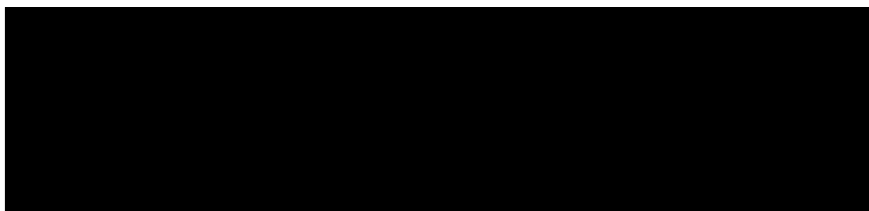


**GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
TORONTO, ONTARIO
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Good Shepherd Refuge Social Ministries

Qualified Opinion

We have audited the financial statements of Good Shepherd Refuge Social Ministries (the Organization), which comprise the balance sheet as at March 31, 2022 and the statements of revenue and expenditures, 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, 2022 and its results of 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, the Organization derives revenue from donations 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 donation revenue, excess revenue over expenditures, and cash flows from operations for the years ended March 31, 2022 and March 31, 2021, current assets as at March 31, 2022 and March 31, 2021 and net assets as at April 1, 2021 and 2020, and March 31, 2022 and 2021. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 audit 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.

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 auditors' 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 auditors' 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 auditors' 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.

HAMILTON, ONTARIO



**Chartered Professional Accountants
Licensed Public Accountants**

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GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
Balance Sheet
As at March 31, 2022

	2022	2021
ASSETS		
Current		
Cash	\$ 5,609,847	\$ 4,258,244
Restricted cash - lottery	120	120
Short term investments (Note 2)	3,608,286	4,629,488
Accounts receivable (Note 3)	131,407	192,898
Prepaid expenditures	<u>131,720</u>	<u>82,932</u>
	<u>9,481,380</u>	<u>9,163,682</u>
Long term investments (Note 2)	150,000	150,000
Capital assets (Note 4)	<u>8,488,218</u>	<u>2,948,701</u>
	<u>8,638,218</u>	<u>3,098,701</u>
	<u>\$ 18,119,598</u>	<u>\$ 12,262,383</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 398,915	\$ 434,439
Tenant deposit	12,000	-
Deferred contributions (Note 6)	109,323	200,880
Demand term loan (Note 7)	<u>3,986,666</u>	<u>-</u>
	4,506,904	635,319
Deferred contributions related to capital assets (Note 6)	<u>185,622</u>	<u>244,354</u>
	<u>4,692,526</u>	<u>879,673</u>
NET ASSETS		
Net assets internally restricted (Note 8)	1,200,000	1,200,000
Internally restricted net assets invested in capital assets (Note 9)	4,315,930	2,704,347
Unrestricted net assets	<u>7,911,142</u>	<u>7,478,363</u>
	<u>13,427,072</u>	<u>11,382,710</u>
	<u>\$ 18,119,598</u>	<u>\$ 12,262,383</u>
Commitments (Note 14)		

On behalf of the Board:



Director

Director

(See Accompanying Notes)

GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
Statement of Revenue and Expenditures
Year Ended March 31, 2022

	2022	2021
Revenue		
Donations (Note 10)	\$ 3,078,201	\$ 2,854,580
Investment revenue (Note 13)	28,149	42,267
Care fees	51,774	52,164
Other	1,676	14,600
Subsidies - City of Toronto - Hostel Services per diem	1,714,084	1,718,327
- City of Toronto - other (Note 11)	1,141,408	1,109,582
- Ministry of Health and Long-Term Care		
- AIDS Bureau	60,331	60,331
- COVID-19 DARE/ response support/pandemic pay	9,157	111,496
- Local Health Integrated Networks (LHIN)		
- Supportive Housing	654,085	654,085
- COVID-19 wage enhancement	72,133	36,107
- Federal COVID-19 Wage Subsidies	416,276	956,707
Grants - Toronto LHIN - Drug and Alcohol Recovery Enrichment	320,661	320,661
- Veteran and Family Well-Being Fund Grant	132,531	133,686
- Catholic Charities - Development Grant	94,996	95,000
- Other (Note 12)	57,679	138,598
Amortization of deferred capital asset grants (Note 6)	58,732	58,733
	<u>7,891,873</u>	<u>8,356,924</u>
Expenditures		
Computer support	116,521	117,400
Equipment rental	4,207	5,437
Food	214,563	245,486
Fundraising	10,000	11,811
Housekeeping and cleaning	139,777	213,099
Insurance	60,077	54,271
Kitchen supplies	85,961	57,457
Interest on loan	9,670	-
Mailing, promotion and publicity	30,824	27,906
Medical and nursing services	2,313	9,552
Miscellaneous	15,940	8,862
Office	84,362	102,050
Professional fees	45,806	45,299
Rent	8,184	8,115
Repairs and maintenance	120,814	150,449
Staff training	13,071	13,848
Telephone	46,354	39,120
Utilities	147,015	187,871
Vehicle (Note 14)	59,895	56,074
Wages and benefits	4,335,318	4,558,865
	<u>5,550,672</u>	<u>5,912,972</u>
Excess revenue over expenditures before amortization	2,341,201	2,443,952
Amortization	296,839	306,712
EXCESS REVENUE OVER EXPENDITURES	<u>\$ 2,044,362</u>	<u>\$ 2,137,240</u>

