

**SUPPORTIVE HOUSING OF WATERLOO  
NON-CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**SUPPORTIVE HOUSING OF WATERLOO**  
**INDEX TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of: Supportive Housing of Waterloo

### **Opinion**

We have audited the accompanying financial statements of Supportive Housing of Waterloo, which comprise the non-consolidated statement of financial position as at December 31, 2020 and the non-consolidated statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of Supportive Housing of Waterloo as at December 31, 2020 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 of Opinion**

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 Supportive Housing of Waterloo 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.

### **Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 Non-Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.



Kitchener, Ontario  
April 21, 2021

Chartered Professional Accountants  
Licensed Public Accountants

**SUPPORTIVE HOUSING OF WATERLOO**  
**NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 460,314	\$ 170,268
Accounts receivable	10,231	1,402
Prepaid expenses	24,582	2,658
HST receivable	<u>35,946</u>	<u>40,780</u>
	531,073	215,108
<b>PROPERTY, PLANT AND EQUIPMENT</b> (note 4)	5,470,466	3,091,697
<b>CAPITAL RESERVE HELD BY INFRASTRUCTURE ONTARIO</b>	91,746	77,143
<b>INVESTMENT IN EMPOWER CLEANING INC.</b> (note 8)	0	3,185
<b>RESTRICTED GUARANTEED INVESTMENT CERTIFICATE</b> (note 6)	<u>90,500</u>	<u>0</u>
	<u>\$ 6,183,785</u>	<u>\$ 3,387,133</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 35,957	\$ 55,411
Government remittances payable	1,174	1,749
Unearned revenue (note 5)	165,142	112,294
Current portion of long term debt (notes 6 & 10)	<u>1,736,229</u>	<u>25,959</u>
Current liabilities before callable debt	1,938,502	195,413
Callable debt (note 6)	<u>435,865</u>	<u>0</u>
	2,374,367	195,413
<b>LONG TERM DEBT</b> (notes 6 & 10)	1,277,082	1,252,478
<b>DEFERRED CAPITAL CONTRIBUTIONS</b> (note 7)	<u>2,332,651</u>	<u>1,810,539</u>
	<u>5,984,100</u>	<u>3,258,430</u>
<b>NET ASSETS</b>		
<b>NET ASSETS</b>	<u>199,685</u>	<u>128,703</u>
	<u>\$ 6,183,785</u>	<u>\$ 3,387,133</u>

**SUPPORTIVE HOUSING OF WATERLOO**  
**NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>NET ASSETS, beginning of year</b>	\$ 128,703	\$ 37,893
Net revenues over expenditures for the year	<u>70,982</u>	<u>90,810</u>
<b>NET ASSETS, end of year</b>	<u>\$ 199,685</u>	<u>\$ 128,703</u>

**SUPPORTIVE HOUSING OF WATERLOO**  
**NON-CONSOLIDATED STATEMENT OF REVENUES AND EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>		
Region of Waterloo funding	\$ 469,355	\$ 414,755
Rental	327,150	253,250
Fundraising	198,571	156,282
Other grants	69,803	31,868
Amortization of deferred capital contributions (note 7)	56,888	52,663
Government of Canada funding	35,790	0
Other income (note 8)	8,459	57,017
Interest income	<u>282</u>	<u>251</u>
	<u>1,166,298</u>	<u>966,086</u>
<b>EXPENDITURES</b>		
Salaries	503,724	441,672
Professional fees	106,886	45,459
Interest on long term debt	101,750	75,710
Repairs and maintenance	99,156	51,799
Amortization	93,212	77,834
Utilities	66,540	55,754
Tenant support	35,953	42,014
Office	34,954	28,935
Insurance	23,634	16,663
Program	21,894	8,869
Telephone	6,678	6,258
Postage and courier	4,901	1,373
Interest and bank charges	1,529	1,007
Advertising	<u>1,190</u>	<u>21,974</u>
	<u>1,102,001</u>	<u>875,321</u>
<b>SURPLUS OF REVENUES OVER EXPENDITURES</b>	<u>64,297</u>	<u>90,765</u>
<b>OTHER</b>		
Loss on Investment in Empower Cleaning Inc. (note 8)	(182)	(4,362)
Unrealized gain on Capital Reserve held by Infrastructure Ontario	<u>6,867</u>	<u>4,407</u>
	<u>6,685</u>	<u>45</u>
<b>NET REVENUES OVER EXPENDITURES for the year</b>	<u><u>\$ 70,982</u></u>	<u><u>\$ 90,810</u></u>

