

Halton Women's Place
Financial Statements
For the year ended March 31, 2021

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To the Directors of
Halton Women's Place

Independent Auditors' Report

Qualified Opinion

We have audited the accompanying financial statements of Halton Women's Place (the Organization), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Halton Women's Place as at March 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Halton Women's Place derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to amounts recorded in the records of Halton Women's Place. Therefore, we were not able to determine whether any adjustments might be necessary to revenue and excess of revenues over expenditures for the years ended March 31, 2021 and March 31, 2020, and assets and net assets as at March 31, 2021 and at March 31, 2020.

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 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.

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 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 Auditing Standards (CASs), 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.

May 26, 2021
Burlington, Ontario

SB Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

**Halton Women's Place
Statement of Financial Position
March 31, 2021**

	Operating Fund		Restricted Funds					Combined Funds			
	2021	2020	Property Maintenance 2021	Capital Assets 2021	Contingency Reserve 2021 (Note 10)	Public Education 2021	Agency Resource 2021	Total 2021	Total 2020 (Note 10)	Total 2021	Total 2020 (Note 10)
Assets											
Current assets											
Cash and cash equivalents	\$ 756,501	\$ 381,883	\$ 3,262	\$ -	\$ 17,895	\$ 38,972	\$ -	\$ 60,129	\$ 605,489	\$ 816,630	\$ 987,372
Short-term investments (Note 3)	1,429,197	461,203	754,217	-	1,601,625	904,787	-	3,260,629	1,779,476	4,689,826	2,240,679
Receivables	181,547	48,984	-	-	-	-	-	-	-	181,547	48,984
Interfund receivables (Note 2)	17,377	17,377	-	-	13,310	662,033	-	675,343	667,340	692,720	684,717
Prepaid expenses	56,244	37,698	-	-	-	-	-	-	-	56,244	37,698
	2,440,866	947,145	757,479	-	1,632,830	1,605,792	-	3,996,101	3,052,305	6,436,967	3,999,450
Endowment investments	-	-	-	-	-	1,000,000	-	1,000,000	500,000	1,000,000	500,000
Long-term investments (Note 4)	-	300,000	40,000	-	82,160	98,150	-	220,310	337,914	220,310	637,914
Capital assets (Note 5)	-	-	-	1,339,340	-	-	-	1,339,340	1,451,454	1,339,340	1,451,454
	\$2,440,866	\$1,247,145	\$ 797,479	\$1,339,340	\$1,714,990	\$2,703,942	\$ -	\$6,555,751	\$5,341,673	\$8,996,617	\$6,588,818
Liabilities											
Current liabilities											
Payables and accruals	\$ 242,860	\$ 175,756	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,860	\$ 175,756
Deferred capital funding (Note 8)	-	-	-	49,097	-	-	-	49,097	57,863	49,097	57,863
Deferred revenue	164,399	165,816	-	-	-	651,340	-	651,340	341,512	815,739	507,328
Interfund payables (Note 2)	675,343	667,340	17,377	-	-	-	-	17,377	17,377	692,720	684,717
	1,082,602	1,008,912	17,377	49,097	-	651,340	-	717,814	416,752	1,800,416	1,425,664
Net Assets											
Endowment	-	-	-	-	-	1,000,000	-	1,000,000	500,000	1,000,000	500,000
Invested in capital assets (Note 10)	-	-	-	1,290,243	-	-	-	1,290,243	1,393,591	1,290,243	1,393,591
Internally restricted	-	-	780,102	-	1,714,990	1,052,602	-	3,547,694	3,031,330	3,547,694	3,031,330
Unrestricted	1,358,264	238,233	-	-	-	-	-	-	-	1,358,264	238,233

Approved on Behalf of the Board

President

Treasurer

The accompanying notes are an integral part of the financial statements.



1,358,264	238,233	780,102	1,290,243	1,714,990	2,052,602	-	5,837,937	4,424,921	7,196,201	5,163,154
\$2,440,866	\$1,247,145	\$ 797,479	\$1,339,340	\$1,714,990	\$2,703,942	\$ -	\$6,555,751	\$4,841,673	\$8,996,617	\$6,588,818

The accompanying notes are an integral part of the financial statements.



