

Shelter Movers
Non-consolidated Financial Statements
March 31, 2024

Shelter Movers Contents

For the year ended March 31, 2024

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To the Directors of Shelter Movers:

Qualified Opinion

We have audited the financial statements of Shelter Movers (the "Organization"), which comprise the non-consolidated statement of financial position as at March 31, 2024, 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, 2024, 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, 2024 and March 31, 2023.
- net assets as at March 31, 2024 and 2023 and April 1, 2022.
- 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, 2024 and March 31, 2023.
- the cash flows from operations reported in the statements of cash flows for the years ended March 31, 2024 and March 31, 2023.

Additionally, the financial statements contain the investment in Firemen Movers Inc. accounted for by the equity method. The financial performance of Firemen Movers Inc. for the period from initial investment on September 29, 2023 through March 31, 2024 has not been audited. Therefore, we were not able to determine whether any adjustments might be necessary to the loss from investment in Firemen Movers Inc. for the year ended March 31, 2024; the investment in Firemen Movers and net assets as at March 31, 2024.

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.

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.

Mississauga, Ontario

September 30, 2024

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

Shelter Movers
Non-consolidated Statement of Financial Position
As at March 31, 2024

	2024	2023
Assets		
Current		
Cash	1,740,288	1,321,708
Accounts receivable	43,302	7,445
Harmonized sales tax recoverable	64,254	66,530
Other grants receivable	35,154	31,482
Prepaid expenses	70,949	76,983
	1,953,947	1,504,148
Capital assets (Note 3)	-	121
Investment in Firemen Movers Inc. (Note 4)	580,036	-
	2,533,983	1,504,269
Liabilities		
Current		
Accounts payable and accrued liabilities	45,165	212,185
Deferred federal government grant (Note 5)	107,713	106,915
Deferred provincial government grant (Note 6)	25,000	66,749
Other deferred revenues	95,300	195,300
Current portion of long-term debt (Note 7)	81,050	-
	354,228	581,149
Long-term debt (Note 7)	54,033	-
	408,261	581,149
Commitments (Note 8)		
Net Assets		
Unrestricted	2,125,722	923,120
	2,533,983	1,504,269

Approved on behalf of the Board

e-Signed by Reema Chheda
2024-09-26 14:55:27:27 GMT
Director

e-Signed by Danielle Muise
2024-09-26 17:38:35:35 GMT
Director

The accompanying notes are an integral part of these non-consolidated financial statements

Shelter Movers
Non-consolidated Statement of Operations
For the year ended March 31, 2024

	2024	2023
Revenue		
Gala and fundraising	1,564,803	725,402
Federal government grants <i>(Note 5)</i>	1,485,415	1,034,641
Other operating grants	1,044,310	923,733
Donations	1,091,118	578,580
Government assistance <i>(Note 9)</i>	32,837	64,717
Provincial government grants <i>(Note 6)</i>	91,749	74,296
Municipal government grants	196,458	101,590
Interest income	2,944	3,018
	5,509,634	3,505,977
Expenses		
Salaries and benefits	3,229,662	2,340,203
Direct costs	376,064	373,880
Gala and fundraising	129,826	75,056
Professional fees	97,302	217,588
Office supplies and expenses	91,444	90,685
Insurance	78,552	46,057
Telephone	64,110	41,970
Rent	59,994	40,581
Advertising	46,691	22,861
Legal fees	24,222	26,024
Audit fees	15,976	16,551
Donation processing fees	13,391	16,042
Bank charges and interest	11,514	7,527
Travel	10,094	16,361
Amortization of capital assets	121	269
	4,248,963	3,331,655
Excess of revenue over expenses before other item	1,260,671	174,322
Other item		
Loss from investment in Firemen Movers Inc. <i>(Note 4)</i>	(58,069)	-
Excess of revenue over expenses	1,202,602	174,322

The accompanying notes are an integral part of these non-consolidated financial statements

Shelter Movers
Non-consolidated Statement of Changes in Net Assets
For the year ended March 31, 2024

	2024	2023
Net assets, beginning of year	923,120	748,798
Excess of revenue over expenses	1,202,602	174,322
Net assets, end of year	2,125,722	923,120

The accompanying notes are an integral part of these non-consolidated financial statements