(See Accompanying Notes)

GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
Statement of Changes in Net Assets
Year Ended March 31, 2022

	Net Assets Internally Restricted	Internally Restricted Net Assets Invested in Capital Assets	Unrestricted Net Assets	Total
			<u>2022</u>	
Balance, beginning of year	\$ 1,200,000	\$ 2,704,347	\$ 7,478,363	\$ 11,382,710
Excess revenue over expenditures	-	-	2,044,362	2,044,362
Amortization	-	(296,839)	296,839	-
Amortization of deferred contributions related to capital assets	-	58,732	(58,732)	-
Principal (increase) reduction in demand term loan	-	(3,986,666)	3,986,666	-
Invested in capital assets (net)	<u> </u>	<u>5,836,356</u>	<u>(5,836,356)</u>	<u> </u>
Balance, end of year	<u>\$ 1,200,000</u>	<u>\$ 4,315,930</u>	<u>\$ 7,911,142</u>	<u>\$ 13,427,072</u>
			<u>2021</u>	
Balance, beginning of year	\$ 1,200,000	\$ 2,737,549	\$ 5,307,921	\$ 9,245,470
Excess revenue over expenditures	-	-	2,137,240	2,137,240
Amortization	-	(306,712)	306,712	-
Amortization of deferred contributions related to capital assets	-	58,733	(58,733)	-
Invested in capital assets (net)	-	285,493	(285,493)	-
Increase in deferred contributions related to capital assets	<u> </u>	<u>(70,716)</u>	<u>70,716</u>	<u> </u>
Balance, end of year	<u>\$ 1,200,000</u>	<u>\$ 2,704,347</u>	<u>\$ 7,478,363</u>	<u>\$ 11,382,710</u>

(See Accompanying Notes)

GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
Statement of Cash Flows
Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess revenue over expenditures	\$ 2,044,362	\$ 2,137,240
Items not requiring a cash outlay:		
Amortization	296,839	306,712
Gain on disposal of capital assets	-	(10,170)
Amortization of deferred contributions related to capital assets	(58,732)	(58,733)
Reinvested interest and dividend income	-	(49,043)
	<u>2,282,469</u>	<u>2,326,006</u>
(Increase) decrease in accounts receivable	61,491	149,444
(Increase) decrease in prepaid expenditures	(48,788)	(57,055)
Increase (decrease) in accounts payable and accrued liabilities	(35,524)	76,216
Increase (decrease) in tenant deposit	12,000	-
Increase (decrease) in deferred contributions	(91,557)	(63,124)
	<u>(102,378)</u>	<u>105,481</u>
Net cash provided by (used for) operating activities	<u>2,180,091</u>	<u>2,431,487</u>
INVESTING ACTIVITIES		
Proceeds on disposal of short term and long term investments	1,021,202	-
Purchase of short term and long term investments	-	(8,712)
Proceeds on disposal of capital assets	-	10,170
Acquisition of capital assets	(1,836,356)	(285,493)
Net cash provided by (used for) investing activities	<u>(815,154)</u>	<u>(284,035)</u>
FINANCING ACTIVITIES		
Repayment of demand term loan	(13,334)	-
Deferred contributions related to capital assets	-	70,715
Net cash provided by (used for) financing activities	<u>(13,334)</u>	<u>70,715</u>
Increase (decrease) in cash	1,351,603	2,218,167
Cash, beginning of year	<u>4,258,364</u>	<u>2,040,197</u>
Cash, end of year	<u>\$ 5,609,967</u>	<u>\$ 4,258,364</u>
Cash Represented By:		
Cash	\$ 4,898,311	\$ 4,226,793
Cash - held in broker accounts	711,536	31,451
Restricted cash - lottery	120	120
	<u>\$ 5,609,967</u>	<u>\$ 4,258,364</u>
Non-cash financing and investing activity:		
Capital assets acquired by means of demand term loan	<u>\$ 4,000,000</u>	<u>\$ -</u>

