

**S.H.I.F.T. SUPPORT AND HOPE FOR INDIVIDUALS AND FAMILIES TODAY**

**FINANCIAL STATEMENTS**

**MARCH 31, 2025**

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**S.H.I.F.T. SUPPORT AND HOPE FOR INDIVIDUALS AND FAMILIES TODAY**  
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**MARCH 31, 2025**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Directors of S.H.I.F.T. Support and Hope for Individuals and Families Today

### **Report on the Audit of the Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying financial statements of S.H.I.F.T. Support and Hope for Individuals and Families Today, which comprise the statement of financial position as at March 31, 2025 and the statements of receipts and expenditures and fund balance and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

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 S.H.I.F.T. Support and Hope for Individuals and Families Today as at March 31, 2025, 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, S.H.I.F.T. Support and Hope for Individuals and Families Today derives revenue from voluntary contributions and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of S.H.I.F.T. Support and Hope for Individuals and Families Today. Therefore, we were not able to determine whether any adjustments might be necessary to receipts, excess (deficiency) of receipts over expenditures, cash flows from operations, current assets, or fund balances. Our audit opinion on the financial statements for the year ended March 31, 2025 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of S.H.I.F.T. Support and Hope for Individuals and Families Today 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 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.

In preparing the financial statements, management is responsible for assessing S.H.I.F.T. Support and Hope for Individuals and Families Today's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate S.H.I.F.T. Support and Hope for Individuals and Families Today or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing S.H.I.F.T. Support and Hope for Individuals and Families Today's financial reporting process.

### **Auditor's Responsibility 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 S.H.I.F.T. Support and Hope for Individuals and Families Today'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 Entity'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 S.H.I.F.T. Support and Hope for Individuals and Families Today 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.

*BELL CPA & Associates Prof Corp*

**BELL CPA & ASSOCIATES PROFESSIONAL CORPORATION**

Authorized to practice public accounting by The Chartered Professional Accountants of Ontario.

**Brampton, Ontario  
October 1, 2025**

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**S.H.I.F.T. SUPPORT AND HOPE FOR INDIVIDUALS AND FAMILIES TODAY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2025**

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	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 197,696	\$ 387,030
Short-term investments	11,517	11,034
Accounts receivable	116,632	120,434
HST recoverable	17,069	8,757
Prepaid expenses	<u>18,103</u>	<u>2,026</u>
	<u>361,017</u>	<u>529,281</u>
<b>Capital assets</b>		
Capital assets (net of accumulated amortization) (Note 2)	<u>14,134</u>	<u>20,191</u>
	<u>\$ 375,151</u>	<u>\$ 549,472</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 28,423	\$ 40,613
Deferred revenue (Note 6)	<u>144,748</u>	<u>63,748</u>
	<u>173,171</u>	<u>104,361</u>
<b>FUND BALANCE</b>		
Fund Balance	<u>201,980</u>	<u>445,111</u>
	<u>\$ 375,151</u>	<u>\$ 549,472</u>

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**S.H.I.F.T. SUPPORT AND HOPE FOR INDIVIDUALS AND FAMILIES TODAY**  
**STATEMENT OF RECEIPTS AND EXPENDITURES AND FUND BALANCE**  
**FOR THE YEAR ENDED MARCH 31, 2025**

