Shelter Movers
Financial Statements
March 31, 2023

To the Directors of Shelter Movers:

Qualified Opinion

We have audited the financial statements of Shelter Movers (the "Organization"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, 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.

In our opinion, except for the possible 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 March 31, 2023, and its financial performance 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 activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at March 31, 2023 and March 31, 2022.
- net assets as at March 31, 2023 and 2022 and April 1, 2021.
- the donation and fundraising revenue and excess of revenue over expenditures reported in the statements of operations and changes in net assets for the years ended March 31, 2023 and March 31, 2022
- the cash flows from operations reported in the statements of cash flows for the years ended March 31, 2023 and March 31, 2022

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 qualified 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.

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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.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

August 16, 2023 — Licensed Public Accountants

Shelter Movers
Statement of Financial Position
As at March 31, 2023

	2023	*2022*
Assets		
Current		
Cash	**1,321,708**	873,698
Accounts receivable	**7,445**	-
Harmonized sales tax recoverable	**66,530**	33,103
Federal government grant receivable *(Note 4)*	**-**	68,542
Other grants receivable	**31,482**	7,400
Prepaid expenses	**76,983**	13,308
	1,504,148	996,051
Capital assets *(Note 3)*	**121**	390
	1,504,269	996,441
Liabilities		
Current		
Accounts payable and accrued liabilities	**212,185**	131,598
Deferred federal government grant *(Note 5)*	**106,915**	5,000
Deferred provincial government grant *(Note 6)*	**66,749**	111,045
Deferred revenues	**195,300**	-
	581,149	247,643
Commitments *(Note 7)*		
Net Assets		
Unrestricted	**923,120**	748,798
	1,504,269	996,441

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Shelter Movers
Statement of Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Federal government grants *(Note 5)*	**1,034,641**	620,597
Gala and fundraising	**725,402**	280,137
Other operating grants	**923,733**	259,429
Donations	**578,580**	810,420
Municipal government grants	**101,590**	119,693
Provincial government grants *(Note 6)*	**74,296**	101,345
Government assistance *(Note 4)*	**64,717**	57,216
Interest income	**3,018**	581
	3,505,977	2,249,418
Expenses		
Salaries and benefits	**2,340,203**	1,472,914
Direct costs	**373,880**	347,743
Professional fees	**217,588**	172,440
Office supplies and expenses	**90,685**	42,014
Gala and fundraising	**75,056**	14,278
Insurance	**46,057**	11,319
Telephone	**41,970**	33,057
Rent	**40,581**	28,695
Legal fees	**26,024**	32,143
Advertising	**22,861**	22,867
Audit fees	**16,551**	9,697
Travel	**16,361**	3,048
Donation processing fees	**16,042**	9,079
Bank charges and interest	**7,527**	5,190
Amortization of capital assets	**269**	268
	3,331,655	2,204,752
Excess of revenue over expenses	**174,322**	44,666

Shelter Movers
Statement of Changes in Net Assets
For the year ended March 31, 2023

	2023	*2022*
Net assets, beginning of year	**748,798**	704,132
Excess of revenue over expenses	**174,322**	44,666
Net assets, end of year	**923,120**	748,798

The accompanying notes are an integral part of these financial statements

Shelter Movers
Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**174,322**	44,666
Amortization of capital assets	**269**	268
	174,591	44,934
Changes in working capital accounts		
Accounts receivable	**(7,445)**	-
Harmonized sales tax recoverable	**(33,427)**	(19,021)
Federal government grant receivable	**68,542**	11,876
Other grants receivable	**(24,082)**	30,877
Prepaid expenses	**(63,675)**	(2,407)
Accounts payable and accrued liabilities	**80,587**	59,313
Deferred federal government grant	**101,915**	5,000
Deferred provincial government grant (Note 9)	**(44,296)**	3,255
Deferred revenues	**195,300**	-
	448,010	133,827
Increase in cash	**448,010**	133,827
Cash, beginning of year	**873,698**	739,871
Cash, end of year	**1,321,708**	873,698

1. Incorporation and nature of the organization

Shelter Movers (the "Organization") was incorporated April 20, 2016 as a not-for-profit organization under the Canada Not-for-profit Corporations Act and is a registered charity under the Income Tax Act.

The Organization's purpose is to provide moving and storage services at no cost to individuals and families fleeing abuse.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Government grants are recognized when there is a reasonable assurance that the Organization has complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Government assistance is recognized where there is reasonable assurance that the Organization qualifies for such assistance and it will be received. Government assistance is recognized as revenue over the periods in which the expenses are incurred for which the assistance is intended to compensate.

Contributed services

Volunteers contribute significant time to assist the Organization in delivering its services. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives as follows:

	Annual rate
Computer equipment	straight-line over 4 years

Financial instruments

Arm's length financial instruments are initially recorded at their fair value.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment:

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. The amount of the write-down is recognized in excess of revenues over expenses.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

Use of estimates

The preparation of 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 judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

3. Capital assets

	Cost	***Accumulated amortization***	***2023 Net book value***	*2022 Net book value*
Computer equipment	**1,990**	**1,869**	**121**	390

4. Government assistance

Government assistance in the amount of $64,717 (2022 - $39,302) was recognized during the year under the Government of Canada's Employment and Social Development Canada (ESDC) Canada Summer Jobs program. At March 31, 2023, $Nil (2022 - $39,302) of this government assistance was receivable.

5. Deferred federal government grant

The deferred grants represent unspent resources for funding received in the current year that is related to expenses to be incurred in subsequent years for externally restricted projects.

	2023	*2022*
Balance, beginning of year	**5,000**	-
Amount received during the year	**1,136,556**	5,000
Less: Amounts recognized as revenue during the year	**(1,034,641)**	-
Balance, end of year	**106,915**	5,000

6. Deferred provincial government grant

The deferred grants represent unspent resources for funding received in the current year that is related to expenses to be incurred in subsequent years for externally restricted projects.

	2023	*2022*
Balance, beginning of year	**111,045**	107,790
Amount received during the year	**30,000**	104,600
Less: Amount recognized as revenue during the year	**(74,296)**	(101,345)
Balance, end of year	**66,749**	111,045

7. Commitments

The Organization has entered into a lease agreement with estimated minimum annual payments as follows:

2024	21,600

8. Financial risks

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The Organization is exposed to liquidity risk with respect to its accounts payable. The Organization mitigates this risk by maintaining sufficient working capital to fund three to six months of budgeted operating expenses.

Credit risk

For grants receivable, the Organization assesses, on a continuous basis, amounts receivable on the basis of amounts for which ultimate collection is reasonably assured based on their estimated realizable value.

9. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

10. Subsequent event

Subsequent to year-end, the Organization has entered into negotiations to purchase 60% of the issued and outstanding shares of a for-profit entity for approximately $390,000. The target company provides professional moving and storage services in the Greater Toronto Area and surrounding communities.