Nepean Community Support Services
(o/a Nepean, Rideau and Osgoode Community Resource Centre)

Financial Statements
For the year ended March 31, 2021

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For the year ended March 31, 2021

Contents

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Independent Auditor's Report

To the Members of
Nepean Community Support Services

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Nepean Community Support Services (the "Organization") which comprise the statement of financial position as at March 31, 2021, and 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 effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, and its results of 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 many charitable organizations, the Organization 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, 2020 was also qualified because of the possible effects of this limitation in 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, 2021 and 2020, assets as at March 31, 2021 and 2020, and net assets at both the beginning and end of the March 31, 2021 and 2020 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 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.

Report on Other Legal and Regulatory Requirements

As required by the Corporations Act of Ontario, we report that in our opinion, the accounting principles have been applied on a basis consistent with that of the preceding year.

Baker Tilly Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
September 24, 2021
Ottawa, Ontario

Nepean Community Support Services (o/a Nepean, Rideau and Osgoode Community Resource Centre)

Statement of Financial Position

March 31		2021		2020
Assets				
Current				
Cash (Note 1)	$	**346,444**	$	378,859
Short-term investments (Note 2)		**101,170**		80,404
Trade and other receivables		**32,725**		39,093
Grant receivable		**8,986**		8,818
Prepaid expenses		**17,468**		19,652
		506,793		526,826
Long-term investments (Note 2)		**270,302**		295,634
Tangible capital assets (Note 3)		**131,317**		148,586
	$	**908,412**	$	971,046
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities	$	**42,533**	$	48,479
Deferred contributions (Note 4)		**187,886**		246,457
Other deferred revenue (Note 5)		**-**		13,590
		230,419		308,526
Deferred contributions related to tangible capital assets (Note 6)		**39,623**		47,902
Deferred lease inducement		**24,938**		35,820
		294,980		392,248
Net assets				
Invested in tangible capital assets		**91,694**		100,684
Internally restricted (Note 7)		**76,610**		76,610
Unrestricted		**445,128**		401,504
		613,432		578,798
	$	**908,412**	$	971,046

On behalf of the Board:

____________________ Director ____________________ Director

The accompanying summary of significant accounting policies and notes are an integral part of these 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				**2021**	2020
	Invested in Tangible Capital Assets	**Internally Restricted**	**Unrestricted**	**Net Assets**	Net Assets
Balance, beginning of year	**$ 100,684**	**$ 76,610**	**$ 401,504**	**$ 578,798**	$ 551,998
Amortization of tangible capital assets	**(31,657)**	**-**	**31,657**	**-**	-
Amortization of deferred contributions relates to tangible capital assets	**8,279**	**-**	**(8,279)**	**-**	-
Additions of tangible capital assets	**14,388**	**-**	**(14,388)**	**-**	-
Excess of revenues over expenses for the year	**-**	**-**	**34,634**	**34,634**	26,800
Balance, end of year	**$ 91,694**	**$ 76,610**	**$ 445,128**	**$ 613,432**	$ 578,798

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Nepean Community Support Services
(o/a Nepean, Rideau and Osgoode Community Resource Centre)
Statement of Operations

For the year ended March 31		2021		2020
Revenues				
Government grants				
City of Ottawa	**$**	**1,014,910**	$	856,929
Government of Canada		**91,146**		42,331
Province of Ontario		**56,358**		150,866
Non-government grants				
Grants		**308,157**		161,525
Fundraising and donations		**78,103**		62,611
Secondments		**24,003**		28,045
Other		**5,918**		14,765
Investment income		**8,887**		9,989
Amortization of leasehold inducements		**10,882**		10,882
Amortization of deferred contributions related to tangible capital assets (Note 6)		**8,279**		6,701
		1,606,643		1,344,644
Expenses				
Amortization of tangible capital assets		**31,657**		28,536
Bad debts		**3,050**		-
Insurance		**8,695**		8,141
Occupancy		**161,486**		167,823
Office		**64,142**		50,872
Professional fees		**10,982**		9,400
Program supplies		**247,756**		93,600
Purchases of services		**35,871**		63,323
Salaries and benefits		**994,919**		875,977
Telephone		**5,866**		4,551
Training		**2,443**		9,462
Travel		**2,371**		6,120
Webpage		**2,771**		39
		1,572,009		1,317,844
Excess of revenue over expenses for the year	**$**	**34,634**	$	26,800

