

INN FROM THE COLD INC.
Financial Statements
Year Ended December 31, 2024

INN FROM THE COLD INC.
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Year Ended December 31, 2024

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Chaggares & Bonhomme
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Inn from the Cold Inc.

Qualified Opinion

We have audited the financial statements of Inn from the Cold Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of revenues and expenditures, changes in fund balances 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 Organization as at December 31, 2024, 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 Organization receives revenue from fundraising and program activities in cash, 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 Organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

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 Organization 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 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.

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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 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.

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.

Chaggares & Bonhomme

Newmarket, Ontario
June 25, 2025

Chaggares & Bonhomme
Chartered Professional Accountants
Licensed Public Accountants

INN FROM THE COLD INC.
Statement of Financial Position
December 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash (Note 7)	\$ 2,405,092	\$ 2,285,654
Term deposits (Note 8)	1,618,438	300,000
Accounts receivable (Note 9)	706,911	373,816
Prepaid expenses and security deposits	55,977	7,294
	4,786,418	2,966,764
CAPITAL ASSETS (Note 10)	4,100,692	2,751,665
	\$ 8,887,110	\$ 5,718,429
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 11)	\$ 258,099	\$ 344,047
Deferred income (Note 12)	4,746,179	2,266,736
	5,004,278	2,610,783
FUND BALANCES	3,882,832	3,107,646
	\$ 8,887,110	\$ 5,718,429

GOVERNMENT ASSISTANCE (Note 14)

LEASE COMMITMENTS (Note 15)

CONTINGENT LIABILITY (Note 16)

ON BEHALF OF THE BOARD

Rebecca Mathewson

Director

Wayne Ford

Director

See notes to financial statements

INN FROM THE COLD INC.
Statement of Revenues and Expenditures
Year Ended December 31, 2024

	2024	2023
REVENUES		
Canada Summer Jobs (Note 13)	\$ 5,186	\$ -
Donations and fundraising	412,407	545,267
Inn Team service revenue	145,860	108,145
Ontario Trillium Foundation (Note 13)	103,408	117,192
Foundation Grant Revenue	161,828	-
Region of York (Note 13)	2,580,249	1,979,194
Rental income	140,711	108,389
Town of Newmarket Grant Revenue (Note 13)	-	17,729
United Way (Note 13)	372,228	326,557
	3,921,877	3,202,473
EXPENSES		
Accounting fees	51,454	15,894
Advertising and promotion	9,387	17,005
Amortization	25,222	11,643
Bad debts (recovery)	(455)	3,311
Consulting fees	59,529	5,216
Fundraising Expenses	27,898	37,718
Groceries and supplies	268,449	194,924
Insurance	22,157	1,605
Interest and bank charges	8,018	9,313
Interest on long term debt	-	28,630
Office	60,814	33,490
Professional fees	27,188	25,573
Property taxes	24,280	15,839
Rental	469,437	282,386
Repairs and maintenance	218,969	83,457
Salaries and wages	1,983,302	1,375,498
Sub-contracts	201,724	103,174
Telephone	10,617	7,511
Travel	39,891	20,324
Utilities	58,276	38,765
Vehicle	4,287	364
	3,570,444	2,311,640
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	351,433	890,833

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INN FROM THE COLD INC.
Statement of Revenues and Expenditures *(continued)*
Year Ended December 31, 2024

	2024	2023
OTHER INCOME		
Amortization of deferred capital contributions	21,413	4,168
Bingo revenues	77,989	27,597
Expense recoveries <i>(Note 14)</i>	239,996	-
Interest income	76,413	65,168
Property tax rebate	7,942	-
	423,753	96,933
EXCESS OF REVENUES OVER EXPENSES	\$ 775,186	\$ 987,766

See notes to financial statements

INN FROM THE COLD INC.
Statement of Changes in Fund Balances
Year Ended December 31, 2024

	2023 Balance	Excess of revenues over expenses	Contributions (Withdrawals)	Transfers	2024 Balance
General and Capital Fund	\$ 1,765,924	\$ 775,186	\$ -	\$ (521,816)	\$ 2,019,294
Stabilization Reserve Fund	914,972	-	-	359,166	1,274,138
Future Capital Reserve	-	-	-	162,650	162,650
Asset replacement reserve	426,750	-	-	-	426,750
	\$ 3,107,646	\$ 775,186	\$ -	\$ -	\$ 3,882,832

