

DRAFT

YORK AFFORDABLE HOUSING COMMITTEE

FINANCIAL STATEMENTS

APRIL 30, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of
York Affordable Housing Committee

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of York Affordable Housing Committee ("the Organization"), which comprise the statement of financial position as at April 30, 2022, the statement of operations, the statement of changes in net assets, and the statement of 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 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 York Affordable Housing Committee as at April 30, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, York Affordable Housing Committee derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these amounts was limited to the amounts recorded in the organization's accounting records and we were not able to determine whether, as at and for the year ended April 30, 2022, any adjustments might be necessary to donation revenue, excess of revenue over expenses reported in the statement of operations, and net assets reported on the statement of financial position.

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 opinion.

Other Matter

The financial statements of the Organization for the year ended April 30, 2021 were audited by the Organization's former auditor. A qualified audit opinion was issued and dated on September 21, 2021.

INDEPENDENT AUDITORS' REPORT (Continued)

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 these 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 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 judgement 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- 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.

Richmond Hill, Ontario

Chartered Professional Accountants
Licensed Public Accountants

YORK AFFORDABLE HOUSING COMMITTEE

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2022

ASSETS

	<u>2022</u>	<u>2021</u>
Current		
Cash	\$ 44,558	\$ 15,706
Accounts receivable	<u>36,251</u>	<u>28,131</u>
	<u>\$ 80,809</u>	<u>\$ 43,837</u>

LIABILITIES AND NET ASSETS

Current		
Accounts payable and accrued liabilities	<u>\$ 15,536</u>	<u>\$ 7,203</u>
Net assets	<u>65,273</u>	<u>36,634</u>
	<u>\$ 80,809</u>	<u>\$ 43,837</u>

Approved on behalf of the Board:

Director

Director

(The accompanying notes are an integral part of these financial statements)

YORK AFFORDABLE HOUSING COMMITTEE

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED APRIL 30, 2022

	<u>2022</u>	<u>2021</u>
Revenue		
Student levy - York University	\$ 75,769	\$ 53,116
Donations	5,515	244
	<u>81,284</u>	<u>53,360</u>
Expenses		
Bank charges	6	-
Events and organization	1,214	-
Honorarium	5,000	15,270
Professional fees	7,410	3,764
Salaries and benefits	39,015	3,949
	<u>52,645</u>	<u>22,983</u>
Excess of revenue over expenses	<u>\$ 28,639</u>	<u>\$ 30,377</u>

(The accompanying notes are an integral part of these financial statements)

YORK AFFORDABLE HOUSING COMMITTEE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2022

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 36,634	\$ 6,257
Excess of revenue over expenses	28,639	30,377
Balance, end of year	<u>\$ 65,273</u>	<u>\$ 36,634</u>

(The accompanying notes are an integral part of these financial statements)

YORK AFFORDABLE HOUSING COMMITTEE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2022

	<u>2022</u>	<u>2021</u>
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	\$ 28,639	\$ 30,377
Changes in non-cash working capital items		
Accounts receivable	(8,120)	(28,131)
Accounts payable and accrued liabilities	8,333	7,029
	<u>213</u>	<u>(21,102)</u>
Increase in cash during the year	28,852	9,275
Cash and cash equivalents, beginning of the year	<u>15,706</u>	<u>6,431</u>
Cash and cash equivalents, end of the year	<u>\$ 44,558</u>	<u>\$ 15,706</u>

(The accompanying notes are an integral part of these financial statements)

YORK AFFORDABLE HOUSING COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2022

PURPOSE OF ORGANIZATION:

York Affordable Housing Committee (the "Organization") is a student-run organization that was established to facilitate the creation of affordable cooperative housing at or near York University. The purpose of the Organization is to provide support in building capacity and partnerships, conduct research and applying for funding towards the goal of creating affordable housing

1. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting. Outlined below are those policies considered particularly significant:

a) Revenue recognition

Student levy revenue is recognized as income once the student enrolment numbers have been finalized and approved by the University.

Amounts collected from event and membership fees are recognized as revenues in the period in which the related event is held and expenses are incurred.

Donations are recognized as income when received.

Interest income is recognized in the period in which it is earned.

b) Expense recognition

Expenses are recognized on the accrual basis.

c) Financial instruments

The Organization initially records all financial instruments at fair market value, and subsequently records them at amortized cost.

The Organization's financial instruments consist of cash, receivables, accounts payable and accrued liabilities.

YORK AFFORDABLE HOUSING COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2022

1. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

d) Use of estimates

The preparation of financial statements in accordance 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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reported period. Significant items subject to such estimates and assumptions include year-end accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

e) Contributed services

Because of the difficulty of determining the fair value of services provided by volunteers, contributed services are not recognized in these financial statements.

f) Income taxes

The Organization is a not-for-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

g) Capital assets

Under the Canadian Accounting Standards for Not-for-Profit Organizations, an entity with average annual revenues less than \$500,000 for the current and preceding period may choose to write off tangible capital assets in the year of purchase, and disclose the details thereto in the notes. The Organization has opted to use this approach.

The major categories of tangible capital assets not recorded in the statement of financial position include computer equipment and furniture.

2. CAPITAL MANAGEMENT AND ECONOMIC DEPENDENCE:

The Organization includes cash, accounts receivable, accounts payable and accrued charges, and net assets in its capital management consideration. The Organization's objectives when managing capital are to safeguard its ability to continue as a going concern and continue to execute its mandate.

The Organization monitors these items to assess its ability to fulfil its ongoing financial obligations. The Organization relies primarily on grants to fund its operations and makes adjustments to its budgeted expenditures in light of changes. The Organization is not subject to externally imposed capital requirements.

YORK AFFORDABLE HOUSING COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2022

3. FINANCIAL INSTRUMENTS - RISK MANAGEMENT:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its York University student levies.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk as the ability to meet obligations depends on receipts of student levies from York University and self-generated sales to students. The Organization manages this risk 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.

c) Interest rate risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in their fair value of future cash flow of financial instruments due to changes in market interest rates.

The Organization's financial instruments consist of cash, receivables, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit or liquidity risks.

The extent of the Organization's exposure to the above risks did not change during 2022.

4. RECLASSIFICATION OF COMPARATIVE FIGURES:

- a) The 2021 comparative financial statements were prepared by the Organization's former auditor.
- b) Certain of the 2021 comparative figures have been reclassified to conform with the current year's presentation.