

LE HAVRE À NOUS / OUR HARBOUR
FINANCIAL STATEMENTS
MARCH 31, 2022

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of
LE HAVRE À NOUS / OUR HARBOUR

We have reviewed the accompanying financial statements of **LE HAVRE À NOUS / OUR HARBOUR** that comprise the balance sheet as at March 31, 2022, and the statements of earnings, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **LE HAVRE À NOUS / OUR HARBOUR** as at March 31, 2022, 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.

Other Matter

The financial statements for the year ended March 31, 2021 were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements on July 31, 2021.

A handwritten signature in blue ink that reads "Mta CPA inc." followed by a small superscripted "1".

Brossard
June 29, 2022

¹ By CPA auditor, public accountancy permit No. A147067

LE HAVRE À NOUS / OUR HARBOUR**STATEMENT OF EARNINGS****YEAR ENDED MARCH 31, 2022****3**

	2022	2021
	\$	\$
REVENUES		
Government funding (Note 4)	304,675	205,480
Program fees from residents	130,540	122,482
Other income (Note 5)	<u>53,433</u>	<u>61,378</u>
	<u>488,648</u>	<u>389,340</u>
EXPENSES		
Salaries and benefits	162,803	160,035
Apartment expenses (Schedule A)	126,917	122,876
Residents' support and programs	58,548	42,160
Administrative	10,910	13,715
Telecommunications	2,590	3,480
Professional fees	2,480	-
Office rent	2,400	1,100
Fundraising	1,953	1,476
Promotion and publicity	1,852	1,972
Travel	1,219	1,207
Insurance	966	1,853
Amortization of fixed assets	<u>5,976</u>	<u>5,173</u>
	<u>378,614</u>	<u>355,047</u>
EXCESS OF REVENUES OVER EXPENSES	110,034	34,293
OTHER EXPENSES		
Loss due to defalcation	<u>-</u>	<u>(5,125)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>110,034</u>	<u>29,168</u>

LE HAVRE À NOUS / OUR HARBOUR

CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2022

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				2022	2021
	Special projects \$	Invested in fixed assets \$	Unres- tricted \$	Total \$	Total \$
BALANCE, BEGINNING OF YEAR	-	18,710	185,584	204,294	175,126
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	-	(5,976)	116,010	110,034	29,168
ACQUISITION OF FIXED ASSETS	-	12,873	(12,873)	-	-
INTERNAL RESTRICTIONS (Note 3)	<u>40,000</u>	-	<u>(40,000)</u>	-	-
BALANCE, END OF YEAR	<u>40,000</u>	<u>25,607</u>	<u>248,721</u>	<u>314,328</u>	<u>204,294</u>

LE HAVRE À NOUS / OUR HARBOUR


BALANCE SHEET

MARCH 31, 2022

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	2022	2021
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	191,569	68,900
Accounts receivable (Note 6)	39,577	18,508
Prepaid expenses	14,864	-
Current portion of long-term investments (Note 7)	<u>52,781</u>	<u>-</u>
	298,791	87,408
LONG-TERM INVESTMENTS (Note 7)	45,395	98,176
DEPOSIT	2,500	-
FIXED ASSETS (Note 8)	<u>25,607</u>	<u>18,710</u>
	<u>372,293</u>	<u>204,294</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Note 9)	10,879	-
Deferred funding (Note 10)	<u>47,086</u>	<u>-</u>
	<u>57,965</u>	<u>-</u>
NET ASSETS		
SPECIAL PROJECTS (Note 3)	40,000	-
INVESTED IN FIXED ASSETS	25,607	18,710
UNRESTRICTED	<u>248,721</u>	<u>185,584</u>
	<u>314,328</u>	<u>204,294</u>
	<u>372,293</u>	<u>204,294</u>

