

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA  
SCOTIA)**

**Financial Statements**

**Year Ended March 31, 2022**

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA  
SCOTIA)**

**Index to Financial Statements  
Year Ended March 31, 2022**

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LYLE TILLEY DAVIDSON  
Chartered Professional Accountants

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Saint Leonard's Society of Nova Scotia (operating as Shelter Nova Scotia)

*Qualified Opinion*

We have audited the financial statements of Saint Leonard's Society of Nova Scotia (operating as Shelter Nova Scotia) (the "Society"), which comprise the statement of financial position as at March 31, 2022, and the statements of revenues 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 Society as at March 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Qualified Opinion*

In common with many charitable organizations, the Society derives revenue from fundraising and donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to fundraising and donation revenue, excess (deficiency) of revenues over expenditures, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years. 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 of 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 the Society in accordance with 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 ASNPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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Independent Auditor's Report to the Members of Saint Leonard's Society of Nova Scotia (operating as Shelter Nova Scotia) (continued)

Those charged with governance are responsible for overseeing the Society's financial reporting process.

*Auditor's 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 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 Society'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 Society'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 Society 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.

*Gyle Willey Davidson*

Halifax, Nova Scotia  
September 15, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)**

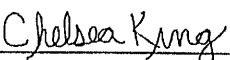
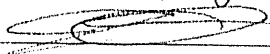
**Statement of Financial Position**

**March 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>ASSETS (Note 7)</b>		
<b>CURRENT</b>		
Cash (Note 4)	\$ 970,348	\$ 804,229
Accounts receivable (Note 5)	178,048	247,500
Prepaid expenses	<u>36,326</u>	<u>20,907</u>
	1,184,722	1,072,636
<b>CAPITAL ASSETS (Notes 6, 8)</b>	5,652,708	5,436,327
<b>ASSETS HELD IN TRUST</b>	<u>241,802</u>	<u>221,533</u>
	<u>\$ 7,079,232</u>	<u>\$ 6,730,496</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 221,959	\$ 154,436
Current portion of long term debt (Note 8)	32,524	31,230
Deferred revenue (Note 9)	<u>645,924</u>	<u>306,062</u>
	900,407	491,728
<b>LONG TERM DEBT (Note 8)</b>	309,126	341,639
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 10)</b>	3,730,353	3,647,900
<b>AMOUNTS HELD IN TRUST</b>	<u>241,802</u>	<u>221,533</u>
	<u>5,181,688</u>	<u>4,702,800</u>
<b>NET ASSETS</b>		
General fund	1,543,052	1,597,696
Internally restricted fund (Note 11)	<u>354,492</u>	<u>430,000</u>
	<u>1,897,544</u>	<u>2,027,696</u>
	<u>\$ 7,079,232</u>	<u>\$ 6,730,496</u>

**COMMITMENTS (Note 12)**

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)**

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2022**

	2022	2021
<b>REVENUE</b>		
Department of Community Services	\$ 3,063,014	\$ 2,827,688
Correctional Services Canada	891,956	910,179
Fundraising and donations	668,413	839,649
Affordable Housing Association Nova Scotia (AHANS)	673,270	579,137
Rental	197,862	201,120
Other grant revenue	19,918	88,567
Other	9,140	7,547
In-kind donations	8,250	31,141
	<u>5,531,823</u>	<u>5,485,028</u>
<b>EXPENDITURES</b>		
Salaries and wages	4,203,135	3,880,293
Program costs	237,583	158,532
Repairs, maintenance, and security	222,557	191,310
Food	152,456	130,164
Utilities	132,407	105,252
Sub-contracts (recovery)	103,782	(350)
Occupancy ( <i>Note 11</i> )	91,104	10,824
Office and miscellaneous	86,951	78,822
Telephone, fax, and internet	75,682	76,159
Household supplies	55,560	98,594
Equipment rental and maintenance	53,689	64,961
Dues, fees, and publications	40,526	33,731
Training	39,176	29,425
Municipal taxes	26,521	28,534
Insurance	26,026	24,803
Travel and meals	23,803	14,358
Fundraising	19,575	51,188
Interest on long term debt	17,454	18,979
Legal and audit	16,282	24,108
In-kind donations	8,250	31,141
Interest and service charges	8,186	2,737
	<u>5,640,705</u>	<u>5,053,565</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATIONS</b>	<u>(108,882)</u>	<u>431,463</u>
<b>OTHER INCOME (EXPENDITURES)</b>		
Amortization of capital assets	(141,892)	(124,344)
Amortization of deferred capital contributions ( <i>Note 10</i> )	120,622	113,508
Gain on sale of marketable securities	-	11,277
	<u>(21,270)</u>	<u>441</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>\$ (130,152)</u>	<u>\$ 431,904</u>

