



Grant Thornton

Summary Financial Statements

Evangel Hall Mission

October 31, 2022



Independent Auditor's Report

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To the Members of
Evangel Hall Mission

Opinion

The summary financial statements, which comprise the summary statement of financial position as at October 31, 2022, the summary statements of operations and changes in net assets for the year then ended, and related notes, are derived from the audited financial statements of Evangel Hall Mission for the year ended October 31, 2022.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations ("ASNPO"). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed a qualified opinion on the audited financial statements in our report dated March 23, 2023.

In common with many charitable organizations, ehm derives revenue from donations and contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded by ehm. Therefore, we were not able to determine whether any adjustments might be necessary to donations and contributions, deficiency of revenue over expenditures and cash flows from operations for the year ended October 31, 2022, current assets as at October 31, 2022 and net assets as at November 1, 2021 and October 31, 2022.

In addition, Evangel Hall Mission and Portland Place Non-Profit Housing Corporation amalgamated on January 1, 2022 to form ehm, as discussed in Note 2 of the financial statements. These financial statements do not present comparative figures as at and for the year ended October 31, 2021 for the new reporting entity, ehm, as though the entities had always been amalgamated, which constitutes a departure from ASNPO.

Lastly, the Portland Place Housing Capital Fund and the Portland Place Residence Fund follows the Housing Services Act. As a result, ehm records certain property and equipment in an amount equal to the principal portion of debt assumed and amortizes this property and equipment at the rate of debt repaid and expenses other replacements of property and equipment. ehm also records a long-term lease relating to land as a capital lease rather than operating lease and appropriated funds to the

Portland Place Housing Capital Fund and the Portland Place Residence Fund. These policies represent departures from ASNPO, which requires all property and equipment to be amortized over their useful lives, leases to be recorded based on the benefits and risks incident to the ownership of the property, and interfund transfers to be reflected as a transfer rather than revenue and expense in the funds. The impact of these departures from ASNPO on these financial statements have not been determined, and, therefore, we were not able to determine the adjustments necessary to expenses, deficiency of revenues over expenses and cash flows from operations for the year ended October 31, 2022, assets at October 31, 2022 and net assets as at November 1, 2021 and October 31, 2022.

Management's Responsibility for the Summary financial statements

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

The logo for Grant Thornton LLP is written in a black, cursive script font.

Toronto, Canada
March 23, 2023

Chartered Professional Accountants
Licensed Public Accountants

Evangel Hall Mission

Summary Statement of Financial Position

October 31, 2022

| | Program Fund | Adelaide Residence Fund | Portland Place Residence Fund | Adelaide Capital Fund | Portland Place Housing Capital Fund | Total |
|---|-------------------|-------------------------------|-------------------------------------|-----------------------------|---|----------------------|
| Assets | | | | | | |
| Cash and investments | \$ 779,769 | \$ 829,379 | \$ - | \$ - | \$ 517,899 | \$ 2,127,047 |
| Accounts receivable and prepaid expenses | 120,239 | 116,174 | 288,101 | - | - | 524,514 |
| Property and equipment | - | - | 1,231,493 | 8,561,402 | - | 9,792,895 |
| | <u>\$ 900,008</u> | <u>\$ 945,553</u> | <u>\$ 1,519,594</u> | <u>\$ 8,561,402</u> | <u>\$ 517,899</u> | <u>\$ 12,444,456</u> |
| Liabilities | | | | | | |
| Accounts payable and accrued liabilities | \$ 75,621 | \$ 75,470 | \$ 212,179 | \$ - | \$ - | \$ 363,270 |
| Loan payable to The Presbyterian Church in Canada | 200,000 | - | - | - | - | 200,000 |
| Mortgage payable | - | - | 1,035,525 | 2,001,625 | - | 3,037,150 |
| Loan payable to the City of Toronto | - | - | - | 1,950,000 | - | 1,950,000 |
| Canada Emergency Business Account Loan | 40,000 | - | 40,000 | - | - | 80,000 |
| Deferred revenue | 28,700 | 4,283 | 195,968 | 294,606 | - | 523,557 |
| | <u>344,321</u> | <u>79,753</u> | <u>1,483,672</u> | <u>4,246,231</u> | <u>-</u> | <u>6,153,977</u> |
| Net assets | | | | | | |
| Invested in property and equipment | - | - | - | 4,315,171 | - | 4,315,171 |
| Internally restricted | 555,687 | - | 35,922 | - | - | 591,609 |
| Externally restricted | - | 865,800 | - | - | 517,899 | 1,383,699 |
| | <u>555,687</u> | <u>865,800</u> | <u>35,922</u> | <u>4,315,171</u> | <u>517,899</u> | <u>6,290,479</u> |
| | <u>\$ 900,008</u> | <u>\$ 945,553</u> | <u>\$ 1,519,594</u> | <u>\$ 8,561,402</u> | <u>\$ 517,899</u> | <u>\$ 12,444,456</u> |

