



Financial Statements

Support House

March 31, 2023

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Revenue and Expenses	4
Statement of Change in Net assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 16
Housing Costs (Schedule 1)	17
Operating Expenses (Schedule 2)	17

# Independent Auditor's Report

---

Grant Thornton LLP  
Suite 501  
201 City Centre Drive  
Mississauga, ON  
L5B 2T4  
T +1 416 366 0100  
F +1 905 804 0509

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, 2023, and the statements of revenue and expenses, change 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, 2023, 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.

## Other Matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The schedules of expenses on page 17 are presented for the purposes of additional information and are not required as part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of the financial statements taken as a whole.

## 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  
May 29, 2023

Chartered Professional Accountants  
Licensed Public Accountants

# Support House

## Statement of Financial Position

As at March 31

2023

2022

### Assets

#### Current

Cash	\$ 2,081,466	\$ 1,935,526
Restricted cash – bingo fund	9	6,709
Investments (Note 3)	477,721	472,164
Accounts receivable and other receivables	495,762	39,514
Harmonized sales tax recoverable	126,583	104,198
Prepaid expenses	<u>100,516</u>	<u>118,150</u>
	<b>3,282,057</b>	<b>2,676,261</b>

Property and equipment (Note 4)	<u>1,721,025</u>	<u>1,560,094</u>
	<b>\$ 5,003,082</b>	<b>\$ 4,236,355</b>

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 638,281	\$ 96,965
Deferred revenue (Note 5)	842,683	539,365
Current portion of long-term debt (Note 8)	<u>47,302</u>	<u>46,725</u>
	<b>1,528,266</b>	<b>683,055</b>

Deferred rent	24,832	21,141
Deferred capital contributions (Note 8)	1,196,213	1,272,313
Forgivable loans (Note 6)	2,166,282	2,551,085
Long-term debt (Note 8)	<u>90,191</u>	<u>137,543</u>
	<b>5,005,784</b>	<b>4,665,137</b>

### Net assets

Operating fund	(421,024)	(834,821)
Internally restricted funds (Note 9)	261,088	261,019
Replacement reserve fund	<u>157,234</u>	<u>145,020</u>
	<b>(2,702)</b>	<b>(428,782)</b>
	<b>\$ 5,003,082</b>	<b>\$ 4,236,355</b>

Commitments (Note 10)  
Economic dependence (Note 12)

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, 2023

	Operating fund		Internally restricted funds (Note 10)		Replacement reserve fund		Total	Total
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenue</b>								
Grants								
Ontario Health	\$ 3,846,947	\$ 3,710,842	\$ -	\$ -	\$ -	\$ -	\$ 3,846,947	\$ 3,710,842
Ministry of Health	931,411	773,277	-	-	-	-	931,411	773,277
Recognition of deferred capital contributions (Note 8)	546,614	147,123	10,624	5,312	-	-	557,238	152,435
Municipality of Halton	328,114	435,218	-	-	-	-	328,114	435,218
United Way Halton & Hamilton	225,000	327,060	-	-	-	-	225,000	327,060
Other grant funding	147,000	147,000	-	-	-	-	147,000	147,000
Contributions from residents	296,476	295,472	-	-	-	-	296,476	295,472
Other revenue	37,329	63,485	-	-	-	-	37,329	63,485
Bingo fundraising	6,502	-	8,319	-	-	-	14,821	-
Donations	814	1,610	-	-	-	-	814	1,610
	<u>6,366,207</u>	<u>5,901,087</u>	<u>18,943</u>	<u>5,312</u>	<u>-</u>	<u>-</u>	<u>6,385,150</u>	<u>5,906,399</u>
<b>Expenses</b>								
Salaries and wages	2,872,329	2,528,667	-	-	-	-	2,872,329	2,528,667
Employee benefits	516,409	486,094	-	-	-	-	516,409	486,094
Housing costs (Schedule 1)	1,262,190	1,150,598	18,907	-	-	-	1,281,097	1,150,598
Operating expenses (Schedule 2)	1,133,918	1,574,694	6,537	-	-	-	1,140,455	1,574,694
Amortization	148,317	153,310	-	5,312	-	-	148,317	158,622
	<u>5,933,163</u>	<u>5,893,363</u>	<u>25,444</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,958,607</u>	<u>5,898,675</u>
Excess of revenue over expenses (expenses over revenue) before other items	433,044	7,724	(6,501)	-	-	-	426,543	7,724
Loan forgiven – Acton (Note 6)	411,649	-	-	-	-	-	411,649	-
Loss on demolition of building	(412,112)	-	-	-	-	-	(412,112)	-
Excess of revenue over expenses	<u>\$ 432,581</u>	<u>\$ 7,724</u>	<u>\$ (6,501)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 426,080</u>	<u>\$ 7,724</u>

See accompanying notes to the financial statements.