**SUPPORTIVE HOUSING OF WATERLOO**  
**NON-CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>		
Net revenues over expenditures for the year	\$ 70,982	\$ 90,810
Items not requiring an outlay of cash		
Amortization	93,212	77,834
Amortization of deferred capital contributions	(56,888)	(52,663)
Loss on investment in Empower Cleaning Inc.	182	4,362
Unrealized gain on Infrastructure Ontario investments	<u>(6,867)</u>	<u>(4,407)</u>
	100,621	115,936
Changes in non-cash working capital		
Accounts receivable	(8,829)	(373)
Prepaid expenses	(21,924)	1,298
HST receivable	4,834	(36,191)
Accounts payable and accrued liabilities	(19,454)	(408,690)
Government remittances payable	(575)	1,177
Unearned revenue	<u>52,848</u>	<u>53,659</u>
	<u>107,521</u>	<u>(273,184)</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Long term debt (note 10)	1,644,374	438,746
Additions to deferred capital contributions	579,000	406,922
Callable debt	<u>435,865</u>	<u>(729,000)</u>
	<u>2,659,239</u>	<u>116,668</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Additions to capital assets	(2,471,981)	(115,076)
Investment in Empower Cleaning Inc.	3,003	(135)
Capital reserve held by Infrastructure Ontario	<u>(7,736)</u>	<u>(7,737)</u>
	<u>(2,476,714)</u>	<u>(122,948)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	290,046	(279,464)
<b>NET CASH, beginning of year</b>	<u>170,268</u>	<u>449,732</u>
<b>NET CASH, end of year</b>	<u>\$ 460,314</u>	<u>\$ 170,268</u>



**SUPPORTIVE HOUSING OF WATERLOO**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**1. NATURE OF ORGANIZATION**

Supportive Housing of Waterloo is a not for profit organization incorporated under the laws of Ontario without share capital on June 1, 2007. It is a registered charity under the Income Tax Act and is exempt from income tax. Its mission is to develop decent, affordable housing complete with a mix of support services in the city of Waterloo for people who are homeless or hard to house.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

(a) REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions. Externally restricted contributions, including funding from the Region of Waterloo and funding from the Government of Canada 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 collection is reasonably assured.

Investment income, which includes interest income, is recognized as revenue over the period earned.

Rental revenue is recognized over the term of the rental agreement as the housing is provided and collection is reasonably assured. Other income is recognized when earned and collection is reasonably assured.

(b) DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent donations for capital costs of construction. They are recognized as revenue on the same basis as capital assets are amortized.

(c) INVESTMENT IN EMPOWER CLEANING INC.

The organization issues only non-consolidated financial statements and accounts for its investment in the 100% owned for profit subsidiary using the equity method.

(d) 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include HST receivable, the useful lives of property, plant and equipment and amortization of deferred capital contributions. Actual results could differ from those estimates.

(e) CONTRIBUTED MATERIALS AND SERVICES

During the year, a number of organizations and individuals donate materials to the organization and a number of volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed materials and services are not recorded in the financial statements.

**SUPPORTIVE HOUSING OF WATERLOO**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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

(f) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Buildings	- 40	years straight line basis
Vehicles	- 5	years straight line basis
Furniture and fixtures	- 5	years straight line basis
Accessibility renovations	- 5	years straight line basis

(g) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets 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 value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(h) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for short term investments and capital reserve held by Infrastructure Ontario, which are measured at fair value. Changes in fair value are recognized in net surplus.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. 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 surplus.

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.