Nepean Community Support Services
(o/a Nepean, Rideau and Osgoode Community Resource Centre)
Statement of Cash Flows

For the year ended March 31	2021	2020
Cash flows from operating activities		
Excess of revenue over expenses for the year	$ **34,634**	$ 26,800
Adjustments for		
Amortization of tangible capital assets	**31,657**	28,536
Amortization of deferred lease inducement	**(10,882)**	(10,882)
Amortization of deferred contributions related to tangible capital assets	**(8,279)**	(6,701)
	47,130	37,753
Changes in non-cash working capital items		
Trade and other receivables	**6,368**	20,978
Grants receivable	**(168)**	1,526
Prepaid expenses	**2,184**	(4,033)
Accounts payable and accrued liabilities	**(5,946)**	8,985
Deferred contributions	**(58,571)**	53,611
Other deferred revenue	**(13,590)**	(2,190)
	(22,593)	116,630
Cash flows from investing activities		
Tangible capital asset additions	**(14,388)**	(80,161)
Maturity of investments	**(20,766)**	(16,212)
Purchase of investments	**25,332**	11,226
	(9,822)	(85,147)
Cash flows from financing activities		
Deferred contributions related to tangible capital assets	**-**	31,543
Increase (decrease) in cash during the year	**(32,415)**	63,026
Cash, beginning of year	**378,859**	315,833
Cash, end of year	$ **346,444**	$ 378,859

Nature of Business

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.

Basis of Presentation

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.

Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Organization's estimates relate to provision for doubtful receivables and estimated useful life of tangible capital and intangible assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instruments

Measurement of financial instruments

Financial instruments are financial assets or liabilities of the Organization where, in general, the Organization has the right to receive cash or another financial asset from another party or the Organization has the obligation to pay another party cash or other financial assets.

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm’s length transactions which are measured at the exchange amount.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets and financial liabilities measured at amortized cost include cash, trade and other receivables, grant receivable, and accounts payable and accrued liabilities.

Short and long term investments are measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

Financial Instruments (continued)

Transaction costs

The Organization recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization. Amortization is based on the estimated useful life of the asset and is calculated as follows:

Furniture and equipment	10 years straight-line basis
Computer equipment	3-5 years straight-line basis
Leasehold improvements	straight-line basis over lease term

One-half of the above rates is used in the year of acquisition.

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.

The disbursement of revenues related to specific programs is generally subject to audit by the funding body. Based on experience, the Organization believes costs ultimately disallowed, if any, would be immaterial to the financial statements. Adjustments to prior years contributions would be recorded in the year in which the funding body request the adjustment.

Contributed Services

Volunteers contribute a significant amount of hours per year to assist the Organization 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.

Impairment of Long-Lived Assets

When a tangible capital asset or intangible asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

Leasehold Inducements

Leasehold inducements, including rent-free periods or rent subsidies received from non-related third parties, are deferred and amortized on a straight-line basis over the term of the lease and recorded as revenue.

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.

1. **Cash**

The Organization's bank accounts are held at one chartered bank and earn nominal interest.

2. **Investments**

	2021	2020
Guaranteed investment certificate, earning interest of 2.2%, matured in July, 2020	**$ -**	$ 70,328
Guaranteed investment certificates, earning interest of 2.32%, matured in December, 2020	**-**	10,076
Guaranteed investment certificate, earning interest of 2%, maturing in August, 2021	**75,904**	75,908
Guaranteed investment certificate, earning interest of 1.95%, maturing in September, 2021	**25,266**	25,267
Guaranteed investment certificate, earning interest of 2.65%, maturing in October, 2022	**63,333**	63,338
Guaranteed investment certificate, earning interest of 3.24%, maturing in October, 2023	**61,959**	61,964
Guaranteed investment certificates, earning interest of 2.35%, maturing in August, 2024	**69,153**	69,157
Guaranteed investment certificates, earning interest of 1.39%, maturing in July 2025	**75,857**	-
	371,472	376,038
Less: Short-term investments	**101,170**	80,404
	$ 270,302	$ 295,634

The GIC investments are non-redeemable.