**Halton Women's Place
Statement of Changes in Net Assets
Year Ended March 31, 2021**

	Operating Fund		Restricted Funds					Combined Funds			
	2021	2020	Property Maintenance 2021	Capital Assets 2021	Contingency Reserve 2021	Public Education 2021	Agency Resource 2021	Total 2021	Total 2020	Total 2021	Total 2020
Net assets, beginning of year (Note 10)	\$ 238,233	\$ 265,695	\$ 669,616	\$1,393,591	\$1,247,079	\$1,312,807	\$ 301,828	\$4,924,921	\$4,483,247	\$5,163,154	\$4,748,942
Net excess (deficiency) of revenues over expenditures	1,087,438	274,035	110,486	(212,583)	307,911	239,795	-	445,609	(359,823)	1,533,047	(85,788)
Interfund transfers	32,593	(301,497)	-	109,235	160,000	-	(301,828)	(32,593)	301,497	-	-
Endowment contribution	-	-	-	-	-	500,000	-	500,000	500,000	500,000	500,000
Net assets, end of year	\$1,358,264	\$ 238,233	\$ 780,102	\$1,290,243	\$1,714,990	\$2,052,602	\$ -	\$5,837,937	\$4,924,921	\$7,196,201	\$5,163,154

The accompanying notes are an integral part of the financial statements.



**Halton Women's Place
Summary Statement of Operations
Year Ended March 31, 2021**

	<u>Operating Fund</u>		<u>Restricted Funds</u>		<u>Combined Funds</u>	
	<u>Total 2021</u>	<u>Total 2020</u>	<u>Total 2021</u>	<u>Total 2020</u>	<u>Total 2021</u>	<u>Total 2020</u>
Revenue						
MCCSS - regular	\$ 2,308,850	\$ 2,218,853	\$ -	\$ -	\$ 2,308,850	\$ 2,218,853
MCCSS - one time	308,916	59,883	-	-	308,916	59,883
Grants	68,500	3,305	-	-	68,500	3,305
Interest and other	97,945	75,453	300	265	98,245	75,718
MCCSS/CAS	120,000	120,000	-	-	120,000	120,000
Amortization of deferred capital funding (Note 8)	-	-	8,766	4,383	8,766	4,383
	2,904,211	2,477,494	9,066	4,648	2,913,277	2,482,142
Expenditures						
Operational expenses	1,185,866	824,522	5,154	23,422	1,191,020	847,944
Salaries and benefits	2,530,220	2,514,774	147,831	188,160	2,678,051	2,702,934
Depreciation and amortization	-	-	221,349	212,260	221,349	212,260
	3,716,086	3,339,296	374,334	423,842	4,090,420	3,763,138
Deficiency of revenues over expenditures before other items	(811,875)	(861,802)	(365,268)	(419,194)	(1,177,143)	(1,280,996)
Other items						
Donations and fundraising (Note 6)	1,865,817	1,133,146	152,885	211,482	2,018,702	1,344,628
Gain (loss) on investments	33,496	2,691	657,992	(152,111)	691,488	(149,420)
Net excess (deficiency) of revenues over expenditures	\$ 1,087,438	\$ 274,035	\$ 445,609	\$ (359,823)	\$ 1,533,047	\$ (85,788)

The accompanying notes are an integral part of the financial statements.



Halton Women's Place
Statement of Operations - Operating and Restricted Funds
Year Ended March 31, 2021

	Operating Fund				Restricted Funds					
	MCCSS 2021	Non MCCSS 2021	Total 2021	Total 2020	Property Maintenance 2021	Capital Assets 2021	Contingency Reserve 2021	Public Education 2021	Total 2021	Total 2020
Revenue										
MCCSS - regular	\$ 2,308,850	\$ -	\$ 2,308,850	\$ 2,218,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MCCSS - one time	308,916	-	308,916	59,883	-	-	-	-	-	-
Grants	-	68,500	68,500	3,305	-	-	-	-	-	-
Interest and other	-	97,945	97,945	75,453	-	-	300	-	300	265
MCCSS/CAS	120,000	-	120,000	120,000	-	-	-	-	-	-
Amortization of deferred capital funding (Note 8)	-	-	-	-	-	8,766	-	-	8,766	4,383
	2,737,766	166,445	2,904,211	2,477,494	-	8,766	300	-	9,066	4,648
Expenditures										
Operational expenses	1,099,215	86,651	1,185,866	824,522	-	-	100	5,054	5,154	23,422
Salaries and benefits	2,264,886	265,334	2,530,220	2,514,774	-	-	-	147,831	147,831	188,160
Depreciation and amortization	-	-	-	-	-	221,349	-	-	221,349	212,260
	3,364,101	351,985	3,716,086	3,339,296	-	221,349	100	152,885	374,334	423,842
Excess (deficiency) of revenues over expenditures before other items	(626,335)	(185,540)	(811,875)	(861,802)	-	(212,583)	200	(152,885)	(365,268)	(419,194)
Other items										
Donations and fundraising (Note 6)	-	1,865,817	1,865,817	1,133,146	-	-	-	152,885	152,885	211,482
Gain (loss) on investments	-	33,496	33,496	2,691	110,486	-	307,711	239,795	657,992	(152,111)
Net excess (deficiency) of revenues over expenditures	\$ (626,335)	\$ 1,713,773	\$ 1,087,438	\$ 274,035	\$ 110,486	\$ (212,583)	\$ 307,911	\$ 239,795	\$ 445,609	\$ (359,823)