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA  
SCOTIA)**

**Statement of Changes in Net Assets  
Year Ended March 31, 2022**

	General Fund	Internally Restricted Fund	2022	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 1,597,696	\$ 430,000	\$ 2,027,696	\$ 1,595,792
Excess (deficiency) of revenue over expenditures	<u>(54,644)</u>	<u>(75,508)</u>	<u>(130,152)</u>	431,904
<b>NET ASSETS - END OF YEAR</b>	\$ 1,543,052	\$ 354,492	\$ 1,897,544	\$ 2,027,696

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)**

**Statement of Cash Flows  
Year Ended March 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures	\$ (130,152)	\$ 431,904
Items not affecting cash:		
Amortization of capital assets	141,892	124,344
Amortization of deferred capital contributions (Note 10)	(120,622)	(113,508)
Gain on disposal of marketable securities	-	(11,277)
	<u>(108,882)</u>	<u>431,463</u>
Changes in non-cash working capital:		
Accounts receivable	69,452	1,959
Prepaid expenses	(15,419)	(20,695)
Accounts payable and accrued liabilities	67,523	(117,176)
Deferred revenue	339,862	46,921
	<u>461,418</u>	<u>(88,991)</u>
Cash flow from operating activities	<u>352,536</u>	<u>342,472</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(358,273)	(569,086)
Purchase of marketable securities	-	(37,361)
Proceeds from sale of marketable securities	-	127,219
	<u>(358,273)</u>	<u>(479,228)</u>
Cash flow used by investing activities	<u>(358,273)</u>	<u>(479,228)</u>
<b>FINANCING ACTIVITIES</b>		
Capital contributions received (Note 10)	203,075	532,343
Repayment of long term debt	(31,219)	(31,149)
	<u>171,856</u>	<u>501,194</u>
Cash flow from financing activities	<u>171,856</u>	<u>501,194</u>
<b>INCREASE IN CASH FLOW</b>	<b>166,119</b>	<b>364,438</b>
Cash - beginning of year	<u>804,229</u>	<u>439,791</u>
<b>CASH - END OF YEAR</b>	<b>\$ 970,348</b>	<b>\$ 804,229</b>



**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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**1. PURPOSE OF THE SOCIETY**

Saint Leonard's Society of Nova Scotia (operating as Shelter Nova Scotia) (the "Society") was incorporated under the Societies Act of Nova Scotia on May 2, 1968. The Society provides support service, overnight shelter and housing for half-way transition to community placement for those who need it. It is exempt under the Income Tax Act as a registered charity.

The Society conducts programs and services and operates from the following locations:

Sir Sandford Fleming House (SSFH), at 2549-55 Brunswick Street, Halifax

Nehiley House, at 3170 Romans Avenue, Halifax

Barry House, at 2704/2706 Gottingen Street, Halifax

Metro Turning Point (MTP), at 2170 Barrington Street, Halifax

Cunard Street Apartments, at 5506 Cunard Street, Halifax

Herring Cove Apartments, at 191 Herring Cove Road, Halifax

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

Cash and cash equivalents consists of amounts held with Canadian financial institutions net of outstanding cheques and deposits as well as line of credit facilities in use as at year end.

Restricted cash

Restricted cash is to be used to pay for new office space for the years 2022-2024 as described in Note 11.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for transactions with related parties which are recorded at the exchange amount. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Buildings	2.5%	declining balance method
Computer hardware	30%	declining balance method
Location equipment	20%	declining balance method
Office equipment	20%	declining balance method
Leasehold improvements	term of the lease	straight-line method

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**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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

Capital assets (continued)

Amortization is calculated at one-half of the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of long-lived assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Deferred revenue

Current contributions to operations received for use over the next twelve months are recorded as deferred revenue and recognized in the period the revenue is intended to be used.