(See Accompanying Notes)

GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
Notes to Financial Statements
Year Ended March 31, 2022

DESCRIPTION OF ORGANIZATION

Good Shepherd Refuge Social Ministries is a non-share capital corporation, with letters patent issued under Part II of the Canada Corporations Act and continued under the Canada Not-for-profit Corporations Act on October 10, 2013. Its primary purpose is to engage in charitable works and endeavours, of every nature and kind, and to establish, maintain and operate hostels or residences for people in need. As a result of its status as a registered charity, it is exempt from the payment of income taxes under provisions of the Income Tax Act of Canada.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) Financial Instruments

(i) Measurement of Financial Instruments

Financial assets and liabilities are initially recognized at fair value except for certain non-arm's length transactions, that are measured at the exchange amount or carrying amount as appropriate, and their subsequent measurement is dependent on their classification as designated by Good Shepherd Refuge Social Ministries. Investments are subsequently measured at fair value with changes in fair value included in the statement of revenue and expenditures. Financial assets subsequently measured at amortized cost include cash, restricted cash - lottery, and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and demand term loan.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write down is recognized in the statement of revenue and expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 the statement of revenue and expenditures.

(iii) Transaction Costs

Good Shepherd Refuge Social Ministries recognizes its transaction costs in excess revenue over expenditures in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
Notes to Financial Statements
Year Ended March 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Investments

Short term investments consist of fixed revenue securities capable of reasonably prompt liquidation or maturing within twelve months from the fiscal year end. Investments are recorded at fair value. Fair values are estimated using year end quoted market values. Investment revenue includes interest, dividends and realized and unrealized gains and losses. Transaction costs are expensed as incurred.

(c) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization of capital assets is recorded on a straight line basis over the estimated useful life of the assets as follows:

Buildings	- 25 - 40 years
Computer equipment	- 5 years
Furniture and equipment	- 10 - 15 years
Vehicles	- 4 - 6 years

Maintenance and repair costs are recognized as an expenditure when incurred. Betterments or improvements that significantly increase or prolong the service life or capacity of a capital asset are capitalized.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized on the statement of revenue and expenditures 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 capital asset exceeds its fair value. An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

(d) Revenue Recognition

The organization follows the deferral method of accounting for contributions which include funding from the provincial and municipal governments and other charitable organizations and donations from various donors.

Externally restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Contributions externally restricted for capital assets are deferred and amortized over the life of the related capital asset (*Note 1(c)*). The effect of this policy is to include amortization of deferred contributions in current revenue, matching the amortization of the assets capitalized with these dollars.

GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
Notes to Financial Statements
Year Ended March 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Revenue Recognition (Continued)

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Revenue from bequests is recorded when the proceeds are received and any conditions attached to the bequests are acceptable to the organization.

Fees for services and other revenue are recognized as they are earned. Revenue from fundraising special events and a lottery are recognized upon completion of the event.

(e) Donations in Kind

Donations of food and clothing and other contributed assets received during the year are not accounted for in these financial statements, except for those where fair value can be reasonably estimated at the date of contribution, are used in the normal course of the organization's operations, would otherwise have been purchased and a donation receipt was issued.

(f) Contributed Services

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

(g) 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 as of the date of the financial statements and the reported amounts of revenue and expenditures during the period. Key estimates include the amortization period and rates for capital assets. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
Notes to Financial Statements
Year Ended March 31, 2022

4. CAPITAL ASSETS (Continued)

The parcel of land and related lease for property located at [REDACTED] was transferred by the Little Brothers of the Good Shepherd (LBGS) to the Good Shepherd Centre for nominal monetary consideration in the March 31, 1997 fiscal year for the work of the Brothers.

The land at [REDACTED] is leased to Good Shepherd Non Profit Homes (GSNPH) under the terms of a 50 year ground lease dated August, 1991 at a nominal amount of \$2. GSNPH entered into a tripartite agreement in August 1991 with LBGS and the Ontario Housing Corporation to arrange a leasehold mortgage for the construction of a building on this property. As at March 31, 2022 the balance of the leasehold mortgage held by GSNPH on this property is \$1,120,423 (2021 - \$1,262,143) and matures April 1, 2024.