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	2025	January 1, 2024 to March 31, 2024
<b>Receipts</b>		
Grants	\$ 788,618	\$ 253,214
Donations	260,743	137,619
Interest income	<u>3,030</u>	<u>899</u>
	<u>1,052,391</u>	<u>391,732</u>
<b>Expenditures</b>		
Salaries and wages	1,039,542	237,866
Service charge	51,108	103
Office and general	50,318	8,920
Program supplies	38,859	16,047
Rental	31,200	4,500
Professional fees	21,559	9,495
Vehicle expenses	13,544	4,832
Advertising and promotion	12,988	7,292
Utilities	9,618	3,014
Insurance	7,288	1,668
Telephone expenses	6,113	988
Amortization of tangible assets	6,057	9,078
Memberships and licenses	4,987	11
Repairs and maintenance	1,688	2,080
Travel expenses	<u>653</u>	<u>185</u>
	<u>1,295,522</u>	<u>306,079</u>
<b>Excess (deficiency of) receipts over expenditures</b>	<b>(243,131)</b>	<b>85,653</b>
Fund balance - beginning of period	<u>445,111</u>	<u>359,458</u>
Fund balance - end of period	<u>\$ 201,980</u>	<u>\$ 445,111</u>

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**S.H.I.F.T. SUPPORT AND HOPE FOR INDIVIDUALS AND FAMILIES TODAY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2025**

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	<b>2025</b>	January 1, 2024 to March 31, <b>2024</b>
Cash provided by (used in)		
<b>Operating activities</b>		
Excess (deficiency of) receipts over expenditures	\$ (243,131)	\$ 85,653
<b>Items not involving cash:</b>		
Amortization of tangible assets	<u>6,057</u> (237,074)	<u>9,078</u> 94,731
Change in non-cash working capital balances	<u>48,223</u> (188,851)	<u>(117,723)</u> (22,992)
Cash decrease during the year	<u>(188,851)</u>	<u>(22,992)</u>
<b>Cash - beginning of year</b>	<u><b>398,064</b></u>	<u><b>421,056</b></u>
<b>Cash - end of year</b>	<u><u><b>\$ 209,213</b></u></u>	<u><u><b>\$ 398,064</b></u></u>

**Cash is defined as: Cash, Short-term investments**

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# S.H.I.F.T. SUPPORT AND HOPE FOR INDIVIDUALS AND FAMILIES TODAY

## NOTES TO THE FINANCIAL STATEMENTS

### MARCH 31, 2025

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#### STATUS AND PURPOSE OF THE ORGANIZATION

S.H.I.F.T. (Support and Hope for Individuals and Families Today) provides safe, respectful, and welcoming emergency overnight accommodation, meals and supports to those experiencing or at-risk of experiencing homelessness and/or food insecurity in South Simcoe. The organization is committed to facilitating connection to further services, resources, and community. S.H.I.F.T. was incorporated under the Canada Not-for-profit Corporations Act as a Non-Share Corporation on June 25, 2019 and began operations on January 1, 2021. The organization is a registered charity and as such, is exempt from income taxes and authorized to issue charitable donation receipts. After the December 31, 2023 year end, the organization changed their fiscal year to March 31st, in line with their major funding provider, the County of Simcoe.

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#### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

(a) Capital assets

Capital assets are amortized on the basis of their useful life using the following methods and rates.

	Methods	Rates and duration
Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	55%
Automobiles	Declining balance	30%

(b) Donated services

The organization benefits greatly from donated services in the form of volunteer time for various activities. Some of the time donated includes that of related parties, including Board members. The value of the donated services is not recognized in these financial statements.

(c) Use of estimates

The preparation of these financial statements in conformity with Canadian Accounting Standards for Private Enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Significant items subject to such estimates and assumptions include valuation of the estimated useful life of property and equipment.

(d) Recognition of contributions

The organization follows the deferral method in accounting for contributions. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount receivable can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recorded as deferred revenue until the corresponding expense has been incurred at which time the revenue will be recorded on the income statement.

(e) Cash and cash equivalents

The organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition. Term deposits that the entity cannot use for current transactions are also excluded from cash and cash equivalents.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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(f) Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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 net income. 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 net income.

Transaction costs

The organization recognizes its transaction costs in net income 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.