	2022 Balance	Excess of revenues over expenses	Contributions (Withdrawals)	Transfers	2023 Balance
General and Capital Fund	\$ 1,076,273	\$ 987,766	\$ 600,000	\$ (898,115)	\$ 1,765,924
Stabilization Reserve Fund	193,607	-	-	721,365	914,972
Asset replacement reserve	-	-	-	426,750	426,750
Capital Reserve Fund	250,000	-	-	(250,000)	-
	\$ 1,519,880	\$ 987,766	\$ 600,000	\$ -	\$ 3,107,646

See notes to financial statements

INN FROM THE COLD INC.
Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023 <i>Restated</i>
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 775,186	\$ 987,766
Item not affecting cash:		
Amortization of capital assets	25,222	11,643
	800,408	999,409
Changes in non-cash working capital:		
Accounts receivable	(333,095)	(343,703)
Accounts payable and accrued liabilities	(85,948)	226,821
Deferred income	2,479,443	964,592
Prepaid expenses	(48,683)	(7,294)
	2,011,717	840,416
Cash flow from operating activities	2,812,125	1,839,825
INVESTING ACTIVITIES		
Purchase of capital assets	(1,422,150)	(1,389,492)
Proceeds on disposal of capital assets	47,901	-
Cash flow used by investing activities	(1,374,249)	(1,389,492)
FINANCING ACTIVITIES		
Land contribution	-	600,000
Repayment of long term debt	-	(960,000)
Cash flow used by financing activities	-	(360,000)
INCREASE IN CASH FLOW	1,437,876	90,333
Cash - beginning of year	2,585,654	2,495,321
CASH - END OF YEAR	\$ 4,023,530	\$ 2,585,654
CASH CONSISTS OF:		
Cash	\$ 2,405,092	\$ 2,285,654
Term deposits	1,618,438	300,000
	\$ 4,023,530	\$ 2,585,654

See notes to financial statements

INN FROM THE COLD INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. PURPOSE OF THE ORGANIZATION

Inn from the Cold Inc. (the "Organization") is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Ontario. As a registered charity the Organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Organization operates to meet the needs of people who are homeless or at risk of becoming homeless through collaboration with community partners in supporting those with basic to complex needs in York Region.

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 (ASNFPO).

Fund accounting

Inn from the Cold Inc. follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

The primary purposes of the Stabilization Reserve Fund is to allocate funds to ensure sufficient working capital to pay wages, accounts payable, long term debt repayments, and other expenses as they become due and payable; and, to stabilize finances and day-to-day operations during pressures that may arise due to environmental factors, such as pandemics, economic volatility and upset, unanticipated legal bills, and labour disruption.

The primary purpose of the Asset Replacement Reserve Fund is to pay for the replacement of capital assets as they reach the end of their life cycle; and, to pay for major repairs and rehabilitation that may be required to extend the useful life of an asset before it reaches the end of its life cycle

The primary purpose of the Capital Asset Reserve Fund is to allocate funds to ensure sufficient working capital to pay for unanticipated capital costs related to the construction of the new shelter

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Land	N/A	non-depreciable
Buildings	4%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	55%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	10 years	straight-line method

The Organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired or in construction during the year are not amortized until they are placed into use.

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INN FROM THE COLD INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Inn from the Cold Inc. follows the deferral method of accounting for contributions.

Restricted contributions, including those for bingo funds, are recognized as revenue in the year in which the related expenses 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. Endowment contributions are recognized as direct increases in net assets.

Investment income that is restricted for spending on specific expenses is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Revenues, including investment income, that are restricted for the purchase or construction of capital assets are deferred and recognized as revenue as the related assets are amortized and charged to operations.

Unrestricted donations and fundraising 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.

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.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. 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.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in Guaranteed Income Certificates (GICs) and are valued at cost plus accrued interest.

Contributed materials and services

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when materials and services are used in the normal course of operations, and would otherwise have been purchased.

Volunteers contribute time to assist the organization in carrying out its service activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

INN FROM THE COLD INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. CHANGE IN ACCOUNTING POLICY - EXPENSE ALLOCATIONS

This change in accounting policy enhances the reader's ability to understand the nature of the organization's expenses, by providing a more transparent picture of what types of expenses are incurred by the organization as a whole. Thus, improving the ability to conduct comparisons among the nature of expenses incurred.