**SUPPORTIVE HOUSING OF WATERLOO**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**3. FINANCIAL INSTRUMENTS**

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2020 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

**4. PROPERTY, PLANT AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2020</b>	<b>Net 2019</b>
<b>144 Erb Street East</b>				
Land	\$ 737,022	\$ 0	\$ 737,022	\$ 0
Building	<u>1,724,219</u>	<u>17,961</u>	<u>1,706,258</u>	<u>0</u>
<b>Total 144 Erb Street East</b>	<u>2,461,241</u>	<u>17,961</u>	<u>2,443,280</u>	<u>0</u>
<b>362 Erb Street West</b>				
Land	896,088	0	896,088	896,088
Building	3,766,390	217,433	3,548,957	3,559,612
Furniture and fixtures	82,891	80,549	2,342	3,267
Accessibility renovations	31,467	31,467	0	0
Less: Forgivable loan (note 7)	<u>(3,600,000)</u>	<u>0</u>	<u>(3,600,000)</u>	<u>(3,600,000)</u>
<b>Total 362 Erb Street West</b>	<u>1,176,836</u>	<u>329,449</u>	<u>847,387</u>	<u>858,967</u>
<b>402 Erb Street West</b>				
Land	358,770	0	358,770	358,770
Building	1,906,368	98,603	1,807,765	1,855,424
Furniture and fixtures	<u>22,739</u>	<u>9,475</u>	<u>13,264</u>	<u>17,812</u>
<b>Total 402 Erb Street West</b>	<u>2,287,877</u>	<u>108,078</u>	<u>2,179,799</u>	<u>2,232,006</u>
Vehicles	<u>18,094</u>	<u>18,094</u>	<u>0</u>	<u>724</u>
	<u>\$ 5,944,048</u>	<u>\$ 473,582</u>	<u>\$ 5,470,466</u>	<u>\$ 3,091,697</u>

**5. UNEARNED REVENUE**

Unearned revenue, which consists of the unexpended portion of government funding and donations received that relate to future periods less related expenditures, is as follows:

	<b>2020</b>	<b>2019</b>
Balance, beginning of the year	\$ 112,294	\$ 58,635
Plus amount received during the year	182,305	120,625
Less amount recognized as revenue in the year	<u>(129,457)</u>	<u>(66,966)</u>
Balance, end of year	<u>\$ 165,142</u>	<u>\$ 112,294</u>

**SUPPORTIVE HOUSING OF WATERLOO**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**6. LONG TERM DEBT**

	<b>2020</b>	<b>2019</b>
TD mortgage payable, repayable in blended monthly instalments of \$2,859 including interest at 4.590%, due on December 16, 2024, secured by land and building, with a carrying value of \$2,166,535	\$ 435,865	\$ 450,000
Infrastructure Ontario mortgage payable #1, due March 15, 2051, repayable in blended monthly instalments of \$1,505 including interest charged at 4.624%, secured by land and building, with a carrying value of \$4,445,045	295,367	299,787
Infrastructure Ontario mortgage payable #2, due March 15, 2051, repayable in blended monthly instalments of \$2,747 including interest charged at 4.919%, secured by land and building, with a carrying value of \$4,445,045	521,246	528,650
Vancity Community Investment Bank mortgage payable, principal due July 31, 2021, with option to renew for six months, repayable in monthly interest payments at prime plus 1.25% with floor of 4.25%, secured by land and building, with a carrying value of \$2,443,280 and a GIC cash collateral of \$90,500 held in favour of the bank	1,720,000	0
Kitchener Waterloo Community Foundation unsecured loan payable, principal due June 9, 2023, with monthly interest payments at 4.25%	356,198	0
Unsecured non-interest bearing promissory note payable, due later of July 15 2023, renegotiation of the Vancity Community Investment Bank mortgage, or sale of property	90,500	0
Canada Emergency Business Account (CEBA) loan	<u>30,000</u>	<u>0</u>
	<u>3,449,176</u>	<u>1,278,437</u>
Less current portion:		
Cash repayments required within 12 months	1,736,229	25,959
Callable debt	<u>435,865</u>	<u>0</u>
	<u>2,172,094</u>	<u>25,959</u>
	<u>\$ 1,277,082</u>	<u>\$ 1,252,478</u>

The above CEBA loan is interest free, guaranteed by the Government of Canada, and due December 31, 2022. During the year, \$10,000 has been recorded in Government of Canada funding revenue as the forgivable portion of the loan as the organization plans to repay the loan by December 31, 2022. If the loaned funds are not paid back by this date, the loan can be converted into a three year installment loan with a 5% interest rate. Interest only payments are required until the full principal is due on December 31, 2025. The long term debt balance of \$30,000 is expected to be repaid in 2022.