Good Shepherd Refuge Social Ministries is related to GSNPH as both organizations were established by the members of the religious order of the Little Brothers of the Good Shepherd (LBGS). In 2015, the LBGS canonically fused with the Hospitaller Order of St. John (HOSJOG) and is now known as the Hospitaller Order of St. John of God - Province of the Good Shepherd in North America.

A parcel of land at [REDACTED] was purchased during the year in the amount of \$5,634,915 and professional fees in the amount of \$75,586 were incurred for which a building project tentatively named Mathias Place has been proposed as disclosed in *(Note 7)*.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable relating to payroll taxes and workplace safety insurance in the amount of \$21,361 (2021 - \$21,759).

6. DEFERRED CONTRIBUTIONS

Deferred contributions represents the unexpended portion of designated contributions including program funding and grants received that are related to expenditures for subsequent periods as well as monies received for fundraising events scheduled for the next fiscal year.

Deferred contributions related to capital assets represents funding for the acquisition of capital assets which will be recognized as revenue in accordance with *Note 1(d)*.

GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
Notes to Financial Statements
Year Ended March 31, 2022

6. DEFERRED CONTRIBUTIONS (Continued)

	<u>2022</u>	<u>2021</u>
Deferred Contributions		
Balance, beginning of year	\$ 200,880	\$ 264,004
Current year funding received	138,171	244,302
Earned in the year	<u>(229,728)</u>	<u>(307,426)</u>
Balance, end of year	<u>\$ 109,323</u>	<u>\$ 200,880</u>

Funding was received for the year from the following grants or contributions:

Veteran and Family Well-Being Fund	\$ 132,531	\$ 132,652
Funding from other organizations	5,640	100,000
Special events	-	11,650
	<u>\$ 138,171</u>	<u>\$ 244,302</u>

Deferred Contributions Related to Capital Assets

Balance, beginning of year	\$ 244,354	\$ 232,372
Current year funding received	-	70,715
Amortized to current revenue	<u>(58,732)</u>	<u>(58,733)</u>
Balance, end of year	<u>\$ 185,622</u>	<u>\$ 244,354</u>

Funding was received for the year from the following:

Ontario Trillium Foundation - vehicles	\$ -	\$ 15,000
Local Food Infrastructure Fund	-	55,715
	<u>\$ -</u>	<u>\$ 70,715</u>

During the fiscal year ended March 31, 2020 the organization entered into an agreement to receive funding for up to \$399,780 over 3 years from Veterans Affairs Canada under the Veteran and Family Well-Being Fund to assist with Veteran housing assistance.

7. DEMAND TERM LOAN

	<u>2022</u>	<u>2021</u>
██████████ Toronto		
Prime plus .25% demand term loan, due on demand, repayable in monthly instalments of principal of \$13,333, plus interest, maturing March 2, 2023	<u>\$ 3,986,666</u>	<u>\$ -</u>

The mortgage payable is secured by a first charge on the related property, assignment of rent over the property, general security agreement with a security interest over all present and after acquired personal/movable property of the borrower with a first ranking for inventory/warehouse receipts, machinery and equipment and accounts receivable. A debt service coverage ratio of greater than or equal to 1.25 is required annually.

GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
Notes to Financial Statements
Year Ended March 31, 2022

7. DEMAND TERM LOAN (Continued)

The closed demand term loan is secured by a first charge on the related property, assignment of rent over the property, general security agreement with a security interest over all present and after acquired personal/movable property of the borrower with a first ranking for inventory/warehouse receipts, machinery and equipment and accounts receivable. A debt service coverage ratio of greater than or equal to 1.25 is required annually.

Management has applied to various levels of government for both capital and operating funds in order to obtain funding in the next fiscal year to develop the property obtained into a viable non profit supportive housing operation. Should funding not be obtained management intends to sell the property and repay the loan.

8. NET ASSETS INTERNALLY RESTRICTED

In 2002, the Board of Directors internally restricted \$750,000 of the unrestricted net assets to be held for project development purposes. During the 2008 fiscal year the Board of Directors internally restricted an additional \$150,000 of the unrestricted net assets to be held for project development purposes.

In 2005, the Board of Directors internally restricted \$150,000 of the unrestricted net assets to be held as a capital asset replacement reserve. During the 2008 fiscal year the Board of Directors internally restricted an additional \$150,000 of the unrestricted net assets to be held as a capital asset replacement reserve.