Signed for the Board,


 _____, Director


 _____, Director

LE HAVRE À NOUS / OUR HARBOUR**STATEMENT OF CASH FLOWS****YEAR ENDED MARCH 31, 2022****6**

	2022 \$	2021 \$
OPERATING ACTIVITIES		
Excess of revenues over expenses	110,034	29,168
Non-cash item: Amortization of fixed assets	<u>5,976</u>	<u>5,173</u>
	116,010	34,341
Net change in non-cash items related to operating activities:		
Accounts receivable	(21,069)	(18,508)
Prepaid expenses	(14,864)	-
Accounts payable	10,879	(5,486)
Deferred funding	<u>47,086</u>	<u>-</u>
	<u>138,042</u>	<u>10,347</u>
INVESTING ACTIVITIES		
Acquisition of investments	-	(41,620)
Acquisition of fixed assets	(12,873)	(3,673)
Increase of a deposit	<u>(2,500)</u>	<u>-</u>
	<u>(15,373)</u>	<u>(45,293)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	122,669	(34,946)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>68,900</u>	<u>103,846</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>191,569</u></u>	<u><u>68,900</u></u>

Cash and cash equivalents consist of cash.

1. STATUTE AND OBJECTIVES OF THE ORGANIZATION

La Havre à nous / Our Harbour (the "Organization"), was incorporated under Part III of the Companies Act of Quebec on July 9, 2003. It is a not-for-profit organization and has received a tax exempt status as a registered charity in accordance with the Income Tax Act (Canada).

The Organization provides a long term supportive housing program for individuals living with mental illness on the South Shore.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies the Canadian accounting standards for not-for-profit organizations.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The main estimates relate to the depreciation of assets, the useful life of fixed assets and the liabilities assumed.

On March 11, 2020, the World Health Organization announced that COVID-19 (coronavirus disease of the year 2019) could be classified as a pandemic. The announcement triggered the implementation of a series of public health and emergency measures to combat the spread of the virus, including the closure of non-essential businesses and the confinement of citizens. Depending on the evolution of the pandemic, new measures may or will be put in place.

At the time of finalizing these financial statements, it is not possible to reliably estimate the duration and severity of its evolution and its impact on the situation and results of the Organization.

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 they are received or receivable if the amount to be received can be reasonably estimated and if collection is reasonably assured.

The donation and the funds are recognized as revenues when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Organization recognizes interest revenue using the accrual basis of accounting.

2. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

CONTRIBUTIONS RECEIVED AS GOODS AND SERVICES

The Organization receives contributions in the form of goods and services from donors. Contributions in the form of goods and services used in the normal course of operations, which should have been acquired by the Organization in the place of a contribution and whose fair value can be reasonably estimated, are measured at fair value. Other contributions in the form of goods and services are not recognized in the financial statements.

CASH AND CASH EQUIVALENTS

The Organization's policy is to present bank balances under cash and cash equivalents, including bank overdrafts when bank balances fluctuate frequently from being positive to overdrawn.

FINANCIAL INSTRUMENTS

Initial measurement

The Organization initially measures its financial assets and liabilities originating or exchanged in arm's length transactions at fair value. Financial assets and liabilities originating or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

Subsequent measurement

The Organization subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash, receivables, except for sales taxes, and investments.

Impairment

For financial assets measured at amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net earnings. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (continued)

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in net earnings in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in net earnings over the life of the instrument using the straight-line method.

FIXED ASSETS

Fixed assets are accounted for at cost. Amortization is calculated using the declining balance method at the following rates:

	Rates
Furniture and equipment	20%
Computers	30%

IMPAIRMENT OF LONG-LIVED ASSETS

Fixed assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

3. INTERNAL RESTRICTIONS

In 2022, the Board of Directors resolved to restrict \$40,000 for these special projects:

- \$25,000 to finance the 20th Anniversary celebrations and events for volunteer recognition;
- \$10,000 for the Board retreat;
- \$5,000 for the office painting and minor renovations.

These funds had not been used on March 31, 2022.

The Organization may not use these internally restricted amounts for any other purpose without the approval of the Board of Directors.