	2023 Original	Adjustment	2023 Restated
Advertising and promotion	\$ 2,961	\$ 14,044	\$ 17,005
Capital Campaign program	10,981	(10,981)	-
Consulting fees	-	5,216	5,216
Getting Ahead program expenses	14,986	(14,986)	-
Groceries and supplies	167,176	27,748	194,924
Insurance	346	1,259	1,605
Interest and bank charges	8,982	331	9,313
Office	30,023	3,467	33,490
Please Come Inn program	146,142	(146,142)	-
Professional fees	28,604	(3,031)	25,573
Rental	169,992	112,394	282,386
Repairs and maintenance	80,729	2,728	83,457
Resiliency fund expenses	5,216	(5,216)	-
Salaries and wages	1,476,296	(100,798)	1,375,498
Stability Now program	3,905	(3,905)	-
Sub-contracts	-	103,174	103,174
Telephone	5,559	1,952	7,511
The Inn Team program expenses	7,821	(7,821)	-
Travel	5,559	14,765	20,324
Utilities	33,328	5,437	38,765
Vehicle	-	364	364

4. CHANGE IN ACCOUNTING POLICY - GRANT REVENUES RESTRICTED FOR THE PURCHASE OF CAPITAL ASSETS

In the prior fiscal years, government grants were treated as a reduction of capital assets cost. Starting in 2024, and for future fiscal years, the Organization has voluntarily chosen to change this accounting policy to have all grant funding received specifically for the purchase or construction of capital assets deferred, with the revenue recognized as revenue as the related assets are amortized and charged to operations.

The purpose of this change in accounting policy is to align the grant revenue recognition policy with the Organization's policy for the deferral of restricted donation revenue related to capital assets. Given that both donations and grants are received for the purchase and construction of capital assets; in some cases, the same asset(s), this change in accounting policy will improve the transparency and readability of the amount of all contributions provided for the purchase or construction of capital assets, and the related cost associated with them by presenting revenues on the same basis.

There were no capital assets purchased in prior periods with restricted government grant funds, that had any existing value on the financial statements in the last two fiscal years, no restatement of comparative figures is required for this change in accounting policy.

INN FROM THE COLD INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

5. RESTATEMENT DUE TO CAPITAL CAMPAIGN FUNDING DEFERRAL

During the year, it was determined that revenue related to the capital campaign program had been deferred until such time as related costs were incurred since the inception of the program, rather than until such time as the capital project is completed as per the Organization's revenue recognition policy. The following adjustments were made to prior year figures to reflect this change in accounting treatment for deferred revenues to align with the policy.

	Original	Adjustment	<i>Restated</i>
<u>2023 Restatements</u>			
Capital campaign program revenue	\$ 1,113,158	\$ (1,113,158)	\$ -
Deferred income	1,084,480	1,182,256	2,266,736
Fund Balances	4,289,902	(1,182,256)	3,107,646
 <u>2022 Restatements</u>			
Deferred income	1,233,046	69,098	1,302,144
Fund Balances	1,588,978	(69,098)	1,519,880
			\$ 8,196,406

6. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2024.

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 receipt of funds from its funding entities, other related sources and accounts payable.

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 Organization manages exposure through its normal operating and financing activities.

Price risk

Price risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk). The Organization is exposed to price risk through its its commitment to complete construction of a new homeless shelter. There is a risk that costs required to be incurred to complete construction will increase due to changes in the economy, resulting in financial difficulty and delay of the project timeline. Contract terms for funding received for the construction include clauses that mitigate the risk of the Organization being unable to complete the project due to price risk.

All secured financial liabilities have a combined carrying amount of \$1,000,000 (\$0 in 2023).

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

INN FROM THE COLD INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

7. RESTRICTED CASH AND TERM DEPOSITS

As at December 31, 2024, cash and cash equivalents consisted of the following balances:

	2024	2023
Restricted cash - Bingo	\$ 3,540	\$ 2,849
Restricted cash - Net asset reserves	1,863,538	1,341,722
Non-restricted cash and cash equivalent	769,078	1,188,472
Designated cash and cash equivalents	1,387,374	52,611
<hr/>		
Cash and cash equivalents	\$ 4,023,530	\$ 2,585,654

The restricted cash balance for Bingo contributions of \$3,540 (2023: \$2,849) includes outstanding cheques, and consists of a bingo trust account externally restricted by the Town of Newmarket. Disbursements above and beyond the approved use of bingo proceeds requires approval from the Town of Newmarket Gaming Services.

Included in the restricted net asset reserves are cash and term deposits equivalent to the internally restricted net assets (for the stabilization, asset replacement and future capital reserve funds) of \$1,863,548 (2023: \$1,341,722) that were established by the board of directors during the year.

Designated cash and cash equivalents consist of the deferred revenue amounts designated for the capital campaign.

