



Financial Statements

ShelterBox Canada

June 30, 2023

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Independent Auditor's Report

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To the Members of
ShelterBox Canada

Opinion

We have audited the financial statements of ShelterBox Canada, which comprise the statement of financial position as at June 30, 2023, and the statements of operations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

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 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.

Independent Auditor's Report (continued)

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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Toronto, Canada
October 25, 2023

Chartered Professional Accountants
Licensed Public Accountants

ShelterBox Canada

Statement of Financial Position

June 30

2023

2022

Assets

Current

Cash - unrestricted	\$ 143,097	\$ 207,383
Cash - restricted	-	5,634
Short term investment (Note 3)	400,000	315,000
Accounts receivable	2,069	2,533
Prepaid expenses	<u>2,503</u>	<u>5,787</u>

	<u>547,669</u>	<u>536,337</u>
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Long-term

Capital assets (Note 4)	<u>2,549</u>	<u>5,295</u>
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	<u>\$ 550,218</u>	<u>\$ 541,632</u>
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Liabilities

Current

Accounts payable and accrued liabilities (Note 5)	<u>\$ 9,535</u>	<u>\$ 9,878</u>
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Fund balances

Invested in capital assets	2,549	5,295
Unrestricted	83,398	75,000
Internally restricted - ShelterBox Aid	323,911	-
Internally restricted - Operating Reserve	130,825	130,825
Restricted	<u>-</u>	<u>320,634</u>

	<u>540,683</u>	<u>531,754</u>
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	<u>\$ 550,218</u>	<u>\$ 541,632</u>
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On behalf of the Board of Directors

_____ Director

_____ Director

ShelterBox Canada

Statement of Operations

Year ended June 30

	Unrestricted			Restricted		2023 Total	2022 Total
	Operations	ShelterBox Aid	Total	ShelterBox Aid			
Revenue							
Donations (Note 6)	\$ 345,000	\$ 1,154,140	\$ 1,499,140	\$ -	\$ 1,499,140	\$ 1,834,761	
Interest	8,093	-	8,093	-	8,093	890	
Canada Emergency Wage Subsidy	-	-	-	-	-	12,601	
Canada Emergency Rent Subsidy	-	-	-	-	-	708	
Total revenue	<u>353,093</u>	<u>1,154,140</u>	<u>1,507,233</u>	<u>-</u>	<u>1,507,233</u>	<u>1,848,960</u>	
Expenses							
Purchase of ShelterBox aid (Note 6)	-	830,229	830,229	320,634	1,150,863	1,478,670	
Salaries and benefits	279,596	-	279,596	-	279,596	271,384	
Fundraising and marketing	40,628	-	40,628	-	40,628	54,563	
Legal and audit	9,315	-	9,315	-	9,315	9,350	
Occupancy	7,038	-	7,038	-	7,038	16,284	
Travel and meetings – staff and volunteers	4,491	-	4,491	-	4,491	1,194	
Office and administration	3,627	-	3,627	-	3,627	5,255	
Amortization	<u>2,746</u>	<u>-</u>	<u>2,746</u>	<u>-</u>	<u>2,746</u>	<u>2,746</u>	
Total expenses	<u>347,441</u>	<u>830,229</u>	<u>1,177,670</u>	<u>320,634</u>	<u>1,498,304</u>	<u>1,839,446</u>	
Excess (deficiency) of revenue over expenses	<u>\$ 5,652</u>	<u>\$ 323,911</u>	<u>\$ 329,563</u>	<u>\$ (320,634)</u>	<u>\$ 8,929</u>	<u>\$ 9,514</u>	

See accompanying notes to the financial statements.

ShelterBox Canada

Statement of Changes in Fund Balances

Year ended June 30

	Invested in capital assets	Unrestricted	Internally restricted - ShelterBox Aid	Internally restricted - Operating Reserve	Restricted	Total 2023	Total 2022
Balance, beginning of year	\$ 5,295	\$ 75,000	\$ -	\$ 130,825	\$ 320,634	\$ 531,754	\$ 522,240
Excess (deficiency) of revenue over expenses	<u>(2,746)</u>	<u>8,398</u>	<u>323,911</u>	<u>-</u>	<u>(320,634)</u>	<u>8,929</u>	<u>9,514</u>
Balance, end of year	<u>\$ 2,549</u>	<u>\$ 83,398</u>	<u>\$ 323,911</u>	<u>\$ 130,825</u>	<u>\$ -</u>	<u>\$ 540,683</u>	<u>\$ 531,754</u>

See accompanying notes to the financial statements.

ShelterBox Canada

Statement of Cash Flows

Year ended June 30

2023

2022

Increase (decrease) in cash

Operating

Excess of revenue over expenses	\$ 8,929	\$ 9,514
Item not affecting cash		
Amortization	<u>2,746</u>	<u>2,746</u>
	11,675	12,260
Change in non-cash working capital items		
Accounts receivable	464	10,605
Prepaid expenses	3,284	4,147
Accounts payable and accrued liabilities	<u>(343)</u>	<u>(9,203)</u>
	15,080	<u>17,809</u>

Investing

Purchase of short-term investment	(85,000)	(315,000)
Purchase of capital assets	<u>-</u>	<u>(7,646)</u>
	(85,000)	<u>(322,646)</u>

Decrease in cash (69,920) (304,837)

Cash

Beginning of year	<u>213,017</u>	<u>517,854</u>
End of year	\$ 143,097	\$ 213,017

Cash consists of:

Cash - unrestricted	\$ 143,097	\$ 207,383
Cash - restricted	<u>-</u>	<u>5,634</u>
	\$ 143,097	\$ 213,017

ShelterBox Canada

Notes to the Financial Statements

June 30, 2023

1. Nature of operations

ShelterBox Canada (the "Organization" or "ShelterBox") was incorporated as a not-for-profit corporation under the laws of the Province of Ontario on September 17, 2010 and subsequently incorporated under the Canada Not-for-profit Corporations Act on February 4, 2016. ShelterBox registered as a Canadian charitable organization with the Canada Revenue Agency effective October 28, 2010, and as such is exempt from paying income tax.

