

**FAMILY COUNSELLING CENTRE OF
CAMBRIDGE AND NORTH DUMFRIES**

**FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

**FAMILY COUNSELLING CENTRE OF
CAMBRIDGE AND NORTH DUMFRIES**

**MARCH 31, 2022
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INDEPENDENT AUDITORS' REPORT

To the Directors of
Family Counselling Centre of Cambridge and North Dumfries

Qualified Opinion

We have audited the accompanying financial statements of **Family Counselling Centre of Cambridge and North Dumfries** (the Organization), which comprise the statement of financial position as at March 31, 2022, 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 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 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 similar organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from these sources was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to excess 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 Auditors' 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 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 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 the Board of Directors 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.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 auditors' 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 auditors' 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.

A handwritten signature in black ink that reads "Graham Mathew Professional Corporation". The signature is written in a cursive, flowing style.

Cambridge, Ontario
September 28, 2022

Chartered Professional Accountants, authorized to practise public
accounting by the Chartered Professional Accountants of Ontario

**FAMILY COUNSELLING CENTRE OF
CAMBRIDGE AND NORTH DUMFRIES**

**STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2022**

	2022 \$	2021 \$
Revenue		
Government and related services (note 7)	668,070	686,338
Grants	327,088	270,985
Donations and fundraising	95,354	75,534
Client fees	91,729	77,010
Housing rental income and related activities	119,019	76,887
Government agency funding	113,986	134,521
Amortization of deferred contributions	3,555	3,646
	1,418,801	1,324,921
Operating expenses		
Advertising and promotion	6,088	6,664
Insurance	11,577	9,449
Memberships and subscriptions	15,757	15,747
Office supplies, postage, telephone and general	56,570	49,610
Interest and bank charges	3,293	4,624
Computer and office equipment	15,766	28,278
Professional fees	23,762	18,917
Rent, utilities and property taxes	73,238	77,183
Repairs and maintenance	25,014	20,372
Salaries and benefits	1,155,147	1,163,498
Subcontract	68,607	46,010
Professional development	6,185	10,159
Transportation	2,940	712
Honorarium		2,000
Allowance for doubtful accounts	50	4,709
Amortization	13,942	11,254
	1,477,936	1,469,186
Loss before undernoted items	(59,135)	(144,265)
Other income		
Interest	47	52
Wage subsidy	61,706	292,135
	61,753	292,187
Excess of revenue over expenses for year	2,618	147,922

**STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2022**

Balance, beginning of year	320,434	172,512
Excess of revenue over expenses for year	2,618	147,922
Balance, end of year	323,052	320,434

The explanatory financial notes form an integral part of these financial statements.

**FAMILY COUNSELLING CENTRE OF
CAMBRIDGE AND NORTH DUMFRIES**

**FINANCIAL POSITION
MARCH 31, 2022**

	2022 \$	2021 \$
ASSETS		
Cash	386,447	486,267
Accounts receivable	33,283	35,561
Prepaid expenses	33,351	19,751
Current assets	453,081	541,579
Capital assets (note 3)	243,400	249,432
	696,481	791,011
LIABILITIES		
Accounts payable and accrued liabilities (note 4)	88,046	77,440
Deferred revenue (note 6)	68,315	157,762
Long-term debt (note 5)	18,422	14,754
Current liabilities	174,783	249,956
Deferred contributions related to capital assets (note 11)	138,646	142,201
Long-term debt (note 5)	60,000	78,420
	373,429	470,577
NET ASSETS		
Net assets	323,052	320,434
	696,481	791,011

APPROVED BY THE BOARD:

_____ Director

_____ Director

**FAMILY COUNSELLING CENTRE OF
CAMBRIDGE AND NORTH DUMFRIES**

**STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2022**

	2022 \$	2021 \$
Cash flows from operating activities:		
Excess of revenue over expenses for year	2,618	147,922
Items not involving cash:		
Amortization of deferred contributions	(3,555)	(3,646)
Amortization	13,942	11,254
	13,005	155,530
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	2,278	(8,416)
Prepaid expenses	(13,600)	(10,716)
Deferred revenue	(89,447)	44,770
Accounts payable and accrued liabilities	10,607	2,098
	(77,157)	183,266
Cash flows from investment activities:		
Net additions to capital assets	(7,910)	(19,414)
Cash flows from financing activities:		
Net increase in (repayment of) long-term debt	(14,752)	45,921
Net increase (decrease) in cash	(99,819)	209,773
Cash, beginning of year	486,266	276,493
Cash, end of year	386,447	486,266

The explanatory financial notes form an integral part of these financial statements.