Revenue recognition

Saint Leonard's Society of Nova Scotia (operating as Shelter Nova Scotia) follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for acquiring capital assets are deferred and amortized on the same basis and according to the same rates as the related capital assets or to income as eligible expenditures are incurred.

Rental income is recognized as revenue in the period it becomes receivable per the related lease.

Fundraising and donations are recognized as revenue when received.

Government assistance

The forgivable loan, recorded in deferred capital contributions, from the Department of Community Services is amortized over 15 years. Other government assistance for acquiring capital assets is deferred and amortized on the same basis and according to the same rates as the related capital assets or to income as eligible expenditures are incurred.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Donated goods

The fair value of donated goods, if any, are recorded when a receipt is provided assuring the value. When a receipt cannot be provided, the nature of significant donated goods are disclosed. During the year, \$8,250 of in-kind donations have been recognized in the financial statements (2021 - \$31,141).

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**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The most significant estimates in these financial statements include the allowance for doubtful accounts, accrued liabilities and the estimated useful lives of the capital assets.

**3. FINANCIAL INSTRUMENTS**

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The Society's financial instruments consist of cash, accounts receivable, assets and amounts held in trust, accounts payable and long term debt. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2022.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from contributors and tenants. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. Due to the nature of contributions, the Society does not have significant issues collecting receivables, resulting in a minimal exposure to credit risk.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its contributors and other related sources, long-term debt, and accounts payable.

**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 rate risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk.

**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 rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness, long-term debt and credit facilities.

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

**4. CASH**

	<u>2022</u>	<u>2021</u>
Cash	\$ 615,856	\$ 374,229
Cash - restricted	<u>354,492</u>	<u>430,000</u>
	<u>\$ 970,348</u>	<u>\$ 804,229</u>

Restricted cash relates to internally restricted funds as described in note 11.

**5. ACCOUNTS RECEIVABLE**

	<u>2022</u>	<u>2021</u>
Accounts receivable	\$ 2,393	\$ 6,957
Government funding receivable	<u>131,545</u>	<u>133,524</u>
HST receivable	<u>44,110</u>	<u>107,019</u>
	<u>\$ 178,048</u>	<u>\$ 247,500</u>

**6. CAPITAL ASSETS**

	Cost	Accumulated amortization	<u>2022 Net book value</u>	<u>2021 Net book value</u>
Land	\$ 584,462	\$ -	\$ 584,462	\$ 584,462
Buildings	6,422,055	1,462,482	<u>4,959,573</u>	4,816,195
Computer hardware	60,410	45,759	<u>14,651</u>	17,433
Office equipment	80,309	67,759	<u>12,550</u>	3,309
Leasehold improvements	42,416	4,242	<u>38,174</u>	-
Location equipment	230,351	187,053	<u>43,298</u>	14,928
	<u>\$ 7,420,003</u>	<u>\$ 1,767,295</u>	<u>\$ 5,652,708</u>	<u>\$ 5,436,327</u>

**7. CREDIT FACILITY**

The demand operating loan with a credit limit of \$150,000, of which \$nil was outstanding at year end, bears interest at the Credit Union's prime rate plus 1.25%.

The bank indebtedness is secured by a general security agreement over all assets of the Society, and a collateral mortgage in the amount of \$150,000 providing Credit Union Atlantic a second charge over 2549 Brunswick Street and assignment of fire insurance.

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

**8. LONG TERM DEBT**

	<u>2022</u>	<u>2021</u>
Credit union loan bearing interest at 5% per annum, repayable in monthly blended payments of \$947. The loan matures on August 20, 2022 and is secured by first mortgage on the property located at 2549-55 Brunswick Street which has a carrying value of \$358,355. Subsequent to year end, the loan was renewed for a five year term bearing interest at 6.05% repayable in monthly blended payments of \$994 maturing August 20, 2027.	\$ 92,546	\$ 99,174
NSHDC loan bearing interest at 4.89% per annum, repayable in monthly blended payments of \$3,108. The loan matures on April 1, 2030 and is secured by first mortgage on the property located at 2170 Barrington Street which has a carrying value of \$1,384,748.	<u>249,104</u>	<u>273,695</u>
	<b>341,650</b>	<b>372,869</b>
Amounts payable within one year	<u>(32,524)</u>	<u>(31,230)</u>
	<b>\$ 309,126</b>	<b>\$ 341,639</b>