Shelter Movers
Non-consolidated Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	1,202,602	174,322
Loss from investment in Firemen Movers Inc.	58,069	-
Amortization of capital assets	121	269
	1,260,792	174,591
Changes in working capital accounts		
Accounts receivable	(35,857)	(7,445)
Harmonized sales tax recoverable	2,276	(33,427)
Federal government grant receivable	-	68,542
Other grants receivable	(3,672)	(24,082)
Prepaid expenses	6,034	(63,675)
Accounts payable and accrued liabilities	(167,020)	80,587
Deferred federal government grant	798	101,915
Deferred provincial government grant	(41,749)	(44,296)
Other deferred revenues	(100,000)	195,300
	921,602	448,010
Financing		
Advance of long-term debt	135,083	-
Investing		
Investment in Firemen Movers Inc.	(638,105)	-
Increase in cash	418,580	448,010
Cash, beginning of year	1,321,708	873,698
Cash, end of year	1,740,288	1,321,708

The accompanying notes are an integral part of these non-consolidated financial statements

Shelter Movers
Notes to the Non-consolidated Financial Statements
For the year ended March 31, 2024

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.

Shelter Movers
Notes to the Non-consolidated Financial Statements
For the year ended March 31, 2024

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.

Related party financial instruments

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at cost on original recognition. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

The Organization subsequently measures investments in related party financial instruments using the equity method as stated in the investment in a significantly influenced entity accounting policy below.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in recognized in the excess of revenues over expenses for the current period.

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.

Investment in a significantly influenced entity

The Organization's investment in Firemen Movers Inc. ("FMI"), of which it owns 70% of the outstanding voting shares, is accounted for using the equity method. Accordingly, the investment is recorded at acquisition cost and is increased for the proportionate share of post-acquisition earnings and decreased by post-acquisition losses and distributions received.

3. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	1,990	1,990	-	121

Shelter Movers
Notes to the Non-consolidated Financial Statements
For the year ended March 31, 2024

4. Investment in Firemen Movers Inc.

Significantly influenced profit-oriented enterprise

On September 29, 2023, the Organization entered into an agreement to acquire 70% of the issued and outstanding shares of a for-profit entity, Firemen Movers Inc. ("FMI") for \$638,105. The entity provides professional moving and storage services in the Greater Toronto Area and surrounding communities. The investment has been accounted for using the equity method. The carrying amount of the investment in FMI as at March 31, 2024 is \$580,030 including its post-acquisition share of losses of \$58,069.

The following are FMI's assets and liabilities as at March 31, 2024 and revenues and expenses for the period from September 29, 2023 to March 31, 2024:

	2024 March 31 (unaudited)
Assets	353,021
Liabilities	(445,715)
Deficiency	(92,694)
Revenue	754,967
Direct Costs	(290,611)
Gross Margin	464,357
Expenses	(547,312)
Net Loss	(82,955)

The shareholder agreement contains both a put and a call option pertaining to issued and outstanding Class D shares of FMI, which are held by the 5% shareholder of FMI. Under the put option, the holder of the shares will have the right to sell all of the Class D shares to the Organization for an aggregate price of \$75,000, if exercised by September 29, 2024, or for 3.75% of FMI's revenue for the fiscal year prior to exercise thereafter. Under the call option, the Organization will have the right to acquire all of the class D shares for an aggregate price of 3.75% of FMI's revenue for the fiscal year prior to exercise.

Subsequent to year-end, and prior to September 29, 2024, the 5% minority shareholder has exercised their option to sell their outstanding Class D shares to the Organization.

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.

	2024	2023
Balance, beginning of year	106,915	5,000
Amount received during the year	1,486,213	1,136,556
Less: Amounts recognized as revenue during the year	(1,485,415)	(1,034,641)
Balance, end of year	107,713	106,915

Shelter Movers
Notes to the Non-consolidated Financial Statements
For the year ended March 31, 2024

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.

	2024	2023
Balance, beginning of year	66,749	111,045
Amount received during the year	50,000	30,000
Less: Amount recognized as revenue during the year	(91,749)	(74,296)
Balance, end of year	25,000	66,749

7. Long-term debt

	2024	2023
Loan payable which is non-interest bearing and unsecured.	135,083	-
Less: Current portion	81,050	-
	54,033	-

Principal repayments on long-term debt in each of the next two years are estimated as follows:

	Principal
2025	84,050
2026	54,033
	138,083

8. Commitments

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

<u>2025</u>	21,600
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9. Government assistance

Government assistance in the amount of \$32,837 (2023 - \$64,717) was recognized during the year under the Government of Canada's Employment and Social Development Canada (ESDC) Canada Summer Jobs program.

Shelter Movers

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2024

10. 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.