FAMILY COUNSELLING CENTRE OF CAMBRIDGE AND NORTH DUMFRIES

EXPLANATORY FINANCIAL NOTES YEAR ENDED MARCH 31, 2022

1. Organization

Family Counselling Centre of Cambridge and North Dumfries was incorporated without share capital by letters patent under the laws of Ontario.

The principal activity of the Organization is to provide various forms of counselling to the local community. The purpose of the Organization is to create and maintain wholesome family and community life, and to encourage and work for the welfare of the individual in all matters affecting family and community life.

As Family Counselling Centre of Cambridge and North Dumfries is a registered charity under the Income Tax Act, its income is not taxable and it is eligible to issue official income tax receipts for charitable donations.

2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Amortization of capital assets

The Organization amortizes capital assets using the declining-balance method at annual rates which will amortize the assets over their estimated useful lives:

Building	2.5%
Computer equipment	55%
Computer software	55%
Furniture and fixtures	20%

(b) Financial instruments

All financial assets and liabilities are recorded at amortized cost less any discovered impairment.

(c) 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. Government wage subsidy is recorded in the period in which the related expenditures are incurred.

(d) Contributed services and materials

Volunteers contribute many hours per year to assist the Organization in carrying out its service delivery activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are not recognized in the financial statements unless they would normally be purchased by the Organization and their fair market value can be determined.

(e) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

FAMILY COUNSELLING CENTRE OF CAMBRIDGE AND NORTH DUMFRIES

EXPLANATORY FINANCIAL NOTES YEAR ENDED MARCH 31, 2022

	2022 \$	2021 \$
3. Capital Assets		
Cost		
Land	65,000	65,000
Building	198,464	194,000
Computer equipment	46,828	43,382
Computer software	2,068	2,068
Furniture and fixtures	105,688	105,688
	418,048	410,138
Accumulated amortization		
Building	33,594	29,424
Computer equipment	38,091	29,517
Computer software	2,068	2,068
Furniture and fixtures	100,895	99,697
	174,648	160,706
Net Book Value	243,400	249,432

4. Accounts Payable and Accrued Liabilities

There were no amounts payable with respect to government remittances as of the year end date.

5. Long-Term Debt

The Libro Financial Group - repayable in blended monthly payments of \$1,328, at interest rate of 4.48%, maturing April 2022, and secured by real estate located at 18 Walnut Street, Cambridge, Ontario. Subsequent to year end the mortgage was paid in full.

	18,422	33,174
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Canada Emergency Business Account Loan, interest free until January 2024. \$20,000 forgivable if repaid by December 2023. Interest at 5% beginning January 2024 and balance due in full by December 2025.

	60,000	60,000
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	78,422	93,174
Current portion due within one year	18,422	14,754

	60,000	78,420
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The Organization must make the following principal repayments over the next four years on the long-term debt:

2023	18,422	
2024	NIL	
2025	NIL	
2026	60,000	
	78,422	

FAMILY COUNSELLING CENTRE OF CAMBRIDGE AND NORTH DUMFRIES

EXPLANATORY FINANCIAL NOTES YEAR ENDED MARCH 31, 2022

6. Deferred Revenue

Deferred revenue consists of contributions that are designated for various future expenses. Once the related expenses are incurred, these contributions will be recognized as revenue.

	2022	2021
	\$	\$
7. Government and Related Services Revenue		
City of Cambridge	10,600	10,600
Township of North Dumfries	6,500	4,000
Ontario Ministry of the Attorney General	131,002	147,670
Lutherwood	173,706	200,886
Ontario Ministry of Community and Social Services	212,988	225,908
Ontario Ministry of Children and Youth Services	5,000	5,000
Region of Waterloo	128,274	92,274
	668,070	686,338

8. Ontario Ministry of the Attorney General

As requested by the Ontario Ministry of the Attorney General under the terms of their funding contract, the Organization shall submit an outline of the revenue and expenses related to the program as outlined in the funding submission.

