

MILTON TRANSITIONAL HOUSING CORP.
(A corporation without share capital)
FINANCIAL STATEMENTS
June 30, 2020

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T U R N B U L L T H O M P S O N

Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Milton Transitional Housing Corp.
(A corporation without share capital)

Opinion

We have audited the financial statements of Milton Transitional Housing Corp. (the "Corporation"), which comprise the statement of financial position as at June 30, 2020, and the statements of operating fund, restricted fund and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Milton Transitional Housing Corp. as at June 30, 2020, 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 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 Corporation 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 and directors are responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT (cont'd)

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 Corporation'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 Corporation'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 Corporation 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.

Milton, Ontario,
December 11, 2020.

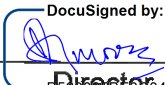

**CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**


MILTON TRANSITIONAL HOUSING CORP.
(A corporation without share capital)
STATEMENT OF FINANCIAL POSITION

June 30	2020	2019
ASSETS		
CURRENT		
Cash	\$ 66,540	\$ 50,503
Government sales taxes recoverable	785	876
Prepaid insurance and rent	11,918	11,395
	79,243	62,774
CAPITAL ASSETS		
	Cost	Accumulated Depreciation
Computer equipment	\$ 2,188	\$ 1,742
Computer software	7,671	6,902
	9,859	8,644
	446	638
	769	1,148
	1,215	1,786
	\$ 80,458	\$ 64,560
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 6,581	\$ 7,849
Government payroll taxes payable	2,534	2,221
	9,115	10,070
FUND BALANCES		
Operating fund	71,343	54,490
Restricted fund	-	-
	71,343	54,490
	\$ 80,458	\$ 64,560

See accompanying notes on pages 7 to 9.

Approved by the Board:

DocuSigned by:

 Director

DocuSigned by:

 Director

MILTON TRANSITIONAL HOUSING CORP.**(A corporation without share capital)****STATEMENT OF OPERATING FUND****For the Year Ended June 30****2020****2019****REVENUE**

Donations	\$ 43,029	\$ 35,277
Fundraising	43,288	40,016
Grants - Halton Region	89,490	80,000
Interest	321	373
Rental	123,038	115,857
	<u>299,166</u>	<u>271,523</u>

EXPENDITURES

Administrative	13,487	12,081
Bank charges	440	310
Event expenses	1,209	1,654
Professional fees	1,039	1,039
Program delivery	266,138	241,704
	<u>282,313</u>	<u>256,788</u>

EXCESS OF REVENUE**OVER EXPENDITURES, for the year****16,853 14,735****FUND BALANCE, beginning of year****54,490 33,341****71,343 48,076**

Transfers from restricted fund

- 6,414**FUND BALANCE, end of year****\$ 71,343 \$ 54,490**

See accompanying notes on pages 7 to 9.

MILTON TRANSITIONAL HOUSING CORP.**(A corporation without share capital)****STATEMENT OF RESTRICTED FUND****For the Year Ended June 30****2020****2019****REVENUE**

Grant - Ontario Trillium Foundation (refunded)	\$	-	\$	(11,800)
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EXPENDITURES

Administrative	-	1,359
Program delivery	-	15,186
Unit expense - lease costs	-	-

-	16,545
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DEFICIENCY OF REVENUE

OVER EXPENDITURES, for the year	-	(28,345)
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FUND BALANCE, beginning of year

-	34,759
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-	6,414
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Transfer to operating fund

-	(6,414)
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FUND BALANCE, end of year

\$	-	\$	-
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See accompanying notes on pages 7 to 9.

MILTON TRANSITIONAL HOUSING CORP.**STATEMENT OF CASH FLOWS**

For the Year Ended June 30	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures,		
Operating fund	\$ 16,853	\$ 14,735
Restricted fund	-	(28,345)
Items not involving cash		
Depreciation	570	838
	<u>17,423</u>	<u>(12,772)</u>
Change in other non-cash operating accounts:		
Government sales taxes recoverable	91	2,184
Prepaid rent	(523)	(49)
Accounts payable and accrued liabilities	(954)	4,164
	<u>(1,386)</u>	<u>6,299</u>
DECREASE IN CASH , during the year	16,037	(6,473)
CASH , beginning of year	<u>50,503</u>	<u>56,976</u>
CASH , end of year	\$ 66,540	\$ 50,503

See accompanying notes on pages 7 to 9.

MILTON TRANSITIONAL HOUSING CORP.
(A corporation without share capital)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

1. PURPOSE OF THE ORGANIZATION

Milton Transitional Housing Corp. is a not-for-profit organization. The organization was incorporated without share capital under letters patent in the Province of Ontario on July 27, 2011. For income tax purposes the corporation qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

Milton Transitional Housing is a community-based charity providing bridge accommodation and supportive counselling to those in Milton who are experiencing housing crisis as they work towards securing a stable home.

Milton Transitional Housing has adopted a two-pronged strategy to meet these goals for our participants:

Provide safe, affordable transitional shelter.

Support people to develop relevant life skills.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Fund Accounting

Restricted fund - Externally restricted

The organization has established a separate fund to be used for expenditures approved through the application and receipt of funds from the Ontario Trillium Foundation. These expenditures include salaries for current and new positions so the organization can expand support services and provide greater access to affordable, transitional housing in Milton.

Operating fund - Unrestricted

The revenue and expenses for the general operations of the organization are reported in the statement of operating fund.

MILTON TRANSITIONAL HOUSING CORP.
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June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Capital Assets

Capital assets are initially recorded in the accounts at cost. Amortization is provided using the following basis and rates which are expected to charge operations with the cost of the assets over their estimated useful lives:

Declining balance	
Computer equipment	30% declining balance
Straight-line	
Computer software	33% straight line

The above rates are reviewed annually to ensure still appropriate. Any changes are adjusted for on a prospective basis.

c) Revenue Recognition

The organization follows the deferral method of accounting for contributions.

The operating fund reports unrestricted contributions from donors and uses them for general operating and administrative expenses.

Fundraising, interest and rental revenue is recognized when received.

d) Donated Services

The organization receives assistance with its operations from donated services. These services have not been monetarily recognized in the operating statement of the organization.

e) Use of Estimates

The preparation of financial statements in accordance with Canadian standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

MILTON TRANSITIONAL HOUSING CORP.
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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

3. COMMITMENTS

The organization leases premises for its participants to reside in. These leases are for a one year term and expire in the next fiscal year.

4. FINANCIAL INSTRUMENTS

Interest rate risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in fair value of future cash flow of financial instruments due to changes in market interest rates. The organization holds its funds in an interest bearing account at a major Canadian financial institution and is subject to interest rate risk when the prime rate varies.

Credit risk

Credit risk is the potential for financial loss should a counter-party in a transaction fail to meet its obligations. The organization places its operating cash with a high quality institution and believes its exposure is not significant.

Liquidity risk

Liquidity risk is the risk that the corporation will not be able to meet its obligations as they become due. The corporation manages this risk by establishing budgets and funding plans to fund its operating expenses. Cash is held in an interest bearing account which provides a rate of return as well as liquidity.