$ <u>(842,545)</u>	\$ <u>261,019</u>	\$ <u>145,020</u>	\$ <u>(436,506)</u>

See accompanying notes to the financial statements.

Support House

Statement of Cash Flows

Year ended March 31

2022

2021

Operating activities

Excess of revenues over expenses	\$ 7,724	\$ 13,658
Non-cash items		
Amortization	158,622	171,991
Recognition of deferred capital contributions	(152,435)	(165,025)
Change in non-cash working capital:		
Accounts receivable and other receivables	56,400	132,313
Harmonized sales tax recoverable	(33,245)	44,445
Prepaid expenses	(58,682)	(33,282)
Accounts payable and accrued liabilities	(75,097)	(121,288)
Deferred revenue	48,618	440,663
	<u>(48,095)</u>	<u>483,475</u>

Investing activities

Purchase of property and equipment	(365,219)	(155,901)
Deferred capital contributions received	261,720	92,963
Purchase of investments	(215,158)	(34,664)
	<u>(318,657)</u>	<u>(97,602)</u>

Financing activities

Deferred rent	(1,802)	16,301
Proceeds from forgivable loans	2,068,232	71,204
Repayment of long-term debt	(46,201)	(45,604)
	<u>2,020,229</u>	<u>41,901</u>

Increase in cash	1,653,477	427,774
Cash (Bank indebtedness), beginning of year	<u>288,758</u>	<u>(139,016)</u>
Cash, end of year	\$ <u>1,942,235</u>	\$ <u>288,758</u>

Cash consists of:

Cash	\$ 1,935,526	\$ 282,049
Restricted cash – bingo fund	<u>6,709</u>	<u>6,709</u>
	\$ <u>1,942,235</u>	\$ <u>288,758</u>

See accompanying notes to the financial statements.

Support House

Notes to the Financial Statements

March 31, 2022

1. Nature of operations

Support House (“the Organization”) is an Ontario non-profit corporation without share capital. Its purpose is to provide community-based housing, mental wellness programs and support services for people living with mental illness and/or addictions including youth at risk. Using a person-centred approach, the Organization is committed to the philosophy of personal recovery.

The Organization is a registered charity as defined by subsection 149(1) of the Canadian Income Tax Act.

Effective August 27, 2020, the Organization changed its name from Support & Housing Halton to Support House.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) and include the following significant accounting policies:

Use of estimates

The preparation of these financial statements 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash includes the following items that are restricted in their future use:

Funds held in the bingo current account total \$6,709 (2021 - \$6,709). Use of bingo funds is restricted to a listing of eligible expenses.

Fund accounting

Separate funds are maintained to account for and to report on the separate activities or objectives as determined by donors, or by resolution of the Board of Directors. For financial statement purposes, the funds have been grouped into the following categories:

Operating Fund:

The Operating Fund reports the Organization’s program delivery and administrative activities. This fund reports unrestricted resources and operating grants.

Support & Housing - Halton

Notes to the Financial Statements

March 31, 2022

2. Summary of significant accounting policies (continued)

Internally restricted funds:

The Restricted Fund reports the revenues and expenditures for specific internally and externally restricted programs and activities.

The Capital Fund reports the assets, liabilities, revenues and expenditures related to the Organization's property and equipment.

The Education Fund reports funds set aside and controlled by the Education Committee for the training of mental health and/or addiction staff arranged by the Education Committee.

The Bingo Fund is restricted and reports resources for eligible expenses related to bingo.

Externally restricted:

The Replacement Reserve Fund reports the amounts received from the Ministry of Health ("MOH") under an agreement to fund future unexpected major replacement expenditures.

Interfund transfers are made as and when required.

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

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

Externally restricted contributions used to purchase property and equipment is deferred and amortized over the useful lives of the related property and equipment so that revenue recognition corresponds with the related amortization expense.

Investment income earned on Replacement Reserve Fund resources that must be spent on major expenses is recognized as revenue of the Replacement Reserve Fund. Investment income earned on Capital Fund resources is recognized as revenue of the Capital Fund. Other investment income is recognized as revenue of the Operating Fund when earned.

Contributed services

The value of services contributed by volunteers and supplies provided as donations are not reflected in these financial statements, as they are not clearly measurable.