Revenue

Funding from Ontario Ministry of the Attorney General (MAG)	131,002	
Client fees	15,303	
	146,305	
Expenses		
Client	90	
Insurance	1,000	
Office supplies	300	
Professional fees (audit, bookkeeping and legal)	928	
Rent/lease and utilities	1,000	
Salaries and benefits	144,137	
Staff training	500	
Telecommunications	750	
Office expenses	900	
	149,605	
Deficiency of revenue over expenses	(3,300)	

FAMILY COUNSELLING CENTRE OF CAMBRIDGE AND NORTH DUMFRIES

EXPLANATORY FINANCIAL NOTES YEAR ENDED MARCH 31, 2022

9. Ontario Ministry of the Community Social Services/Children and Youth Services

Revenue and expenses related to Ontario Ministry of Community and Social Services (MCCSS) and Ontario Ministry of Children and Youth Services (MCYS) funding are as follows:

	MCYS \$	MCCSS \$
Revenue		
Provincial subsidy	5,000	212,988
Expenses		
Office administration	237	21,294
Salaries and benefits	4,000	164,857
Staff training	289	10,000
Supplies and equipment	368	7,300
Building and accommodation	106	6,197
Communications		3,340
	5,000	212,988
Deficiency of revenue over expenses	NIL	NIL

10. Commitments

The Organization has entered into a lease commitment for copy equipment with estimated minimum annual payments in 2023 of approximately \$4,500. Furthermore, the Organization rents three buildings in Cambridge on a month to month basis. The monthly rent for the three buildings amounts to approximately \$4,225. The organization relocated the Saginaw House to a new location during fiscal 2022.

11. Related Party Transaction and Deferred Contributions

During the 2015 fiscal year, the building and land at 18 Walnut Street, Cambridge, Ontario was acquired from Fam-Care Services of Cambridge (Fam-Care). The Organization is related to Fam-Care as a result of sharing a common Board of Directors. The equity in the property was gifted to the Organization by Fam-Care as a result of the transfer. The value of the gift was estimated to be \$168,244 and was calculated as the difference between the estimated value of the property (\$259,000) and the amount of the mortgage assumed by the Organization (\$90,756) at the time of the transfer. Although Fam-Care has not been dissolved, it is not active and all board members have resigned.

The property was recorded by the Organization at the fair market value of \$259,000, and a deferred contribution of \$168,244 was recorded. The deferred contribution is being amortized into income on the same basis as the building is amortized.

FAMILY COUNSELLING CENTRE OF CAMBRIDGE AND NORTH DUMFRIES

EXPLANATORY FINANCIAL NOTES YEAR ENDED MARCH 31, 2022

12. Financial Instruments

The entity is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the year end date.

Liquidity risk

The operations of the Organization necessitates the management of liquidity risk. Liquidity risk is the risk of being unable to meet anticipated daily financial obligations and fund future operational requirements. The Organization's objective is to ensure that it faces limited risk exposure in this area through requirements placed on the types and amounts of liquid assets that are required to be maintained in order to meet its current and future obligations. The Organization achieves this objective through the preparation and monitoring of annual operational budgets to assess current and future funding requirements. As well, the Organization holds its funds with a reputable financial institution. There has been no change in this risk exposure or the above objective, and policies and procedures used to manage this exposure during the year.

Credit risk

The operations of the Organization necessitates the management of credit risk. Credit risk is the potential for loss due to the failure to collect revenue due to the Organization. The maximum exposure to this risk is encompassed in the accounts receivable balance on the statement of financial position.

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 entity is mainly exposed to interest rate risk.

Interest rate risk

The entity is exposed to interest rate risk on its fixed rate long-term debt which subjects the entity to a fair value risk.

13. Comparative Figures

Comparative figures have, in some instances, been reclassified in order to present them in a form comparable to those for the current year.

14. Subsequent Event

On June 15, 2022, the Organization sold its property at 18 Walnut Street for \$985,000. The Organization will be able to remain at this location for two years from that date, with rental payments of \$2 per year.

15. Uncertainty Regarding COVID-19

As the COVID-19 pandemic continues to impact the economy, it could result in a significant negative impact on the Organization's operations. As of the time of authorization of these financial statements, it is not possible to estimate the length and severity of these developments and their impact on the financial results and operations of the Organization.