Complete financial statements for the year ended October 31, 2022, audited by Grant Thornton LLP, are available upon request.

Evangel Hall Mission

Summary Statements of Operations

Year ended October 31, 2022

| | Program Fund | Adelaide Residence Fund | Portland Place Residence Fund | Adelaide Capital Fund | Portland Place Housing Capital Fund | Total |
|---|---------------------|-------------------------------|-------------------------------------|-----------------------------|---|---------------------|
| Revenue | | | | | | |
| Subsidy | \$ - | \$ 707,493 | \$ 892,613 | \$ - | \$ - | \$ 1,600,106 |
| Donations and contributions | 1,314,115 | 2,274 | 58,219 | 120 | - | 1,374,728 |
| Government grants | 279,884 | 27,113 | 543,141 | - | - | 850,138 |
| Subsidized rent | - | 334,167 | 140,066 | - | - | 474,233 |
| Special events | 93,139 | - | - | - | - | 93,139 |
| Investment income | 20,981 | 32,816 | 6,068 | - | - | 59,865 |
| Miscellaneous | 26,414 | 7,787 | 2,370 | - | - | 36,571 |
| Fund subsidy allocation | - | - | - | - | 34,247 | 34,247 |
| Amortization of deferred revenue for property and equipment | - | - | 12,169 | 18,309 | - | 30,478 |
| | <u>1,734,533</u> | <u>1,111,650</u> | <u>1,654,646</u> | <u>18,429</u> | <u>34,247</u> | <u>4,553,505</u> |
| Expenses | | | | | | |
| Salaries and benefits | 1,272,882 | 382,879 | 387,220 | - | - | 2,042,981 |
| Occupancy costs | 159,554 | 422,152 | 768,336 | - | - | 1,350,042 |
| Amortization of property and equipment | - | - | 256,603 | 307,869 | - | 564,472 |
| Fees, administration and training | 247,190 | 87,990 | 139,332 | - | - | 474,512 |
| Donated and purchased supplies | 140,410 | 14,421 | 714 | - | - | 155,545 |
| Interest and bank charges | 12,332 | 70,115 | 70,347 | - | - | 152,794 |
| Donor awareness | 68,694 | 21 | 75 | - | - | 68,790 |
| Fund subsidy allocation | - | - | 34,247 | - | - | 34,247 |
| Capital expenses | - | - | - | - | 10,760 | 10,760 |
| | <u>1,901,062</u> | <u>977,578</u> | <u>1,656,874</u> | <u>307,869</u> | <u>10,760</u> | <u>4,854,143</u> |
| (Deficiency) excess of revenue over expenses (before other item) | (166,529) | 134,072 | (2,228) | (289,440) | 23,487 | (300,638) |
| Unrealized loss on investments | (79,483) | (124,319) | (10,092) | - | (47,445) | (261,339) |
| (Deficiency) excess of revenue over expenses | <u>\$ (246,012)</u> | <u>\$ 9,753</u> | <u>\$ (12,320)</u> | <u>\$ (289,440)</u> | <u>\$ (23,958)</u> | <u>\$ (561,977)</u> |

Complete financial statements for the year ended October 31, 2022, audited by Grant Thornton LLP, are available upon request.

