Street Health Community Nursing Foundation o/a Street Health

Financial Statements

March 31, 2025

Clarkson Rouble LLP
Chartered Professional Accountants

Independent Auditor's Report

To the Members of

Street Health Community Nursing Foundation

Qualified Opinion

We have audited the financial statements of **Street Health Community Nursing Foundation** (the Organization), which comprise the statement of financial position as at **March 31, 2025**, the statements of operations, changes in fund balances and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the 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 March 31, 2025, and its financial performance and its cash flows for the year 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, **Street Health Community Nursing Foundation** derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation in 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 Canadian accounting standards for not-for-profit organizations, 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.

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.

Clarkson Rouble LLP

Mississauga, Ontario
May 29, 2025

Clarkson Rouble LLP
Chartered Professional Accountants
Public Licensed Accountants

Street Health Community Nursing Foundation
o/a Street Health

Statement of Financial Position
As at March 31

	2025	2024
Assets		
Current		
Cash	$ 489,311	$ 523,406
Accounts receivable	360,754	363,635
Sales taxes receivable	39,985	34,486
Prepaid expenses	41,006	24,823
	931,056	946,350
Investments (Note 2)	2,985,708	3,774,678
Capital assets (Note 3)	270,516	283,347
	$ 4,187,280	**$ 5,004,375**
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 417,530	$ 325,460
Deferred contributions (Note 5)	260,948	1,157,673
	678,478	1,483,133
Deferred capital contributions (Note 4)	240,340	259,249
	918,818	1,742,382
Commitments and Contingencies (Note 11)		
Net Assets		
Maintenance and Continuation Fund (Note 6)	950,000	950,000
Capital Assets Fund	200,000	200,000
Harm Reduction Fund (Note 7)	700,000	700,000
Overdose Prevention Fund (Note 8)	600,000	600,000
Unrestricted Fund	818,462	811,993
	3,268,462	3,261,993
	$ 4,187,280	**$ 5,004,375**

See accompanying notes to the financial statements

On behalf of the Board:

Director — Michal Lee, Treasurer

Director — Jann Houston, Chair

Street Health Community Nursing Foundation
o/a Street Health

Statement of Operations
Year Ended March 31

	2025	2024
Revenue		
Ontario Ministry of Health and Long Term Care / MOH - Ontario Health	$ 967,753	$ 967,753
City of Toronto funding	216,439	233,654
Federal government funding	100,990	121,961
Other agency contributions	1,283,876	1,168,482
Donations and fundraising	2,087,405	1,879,688
Capital contributions	18,909	18,909
Investment income	258,697	231,717
	4,934,069	4,622,164
Expenses		
Salaries and benefits	3,735,650	3,505,240
Contract services	260,636	277,889
Client supplies and services	377,708	470,581
Occupancy costs	315,621	163,509
General and administration	189,660	188,666
Fundraising	35,494	36,094
Amortization	12,831	12,831
	4,927,600	4,654,810
Excess (deficiency) of revenue over expenses for the year	**$ 6,469**	**$ (32,646)**

See accompanying notes to the financial statements

Street Health Community Nursing Foundation
o/a Street Health

Statement of Changes in Net Assets
Year Ended March 31

	Maintenance and Continuation Fund	Capital Assets Fund	Harm Reduction Fund	Overdose Prevention Fund	Unrestricted Fund	2025 Total	2024 Total
Balance, beginning of year	$ 950,000	$ 200,000	$ 700,000	$ 600,000	$ 811,993	$ 3,261,993	$ 3,294,639
Excess (deficiency) of revenue over expenses	-	-	-	-	6,469	6,469	(32,646)
Balance, end of year	**$ 950,000**	**$ 200,000**	**$ 700,000**	**$ 600,000**	**$ 818,462**	**$ 3,268,462**	**$ 3,261,993**

See accompanying notes to the financial statements

Street Health Community Nursing Foundation
o/a Street Health

Statement of Cash Flows
Year Ended March 31

	2025	2024
Operating activities		
Excess (deficiency) of revenues over expenses	$ 6,469	$ (32,646)
Items not requiring an outlay of cash		
Amortization	12,831	12,831
Deferred capital contribution	(18,909)	(18,909)
	391	(38,724)
Change in non-cash working capital		
Accounts receivable	2,881	242,823
Sales taxes receivable	(5,499)	4,178
Prepaid expenses	(16,183)	(5,932)
Accounts payable and accrued liabilities	92,070	(232,320)
Deferred contributions	(896,725)	(123,980)
Decrease from operating activities	(823,065)	(153,955)
Investing activities		
(Increase) decrease in investments	788,970	(203,615)
Increase (decrease) from investing activities	788,970	(203,615)
Decrease in cash	**(34,095)**	**(357,570)**
Cash, beginning of year	523,406	880,976
Cash, end of year	**$ 489,311**	**$ 523,406**

See accompanying notes to the financial statements

Street Health Community Nursing Foundation, "Street Health", is a registered charity devoted to improving the health and well-being of homeless and underhoused individuals in southeast Toronto, Ontario, Canada by addressing the social determinants of health through programs, services, education and advocacy. Street Health was founded in 1986 and was incorporated without share capital under the laws of the Province of Ontario on May 19, 1988. It is a registered charitable organization and is exempt from income taxes.

1. Summary of significant accounting policies

The accounting policies of Street Health are established and maintained in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant.

a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents held in investment portfolio accounts have been included with investments as the purpose of the cash is for investment rather than meeting short term cash commitments.

b) Financial instruments

Financial instruments

Street Health initially measures its financial assets and liabilities at fair value. Street Health subsequently measures all its financial assets and liabilities at amortized cost, except for investments, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable and sales tax receivable. Financial liabilities measured at amortized cost include accounts payable, accrued liabilities and deferred contributions.