LE HAVRE À NOUS / OUR HARBOUR

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

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4. GOVERNMENT FUNDING

	2022	2021
	\$	\$
CISSS PSOC	101,577	93,137
Government of Canada - Reaching Home / Vers un chez-soi	101,477	79,249
Community Health and Social Services Network	50,000	-
CISSS PSOC - Aide supplémentaire COVID-19	41,958	24,152
CISSS - Le Plan d'action interministériel en santé mentale 2022-2026	5,317	-
Government of Canada - Emploi-été	4,346	7,368
Revenu Quebec	-	1,574
	<u>304,675</u>	<u>205,480</u>

5. OTHER INCOME

	2022	2021
	\$	\$
Individual donations	26,026	25,917
Businesses donations	15,290	16,792
Churches and Community Associations	9,025	7,275
Foundations	2,922	9,788
Interest income	170	1,606
	<u>53,433</u>	<u>61,378</u>

6. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Funding	16,059	18,508
Donation	15,290	-
Sales taxes	8,228	-
	<u>39,577</u>	<u>18,508</u>

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NOTES TO FINANCIAL STATEMENTS

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7. LONG-TERM INVESTMENTS

	2022 \$	2021 \$
Term deposit, bearing interest at 0.70 %, maturing in March 2026	40,000	40,000
Term deposit, bearing interest at 0.25 %, maturing in June 2023	5,395	5,395
Term deposit, bearing interest at 0.65 %, maturing in May 2022	<u>52,781</u>	<u>52,781</u>
	98,176	98,176
Current portion of long-term investments	<u>52,781</u>	-
	<u><u>45,395</u></u>	<u><u>98,176</u></u>

8. FIXED ASSETS

	2022		2021	
	Cost \$	Accumulated amortization \$	Net book value \$	Net book value \$
Furniture and equipment	31,534	14,839	16,695	11,521
Computers	<u>20,883</u>	<u>11,971</u>	<u>8,912</u>	<u>7,189</u>
	<u><u>52,417</u></u>	<u><u>26,810</u></u>	<u><u>25,607</u></u>	<u><u>18,710</u></u>

9. ACCOUNTS PAYABLE

	2022 \$	2021 \$
Accounts payable	5,398	-
Accrued liabilities	3,342	-
Salaries and benefits	<u>2,139</u>	-
	<u><u>10,879</u></u>	<u><u>-</u></u>

10. DEFERRED FUNDING

During the year, the organization received a \$49,450 grant from the Quebec community health and social services network related to the expenses of the 4th wave of COVID-19 for the Reaching Home program. An amount of \$47,086 has been deferred to the next year and will be added to revenues when expenses occur.

11. CONTRACTUAL OBLIGATIONS

The Organization has entered into short-term leases renewable every year. The lease expenses for the premises for the year ended March 31, 2022 amounted to \$121,146 (\$97,956 in 2021)

12. CONTRIBUTIONS RECEIVED AS GOODS AND SERVICES

Volunteers devoted approximately 4,525 hours per year (4,399 hours in 2021) to help the Organization deliver its services. In addition, the Organization receives donations of supplies, such as furniture for rented apartments. Since it is difficult to assess the fair value of these hours of work and the donations received, no amount is recognized in the Organization's statement of operations.

13. FINANCIAL INSTRUMENTS

FINANCIAL RISKS

The significant risks arising from financial instruments to which the Organization is exposed as at March 31, 2022 are detailed below.

CREDIT RISK

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The Organization's credit risk is mainly related to accounts receivable. During the year, the organization's credit risk changed from the previous year as a result of the increase of its fund and its receivable donation.

For grants receivable, the Organization assesses, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of the Organization's financial instruments will fluctuate because of changes in market prices. Some of the Organization's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

13. FINANCIAL INSTRUMENTS (continued)

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Organization is exposed to interest rate risk on its fixed-interest rate financial instruments. Fixed-interest rate instruments subject the Organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

LIQUIDITY RISK

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and deferred funding. During the year, the Organization's liquidity risk changed from the previous year as a result of the increase of its accounts payable and deferred funding.

14. COMPARATIVE FIGURES

Certain figures for 2021 have been reclassified to conform to the presentation adopted in 2022.

LE HAVRE À NOUS / OUR HARBOUR

ADDITIONAL INFORMATION

YEAR ENDED MARCH 31, 2022

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	2022	2021
	\$	\$
SCHEDULE A - APARTMENT EXPENSES		
Rent	82,914	79,487
Electricity	13,920	17,532
Telecommunications	13,003	17,222
Furnishings and maintenance	10,310	7,190
Cleaning	4,870	1,321
Insurance	1,718	-
Residents' recreation	182	124
	<u>126,917</u>	<u>122,876</u>