Evangel Hall Mission Summary Statement of Changes in Net Assets

Year Ended October 31, 2022

| | Program Fund | Adelaide Residence Fund | Portland Place Residence Fund | Special Needs Fund | Adelaide Capital Fund | Portland Place Housing Capital Fund | Total |
|---|-----------------|-------------------------------|-------------------------------------|--------------------------|-----------------------------|---|--------------|
| Net assets, beginning of year | \$ 1,055,967 | \$ 797,936 | \$ - | \$ 48,242 | \$ 4,408,454 | \$ 541,857 | \$ 6,852,456 |
| (Deficiency) excess of revenue over expenses | (246,012) | 9,753 | (12,320) | - | (289,440) | (23,958) | (561,977) |
| Disbursement from the reserve | - | (10,342) | - | - | 10,342 | - | - |
| Interfund transfers | | | | | | | |
| Purchase of property and equipment | (14,890) | - | - | - | 14,890 | - | - |
| Contributions for the purchase of property and equipment | 120 | - | - | - | (120) | - | - |
| Repayment of mortgage payable | (171,045) | - | - | - | 171,045 | - | - |
| Transfer of internally restricted residence funds net of residence replacement reserve requirement | (68,453) | 68,453 | - | - | - | - | - |
| Close the Portland Place Special Needs Fund | - | - | 48,242 | (48,242) | - | - | - |
| Net assets, end of year | \$ 555,687 | \$ 865,800 | \$ 35,922 | \$ - | \$ 4,315,171 | \$ 517,899 | \$ 6,290,479 |

Complete financial statements for the year ended October 31, 2022, audited by Grant Thornton LLP, are available upon request.

Evangel Hall Mission

Notes to the Summary Financial Statements

October 31, 2022

1. Criteria for presentation of summary financial statements

The information selected by management for presentation in the summary financial statements has been identified as being the most pertinent and useful financial data for circulation to the members of Evangel Hall Mission.

2. Amalgamation

On January 1, 2022, Evangel Hall Mission (the "Mission") and Portland Place Non-Profit Housing Corporation ("Portland Place") entered into an agreement through Articles of Amalgamation to combine their operations and form Evangel Hall Mission ("ehm"). The amalgamation has been accounted for as a merger in accordance with Section 4449, Combinations by not-for-profit organizations, except for the fact that these financial statements do not present comparative figures as at and for the year ended October 31, 2021 for the new reporting entity, ehm, as though the entities had always been amalgamated. Excluding the comparative information constitutes a departure from Canadian accounting standards for not-for-profit organizations ("ASNPO").

The Mission is a Christian ministry that exists to build community with poor, homeless, and socially isolated people in the inner-city of Toronto through support, housing, services, and advocacy. Portland Place receives funding from the City of Toronto and provides subsidized housing and support services to its tenants. The primary reason for the amalgamation was to consolidate and streamline the operations of the two amalgamating entities to further build community with poor, homeless, and socially isolated people in the inner-city of Toronto through support, housing, services, and advocacy.

The results as at and for the year ended October 31, 2022 are those of the amalgamated entity from November 1, 2021 to October 31, 2022.

As a result of the amalgamation, the Mission and Portland Place aligned their accounting policies. The Mission followed the restricted fund method of accounting for restricted donations and contributions and Portland Place followed the deferral method of accounting for restricted donations and contributions. The new amalgamated ehm follows the restricted fund method. As a result, there were no adjustments necessary to the amalgamated results since there were no specified restricted funds in Portland Place that change from deferred revenue to a restricted fund. There were no other changes in accounting policies as a result of amalgamation.