8. TERM DEPOSITS

The investments consist of 7 non-redeemable Guaranteed Investment Certificates (GICs) with the following terms:

Purchase date	Maturity date	Interest rate %	2024
December 14, 2024	December 14, 2025	4.25%	\$ 105,766
December 14, 2024	December 14, 2025	4.25%	105,766
December 14, 2024	December 14, 2025	4.25%	105,766
December 30, 2024	March 31, 2025	3.30%	234,000
December 30, 2024	March 31, 2025	3.30%	233,000
December 19, 2024	December 19, 2025	3.75%	580,540
December 30, 2024	December 30, 2025	3.30%	253,600
			<hr/> \$ 1,618,438 <hr/>

INN FROM THE COLD INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

9. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2024	2023
HST receivable	\$ 298,564	\$ 138,022
Other receivables	61,380	24,166
Pledges receivable	110,000	-
United Way grant receivable	18,251	18,251
York Region grant receivable	36,133	193,832
York Region expense reimbursements receivable	182,583	-
Subtotal	706,911	374,271
Allowance for doubtful accounts	-	(455)
	\$ 706,911	\$ 373,816

10. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 1,852,237	\$ -	\$ 1,852,237	\$ 1,900,139
Buildings	2,089,873	-	2,089,873	773,227
Equipment	19,276	-	19,276	-
Motor vehicles	62,902	23,012	39,890	53,251
Computer equipment	33,931	23,483	10,448	1,969
Furniture and fixtures	111,013	71,476	39,537	23,079
Leasehold improvements	395,074	345,643	49,431	-
	\$ 4,564,306	\$ 463,614	\$ 4,100,692	\$ 2,751,665

Of the depreciable assets listed above, the following have not yet been put into use and were therefore not amortized in 2024:

1. Buildings	\$2,089,873
2. Equipment	\$ 19,276

11. GOVERNMENT REMITTANCES PAYABLE OTHER THAN INCOME TAX

Government remittances (other than income taxes) include, for example, payroll taxes, health taxes, and workers' safety insurance premiums. The following government remittances were payable at year end:

	2024	2023
Payroll remittances	\$ 4,805	\$ 17,632

INN FROM THE COLD INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

12. DEFERRED INCOME

	2024	2023
Deferred capital contributions	\$ 123,695	\$ 75,841
York Region grant	3,750	41,201
Restricted bingo funds	17,949	37,175
Prepaid rent received	-	4,014
Capital Campaign funding	4,600,785	2,108,505
	\$ 4,746,179	\$ 2,266,736

The capital campaign funding includes a forgivable loan provided by the Region of York in the amount of \$1,000,000 that has been deferred in full until the related asset is ready for use.

13. GRANTS RECEIVED

The Organization received grants from the following government organizations:

	2024	2023
United Way - System Navigation and Housing Worker	\$ 131,676	\$ 95,738
United Way - Other Reaching Home Program	64,178	151,365
United Way - Please Come Inn Program	64,394	79,454
United Way - Getting Ahead Program	70,918	-
United Way - Stability Now Program	1,062	-
United Way - The Inn Team Program	40,000	-
Total United Way grant revenue	372,228	326,557
York Region - Community Investment Fund	83,701	20,321
York Region - Seasonal Shelter and Drop-By Program	2,149,219	1,819,728
York Region - Stability Now Program	70,994	79,631
York Region - Housing Worker Program	8,502	25,506
York Region - Please Come Inn Program	111,041	34,008
York Region - Maple Hill Program	156,792	-
Total York Region grant revenue	2,580,249	1,979,194
Ontario Trillium Foundation - Resilient Communities Fund	103,408	117,192
Total Ontario Trillium Foundation grant revenue	103,408	117,192
Community Services Recovery Fund	-	17,729
Total Town of Newmarket grant revenue	-	17,729
Federal - Canada Summer Jobs Grant	5,186	-
Grants from other foundations	161,828	-
Total other grant revenue	167,014	-
Total grant revenue	\$ 3,222,899	\$ 2,440,672

INN FROM THE COLD INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

14. GOVERNMENT ASSISTANCE

Expense Reimbursements

During 2024, the Organization recognized revenue of \$239,956 in expense reimbursements from The Regional Municipality of York, related to expenses incurred in 2024 to carry out its operational programs. There are no requirements or conditions applicable to the assistance, and there is no contingent liability for repayment.

Contributions Received for the Purchase of Capital Assets

During 2024, the Organization received \$22,045 from The Regional Municipality of York for the purchase of a piece of equipment. As of December 31, 2024, the related piece of equipment was not yet put into use. In accordance with the Organization's accounting policy regarding contributions received for the purchase of capital assets, the full amount of funding received has been deferred and will be recognized in future periods as the related asset is amortized and charged to operations.

Forgivable Loan

During 2024, in addition to the government grant revenues listed in Note 13, the Organization received a forgivable loan from The Regional Municipality of York for the purpose of funding the construction of the new housing shelter and transitional housing described in Note 17. The full amount of the loan was recorded as deferred revenue in 2024. The forgivable portion of the loan will be recognized as the related assets are amortized and charged to operations.

The loan is forgivable in full, so long as the Organization complies with the Region's regulatory, financial, and reporting requirements for the project. The loan has a term of 20 years, commencing as of the date of substantial completion of the project development activities. Non-compliance during the term of this agreement would result in the Organization being required to repay the full contribution advanced pursuant to the loan agreement. As of December 31, 2024, the project term has not passed and therefore the full amount of the loan is not considered to have been forgiven.

The Organization has an agreement in place with the Region of York for the registration of a Charge/Mortgage on title to the subject property in the amount of \$1,000,000, to ensure that there are sufficient means to repay the loan, should it not be forgiven.

15. LEASE COMMITMENTS

Property Lease

The Organization had a long term lease with respect to its premises, which ended October 31, 2022. In 2023, an addendum to the original lease was signed to extend the initial lease period to cover the period of November 1, 2022 to October 31, 2024. During the current year, an additional addendum to the original lease was signed, dated July 15, 2024, which extends the existing lease agreement to October 31, 2026, and provides for payment of utilities, property taxes and maintenance costs. The addendum to the lease agreement does not contain a renewal option. Future minimum lease payments as at year end are as follows:

2025	\$	231,650
2026		193,042
		<u>424,692</u>
	\$	<u>424,692</u>

INN FROM THE COLD INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

16. CONTINGENT LIABILITY

During the year, the Organization entered into employment agreements with its staff which may result in additional payments totalling up to \$30,000 subsequent to year-end. These payments are contingent on events occurring in the 2025 fiscal year. No accrual has been made in 2024 for amounts payable as a result of this agreement.

17. SUBSEQUENT EVENTS

The following events occurred subsequent to the fiscal year end:

Theft of assets due to break-in

Management brought to our attention an incident involving the theft of assets subsequent to year-end. The party responsible for the theft was identified, and law enforcement was able to recover some of the stolen items. In response to the increased audit risk as a result of this incident, we evaluated the organization's internal controls over cash. Since the incident, the Organization has implemented improved safeguards over cash to mitigate the risk of another theft occurring in the future.

Construction of new housing centre

The Organization is in the process of building a new housing centre at 17046 Yonge Street in Newmarket. By the end of 2026. The Organization expects to complete the construction of a new 16,000 square foot housing centre featuring 18 transitional housing units plus an emergency shelter and programming space.

Security required for work on construction of new shelter

The Organization obtained a letter of credit in the amount of \$580,541, in January 2025 as required by the Town of Newmarket to ensure that there are sufficient means to cover the costs associated with engineering work required for the construction of the new housing shelter.

Substantial funding received subsequent to year-end

1. In 2025, the organization entered into an agreement with the Regional Municipality of York to receive a forgivable loan in the amount of \$1,500,000 for the purpose of funding the construction of the new housing shelter. The loan is forgivable in full, so long as the Organization complies with the Region's regulatory, financial, and reporting requirements for the project. The loan has a term of 20 years, commencing as of the date of substantial completion of the project development activities. Non-compliance during the term of this agreement would result in the Organization being required to repay the full contribution advanced pursuant to the loan agreement.

The organization has an agreement in place with the Region of York for the registration of a Charge/Mortgage on title to the subject property in the amount of \$1,800,000, to ensure that there are sufficient means to repay the loan, should it not be forgiven.

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NOTES TO FINANCIAL STATEMENTS
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17. SUBSEQUENT EVENTS *(continued)*

2. In 2025, the organization entered into an agreement with the Regional Municipality of York to receive a forgivable loan in the amount of \$7,410,004 for the purpose of funding the construction of the new housing shelter. The loan is forgivable in full, so long as the Organization complies with the Region's regulatory, financial, and reporting requirements for the project. The loan has a term of 20 years, commencing as of the date of project completion. Non-compliance during the term of this agreement would result in the Organization being required to repay the full contribution advanced pursuant to the loan agreement.

The organization has an agreement in place with the Region of York for the registration of a Charge/Mortgage on title to the subject property in the amount of \$10,000,000, to ensure that there are sufficient means to repay the loan, should it not be forgiven

18. COMPARATIVE FIGURES

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