Support & Housing - Halton

Notes to the Financial Statements

March 31, 2022

2. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment purchased with a value of greater than \$5,000 are recorded at cost. Where property and equipment have been donated, cost is considered to be the fair value at the time the goods are donated.

Property and equipment is recorded at cost less accumulated amortization. Property and equipment is amortized on a straight-line basis as follows:

Furniture and equipment	- 5 years
Passenger vehicles	- 5 years
Buildings and renovations/improvements	- 5 - 25 years

Buildings include components such as general building, electrical, plumbing, heating and ventilation. These components are amortized over their respective estimated useful life. Construction in progress includes assets under construction which are not amortized.

Property and equipment are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable, if any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the property and equipment to its fair value. Any impairment of property and equipment is recognized in income in the year in which the impairment occurs.

An impairment loss is not reversed if the fair value of the property and equipment subsequently increases.

Deferred capital contributions relating to capital assets

Restricted donations and grants relating to the acquisition of capital assets are deferred and amortized over the life of the related capital assets. Amortization is reported as revenue in the internally restricted fund. Restricted donations and grants relating to assets which are not amortized are reported directly as increases to the internally restricted fund.

Financial instruments

On April 1st, 2021, the Centre adopted the amendments to Section 3856 Financial Instruments, which outline the accounting guidelines related to the classification and measurement of financial instruments issued in a tax planning arrangement and for financial assets and financial liabilities in related party transactions. The adoption of the amendments did not have a significant impact on the Centre's financial statements.

Support & Housing - Halton

Notes to the Financial Statements

March 31, 2022

2. Summary of significant accounting policies (continued)

The Organization considers any contract creating a financial asset or liability as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- Cash
- Restricted cash
- Investments (restricted and unrestricted)
- Accounts receivable
- Accounts payable
- Forgivable loans
- Long term debt

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy except for those transactions that are with a person or entity whose sole relationship with the Organization is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in mutual funds and preferred shares which measured at fair value. Financial assets measured at amortized cost, include cash, restricted cash, guaranteed investment certificates (GICs) and accounts receivable. Financial liabilities measured at amortized cost include accounts payable, forgivable loans and long-term debt.

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

3. Investments

	<u>2022</u>	<u>2021</u>
Guaranteed investment certificates (GICs)	\$ 370,120	\$ 160,948
Mutual funds (money market)	83,460	\$ 56,618
Preferred shares	<u>18,584</u>	<u>39,440</u>
	<u>\$ 472,164</u>	<u>\$ 257,006</u>

The GICs earn interest at a rate from 0.7% to 1.45% (2021 – 0.3%) and mature between July and September 2022. Mutual funds and preferred shares are stated at fair value. The fair value includes unrealized investment loss of \$732 (2021 – unrealized investment gain of \$8,912).

The Organization has an internal policy to maintain reserve funds. The internally restricted funds are held in these investments.

Support & Housing - Halton Notes to the Financial Statements

March 31, 2022

4. Property and equipment			<u>2022</u>	<u>2021</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land and building - Chartwell	\$ 1,961,895	\$ 1,451,253	\$ 510,642	\$ 484,405
Land and building - Acton	714,104	273,427	440,677	469,241
Land and building - Grace House	277,252	87,437	189,815	200,905
Furniture and equipment	57,219	25,431	31,788	42,687
Passenger vehicle	83,618	55,483	28,135	44,859
Construction in progress	<u>359,037</u>	<u>-</u>	<u>359,037</u>	<u>111,400</u>
	<u>\$ 3,453,124</u>	<u>\$ 1,893,030</u>	<u>\$ 1,560,094</u>	<u>\$ 1,353,497</u>

5. Accounts payable

The accounts payable balance includes \$nil government remittances (2021 - \$31,213).

