

**NEPEAN COMMUNITY SUPPORT SERVICES
(O/A NEPEAN, RIDEAU AND OSGOODE COMMUNITY RESOURCE CENTRE)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

**Independent Auditors' Report
Statement of Operations
Statement of Changes in Net Assets
Statement of Financial Position
Statement of Cash Flows
Notes to Financial Statements**

INDEPENDENT AUDITORS' REPORT

To
The Directors of Nepean Community Support Services Centre

Qualified Opinion

We have audited the financial statements of Nepean Community Support Services Centre which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net financial 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 effect of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Nepean Community Support Services Centre as at March 31, 2022, and the results of its operations, its changes in net financial assets, and cash flows for the year ended in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPO).

Basis for Qualified Opinion

In common with many charitable organizations, Nepean, Rideau and Osgoode Community Resource Centre derives revenue from fundraising and donations 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. Our audit opinion on the financial statements for the year ended March 31, 2022 was qualified because of the possible effects of this limitation of scope. Therefore we were not able to determine whether any adjustments might be necessary to fundraising and donations revenues, excess of revenue over expenses for the years ended March 31, 2022 and 2021, assets as at March 31, 2022 and 2021, and net assets at both the beginning and end of the March 31, 2022 and 2021 years.

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 Nepean Community Support Services in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 of the Financial Statements

Management is responsible for the preparation of these 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibility 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.

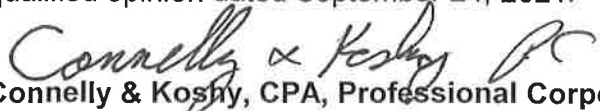
As part of an audit in accordance with CAS's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Entity'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 Entity'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 Entity 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.

Other Matter

The prior year figures were audited by another licensed public accounting firm who issued a qualified opinion dated September 24, 2021.


Connelly & Koshy, CPA, Professional Corporation

Authorized to practise public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario
June 24, 2022



**NEPEAN COMMUNITY SUPPORT SERVICES
(O/A NEPEAN, RIDEAU AND OSGOODE COMMUNITY RESOURCE CENTRE)**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
	\$	\$
REVENUE		
Government grants		
City of Ottawa	1,016,619	1,014,910
Government of Canada	29,225	91,146
Province of Ontario	117,340	56,358
Non-government grants		
Grants	177,210	308,157
Fundraising and donations	89,024	78,103
Secondments	24,870	26,003
Other	3,041	3,918
Investment income	8,595	8,887
Amortization of leasehold inducements	10,882	10,882
Amortization of deferred contributions related to tangible capital assets	<u>5,124</u>	<u>8,279</u>
	<u>1,481,930</u>	<u>1,606,643</u>
EXPENSES		
Amortization of tangible capital assets	32,679	31,657
Bad debts	0	3,050
Honorarium	11,481	0
Insurance	9,028	8,695
Meals and entertainment	419	0
Occupancy	163,030	161,486
Office	50,532	64,142
Professional fees	5,818	10,982
Program supplies	111,237	247,756
Purchases of services	36,312	35,871
Salaries and benefits	1,018,637	994,919
Telephone	4,424	5,866
Training	8,332	2,443
Travel	2,243	2,371
Webpage	<u>847</u>	<u>2,771</u>
	<u>1,455,019</u>	<u>1,572,009</u>
EXCESS OF REVENUES OVER EXPENSES	<u>26,911</u>	<u>34,634</u>

(See attached Independent Auditor's Report)
(See accompanying Notes to Financial Statements)

**NEPEAN COMMUNITY SUPPORT SERVICES
(O/A NEPEAN, RIDEAU AND OSGOODE COMMUNITY RESOURCE CENTRE)**

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2022

	Invested in Capital Assets \$	Internally Restricted \$	Unrestricted \$	Net Assets 2022 \$	Net Assets 2021 \$
NET ASSETS , start of year	91,694	76,610	445,128	613,432	578,798
Excess of revenues over expenses for the year	0	0	26,911	26,911	34,634
Amortization of tangible capital assets	(32,679)	0	32,679	0	0
Amortization of deferred contributions related to tangible capital assets	<u>5,124</u>	<u>0</u>	<u>(5,124)</u>	<u>0</u>	<u>0</u>
NET ASSETS , end of year	<u>64,139</u>	<u>76,610</u>	<u>499,594</u>	<u>640,343</u>	<u>613,432</u>

(See attached Independent Auditor's Report)
(See accompanying Notes to Financial Statements)