9. INTERNALLY RESTRICTED NET ASSETS INVESTED IN CAPITAL ASSETS

During the current fiscal year the Board of Directors internally restricted net assets invested in capital assets. Internally restricted net assets invested in capital assets are represented by the net book value of capitalized assets less related deferred contributions and debt. Net assets invested in capital assets represents the amount of net assets that are not available for other purposes because they have been utilized in capital assets.

	<u>2022</u>	<u>2021</u>
Capital assets (Note 4)	\$ 8,488,218	\$ 2,948,701
Deferred contributions related to capital assets (Note 6)	(185,622)	(244,354)
Debt related to capital assets (Note 7)	(3,986,666)	-
	<u>\$ 4,315,930</u>	<u>\$ 2,704,347</u>

GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
Notes to Financial Statements
Year Ended March 31, 2022

10. DONATIONS

During the year, the organization issued receipts for donations in kind in the amount of \$563,743 (2021 - \$220,432) which are included in donations and fundraising on the statement of revenue and expenditures.

Donations by major source are as follows:

	<u>2022</u>	<u>2021</u>
Bequests and estates	\$ 490,831	\$ 193,531
Foundations	305,830	305,887
In kind	563,743	220,432
Individuals and other corporate	1,578,852	1,817,940
Other not for profit organizations	<u>138,945</u>	<u>316,790</u>
	<u>\$ 3,078,201</u>	<u>\$ 2,854,580</u>

11. SUBSIDIES - CITY OF TORONTO - OTHER

	<u>2022</u>	<u>2021</u>
Community Liaison Worker Program	\$ 80,000	\$ 80,000
Good Food Access Fund Canada	90,000	-
Homeless Initiative Fund (HIF) - Drop In Program	74,590	59,590
HIF - Consolidated Homelessness Prevention Program	210,755	210,754
Municipal Covid 19 Grant	615,401	617,260
Municipal Pandemic Pay Grant	<u>70,662</u>	<u>141,978</u>
	<u>\$ 1,141,408</u>	<u>\$ 1,109,582</u>

12. GRANTS - OTHER

	<u>2022</u>	<u>2021</u>
Federal - Emergency Community Support Fund Grant	\$ -	\$ 75,000
Helmet to Hardhats Canada Grant	<u>57,679</u>	<u>63,598</u>
	<u>\$ 57,679</u>	<u>\$ 138,598</u>

13. INVESTMENT REVENUE AND EXPENDITURES

	<u>2022</u>	<u>2021</u>
Investment Revenue		
Investment interest	<u>\$ 28,149</u>	<u>\$ 42,267</u>

GOOD SHEPHERD REFUGE SOCIAL MINISTRIES
Notes to Financial Statements
Year Ended March 31, 2022

14. COMMITMENTS

The organization is committed to the following vehicle operating lease payments (excluding harmonized sales tax):

2023	-	\$ 9,266
2024	-	9,266
2025	-	<u>3,089</u>
Total future lease payments	-	<u>\$ 21,621</u>

15. FINANCIAL INSTRUMENTS

The following analysis provides a measure of Good Shepherd Refuge Social Ministries' financial instrument risk exposure and concentrations at March 31, 2022:

(a) Credit Risk

Credit risk arises from the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The organization determines, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value. The credit risk on receivables is limited as the amounts owing are from municipal and other government entities. Substantially all of the organization's cash is held at one financial institution and as such the organization is subject to the risks associated with that financial institution.

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is exposed to interest rate risk.

(c) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rate. As at March 31, 2022 the organization had fixed interest rate investments as described in *Note 2* and incurred additional variable interest rate risk in the current fiscal year with the issue of a demand term loan as described in *Note 7*. Fixed rate instruments subject the organization to a fair value risk while the floating rate instruments subject it to a cash flow risk.

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15. FINANCIAL INSTRUMENTS (Continued)

(d) 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 to its accounts payable and accrued liabilities and demand term loan. The organization has sufficient funds to settle current liabilities. Trade accounts payable and accrued liabilities are generally paid within 30 days. The organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

There has been no significant change to the risk exposures other than as noted above from the prior year.

16. IMPACT OF COVID-19

In early March, 2020, the COVID-19 virus was declared a global pandemic and actions were taken by the Canadian government to control the outbreak by enacting emergency measures, including restrictions on public activities, travel and commercial operations. As a result of these preventive measures operations could be severely impacted for months or more. The current situation may lead to adverse changes in cash flows and working capital levels which may also have a direct impact on the organization's operating results and financial position. The organization has received and continues to apply for government subsidies in order to manage the impact of COVID-19. Management is carefully monitoring the situation. No adjustments have been made to these financial statements as a result of this uncertainty.