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Financial Statements of

**HELPING WITH FURNITURE**

December 31, 2022



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May 23, 2023

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Helping With Furniture:

### *Qualified Opinion*

We have audited the accompanying financial statements of Helping With Furniture (the "Organization"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets and cash flow for the year then ended, as well as 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 Helping With Furniture as at December 31, 2022, and the results of its operations and its cash flows for the years 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, Helping With Furniture derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Helping With Furniture. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2022 and December 31, 2021, current assets and net assets as at December 31, 2022 and December 31, 2021.

### *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 the applicable financial reporting framework, 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 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 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 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 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 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.
- 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.



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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.

*Hendry Warren<sup>LLP</sup>*

HENDRY WARREN<sup>LLP</sup>  
Chartered Professional Accountants  
Licensed Public Accountants  
Ottawa, Ontario

# HELPING WITH FURNITURE

## Statement of Financial Position

December 31, 2022, with comparative figures for 2021

	2022	2021
<b>Assets</b>		
Current assets		
Cash	\$ 236,840	\$ 153,847
Accounts receivable	4,390	8,839
Sales tax receivable	10,132	10,429
Prepaid expenses	15,421	7,147
	<u>\$ 266,783</u>	<u>\$ 180,262</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued charges	\$ 17,745	\$ 7,373
Deferred contributions (Note 2)	16,178	16,000
	33,923	23,373
Lease inducement	3,191	4,311
	37,114	27,684
Commitments (Note 3)		
Net assets (Note 4)		
Unrestricted	189,669	112,578
Internally restricted	40,000	40,000
	<u>229,669</u>	<u>152,578</u>
	<u>\$ 266,783</u>	<u>\$ 180,262</u>

Approved on behalf of the Board:

\_\_\_\_\_  
Director

## HELPING WITH FURNITURE

### Statement of Operations and Changes in Net Assets

Year ended December 31, 2022, with comparative figures for 2021

	2022	2021
Revenue		
Grants	\$ 89,755	\$ 34,363
Individuals	57,478	77,021
Other charities and associations	24,953	7,956
Annual gala	22,555	-
Donations in-kind	16,429	-
Fundraisers	11,136	21,746
United Way	7,021	6,338
Corporate	2,880	12,762
Interest	587	32
Other revenue	-	800
	232,794	161,018
Expenses		
Bank and transaction fees	2,229	2,780
Communications	2,398	2,122
Donations in-kind	16,429	-
Gala expenses	5,524	-
Insurance	5,411	5,655
Office and general	3,727	1,340
Professional fees	6,714	5,730
Program delivery	6,319	12,065
Storage	80,207	74,037
Supplies for clients	14,910	19,520
Transportation	7,705	7,641
Utilities	4,130	3,008
	155,703	133,898
Excess of revenue over expenses	77,091	27,120
Net assets, beginning of year	152,578	125,458
Net assets, end of year	\$ 229,669	\$ 152,578

## HELPING WITH FURNITURE

### Cash Flow Statement

Year ended December 31, 2022, with comparative figures for 2021

	2022	2021
Operating activities		
Excess of revenue over expenses	\$ 77,091	\$ 27,120
Non-cash items:		
Lease inducement (expensed) recognized	(1,120)	4,311
Changes in non-cash working capital balances:		
Accounts receivable	4,449	(1,164)
Sales tax receivable	297	(3,977)
Prepaid expenses	(8,274)	(7,147)
Accounts payable and accrued charges	10,372	2,536
Deferred contributions	178	(12,224)
Cash provided by operating activities	82,993	9,455
Increase in cash	82,993	9,455
Cash, beginning of year	153,847	144,392
Cash, end of year	\$ 236,840	\$ 153,847

# HELPING WITH FURNITURE

Notes to the Financial Statements

December 31, 2022, with comparative figures for 2021

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## **Nature of activities and statutes of incorporation**

Helping With Furniture (the "Organization") is incorporated as a not-for-profit organization under the laws of Canada and is a registered charity under the Income Tax Act and is exempt from taxes under section 149(1)(f). Its purpose is to furnish homes with comfort, hope and dignity by delivering gently used furniture and household items to individuals and families in the Ottawa area who are restarting their lives due to international and domestic displacement.