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**2. CAPITAL ASSETS**

	2025			2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Motor vehicles	\$ <u>51,924</u>	\$ <u>37,790</u>	\$ <u>14,134</u>	\$ <u>20,191</u>
	\$ <u>51,924</u>	\$ <u>37,790</u>	\$ <u>14,134</u>	\$ <u>20,191</u>

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**3. CREDIT FACILITIES**

The organization has credit facilities in the form of corporate credit cards which total \$12,000 (\$7,000 in 2024), of which \$6,295 was utilized (\$584 in 2024). It was not overdue and is included in the accounts payable and accrued liabilities set out in the statement of financial position/ balance sheet. During the year, the total interest paid was \$nil (\$nil in 2023).

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**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2025	2024
Accounts payable and accrued liabilities	\$ 8,301	\$ 21,663
Payroll liabilities	<u>20,122</u>	<u>18,950</u>
	\$ <u>28,423</u>	\$ <u>40,613</u>

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**5. LEASE COMMITMENTS**

The organization has lease commitments for the next two years as follows:

2026	\$	32,400
2027		<u>2,700</u>
Total	\$	<u>35,100</u>

After the above payments, there are no scheduled lease payments due.

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**6. CHANGES IN DEFERRED REVENUE**

During the year, the following changes occurred in the deferred revenue balance.

	2025	2024
Deferred revenue, beginning of year	\$ 63,748	\$ 42,748
Capital campaign	45,000	21,000
Drop in Centre	<u>36,000</u>	<u>-</u>
Deferred revenue, end of year	\$ <u>144,748</u>	\$ <u>63,748</u>

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**7. CONTINGENCIES**

During the year, a former staff member brought claims against SHIFT and its Executive Director to the Human Rights Tribunal of Ontario (HRTO) citing race, disability, gender identity/expression and reprisal. The individual is seeking \$35,000 in damages, policy changes, staff training and public interest remedies. All required materials have been submitted to the HRTO who is currently reviewing the file to determine next steps. Both parties have indicated a willingness to participate in mediation, but no hearing or mediation date has been scheduled.

At the present time, it is impossible to determine the final amount that SHIFT may have to pay, if any. Because of the uncertainty regarding whether any amounts would be payable, no provision has been made in the financial statements.

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**8. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the statement of financial position date.

(i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The organization does not currently conduct transactions in or hold foreign currency.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will change due to changes in market interest rates. The organization manages its investment portfolio based on its cash flow needs and with a view to optimizing its interest income.

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(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuers or factors affecting all instruments traded in the market. Market risk is the combination of currency risk, interest rate risk and other price risk. The organization's exposure to currency risk and interest rate risks are noted above. The organization is exposed to other price risk through its investments in quoted shares. The organization's exposure to other price risks is minimal because their short term investments are guaranteed.

(iv) Credit risk

Credit risk is the risk that a third party will default on its obligation to the organization, causing the organization to incur a loss. Financial instruments which may subject the organization to credit risk consist of bank balances, short-term investment and accounts receivable. The maximum exposure to credit risk at the reporting date is the carrying amount of those instruments. The organization further minimizes its credit exposure by using only registered banks.

(v) 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 government remittances payable. At this time, the organization has more than adequate current assets to meet its ongoing payment obligations, therefore liquidity risk is minimal.

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**9. DEFICIENCY OF EXPENDITURES OVER RECEIPTS**

Readers of these financial statements who are not familiar with not-for-profit organizations may see a deficit in the current or prior year and think this is not healthy. A not-for-profit, by definition, is in operation for a purpose other than to earn a profit. Charities are under the authority of the Canada Revenue Agency and they require that receipts of a charity be spent on charitable purposes and not be accumulated. As the organization has more than sufficient cash and investments, the deficit showing on the financial statements should be viewed as an indication that charitable expenses are being made in accordance with its mandate and not an indication that the organization is in trouble.

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**10. COUNTY OF SIMCOE FUNDING**

During the year, the organization received \$760,000 (\$253,214 for the 3 months ended March 31, 2024) from the County of Simcoe. These funds were fully expended in the funding period.