On March 15, 2021, the Infrastructure Ontario mortgage payable #1 and #2 were renegotiated into promissory notes payable #1 and #2, both with interest at 2.77%, due March 31, 2031 and both continue to be secured by land and building, with a carrying value of \$4,445,045. The Infrastructure Ontario promissory note payable #1 is repayable in blended monthly instalments of \$1,204. The Infrastructure Ontario promissory note payable #2 is repayable in blended monthly instalments of \$2,126.

## SUPPORTIVE HOUSING OF WATERLOO

### NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2020

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#### 6. LONG TERM DEBT (continued)

The organization is not in compliance with the TD mortgage payable's debt service coverage ratio and the balance is presented as callable debt.

Future minimum payments on long term debt are as follows:

2021	\$ 1,751,020
2022	63,495
2023	390,917
2024	408,443
2025	19,577
Thereafter	<u>725,224</u>
	<u>\$ 3,358,676</u>

#### 7. DEFERRED CAPITAL CONTRIBUTIONS

	2020	2019
Balance, beginning of year	\$ 1,810,539	\$ 1,456,280
Plus additions during the year	579,000	406,922
Less amount amortized in the year	<u>(56,888)</u>	<u>(52,663)</u>
Balance, end of year	<u>\$ 2,332,651</u>	<u>\$ 1,810,539</u>

In 2009, the organization was approved to receive funding in the amount of \$3,600,000 by Her Majesty the Queen in Right of Ontario as represented by the Minister of Municipal Affairs and Housing for the purchase of capital assets. The full amount of funding was received by July 23, 2010. These funds are subject to terms and conditions stipulated by related agreement. As long as the organization is in compliance with these terms and conditions, the amount of interest on the loan is forgiven. If the organization continues to be in compliance until June 30, 2030, the principal amounts shall be forgiven at that time. As at the current year end, interest in the amount of \$284,040 (2019 - \$284,040) has been forgiven for total cumulative interest forgiven of \$2,840,400 (2019 - \$2,556,360).

The principal amounts referred to above have been included as an offset to property, plant and equipment (note 4). Each year, the interest expense is reflected in these statements and the forgiveness of interest is recognized as an offsetting amount.

During 2016, the organization was approved to receive funding in the amount of up to \$1,130,000 by the Regional Municipality of Waterloo - Affordable Housing Strategy Investment in Affordable Housing for Ontario Program for the construction of nine new affordable rental units at 402 Erb St. West, Waterloo. As of the 2019 year end, the full amount of the funds, \$1,130,000, have been received. These funds are subject to terms and conditions stipulated by the related agreement. As long as the organization is in compliance with these terms and conditions, the principal and interest amounts shall be forgiven.

During 2020, the organization received \$200,000 from the Regional Municipality of Waterloo and \$200,000 from the City of Waterloo to assist with purchasing 144 Erb Street East, Waterloo. Other individuals also contributed \$179,000 in 2020 towards this. As of year end, \$579,000 (2019 - \$0) was received.

**SUPPORTIVE HOUSING OF WATERLOO**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**8. INVESTMENT IN EMPOWER CLEANING INC.**

Supportive Housing of Waterloo is the sole shareholder of Empower Cleaning Inc., a for profit, social enterprise that seeks to enhance the well-being of people in Southwestern Ontario by providing quality cleaning and support services. Empower Cleaning Inc. was incorporated under the Ontario Business Corporations Act on August 28, 2015.

Empower Cleaning Inc. has not been consolidated in the organization's financial statements. The organization uses the equity method to account for this investment.

Included in other income is a recovery of management administration expenses for \$7,099 (2019 - \$7,665). This transaction is recorded at exchange value of the management services provided.