## **1. 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:

### **Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions. 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.

Grant revenue represents funds received for specific initiatives undertaken by the Organization. Grants are recognized as revenue when the related costs are incurred. Grants that have not been fully spent by the end of the year are reported as deferred contributions.

Corporate, fundraiser, individual and donation in-kind revenue represents donations received from corporations, fundraising activities other than the annual gala, and consists of unrestricted and restricted contributions.

United Way, other charities and associations revenue represents revenue received from the United Way and from other charities and associations. These amounts consist of unrestricted and restricted contributions.

Annual gala revenue represents funds received from events for ongoing operations. Annual gala revenue is recognized as revenue when costs are incurred and the event is completed.

### **Contributed materials and services**

The Organization received contributions of materials and services, including many volunteer hours. As the fair value of these contributions cannot be easily estimated and these contributions would not have otherwise been purchased in the normal course of business, no amount has been recorded for them in these financial statements. The Organization does recognize as revenue donations in-kind where an official charitable donation receipt is issued when the fair market value of a donated item can be determined and the donor specifically requests an official charitable donation receipt.



# HELPING WITH FURNITURE

## Notes to the Financial Statements

December 31, 2022, with comparative figures for 2021

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### **Cash**

The Organization's policy is to disclose bank balances under cash.

### **Capital assets**

Capital assets are expensed at the time of purchase. Funding received towards the purchase of capital assets is included in revenue in the year the related assets are purchased. Capital assets consist of equipment for transportation. Capital assets expensed during the year totaled \$Nil (2021: \$5,732). These amounts are included on the statement of operations under storage expenses.

### **Use of estimates**

The preparation of these 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. These estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known. Significant estimates include valuation of accounts payable and accrued charges and valuation of deferred contributions.

### **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.

#### Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in the statement of operations. Any 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 any reversal is recognized in the statement of operations.

#### Transaction costs

The Organization recognizes its transaction costs in the statement of operations 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.

### **Lease inducement**

The lease inducement is amortized over the term of the lease.

# HELPING WITH FURNITURE

Notes to the Financial Statements

December 31, 2022, with comparative figures for 2021

## 2. Deferred contributions

Deferred contributions consists of grants and other contributions received that will be expended for a specific purpose in a future year.

	2022	2021
Balance, beginning of year	\$ 16,000	\$ 28,224
Plus amounts received in the year	89,933	25,816
Less amount recognized as revenue	(89,755)	(38,040)
Balance, end of year	\$ 16,178	\$ 16,000

The deferred contributions balance relates to the following projects:

	2022	2021
Toolkits	\$ 2,300	\$ 805
Ontario Trillium Foundation	5,755	-
OCF Multi-year Funding	8,123	15,195
Total	\$ 16,178	\$ 16,000

## 3. Commitments

In 2021, the Organization entered into an operating lease agreement for a new warehouse location. Future minimum rental payments under this lease are as follows:

	Warehouse
2023	\$ 80,177
2024	20,156
	\$ 100,333

# HELPING WITH FURNITURE

## Notes to the Financial Statements

December 31, 2022, with comparative figures for 2021

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### 4. Net assets

Net assets consist of both unrestricted and internally restricted reserves. Unrestricted net assets are maintained to fund organizational operations. Internally restricted reserves are net assets restricted on Board approval for future years storage costs and cannot be used to fund other organizational operations without approved release by the Board.

In prior years the Board has restricted \$40,000 for this reserve. There was no additional appropriation in 2022.

### 5. Financial instruments

#### Risk and concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the risk exposures and concentrations at the statement of financial position date, December 31, 2022.

#### 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 main credit risks relate to its accounts receivable.

#### 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 mainly in respect of its accounts payable.

It is management's opinion that the Organization is not subject to significant market, interest rate or other price risk. There is no change in the level or concentrations of liquidity or credit risk from December 31, 2021.