**NEPEAN COMMUNITY SUPPORT SERVICES
(O/A NEPEAN, RIDEAU AND OSGOODE COMMUNITY RESOURCE CENTRE)
(A Not-for-Profit Corporation)**

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

	2022	2021
	\$	\$
ASSETS		
CURRENT		
Cash	396,682	346,444
Short-term investments	397,212	371,472
Trade and other receivables	25,078	32,725
Grant receivables	0	8,986
Prepaid expenses	<u>17,723</u>	<u>17,468</u>
	<u>836,695</u>	<u>777,095</u>
NON-CURRENT		
Capital assets (Note 3)	<u>98,638</u>	<u>131,317</u>
TOTAL ASSETS	<u><u>935,333</u></u>	<u><u>908,412</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	18,083	42,533
Deferred contributions (Note 4)	<u>228,352</u>	<u>187,886</u>
	<u>246,435</u>	<u>230,419</u>
LONG-TERM DEBT		
Deferred contributions related to tangible capital assets (Note 5)	34,498	39,623
Deferred lease inducement	<u>14,057</u>	<u>24,938</u>
	<u>48,555</u>	<u>64,561</u>
TOTAL LIABILITIES	<u>294,990</u>	<u>294,980</u>
NET ASSETS		
Net assets invested in capital assets	64,139	91,694
Net assets internally restricted (Note 6)	76,610	76,610
Unrestricted net assets	<u>499,594</u>	<u>445,128</u>
	<u>640,343</u>	<u>613,432</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>935,333</u></u>	<u><u>908,412</u></u>

APPROVED ON BEHALF OF THE BOARD:

Director _____

Director _____

(See attached Independent Auditor's Report)
(See accompanying Notes to Financial Statements)

**NEPEAN COMMUNITY SUPPORT SERVICES
(O/A NEPEAN, RIDEAU AND OSGOODE COMMUNITY RESOURCE CENTRE)**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	26,911	34,634
Adjustments for:		
Amortization of tangible capital assets	32,679	31,657
Amortization of deferred lease inducement	(10,882)	(10,882)
Amortization of deferred contributions related to tangible capital assets	<u>(5,124)</u>	<u>(8,279)</u>
	43,584	47,130
Changes in non-cash working capital items		
Net change in trade and other receivables	7,647	6,368
Net change in grants receivable	8,986	(168)
Net change in prepaid expenses	(255)	2,184
Net change in accounts payable and accrued liabilities	(24,450)	(5,946)
Net change in deferred contributions	<u>40,466</u>	<u>(58,571)</u>
	<u>75,978</u>	<u>(22,593)</u>
INVESTING ACTIVITIES		
Tangible capital asset addition	0	(14,388)
Maturity of investments	(25,740)	(20,766)
Purchase of investments	<u>0</u>	<u>25,332</u>
	<u>(25,740)</u>	<u>(9,822)</u>
CHANGE IN CASH AND EQUIVALENTS	50,238	(32,415)
CASH AND EQUIVALENTS, beginning of year	<u>346,444</u>	<u>378,859</u>
CASH AND EQUIVALENTS, end of year	<u>396,682</u>	<u>346,444</u>
Cash	<u>396,682</u>	<u>346,444</u>

(See attached Independent Auditor's Report)
(See accompanying Notes to Financial Statements)

**NEPEAN COMMUNITY SUPPORT SERVICES
(O/A NEPEAN, RIDEAU AND OSGOODE COMMUNITY RESOURCE CENTRE)**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

1. PURPOSE OF THE ORGANIZATION

The organization is a not-for-profit organization incorporated without share capital under the laws of Ontario. The organization's purpose is to facilitate the delivery of social services to Nepean, Rideau and Osgoode residents. The organization is dependent on government funding to provide its services. As a registered charity under the income tax act, the organization is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Capital assets

Purchased property, plant and equipment are recorded at cost. Contributed property, plant and equipment are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives.

Investments

Investments are recorded at the lower of amortized cost and market value.

Contributed services

Volunteers contribute various hours per year to assist the entity in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(See attached Independent Auditors' Report)

**NEPEAN COMMUNITY SUPPORT SERVICES
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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Cash and cash equivalents

The entity's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and temporary investments with a maturity period of three months or less from the date of acquisition. Term deposits that the entity cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

Investments

Investments in shares are accounted for at cost. Investments in companies subject to significant influence are accounted for using the equity method.

Capital assets

Capital assets are accounted for at cost. Amortization is based on their estimated useful life using the following methods and rates.