The investment in Empower Cleaning Inc. is as follows:

	<b>2020</b>	<b>2019</b>
Share capital	\$ 0	\$ 1
Funds advanced	0	17,885
Loss on equity	<u>0</u>	<u>(14,701)</u>
	<u>\$ 0</u>	<u>\$ 3,185</u>

The financial statement summary of Empower Cleaning Inc. as at December 31, 2020 is as follows:

Balance Sheet

	<b>2020</b>	<b>2019</b>
Assets	\$ <u>0</u>	\$ <u>4,487</u>
Liabilities	\$ 14,904	\$ 19,187
Shareholder's deficit	<u>(14,904)</u>	<u>(14,700)</u>
	<u>\$ 0</u>	<u>\$ 4,487</u>

Results of Operations

	<b>2020</b>	<b>2019</b>
Revenues	\$ 0	\$ 2,303
Operating expenses	<u>204</u>	<u>6,665</u>
Net loss	<u>\$ (204)</u>	<u>\$ (4,362)</u>

Cash Flows

	<b>2020</b>	<b>2019</b>
Cash used in operations	\$ <u>(4,509)</u>	\$ <u>(1,799)</u>
Decrease in cash	<u>\$ (4,509)</u>	<u>\$ (1,799)</u>

**SUPPORTIVE HOUSING OF WATERLOO**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**9. MATERIAL UNCERTAINTY DUE TO NOVEL CORONAVIRUS (COVID-19)**

During and subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. This may impact the timing and amounts realized on the organization's assets and its future ability to deliver all services.

**10. CORRESPONDING FIGURES**

Certain figures presented for corresponding purposes have been reclassified to conform to the current year's presentation.

## NON-CONSOLIDATED SCHEDULE OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2020

	144 Erb St Property	362 Erb St Property	402 Erb St Property	Tenant Supports & Administrative	Total
<b>REVENUES</b>					
Region of Waterloo funding	\$ 0	\$ 1,080	\$ 0	\$ 468,275	\$ 469,355
Rental	62,392	211,082	53,676	0	327,150
Fundraising	21,089	0	0	177,483	198,571
Other grants	0	0	0	69,803	69,803
Amortization of deferred capital contributions (note 7)	6,031	18,567	31,890	400	56,888
Government of Canada funding	0	0	0	35,790	35,790
Other income (note 8)	1,013	348	0	7,099	8,459
Interest income	0	0	0	282	282
	<u>90,525</u>	<u>231,077</u>	<u>85,566</u>	<u>759,131</u>	<u>1,166,298</u>
<b>EXPENDITURES</b>					
Salaries	340	0	0	503,383	503,724
Professional fees	540	2,105	79	104,162	106,886
Interest on long term debt	42,384	39,198	20,168	0	101,750
Repairs and maintenance	21,480	23,069	15,282	39,326	99,156
Amortization	17,961	22,321	52,207	724	93,212
Utilities	12,039	40,060	14,441	0	66,540
Tenant support	668	4,272	247	30,767	35,953
Office	16	0	0	34,938	34,954
Insurance	1,119	8,029	1,462	13,024	23,634
Program	4,308	0	50	17,536	21,894
Telephone	88	1,850	819	3,921	6,678
Postage and courier	0	0	0	4,901	4,901
Interest and bank charges	0	0	0	1,529	1,529
Advertising	5	0	0	1,185	1,190
	<u>100,948</u>	<u>140,904</u>	<u>104,755</u>	<u>755,395</u>	<u>1,102,001</u>
<b>(DEFICIENCY) SURPLUS OF REVENUES OVER EXPENDITURES</b>	<u>(10,423)</u>	<u>90,173</u>	<u>(19,189)</u>	<u>3,736</u>	<u>64,297</u>
<b>OTHER</b>					
Loss on Investment in Empower Cleaning Inc. (note 8)	0	0	0	(182)	(182)
Unrealized gain on Capital Reserve held by Infrastructure Ontario	0	6,867	0	0	6,867
	<u>0</u>	<u>6,867</u>	<u>0</u>	<u>(182)</u>	<u>6,685</u>
<b>NET (DEFICIENCY) SURPLUS OF REVENUES OVER EXPENDITURES for the year</b>	<u>\$ (10,423)</u>	<u>\$ 97,040</u>	<u>\$ (19,189)</u>	<u>\$ 3,554</u>	<u>\$ 70,982</u>