# Support House

## Statement of Change in Net Assets

Year ended March 31, 2023

	<u>Year ended March 31, 2023</u>			
	<u>Operating fund</u>	<u>Internally restricted funds (Note 10)</u>	<u>Replacement reserve fund</u>	<u>Total 2023</u>
Fund balance, beginning of year	\$ (834,821)	\$ 261,019	\$ 145,020	\$ (428,782)
Excess (deficiency) of revenue over expenses	432,581	(6,501)	-	426,080
Interfund transfers	<u>(18,784)</u>	<u>6,570</u>	<u>12,214</u>	<u>-</u>
Fund balance, end of year	\$ <u>(421,024)</u>	\$ <u>261,088</u>	\$ <u>157,234</u>	\$ <u>(2,702)</u>
	<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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	\$ <u>(834,821)</u>	\$ <u>261,019</u>	\$ <u>145,020</u>	\$ <u>(428,782)</u>

See accompanying notes to the financial statements.

# Support House

## Statement of Cash Flows

Year ended March 31

2023

2022

### Operating activities

Excess of revenues over expenses	\$ 426,080	\$ 7,724
Non-cash items		
Amortization	148,317	158,622
Recognition of deferred capital contributions	(557,238)	(152,435)
Loss on demolition of building	412,112	-
Income recognized on forgivable loan	(411,649)	-
Dividend income on investments	(5,557)	-
Interest accrued on forgivable loan	26,847	-
Change in non-cash working capital:		
Accounts receivable and other receivables	(456,248)	56,400
Harmonized sales tax recoverable	(22,385)	(33,245)
Prepaid expenses	17,634	(58,682)
Accounts payable and accrued liabilities	541,316	(75,097)
Deferred revenue	303,318	48,618
	<u>422,547</u>	<u>(48,095)</u>

### Investing activities

Purchase of property and equipment	(721,361)	(365,219)
Deferred capital contributions received	481,138	261,720
Purchase of investments	-	(215,158)
	<u>(240,223)</u>	<u>(318,657)</u>

### Financing activities

Deferred rent	3,691	(1,802)
Proceeds from forgivable loans	-	2,068,232
Repayment of long-term debt	(46,775)	(46,201)
	<u>(43,084)</u>	<u>2,020,229</u>

Increase in cash	139,240	1,653,477
Cash, beginning of year	<u>1,942,235</u>	<u>288,758</u>
Cash, end of year	\$ <u>2,081,475</u>	\$ <u>1,942,235</u>

### Cash consists of:

Cash	\$ 2,081,466	\$ 1,935,526
Restricted cash – bingo fund	<u>9</u>	<u>6,709</u>
	\$ <u>2,081,475</u>	\$ <u>1,942,235</u>

See accompanying notes to the financial statements.



---

# Support House

## Notes to the Financial Statements

March 31, 2023

---

### 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.

---

### 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 \$9 (2022 - \$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 House

## Notes to the Financial Statements

March 31, 2023

---

### 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 House

## Notes to the Financial Statements

March 31, 2023

---

### 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.

---

# Support House

## Notes to the Financial Statements

March 31, 2023

---

### 2. Summary of significant accounting policies (continued)

#### Financial instruments

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.

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>2023</u>	<u>2022</u>
Guaranteed investment certificates (GICs)	\$ 376,958	\$ 370,120
Mutual funds (money market)	85,075	83,460
Preferred shares	<u>15,688</u>	<u>18,584</u>
	<u>\$ 477,721</u>	<u>\$ 472,164</u>

The GICs earn interest at a rate of 4% (2022 – 0.7% to 1.45%) and mature between May and June 2023. Mutual funds and preferred shares are stated at fair value.

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

# Support House

## Notes to the Financial Statements

March 31, 2023

4. Property and equipment			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land and building - Chartwell	\$ 1,987,548	\$ 1,532,295	\$ 455,253	\$ 510,642
Land and building – Acton	-	-	-	440,677
Land and building – Grace House	277,252	98,527	178,725	189,815
Furniture and equipment	57,219	36,330	20,889	31,788
Passenger vehicle	83,612	72,202	11,409	28,135
Construction in progress	<u>1,054,748</u>	<u>-</u>	<u>1,054,748</u>	<u>359,037</u>
	<u>\$ 3,460,379</u>	<u>\$ 1,739,354</u>	<u>\$ 1,721,025</u>	<u>\$ 1,560,094</u>

5. Deferred revenue		<u>2023</u>	<u>2022</u>
Deferred revenue, beginning of year		\$ 539,365	\$ 490,747
Funds received during the year		549,693	267,980
Less: revenue recognized during the year		<u>(246,375)</u>	<u>(219,362)</u>
Deferred revenue, end of year		<u>\$ 842,683</u>	<u>\$ 539,365</u>

6. Forgivable loans		<u>2023</u>	<u>2022</u>
Land and Building – Acton – Forgivable loan (1)		\$ -	\$ 411,649
Region of Halton – Chartwell Forgivable loan (2)		71,204	71,204
Region of Halton – Maria Forgivable loan (3)		<u>2,095,078</u>	<u>2,068,232</u>
		<u>\$ 2,166,282</u>	<u>\$ 2,551,085</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.

During the year, the building was demolished and the corresponding forgivable loan was recognized as income in accordance with the terms of agreement.