The accompanying notes are an integral part of the financial statements.



The accompanying notes are an integral part of the financial statements.



Halton Women's Place
Statement of Cash Flows
Year Ended March 31, 2021

	2021	2020
Cash flows from operating activities		
Net excess (deficiency) of revenues over expenditures		
Operating Fund	\$ 1,087,438	\$ 274,035
Property Maintenance Fund	110,486	(11,307)
Capital Assets Fund	(212,583)	(207,877)
Contingency Reserve Fund	307,911	(89,736)
Public Education Reserve Fund	239,795	(50,903)
Unrealized loss (gain) on investments	(691,488)	149,420
Depreciation and amortization	221,349	212,260
Amortization of deferred capital funding (Note 8)	(8,766)	(4,383)
Change in non-cash operating working capital (Note 7)	224,406	141,845
Cash flows from operating activities	1,278,548	413,354
Cash flows from financing activities		
Endowment contribution	500,000	500,000
Cash flows from investing activities		
Net change in short-term investments	(1,840,055)	(462,728)
Purchase of capital assets	(109,235)	(89,708)
Funded capital asset purchases	-	62,246
Cash flows used in investing activities	(1,949,290)	(490,190)
Net increase (decrease) in cash and cash equivalents	(170,742)	423,164
Cash and cash equivalents, beginning of year	987,372	564,208
Cash and cash equivalents, end of year	\$ 816,630	\$ 987,372

The accompanying notes are an integral part of the financial statements.



Halton Women's Place

Notes to Financial Statements

Year Ended March 31, 2021

1. Form of Organization

Halton Women's Place was incorporated without share capital under the laws of Ontario on November 7, 1978 for the purpose of providing shelter and crisis services for physically, emotionally, financially and sexually abused women and their dependent children and is dedicated to ending violence against women and children. It is a registered charity under the Income Tax Act.

2. Significant accounting policies

Basis of accounting

The financial statements of the Organization have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

Description of funds

The Organization discloses its accounts in accordance with the principles of fund accounting. Under these principles, specific resources are classified for accounting and reporting into separate funds, created at the Board's discretion. The assets, liabilities and fund balances of the organization are reported in self-balancing fund groups as follows:

Operating Fund

The Operating Fund is in place for the Organization's program delivery and administration activities. Unrestricted resources and grants are received into this fund and expenditures related to programs are funded by this fund. The Fund is further segregated between contributions and expenditures related to funding provided by the Ministry of Children, Community and Social Services (MCCSS) and those contributions and expenditures funded by all other sources. The fund has a short-term investment horizon as funds may be required within the next 12 months for the general operations of the Organization. The operating fund targets to maintain an amount sufficient to ensure operations can be maintained throughout the fiscal year in the event of a decline in donation and fundraising activities. The target for the operating fund will be determined annually.

Property Maintenance Fund

The Property Maintenance Fund contains restricted resources that are to be held on reserve for material expenditures required to upgrade and maintain the building and property for both shelter locations. This is an internally restricted fund and allocations to and from this fund are determined on an annual basis at the discretion of the Board. The fund has a long-term investment horizon as funds are not expected to be required within the next 12 months for general operations.