Principal repayment terms are approximately:

2023	\$ 32,524
2024	34,013
2025	35,785
2026	37,650
2027	39,612
Thereafter	<u>162,066</u>
	<b>\$ 341,650</b>

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

**9. DEFERRED REVENUE**

	<u>2022</u>	<u>2021</u>
North Pine - Housing Hub	\$ 222,000	\$ -
J & W Murphy Foundation- staff	205,939	176,772
Wishlist	98,000	66,378
AHANS - Diversion funds	67,024	-
Second Harvest	20,000	-
April rent revenue	10,245	9,630
Flemming Charitable Foundation - Grief funds	7,742	-
Margot Spafford - BH renovation	5,491	-
Stappells - MTP mattresses	3,325	6,299
AHANS - ReBuilding roof	2,442	2,442
Storik - Barry House	1,894	4,698
Telus - ID program	1,651	1,901
Milestone Homes - website	171	6,000
Flemming Charitable Foundation - website	-	2,000
Unifor	-	2,367
UPS - Community Program gift cards	-	7,132
Spafford - Nehiley House snugs	-	15,958
Correctional Services Canada - SSFH snugs	-	4,485
	<u>\$ 645,924</u>	<u>\$ 306,062</u>

**10. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions are grants received as contributions toward the cost of specific assets. They are deferred as revenue and recognized over time on the same basis that the related capital asset is amortized, with the exception of the Cunard Street forgivable loan, which is amortized over 15 years.

	<u>Beginning</u>		<u>Amortized as</u>	
	<u>Balance</u>	<u>Receipts</u>	<u>Revenue</u>	<u>Ending Balance</u>
Barry House renovations	\$ 438,822	\$ 44,509	\$ 11,527	\$ 471,804
Sir Sandford Fleming House renovations	161,699	-	4,023	157,676
Nehiley House renovations	74,729	95,266	3,059	166,936
Metro Turning Point renovations	297,185	-	7,430	289,755
Cunard Street renovation	157,279	-	3,932	153,347
Home Office renovation	5,268	-	132	5,136
Cunard Street apartments	1,551,005	-	38,775	1,512,230
Cunard Street forgivable loan	189,903	-	31,653	158,250
Herring Cove Road renovations	-	63,300	791	62,509
Herring Cove Road property	772,010	-	19,300	752,710
	<u>\$ 3,647,900</u>	<u>\$ 203,075</u>	<u>\$ 120,622</u>	<u>\$ 3,730,353</u>

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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**11. INTERNALLY RESTRICTED FUND**

During the 2021 fiscal year, the Society carried a motion to create a reserve fund of \$430,000 to be included in the operating budget with restrictions being placed on the funds for the following purposes:

- The funds should be used to pay for a new office space for the years 2022-2024, with alternatively sourced funding for 2025-2026.
- If donations of alternate funding are received towards the first three years of rental, the reserve funds would then be used to pay for the office space in years 2025-2026. Any remaining funds would be used to fund capital projects.

During the year, \$75,508 was expended on occupancy expenditures.

**12. COMMITMENTS**

The Society has a long term lease with respect to its office premises, medical and facility equipment. Future minimum lease payments as at March 31, 2022, are as follows:

2023	\$	129,709
2024		136,021
2025		128,215
2026		119,808
2027		<u>30,912</u>
	\$	<u>544,665</u>

**13. ECONOMIC DEPENDENCE**

The Society's ability to continue operations is dependent on government funding. Should this funding change, management is of the opinion that continued viable operations would be doubtful.

**14. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**15. COVID 19**

Beginning in March 2020 the Governments of Canada and Nova Scotia, as well as foreign governments instituted emergency measures as a result of the COVID-19 virus. The virus has had a major impact on Canadian and international securities and currency markets and consumer activity which may impact the Society's financial position, its results of operations and its cash flows significantly. As these are on-going events, these financial statements do not reflect any potential future impact. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Society as at the report date.