# Support House

## Notes to the Financial Statements

March 31, 2023

### 6. 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 between June 2024 and December 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.

### 7. Deferred capital contributions

	<u>2023</u>	<u>2022</u>
Deferred capital contributions, beginning of year	\$ 1,272,313	\$ 1,163,028
Funds received during the year	481,138	261,720
Less: revenue recognized during the year	<u>(557,238)</u>	<u>(152,435)</u>
Deferred capital contributions, end of year	<u>\$ 1,196,213</u>	<u>\$ 1,272,313</u>

### 8. Long-term debt

	<u>2023</u>	<u>2022</u>
Canada Mortgage and Housing Corporation, interest at 0.69% (2022 – 0.69%) per annum, repayable in blended monthly payments of \$1,907 (2022 - \$1,907), balance due January 1, 2025. Secured by 109 Brook Street and 13 Normandy Place, Oakville Ontario.	\$ 41,694	\$ 62,962
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.	73,945	88,314
Canada Mortgage and Housing Corporation, interest at 0.69% (2022 – 0.69%) per annum, repayable in blended monthly payments of \$917 (2022 - \$917), balance due March 1, 2025. Secured by 39 Normandy Place, Oakville, Ontario.	<u>21,854</u>	<u>32,992</u>

---

## Support House Notes to the Financial Statements

March 31, 2023

---

8. Long-term debt (continued)	<u>2023</u>	<u>2022</u>
Total debt	137,493	184,268
Less: current portion	<u>(47,302)</u>	<u>(46,725)</u>
	<u>\$ 90,191</u>	<u>\$ 137,543</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 are approximately:

2024	\$ 47,340
2025	47,900
2026	14,280
2027	14,280
2028	<u>13,693</u>
	<u>\$ 137,493</u>

# Support House

## Notes to the Financial Statements

March 31, 2023

### 9. Internally restricted funds

	<u>Restricted fund</u>	<u>Capital fund</u>	<u>Education fund</u>	<u>Bingo fund</u>	<b><u>Total 2023</u></b>	<u>Total 2022</u>
Balance, beginning of year	\$ <u>28,253</u>	\$ <u>215,893</u>	\$ <u>10,364</u>	\$ <u>6,509</u>	<b>\$ <u>261,019</u></b>	\$ <u>261,019</u>
Revenue	-	-	-	18,943	<b>18,943</b>	5,312
Expenses	-	-	-	<u>25,444</u>	<b><u>25,444</u></b>	<u>5,312</u>
Deficiency of revenue over expenses	-	-	-	(6,501)	<b>(6,501)</b>	-
Inter-fund transfers	-	<u>6,644</u>	<u>(74)</u>	-	<b><u>6,570</u></b>	-
<b>Balance, end of year</b>	<b>\$ <u>28,253</u></b>	<b>\$ <u>222,537</u></b>	<b>\$ <u>10,290</u></b>	<b>\$ <u>8</u></b>	<b>\$ <u>261,088</u></b>	<b>\$ <u>261,019</u></b>



---

# Support House

## Notes to the Financial Statements

March 31, 2023

---

### 10. Lease commitments

The Organization has long term leases with respect to its office in Oakville and residential leases in Acton. Future minimum lease payments for the next two years are as follows:

2024	\$	74,482
2025		69,086

---

### 11. 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, 2023, 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, 2023 was \$Nil (2022 - \$Nil)

---

### 12. Economic dependence

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

---

### 13. 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 Ontario Health, the Organization is not subject to significant credit risk. The Organization's management does not expect any financial loss on the March 31, 2023 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 House

## Notes to the Financial Statements

March 31, 2023

---

### 13. 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	2023	2022
Client rent	\$ 895,609	\$ 802,099
Repairs and maintenance	196,840	187,751
Food costs	49,403	47,870
Utilities	47,292	41,912
Client transportation	26,365	19,846
Telephone and internet	23,257	16,814
Office	14,252	8,765
Office rent and utilities	4,677	-
Mortgage interest	2,610	3,184
Computer maintenance	921	3,441
Equipment	871	5,919
Office supplies	93	2,415
Professional fees	-	5,394
Insurance	-	5,134
Travel	-	53
	<u>\$ 1,262,190</u>	<u>\$ 1,150,598</u>

## Support House Operating Expenses (Schedule 2)

Year ended March 31	2023	2022
Professional fees	\$ 394,137	\$ 911,396
Office rent and utilities	133,142	214,445
Equipment	124,655	25,774
Advertising and promotion	109,081	40,457
Staff development	104,848	26,424
Computer maintenance and supplies	66,127	89,729
Office	43,384	76,567
Insurance	31,266	28,716
Telephone and internet	27,176	40,839
Audit fees	20,267	23,467
Repairs and maintenance	19,151	3,688
Travel	19,150	19,281
Memberships	16,020	34,083
Office supplies	12,290	23,551
Bank charges and payroll service	11,744	8,324
Client transportation	<u>1,480</u>	<u>7,773</u>
	<u>\$ 1,133,918</u>	<u>\$ 1,574,694</u>