ShelterBox Canada's purpose is to provide shelter, essential items and technical assistance to help some of the world's most vulnerable people recover and rebuild their homes after disaster. Aid packages, training and support are adapted to meet the specific needs of each community to ensure people have exactly what they need to recover.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The significant accounting policies in effect are summarized below:

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenue and expenses during the fiscal year. The most significant estimate is the accrual of liabilities. Actual results could differ from those estimates.

Revenue recognition

The Organization follows the restricted fund method for accounting for revenue. Grants and donations are recorded as received or receivable. Restricted grants and donations are recorded in the appropriate restricted fund when received. Donations and grants which are externally restricted for which there is no related restricted fund are deferred and recognized as revenue in the unrestricted fund in the fiscal year in which the related expenses are incurred.

The Organization did not receive any externally restricted funds this year, but chose to internally restrict funds for the purchase and distribution of ShelterBox aid.

Wage subsidies, rent subsidies, and interest revenue are recognized as earned.

ShelterBox Canada

Notes to the Financial Statements

June 30, 2023

2. Summary of significant accounting policies (continued)

Fund balances

The fund balances of the Organization consist of the following:

Invested in capital assets

Invested in capital assets accounts for the purchase of capital assets of the Organization.

Unrestricted

The unrestricted fund balance accounts for donations received to purchase ShelterBox aid and contribute to ShelterBox program activities, as well as cover the organizations administrative and fundraising expenses.

Restricted

Funds restricted are made up of donations received which are restricted by donors for the purchase of ShelterBox aid less the distributions made to victims of disaster.

To permit flexibility to direct donations to disasters where they are needed most, in fiscal 2023 ShelterBox removed the option for donors to restrict donations for a specific use. Now when donations are received they become internally restricted for aid. The restricted fund balance is the remainder of funds from fiscal 2022 to be spent on aid.

Internally restricted

ShelterBox aid

Funds internally restricted by the Board for the purchase of ShelterBox aid less the distributions made to victims of disaster.

Operating reserve

An operating reserve intended to provide an internal source of funds to sustain essential operations during protracted periods between major disaster activity that result in an unanticipated loss of funding. The reserve may also be used for one-time, non-recurring expenses that will build long-term capacity. The reserve is not intended to replace a permanent loss in funding or eliminate an ongoing budget gap. The reserve is to be maintained at a minimum of three months of operating expenses and within an accepted range that is considered reasonable in the charity sector. The reserve cannot be used without Executive Committee and Board of Directors approval. It is the intention of ShelterBox Canada for operating reserves to be used and replenished within a reasonably short period of time.

Capital assets

Purchased capital assets are capitalized and amortized on a straight-line basis over their estimated useful life at the following rates:

Computer equipment	3 years
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ShelterBox Canada

Notes to the Financial Statements

June 30, 2023

2. Summary of significant accounting policies (continued)

Capital assets (continued)

Capital assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

Donated services

The Organization receives assistance in the form of donated services. No value of donated services is recorded in these financial statements due to the difficulty in determining the fair value of these services.

Financial instruments

The Organization's financial instruments are composed of cash, short-term investments, accounts receivable and accounts payable. Financial instruments are initially recorded at fair value and subsequently measured at amortized cost (less impairment in the case of financial assets).

For financial assets measured at amortized cost, the Organization regularly assesses whether there are any indications of impairment. Any impairment loss is recognized in the statement of operations.

3. Short-term investment

Short-term investment consists of a Guaranteed Investment Certificate (GIC), bearing interest at 4.70% and maturing on June 24, 2024 (2022 - bearing interest at 1% and maturing on June 21, 2023).

4. Capital assets

			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 19,077	\$ 16,528	\$ 2,549	\$ 5,295

5. Accounts payable and accrued liabilities

	<u>2023</u>	<u>2022</u>
Accrued expenses	\$ 9,535	\$ 9,878

ShelterBox Canada

Notes to the Financial Statements

June 30, 2023

6. Revenue - donations

ShelterBox Canada received \$1,499,140 (2022 - \$1,834,761) in donations during the fiscal year ended June 30, 2023. Of these donations, \$1,154,140 were internally restricted by the Board for the purchase and distribution of ShelterBox aid (2022 - \$1,613,073 was restricted by donors and were reflected as restricted revenue for the purchase and distribution of ShelterBox aid).

For the fiscal year ended June 30, 2023, ShelterBox Canada paid \$1,150,863 (2022 - \$1,478,670) for the purchase and distribution of ShelterBox aid. \$320,634 was paid from externally restricted funds and \$830,229 was paid from internally restricted funds. At June 30, 2023, the Organization held \$323,911 of internally restricted funds that will be paid upon invoice from the suppliers (2022 - \$320,634 externally restricted for the purchase and distribution of ShelterBox aid).

7. Financial instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for another party by failing to discharge an obligation. The Organization is exposed to credit risk in accounts receivable. It is management's opinion that the Organization is not exposed to significant credit risk related to accounts receivable. The allowance for doubtful accounts at June 30, 2023 is \$Nil (2022 - \$Nil).

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable.