

COMMUNITY COUNSELLING & RESOURCE CENTRE

FINANCIAL STATEMENTS

MARCH 31, 2022

COMMUNITY COUNSELLING & RESOURCE CENTRE

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

**To the Directors of Community Counselling & Resource
Centre**

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Qualified Opinion

We have audited the financial statements of Community Counselling & Resource Centre (the Organization), which comprise the statement of financial position as at March 31, 2022, the statements of operations, changes in net assets 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 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, 2022, 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 Qualified Opinion

In common with most not-for-profit organizations, Community Counselling & Resource Centre derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit evidence. Accordingly, our verification of these revenues was limited to the amounts recorded by the Organization and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses, 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 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants


Peterborough, Ontario
July 6, 2022

STATEMENT OF FINANCIAL POSITION
As at March 31, 2022

	2022	2021
	\$	\$
ASSETS		
Current assets		
Cash	778,185	670,733
Investments (note 3)	29,283	103,590
Accounts receivable	42,024	198,475
Prepaid expenses	19,855	70,572
	869,347	1,043,370
Long-term assets		
Investments (note 3)	75,034	-
Tangible capital assets (note 4)	57,499	48,433
	132,533	48,433
	1,001,880	1,091,803
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	112,744	260,749
Deferred revenue (note 6)	208,081	171,435
	320,825	432,184
Long-term liabilities		
Deferred capital contributions (note 7)	26,493	12,794
	347,318	444,978
Net assets		
Unrestricted	492,388	480,017
Invested in tangible capital assets	31,006	35,640
Internally restricted (note 8)	126,432	126,432
Externally restricted (note 8)	4,736	4,736
	654,562	646,825
	1,001,880	1,091,803

Approved on behalf of the Board:

 , President

 , Treasurer

The accompanying notes are an integral part of these financial statements

COMMUNITY COUNSELLING & RESOURCE CENTRE



STATEMENT OF CHANGES IN NET ASSETS For the Year Ended March 31, 2022

	Unrestricted 2022 \$	Invested in Tangible Capital Assets 2022 \$	Internally Restricted 2022 \$	Externally Restricted 2022 \$	Total 2022 \$	Total 2021 \$
Net assets - beginning of year	480,017	35,640	126,432	4,736	646,825	432,751
Excess (deficiency) of revenue over expenses for the year	20,766	(13,029)	-	-	7,737	214,074
Interfund transfer for additions to tangible capital assets	(35,751)	35,751	-	-	-	-
Capital contributions received for the purchase of tangible capital assets	27,356	(27,356)	-	-	-	-
Net assets - end of year	492,388	31,006	126,432	4,736	654,562	646,825

The accompanying notes are an integral part of these financial statements

STATEMENT OF OPERATIONS
For the Year Ended March 31, 2022

	2022	2021
	\$	\$
Revenue		
City of Peterborough	1,285,785	1,432,610
Province of Ontario (note 9)	615,496	635,929
United Way	145,039	125,412
Donations and fundraising	87,274	81,392
Other grants	76,274	112,049
Fees and user charges	68,996	91,519
Trillium Foundation	40,487	39,471
Credit Counselling donations and fees	23,237	129,245
Amortization of deferred capital contributions (note 7)	13,657	13,768
Housing utility funds	9,527	22,805
Interest	752	1,843
Rent	-	1,200
Government temporary wage subsidy	-	25,000
	2,366,524	2,712,243
Expenses		
Salaries and benefits	1,150,409	1,209,446
Program	884,401	1,051,745
Office and administration	109,616	92,894
Occupancy costs	101,544	113,680
Purchased services	34,087	66,376
Amortization	26,685	21,925
Equipment purchases and maintenance	24,641	35,436
Fees and dues	19,043	30,976
Recruitment and education	4,792	1,939
Promotion and publicity	3,569	2,598
	2,358,787	2,627,015
Excess of revenue over expenses before the under-noted	7,737	85,228
Gain on sale of tangible capital assets	-	128,846
Excess of revenue over expenses for the year	7,737	214,074

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2022

	2022	2021
	\$	\$
CASH PROVIDED FROM (USED FOR):		
Operating activities		
Excess of revenue over expenses for the year	7,737	214,074
Items not affecting cash		
Amortization of tangible capital assets	26,685	21,925
Gain on sale of tangible capital assets	-	(128,846)
Amortization of deferred capital contributions	(13,657)	(13,768)
	<u>20,765</u>	<u>93,385</u>
Changes in non-cash working capital items		
Accounts receivable	156,451	(82,436)
Prepaid expenses	50,717	4,139
Accounts payable and accrued liabilities	(148,005)	170,828
Deferred revenue	36,646	71,912
	<u>95,809</u>	<u>164,443</u>
Net increase in cash from operating activities	<u>116,574</u>	<u>257,828</u>
Investing activities		
Purchase of investments	(104,317)	(52,636)
Proceeds on disposal of investments	103,590	50,793
Purchase of tangible capital assets	(35,751)	(43,139)
Proceeds on sale of tangible capital assets	-	217,500
Net increase/(decrease) in cash from investing activities	<u>(36,478)</u>	<u>172,518</u>
Financing activities		
Increase in deferred capital contributions	<u>27,356</u>	<u>16,690</u>
Increase in cash	107,452	447,036
Cash - beginning of year	670,733	223,697
Cash - end of year	778,185	670,733

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

1. NATURE OF ENTITY

Community Counselling and Resource Centre is a not-for-profit, charitable organization without share capital. The purpose of the Organization is to help people strengthen their lives and promote community well-being through services that offer counselling, support and resources to assist with personal well-being, credit and financial management, access to housing and connection with the community.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Significant aspects of the accounting policies are as follows:

(a) Recognition of revenues

Community Counselling and Resource Centre follows the deferral method of accounting for contributions, which includes donations and government grants. Restricted contributions other than capital contributions 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. Fees and user charges are recognized as revenue when the related service is provided. Fundraising is recognized as revenue when the fundraising event has occurred.

Capital contributions are deferred and amortized on the same basis and rate as the amortization of the related tangible capital assets.

Investment income is recognized as revenue when earned in the appropriate fund.

(b) Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' useful lives, as follows:

Buildings	25 years
Equipment	5 years
Computers and software	3 years
Leasehold improvements	term of lease

Tangible capital assets are reviewed for impairment whenever events or conditions indicate that the assets no longer contribute to the organization's ability to provide services or that the service potential of the assets are less than their net carrying amount.

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the asset is written down to the asset's fair value or replacement cost.

(c) Income taxes

The Organization qualifies as a not-for-profit organization as defined by the Federal and Ontario Income Tax Acts and, as such, is not subject to Federal and Provincial income taxes. The Organization is registered as a charity with the Canada Revenue Agency.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Volunteer services

Volunteers contribute significant time to assist Community Counselling and Resource Centre in carrying out its programs and administration. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(e) Management estimates

The preparation of the 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 and disclosures of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

In particular, the Organization receives provincial government subsidies for allowable operating costs for several programs. The various Ministries have the right to adjust funding provided to the Organization based on the acceptance of those allowable operating costs. The Ministries communicate certain funding adjustments after the submission of year end data. Since this data is not submitted until after completion of the financial statements, the amount of funding recognized during the year may be increased or decreased subsequent to year end. The amount of revenue recognized in these financial statements represents management's best estimate of amounts that have been earned during the year.

Other key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, accounts payable and accrued liabilities, useful lives of tangible capital assets and amortization. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

(f) Financial Instruments

The Organization's financial instruments consist of cash, investments, accounts receivable and accounts payable and accrued liabilities. These financial instruments are measured at amortized cost, evaluated for impairment at each year end date with the write down recorded in the statement of operations. Impairment reversals may occur and the asset can be written up to its original cost.

(g) Measurement uncertainty

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Organization's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Organization's operations. The extent of the impact of this outbreak and related containment measures on the Organization's operations cannot be reliably estimated at this time.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

3. INVESTMENTS

The Organization has investments in guaranteed investment certificates as follows:

	2022	2021
	\$	\$
Current		
Laurentian Bank, 2.03%, maturing March 27, 2023	29,283	-
Laurentian Bank, 2.1%, matured September 20, 2021	-	50,954
Bank of Nova Scotia, 0.6%, matured October 27, 2021	-	56,626
	29,283	107,580
Long-term		
Equitable Bank, 2.78%, maturing March 25, 2024	75,034	-
	104,317	107,580

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	Net Book Value	
			2022	2021
	\$	\$	\$	\$
Equipment	111,391	107,477	3,914	4,264
Computers and software	135,646	119,479	16,167	18,912
Leasehold improvements	357,561	320,143	37,418	25,257
	604,598	547,099	57,499	48,433

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consists of the following:

	2022	2021
	\$	\$
Accounts payable and accrued liabilities	96,785	145,941
Government grants repayable	15,959	114,808
	112,744	260,749

6. DEFERRED REVENUE

Deferred revenue consists of the following:

	2022	2021
	\$	\$
City of Peterborough	65,290	48,566
Trillium Foundation	9,913	-
Housing utility funds (FUSE, Enbridge, LEAP, NCC)	62,512	77,978
Kinark - COVID-19 CYMH Supports	-	18,972
Juke Box Mania	17,554	-
Other	16,412	25,919
Province of Ontario - Ministry of Safety and Correctional Services	36,400	-
	208,081	171,435

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

6. DEFERRED REVENUE, continued

The continuity of deferred revenue is as follows:

	2022	2021
	\$	\$
Balance - beginning of year	171,435	99,523
Add amounts received:		
City of Peterborough	1,302,509	1,458,943
Province of Ontario	649,895	635,929
Housing utility funds (FUSE, Enbridge, LEAP, NCC)	8,855	68,848
Kinark - COVID-19 CYMH Supports	-	18,972
Juke Box Mania	42,746	8,635
Other	53,428	47,106
Trillium Foundation	50,400	7,500
	<u>2,107,833</u>	<u>2,245,933</u>
Less transfer to operations:		
City of Peterborough	1,285,785	1,432,610
Province of Ontario	615,496	635,929
Housing utility funds (FUSE, Enbridge, LEAP, NCC)	24,322	22,805
Kinark - COVID-19 CYMH Supports	18,356	-
Juke Box Mania	25,192	17,285
Other	61,549	25,921
Trillium Foundation	40,487	39,471
	<u>2,071,187</u>	<u>2,174,021</u>
Balance - end of year	<u>208,081</u>	<u>171,435</u>

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to restricted funding received for purchases of tangible capital assets. Changes in deferred capital contribution balances are as follows:

	2022	2021
	\$	\$
Balance, beginning of year	12,794	9,872
Funding received in the year related to tangible capital assets	27,356	16,690
Less: amounts amortized to revenue	(13,657)	(13,768)
Balance, end of year	<u>26,493</u>	<u>12,794</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

8. RESTRICTED NET ASSETS

Restricted net assets consist of the following:

	2022	2021
	\$	\$
Internally Restricted		
Board reserve	122,940	122,940
Erica Cherney Inspiration Fund	3,492	3,492
	126,432	126,432
Externally Restricted		
Capital reserve	1,000	1,000
Doyle Scholarship Fund	1,609	1,609
Housing Social Worker Children's Program Fund	2,127	2,127
	4,736	4,736
	131,168	131,168

Internally restricted net assets represent funds that have been designated by the Board of Directors for use in meeting future requirements of the agency. These include:

The Erica Cherney Inspiration Fund which addresses priority needs presented by clients of the Organization that are not supported by other funders. The use of this fund is determined on an annual basis by the Board of Directors; and

The Board reserve has been designated for use in meeting future requirements for the maintenance of the facilities and operations.

Externally restricted net assets represent funds designated by the donor for restricted use within the agency. These include:

The Capital reserve fund is designated for the purchase of tangible capital assets;

The Doyle Scholarship fund is designated for staff training and development; and

The Housing Social Worker Children's program fund is designated for the children's summer program.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

9. PROVINCE OF ONTARIO

Province of Ontario revenue consists of the following:

	2022	2021
	\$	\$
Ministry of Children, Community and Social Services	293,770	293,492
Ministry of Health/Central East Local Health Integration Network	298,348	282,659
Ministry of Safety and Correctional Services	23,378	59,778
	<u>615,496</u>	<u>635,929</u>

10. LEASE COMMITMENTS

The Organization leases property at 540 George St. North, Peterborough. The Organization's commitment under this lease matures April 2030. Payments for the next five years are as follows:

2023	\$61,470
2024	61,470
2025	67,105
2026	67,617
<u>2027</u>	<u>67,617</u>
	<u>\$325,279</u>

11. FINANCIAL INSTRUMENTS

The Organization is exposed to the following risks in respect of certain of the financial instruments held:

(a) Interest rate risk

The Organization is exposed to interest rate risk on its investments. Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income investments will generally rise if interest rates fall and conversely fall when rates rise. This risk is mitigated by the Organization's investment policies.

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from its funders and users of its programs. The Organization is not exposed to significant credit risk with respect to accounts receivable as a significant amount of receivables are from government and government related organizations.

(c) Additional risk

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

In the opinion of management, the organization is not exposed to any significant liquidity or currency risk.

The risk assessment has been updated for the impact of COVID-19.

12. ECONOMIC DEPENDENCE

The Organization receives a significant amount of funding from the Province of Ontario and the City of Peterborough and as such is economically dependent on these sources of income.

A handwritten signature in black ink that reads "Tanya Herold".