Financial assets measured at fair value include investments. The portion of investments in equity instruments that are quoted in an active market are measured at fair value. Street Health has elected to carry mutual funds, fixed income investments and other funds and balances held in the investment portfolio at fair value.

Street Health does not have any financial liabilities measured at fair value and has not elected to recognize any financial liabilities at fair value.

1. Summary of significant accounting policies (continued)

Transaction costs

Street Health recognizes its transaction costs in net income in the period incurred except for financial instruments that will not be subsequently measured at fair value. The carrying amount of these instruments are adjusted by the transaction costs that are directly attributed to their issuance.

c) Revenue recognition

Street Health follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

d) Capital assets

Capital assets are recorded at cost or at estimated fair market value, if donated, less accumulated amortization. Amortization on the buildings that have been put into use is provided on a straight line basis over 20 years. Amortization on furniture and equipment is provided on a straight line basis over 5 years.

e) Contributed materials and services

Street Health makes extensive use of volunteers and donated materials in conducting its activities, similar to many non-profit organizations. No attempt has been made to quantify the value of volunteer services in these financial statements.

f) Measurement uncertainty

The preparation of Street Health's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included in the financial statements relate to certain accrued liabilities and the estimated useful lives of capital assets.

1. Summary of significant accounting policies (continued)

g) Government assistance

Government assistance related to wage subsidies are accounted for as revenue in the year the related wages are incurred.

2. Investments

	2025	2024
Cash	$ 106,256	$ 90,888
Common and preferred shares	2,879,452	2,918,040
Term deposits	-	765,750
	$ 2,985,708	**$ 3,774,678**

3. Capital assets

	2025			2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 129,375	$ -	$ 129,375	$ 129,375
Building	598,167	598,167	-	-
Leasehold improvements	256,620	115,479	141,141	153,972
	$ 984,162	**$ 713,646**	**$ 270,516**	**$ 283,347**

4. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of grants received from government sources for the purchase of land and a building and for major renovations of the building. The amortization of deferred capital contributions is recorded as capital contributions in the statement of operations and changes in unrestricted net assets.

	2025	2024
Balance, beginning of year	$ 259,249	$ 278,158
Less amortization of deferred capital contributions	(18,909)	(18,909)
Balance, end of year	**$ 240,340**	**$ 259,249**

5. Deferred contributions

Deferred contributions represent unspent externally restricted grants or donations received by Street Health relating to activities of the subsequent period or specific projects which extend beyond the current fiscal period.

6. Maintenance and continuation fund

Street Health has designated this fund to ensure that the agency could operate in case of unforeseen financial difficulties or emergencies. The amount reflects the estimated cost of operations for a three-month period.

7. Harm Reduction Fund

The Board has designated a Harm Reduction Fund so that resources would be available to continue programs that do not have any permanent funding but that the community relies upon. These include drop in programs, outreach, kit making, peer support and education. Harm reduction is a priority at Street Health so this funding is designated to cover any costs when grants are not available.

8. Overdose Prevention Fund

The Overdose Prevention Fund is a direct response to the Opioid Overdose crisis. Street Health provides an essential lifesaving service that it is committed to continuing. Until such time that this service is fully funded by government sources, the Overdose Prevention Site will continue to be a priority and this fund will ensure it's ongoing viability.

9. Financial instruments risk exposure

Street Health is exposed to various risks through its financial instruments. The following analysis provides a measure of Street Health's risk exposure and concentrations at the statement of financial position date.

9. Financial instruments risk exposure (continued)

Credit risk

Street Health is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. Most of Street Health's receivables relate to government agencies and as such Street Health does not anticipate significant loss for non-performance. Street Health's exposure to credit risk is limited to accounts receivable amounts disclosed in the balance sheet. At March 31, 2025, the allowance for doubtful accounts was $Nil (2024 - $Nil). There has been no change in the risk exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that Street Health will encounter difficulty in meeting obligations associated with financial liabilities. Street Health is exposed to this risk mainly in respect of its accounts payable. Street Health expects to meet obligations as they come due primarily from cash flow from operations. Street Health has not had issues meeting obligations in the past. There has been no change in the risk exposure from the prior year.

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 risk, interest rate risk and other price risk. Street Health is mainly exposed to interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of Street Health to interest rate risk arises from its interest bearing investments. Street Health has no interest bearing liabilities. The primary object of Street Health with respect to its investments is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving satisfactory investment return. As such, Street Health maintains a balanced portfolio which helps to mitigate exposure to interest rate risk. There has been no change in the risk exposure from the prior year.

Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk), whether those changes are caused by factors to the individual instrument or its issuer, or factors affecting all instruments traded in the market. Street Health is exposed to other price risk through a portion of its investments. The investment policy for funds provides for an asset mix and the risk and volatility of investment returns are mitigated through diversification. There has been no change in the risk exposure from the prior year.

10. Public Health Agency of Canada

The funding and expenses for the program operated by the organization for the Harm Reduction Fund Program for reporting, reconciliation and settlement purposes are as follows:

Revenue	
Public Health Agency of Canada for current year	$ 100,990
Expenses	
Personnel	73,062
Materials	4,575
Utilities	6,000
Performance measurement	8,383
Travel	2,032
Other	6,938
	100,990
Excess of revenue over expenses	$ -

11. Commitment to MOH - Ontario Health

Street Health has an agreement with MOH - Ontario Health (MOH-OH) to provide mental health case management services until March 31, 2026. Under this service agreement, Street Health is required to provide mental health and nursing services to individuals in the South East quadrant, to report financial and statistical data to MOH-OH and to follow all the accountability requirements of MOH-OH in exchange for funding as set out in the Agreement.