Capital Assets Fund

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



Halton Women's Place
Notes to Financial Statements
Year Ended March 31, 2021

2. Significant accounting policies (cont'd.)

Contingency Reserve Fund

The Contingency Reserve Fund is in place to enable the implementation of a long-term development plan for the Organization. This is an internally restricted fund and allocations to and from this fund are determined on an annual basis at the discretion of the Board. The fund has a long-term investment horizon as funds are not expected to be required within the next 12 months for general operations.

Public Education Reserve Fund

The Public Education Reserve Fund is a restricted fund created to allow for the continued operation of a public education program within Halton Region and through the Halton District School Board and the Halton Catholic District School Board. This is an internally restricted fund and allocations to and from this fund are determined on an annual basis at the discretion of the Board. The fund has a long-term investment horizon as funds are not expected to be required within the next 12 months for general operations.

Capital assets

The Capital Assets Fund covers the purchase and depreciation of all capital assets which are recorded at acquisition cost.

Depreciation charges are allocated to the Capital Assets Fund. The charges are determined on a straight-line basis over the estimated useful lives of the assets. Rates used for depreciation are as follows:

Buildings	20 years
Fixtures and equipment	5 years
Computer equipment	2 years

One-half the normal rate of amortization is provided for in the year of acquisition.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital asset.

Investment income earned on the Property Maintenance and Contingency Reserve Funds resources is recognized as revenue of these specific funds when earned. Other investment income is recognized as revenue of the Operating Fund when earned.

Contributed services

Volunteers contribute a significant number of hours per year. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.



2. Significant accounting policies (cont'd.)

Income taxes

The Organization is registered under the Income Tax Act (the "Act") as a not-for-profit organization and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements of the Act. In the opinion of management, these requirements have been met.

Deferred revenue

The balance represents designated donations and other funding received which have not yet been used for their specified purposes.

Interfund receivables (payables)

Interfund receivables (payables) represent balances between the Restricted Funds and the Operating Fund. These internally restricted balances result from Restricted Fund cash holdings being used by the Operating Fund in the normal course of operations. These balances are non-interest bearing and will be repaid to the Restricted Funds as required.

Financial instruments

The Organization's financial instruments consist of cash and cash equivalents, short-term investments, receivables, endowment investments, long-term investments, and payables and accruals.

Investments that consist of marketable securities are initially recognized and subsequently measured at fair value without adjustment for transaction costs that would be incurred on disposal. Investments in debt instruments are initially recorded at fair value and subsequently measured at amortized cost (see Note 3 and Note 4). Investments which do not have a quoted value in an active market are recorded at cost, less impairment. Endowment investments represent the value of the restricted capital, any fair value adjustment to the capital is included in short-term investments, which are valued as described in Note 3. Changes in fair value are recognized in net excess of revenues over expenditures in the period.

All other financial instruments are initially recorded at fair value and subsequently measured at amortized cost. Transaction costs and financing fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument.

Measurement uncertainty

The preparation of 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 revenues and expenses during the period. Actual results could differ from those estimates.



Halton Women's Place
Notes to Financial Statements
Year Ended March 31, 2021

3. Short-term investments

	2021	2020
Short-term investments - measured at fair value	\$ 4,480,707	\$ 2,240,679
Short-term investments - measured at amortized cost	209,119	-
	\$ 4,689,826	\$ 2,240,679

4. Long-term investments

Long-term investments of \$220,310 (2020 - \$637,914) consist of alternative investments that do not have a quoted value in an active market, provide regular income, but have restrictions on redemption.

5. Capital assets

	Cost	Accumulated Amortization	2021	2020
Land	\$ 410,000	\$ -	\$ 410,000	\$ 410,000
Land lease (Note 13)	250,000	90,000	160,000	165,000
Buildings	5,155,262	4,519,750	635,512	804,765
Fixtures and equipment	1,045,096	911,268	133,828	71,689
Computer equipment	106,666	106,666	-	-
	\$ 6,967,024	\$ 5,627,684	\$ 1,339,340	\$ 1,451,454

6. Donations and fundraising

	2021	2020
Donations and fundraising revenues	\$ 2,005,086	\$ 1,261,180
Less: fundraising expenses	(139,269)	(128,034)
	\$ 1,865,817	\$ 1,133,146

Donations reported do not include any donations-in-kind received during the year. Donations-in-kind used for fundraising purposes amounted to \$69,927 (2020 - \$41,544).

Included in donations is government assistance in the form of Temporary Wage Subsidy totalling \$25,000. Government assistance is recognized as income in the year corresponding wages are incurred.



Halton Women's Place

Notes to Financial Statements

Year Ended March 31, 2021

7. Change in non-cash operating working capital

	2021	2020
Receivables	\$ (132,563)	\$ 4,269
Prepays	(18,546)	13,461
Payables and accruals	67,104	23,210
Deferred revenue	308,411	100,905
	<hr/> \$ 224,406	<hr/> \$ 141,845

8. Deferred capital funding

Deferred capital funding related to capital assets represent the unamortized amount of donations received for the purchase of capital assets. The amortization of capital funding is recorded as revenue in the statement of operations.

	2021	2020
Balance, beginning of year	\$ 57,863	\$ -
Funding received	-	62,246
Amortization of deferred capital funding	(8,766)	(4,383)
	<hr/> \$ 49,097	<hr/> \$ 57,863

9. Community Foundation Endowment Funds

Halton Women's Place is a participant in endowment funds held by The Oakville Community Foundation and the Burlington Foundation. The respective community foundations administer all capital of those funds and a proportionate share of income from those funds is available to Halton Women's Place for operations, upon approved request.

The endowment funds are not recorded as assets in these financial statements and related interest income is only recorded in the financial statements to the extent received or receivable.

At December 31, 2020, the endowment funds consist of \$145,598 (2020 - \$134,755) held by The Oakville Community Foundation and \$70,027 (2020 - \$65,888) held by Burlington Foundation.



Halton Women's Place

Notes to Financial Statements

Year Ended March 31, 2021

10. Prior period adjustment

During the year it was identified that the Organization did not record amortization of \$186,282 on certain capital assets which were purchased prior to March 31, 2008. The impact of the correction of this error to the net book value of the capital assets resulted in the following adjustments:

	As reported March 31, 2020	Increase (Decrease)	Restated March 31, 2020
Statement of Financial Position			
Capital assets	\$ 1,637,736	\$ (186,282)	\$ 1,451,454
Statement of Changes in Net Assets			
Capital assets fund, beginning of year	1,760,288	(186,282)	1,574,006
Capital assets fund, end of year	1,579,873	(186,282)	1,393,591
Net assets, beginning of year	4,669,529	(186,282)	4,483,247
Net assets, end of year	5,111,203	(186,282)	4,924,921

As a result of the correction to the amortization, the opening net assets of the Capital Assets Fund as at April 1, 2020 has been decreased by \$186,282.

11. Operating lease commitments

The Organization is committed under non-cancellable operating leases for business equipment and premises. The minimum amounts payable until expiry are as follows:

	Premises	Equipment
2022	\$ 18,520	\$ 4,383
2023	-	3,778
2024	-	1,966
2025	-	1,802
	\$ 18,520	\$ 11,929

12. Board Reporting

During the year the Organization did not compensate any board member or company in which a board member is an owner, partner or senior manager.



13. Premises

During fiscal 2003, a lease was signed with the Regional Municipality of Halton for a 50-year lease of the land on which the North Shelter has been built. The total cost of the lease is \$250,000 paid in advance. There is an additional 21 year renewal option at the end of the lease. The cost of the lease will be written off at a rate of \$5,000 per annum and is included in depreciation and amortization expenses.

14. Financial instruments

The Organization's financial instruments consist of cash and cash equivalents, short-term investments, receivables, endowment investments, long-term investments, and payables and accruals.

Liquidity risk

The Organization's exposure to liquidity risk is dependent on the collection of accounts and funding receivable, purchasing commitments and obligations or raising of funds to meet commitments and sustain operations. The Organization controls liquidity risk by management of working capital and cash flows.

Market Risk

The Organization's investments in publicly-traded securities exposes the Organization to price risks as equity investments are subject to price changes in an open market. The Organization does not use derivative financial instruments to alter the effects of this risk.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, credit or currency risks.

15. Agency Resource Reserve Fund

The Agency Resource Reserve Fund, an internally restricted fund, was collapsed into the Operating fund during the year by motion of the Board of Directors.

16. Impact of COVID-19 pandemic

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian federal and provincial governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions, however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, investments and future fundraising efforts, which may also have a direct impact on the Organization's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Organization is not known at this time. Management is carefully monitoring the situation as developments occur.