3. Tangible Capital Assets

			2021			2020
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	**$ 61,946**	**$ 61,946**	**$ -**	$ 61,946	$ 61,946	$ -
Computer equipment	**150,888**	**138,594**	**12,294**	136,500	135,308	1,192
Leasehold improvements	**283,707**	**164,684**	**119,023**	283,707	136,313	147,394
	$ 496,541	**$ 365,224**	**$ 131,317**	$ 482,153	$ 333,567	$ 148,586

4. Deferred Contributions

Deferred contributions represent unspent resources for special programs and restricted operating funding received in the current year that is related to the subsequent year.

	2021	2020
Balance, beginning of year	**$ 246,457**	$ 192,846
Amounts received during the year	**528,640**	395,602
Recognized as revenue during the year	**(587,211)**	(341,991)
Balance, end of year	**$ 187,886**	$ 246,457

4. **Deferred Contributions (continued)**

Deferred contributions consist of the following programs:

	2021	2020
City of Ottawa		
EarlyON	**$ 7,780**	$ 4,333
Playgroup	**1,246**	567
Social Services Relief Funding	**20,884**	10,000
Government of Canada		
EARRS New Horizon	**-**	11,157
Senior Outreach and Support	**6,924**	24,806
Let's Thrive Together	**-**	2,004
ESDC - Connecting Seniors	**1,882**	-
Seniors Programming	**4,318**	-
Province of Ontario		
Manordale Women's Crafting Group	**3,015**	4,435
Crisis bed program	**17,732**	17,732
Seniors in Action	**-**	3,169
Ontario Electricity Support Program	**4,204**	2,434
United Way		
Tornado relief	**-**	34,779
AFT	**-**	48,248
Rural Transit (RT)	**1,748**	-
Rural Youth Mental Health (RYMH)	**6,069**	-
OGY	**2,927**	-
LLGC	**5,166**	-
EECWIN	**19,303**	-
Community development framework funding	**29,741**	36,806
Community Foundation of Ottawa		
Milk & Eggs	**9,033**	8,163
OCF Food Security	**2,631**	-
Active Neighbourhoods	**8,205**	-
Private donations		
Parkwood Hills fun day	**1,817**	1,817
Barrhaven Youth	**33,261**	36,007
	$ 187,886	$ 246,457

5. **Other Deferred Revenue**

Other deferred revenue represents Shine A Light revenues collected during the prior fiscal year that was recorded as revenue in the current fiscal year.

6. **Deferred Contributions Related to Tangible Capital Assets**

Deferred contributions related to tangible capital assets represents contributions received from the City of Ottawa relating to the acquisition of leasehold improvements. Changes in the balance of deferred contributions are as follows:

	2021	2020
Balance, beginning of year	**$ 47,902**	$ 23,060
Amounts received during the year	**-**	31,543
Amortized to operations during the year	**(8,279)**	(6,701)
Balance, end of year	**$ 39,623**	$ 47,902

7. **Internally Restricted 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 the youth programming needs and youth priority areas, computer upgrades, training, and the costs of future short-term disabilities and fundraising. During the year, $nil were used for program needs (2020 - $nil).

8. **Commitments**

The Organization has a lease for its office premises for $65,580 per year plus operational cost charges and realty taxes until expiry on September 30, 2023.

The future minimum payments for the next three years are as follows:

2022	$ 65,580
2023	65,580
2024	32,790

9. **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 the length and severity of this pandemic is subject to significant uncertainty and accordingly it is unknown whether COVID-19 may materially and adversely impact the Organization's operations, financial results and condition in future periods.

10. **Risks and Concentrations**

The association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations as at March 31, 2021.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to this credit risk mainly in respect of its trade and grant receivables. The majority of the Organization's receivables are from government sources and the Organization works to ensure they meet all eligibility criteria in order to qualify to receive the corresponding funding.

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 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. The Organization is only exposed to interest rate 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 Organization is exposed to interest rate risk on its fixed interest financial instruments.

Changes in risk

There have been no significant changes in the Organization's risk exposures from the 2020 fiscal year.