	Methods	Rates
Furniture and equipment	Straight-line	10 years
Computer equipment	Straight-line	3 to 5 years
Leasehold improvements	Straight-line	Over the lease term

One half of the annual amortization is used in the year of acquisition.

(See attached Independent Auditors' Report)

**NEPEAN COMMUNITY SUPPORT SERVICES
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instrument measurement

The organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash, term deposits, accounts receivable and grants receivable. The financial liabilities measured at amortized cost include the bank loan and trade accounts payable and accrued liabilities.

Deferred contributions related to tangible capital assets

Contributions related to tangible capital assets are accounted for as deferred contributions and amortized on the same basis as the related tangible capital assets.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2022	Net Book Value 2021
	\$	\$	\$	\$
Furniture and equipment	4,560	(988)	3,572	0
Computer equipment	146,328	(141,914)	4,414	12,294
Leasehold improvements	<u>283,707</u>	<u>(193,055)</u>	<u>90,652</u>	<u>119,023</u>
	<u>434,595</u>	<u>(335,957)</u>	<u>98,638</u>	<u>131,317</u>

4. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for research purposes and restricted operating funding received in the current period that is related to the subsequent period. Changes in the deferred contributions balance are as follows:

	2022 \$	2021 \$
Balance, beginning of year	187,887	246,457
Less: amount recognized as revenue in the year	(445,128)	(587,211)
Add: amount received related to the following year	<u>485,593</u>	<u>528,640</u>
Balance, end of year	<u>228,352</u>	<u>187,886</u>

(See attached Independent Auditors' Report)

**NEPEAN COMMUNITY SUPPORT SERVICES
(O/A NEPEAN, RIDEAU AND OSGOODE COMMUNITY RESOURCE CENTRE)**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

5. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

Deferred contributions related to tangible capital assets represent contributions received from the City of Ottawa relating to the acquisition of leasehold improvements. The changes in the deferred contributions balance for the period are as follows:

	2022	2021
	\$	\$
Balance, beginning of year	39,622	47,902
Amounts received during the year	0	0
Amounts amortized to revenue during the year	(5,124)	(8,279)
Balance, end of year	<u>34,498</u>	<u>39,623</u>

6. RESTRICTIONS ON NET ASSETS

A portion of the organization's net assets has been restricted as approved by the Organization's Board of Directors. The funds have been set aside to pay for youth programming needs and youth priority areas, computer upgrades, training, and the costs of future short-term disabilities and fundraising. During the year, \$nil funds were used for program needs (2021 - \$nil). These internally restricted amounts are not available for other purposes without approval by the Board of Directors.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	\$	\$
Trade and accrued liabilities	1,145	20,820
Credit card payable	1,416	4,544
Vacation payable	15,522	17,169
	<u>18,083</u>	<u>42,533</u>

8. CONTRACTUAL OBLIGATIONS

The Organization has a lease for its office premises expiring on September 30, 2023. Future minimum lease payments total \$98,370 and include the following payments over the next 2 years: \$65,580 in 2023; \$32,790 in 2024.

(See attached Independent Auditors' Report)

**NEPEAN COMMUNITY SUPPORT SERVICES
(O/A NEPEAN, RIDEAU AND OSGOOD COMMUNITY RESOURCE CENTRE)**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

9. FINANCIAL INSTRUMENTS

Credit risk

The company provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its customers and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts. The company does not normally require a guarantor. For the other debts, the company determines, on a continuing basis, the probable losses and sets up a provision for losses based on the estimated realizable value.

Liquidity risk

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

Market risk

Market risk is the risk that the fair value of 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. The Organization is only exposed to interest rate risk.

Interest rate risk

The company manages its portfolio investments based on its cash flow needs and with a view to optimising its interest income. The organization is exposed to interest rate risk on its fixed interest financial instruments.

10. COMPARATIVE FIGURES FOR THE PRIOR YEAR

Certain figures for 2021 have been reclassified to make their presentation identical to that adopted in 2022. The figures for 2021 were audited by another auditor.

11. UNCERTAINTY DUE TO COVID-19

The duration and full financial impact of the COVID-19 pandemic is unknown at this time, as are any additional measures to be taken by governments, the Organization or others to attempt to reduce the spread of COVID-19. Any estimate of length and severity of this pandemic is subject to significant uncertainty and accordingly is unknown whether COVID-19 may materially and adversely impact the Organization's operations, financial results and condition in future periods.

(See attached Independent Auditors' Report)