6. Deferred revenue

	<u>2022</u>	<u>2021</u>
Deferred revenue, beginning of year	\$ 490,747	\$ 50,084
Funds received during the year	267,980	478,384
Less: revenue recognized during the year	<u>(219,362)</u>	<u>(37,722)</u>
Deferred revenue, end of year	<u>\$ 539,365</u>	<u>\$ 490,747</u>

7. Forgivable loans

	<u>2022</u>	<u>2021</u>
Land and Building – Acton – Forgivable loan (1)	\$ 411,649	\$ 411,649
Region of Halton – Chartwell Forgivable loan (2)	71,204	71,204
Region of Halton – Maria Forgivable loan (3)	<u>2,068,232</u>	<u>-</u>
	<u>\$ 2,551,085</u>	<u>\$ 482,853</u>

- (1) In fiscal 2011, the Organization received funding from the Canadian Mortgage and Housing Corporation (“CMHC”) for renovations in the Acton property. The loan is forgivable in 15 years provided certain conditions are met. The Organization has agreed to operate in accordance with the terms and conditions stated in a formal agreement. Should the Organization breach this agreement, the funding may have to be repaid.

Support & Housing - Halton

Notes to the Financial Statements

March 31, 2022

7. Forgivable loans (continued)

- (2) During fiscal 2020, the Organization and the Regional Municipality of Halton entered into a Halton Multi-Unit Rehabilitation Loan agreement. The loan is for renovations relating to its safe beds program at its Chartwell, Oakville location and the Organization can borrow an amount not to exceed \$76,290 based on approved invoices for eligible costs of the program. The loan is interest free with a 15-year term commencing from the program completion scheduled in fiscal 2021 and is forgivable at 1/15th per year, over the term. The loan is secured with a second mortgage on its Chartwell, Oakville location.
- (3) During fiscal 2022, the Organization and the Regional Municipality of Halton entered into a Halton Multi-Unit Development Loan agreement. The loan is for development of rental units at its Maria, Acton location and the Organization can borrow an amount up to \$3,000,000 based on approved invoices for eligible costs of the program. The loan is at the prime rate plus 1.2% annually, with project completion by March 31, 2024. The term of the loan is 50 years beginning on the occupancy date, at which time, provided the conditions of the loan agreement are met, the full balance of the principal will be forgiven.

8. Deferred capital contributions	<u>2022</u>	<u>2021</u>
Deferred capital contributions, beginning of year	\$ 1,163,028	\$ 1,235,088
Funds received during the year	261,720	92,963
Less: revenue recognized during the year	<u>(152,435)</u>	<u>(165,025)</u>
Deferred capital contributions, end of year	<u>\$ 1,272,313</u>	<u>\$ 1,163,026</u>

9. Long term debt	<u>2022</u>	<u>2021</u>
Canada Mortgage and Housing Corporation, interest at 0.69% (2021 – 0.69%) per annum, repayable in blended monthly payments of \$1,907 (2021 - \$1,907), balance due January 1, 2025. Secured by 109 Brook Street and 13 Normandy Place, Oakville Ontario.	\$ 62,962	\$ 86,583
Canada Mortgage and Housing Corporation, interest at 2.60% per annum, repayable in blended monthly payments of \$1,292, balance due April 1, 2028. Secured by 10 Hill St and A006 Kingham Rd, Halton Hills, Ontario.	88,314	100,477
Canada Mortgage and Housing Corporation, interest at 0.69% (2021 – 0.69%) per annum, repayable in blended monthly payments of \$917 (2021 - \$917), balance due March 1, 2025. Secured by 39 Normandy Place, Oakville, Ontario.	<u>32,992</u>	<u>43,409</u>

Support & Housing - Halton

Notes to the Financial Statements

March 31, 2022

9. Long term debt (continued)	<u>2022</u>	<u>2021</u>
	184,268	230,469
Less: current portion	<u>(46,725)</u>	<u>(46,153)</u>
	<u>\$ 137,543</u>	<u>\$ 184,316</u>

Management believes that all loans will be renewed upon maturity at prevailing interest rates in effect at that time.

Principal repayments in the next five years and thereafter are approximately:

2023	\$ 46,992
2024	47,340
2025	46,086
2026	14,280
2027	<u>29,570</u>
	<u>\$ 184,268</u>

Support & Housing - Halton

Notes to the Financial Statements

March 31, 2022

10. Internally restricted funds

	<u>Restricted fund</u>	<u>Capital fund</u>	<u>Education fund</u>	<u>Bingo fund</u>	<u>Total 2022</u>	<u>Total 2021</u>
Balance, beginning of year	\$ <u>28,253</u>	\$ <u>215,893</u>	\$ <u>10,364</u>	\$ <u>6,509</u>	\$ <u>261,019</u>	\$ <u>283,714</u>
Revenue	-	-	-	5,312	5,312	8,720
Expenses	-	-	-	5,312	5,312	7,021
Excess of revenue over expenses	-	-	-	-	-	1,699
Inter-fund transfers	-	-	-	-	-	(24,393)
Balance, end of year	\$ <u>28,253</u>	\$ <u>215,893</u>	\$ <u>10,364</u>	\$ <u>6,509</u>	\$ <u>261,019</u>	\$ <u>261,019</u>

Support & Housing - Halton

Notes to the Financial Statements

March 31, 2022

11. Lease commitments

The Organization has long term leases with respect to its office premises in Milton, Burlington and Mississauga, and residential leases in Oakville and Burlington. Future minimum lease payments for the next three years are as follows:

2023	\$	81,421
2024		74,482
2025		69,086

12. Line of credit

The Organization has a line of credit of up to \$100,000 available for use. The line of credit is subject to interest of the prime rate plus 1% which was 4.25% as at March 31, 2022, and is secured by the first collateral mortgage, general assignment of leases and rents and a general security agreement. The line of credit balance as at March 31, 2022 was \$Nil (2021 - \$Nil)

13. Economic dependence

Operations of the Organization depend to a large extent upon the funding that it receives from the federal and provincial governments. Any significant reduction in this source would significantly curtail the Organization's ability to offer a complete range of programs.

14. Financial instrument risks

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. There was no significant change in risk exposure from the prior year.

Credit risk

The Organization is subject to credit risk through receivables. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. As revenue is mainly derived from the Ministry of Health directly and through its Local Health Integrated Network (LHIN), the Organization is not subject to significant credit risk. The Organization's management does not expect any financial loss on the March 31, 2022 accounts receivable balance.

Liquidity risk

Liquidity risk is the risk that the Organization may encounter difficulty in meeting its obligations associated with its financial liabilities as they become due. The Organization has sufficient working capital to meet its current liabilities, however, there are significant long term liabilities to be funded.

Support & Housing - Halton

Notes to the Financial Statements

March 31, 2022

14. Financial instrument risks (continued)

Interest rate risk

The Organization's financial instruments expose it to interest rate risk due to its investments with fixed interest rates. This risk is mitigated by the Organization through investing in instruments which have a low susceptibility to significant fluctuations in future changes in market interest rates.

Support House Housing Costs (Schedule 1)

Year ended March 31	2022	2021
Client rent	\$ 802,099	\$ 606,455
Repairs and maintenance	187,751	144,897
Food costs	47,870	42,508
Utilities	41,912	37,685
Client transportation	19,846	10,143
Telephone and internet	16,814	14,691
Office	8,765	5,736
Equipment	5,919	1,098
Professional fees	5,394	106,800
Insurance	5,134	2,793
Computer maintenance	3,441	10,131
Mortgage interest	3,184	3,921
Office supplies	2,415	9,116
Travel	53	-
Program expenses	-	27,629
Client expenses	-	19,272
Staff development	-	1,797
Office rent and utilities	-	940
	<u>\$ 1,150,598</u>	<u>\$ 1,045,612</u>

Support House Operating Expenses (Schedule 2)

Year ended March 31	2022	2021
Professional fees	\$ 911,396	\$ 444,477
Office rent and utilities	214,445	201,140
Computer maintenance and supplies	89,729	81,449
Office	76,567	37,471
Telephone and internet	40,839	33,667
Advertising and promotion	40,457	53,739
Memberships	34,083	14,295
Insurance	28,716	22,056
Staff development	26,424	26,258
Equipment	25,774	62,095
Office supplies	23,551	38,500
Audit fees	23,467	15,643
Travel	19,281	25,331
Bank charges and payroll service	8,324	6,807
Client transportation	7,773	231
Repairs and maintenance	3,688	25,962
Program expenses	-	81,396
Client expense	-	4,289
	<u>\$ 1,574,694</u>	<u>\$ 1,174,806</u>