

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

**FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

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

**MARCH 31, 2021
CONTENTS**

	Page
Independent Auditors' Report	1 - 2
Financial Statements	
Statement of Operations	3
Statement of Changes in Net Assets	3
Financial Position	4
Statement of Cash Flows	5
Explanatory Financial Notes	6 - 10

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, 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 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, 2021, 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.

Carolan Mathew Professional Corporation

Cambridge, Ontario
August 23, 2021

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, 2021

	2021	2020
	\$	\$
Revenue		
Government and related services (note 7)	686,338	674,569
Donations and fundraising	105,219	178,156
Interest	52	111
Client fees	56,362	66,181
Employee assistance program fees	20,648	30,545
Neighbourhood counselling fees	134,521	45,142
United Way Waterloo Communities	128,426	85,279
Lyle Hallman Foundation	112,900	164,358
Amortization of deferred contributions	3,646	3,740
Miscellaneous revenue	40	400
	1,248,152	1,248,481
Operating expenses		
Advertising and promotion	6,664	5,124
Insurance	9,449	8,854
Memberships and subscriptions	15,747	14,455
Office supplies, postage, telephone and general	49,610	51,335
Interest and bank charges	4,624	7,224
Computer and office equipment	28,278	11,623
Professional fees	18,917	16,702
Rent, utilities and property taxes	77,183	79,670
Repairs and maintenance	20,372	12,480
Salaries and benefits	1,163,498	1,036,128
Subcontract	46,010	51,018
Professional development	10,159	8,592
Transportation	712	5,257
Honorarium	2,000	6,000
Allowance for doubtful accounts	4,709	1,671
Amortization	11,254	6,493
	1,469,186	1,322,626
Loss before undernoted items	(221,034)	(74,145)
Additions Housing Rental Income	76,822	104,921
Wage subsidy	292,135	3,669
	368,957	108,590
Excess of revenue over expenses for year	147,923	34,445

STATEMENT OF CHANGES IN NET ASSETS YEAR ENDED MARCH 31, 2021

Balance, beginning of year	172,513	138,068
Excess of revenue over expenses for year	147,923	34,445
Balance, end of year	320,436	172,513

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

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

**FINANCIAL POSITION
MARCH 31, 2021**

	2021 \$	2020 \$
ASSETS		
Cash	486,267	276,493
Accounts receivable	35,561	27,145
Prepaid expenses	19,751	9,035
Current assets	541,579	312,673
Capital assets (note 3)	249,432	241,272
	791,011	553,945
LIABILITIES		
Accounts payable and accrued liabilities (note 4)	77,438	75,340
Deferred revenue (note 6)	157,762	112,992
Long-term debt (note 5)	14,754	14,109
Current liabilities	249,954	202,441
Deferred contributions related to capital assets (note 11)	142,201	145,847
Long-term debt (note 5)	78,420	33,144
	470,575	381,432
NET ASSETS		
Net assets	320,436	172,513
	791,011	553,945

APPROVED BY THE BOARD:

 Director

 Director

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

**STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2021**

	2021 \$	2020 \$
Cash flows from operating activities:		
Excess of revenue over expenses for year	147,923	34,445
Items not involving cash:		
Amortization of deferred contributions	(3,646)	(3,740)
Amortization	11,254	6,493
	155,531	37,198
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	(8,416)	57,998
Prepaid expenses	(10,716)	2,980
Deferred revenue	44,770	(57,488)
Accounts payable and accrued liabilities	2,098	18,782
	183,267	59,470
Cash flows from investment activities:		
Net additions to capital assets	(19,414)	(5,713)
Cash flows from financing activities:		
Net increase in (repayment of) long-term debt	45,921	(12,689)
Net increase in cash	209,774	41,068
Cash, beginning of year	276,493	235,425
Cash, end of year	486,267	276,493

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, 2021

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, 2021**

	2021 \$	2020 \$
3. Capital Assets		
Cost		
Land	65,000	65,000
Building	194,000	194,000
Computer equipment	43,382	24,902
Computer software	2,068	2,068
Furniture and fixtures	105,688	104,754
	410,138	390,724
Accumulated amortization		
Building	29,424	25,204
Computer equipment	29,517	23,863
Computer software	2,068	2,068
Furniture and fixtures	99,697	98,317
	160,706	149,452
Net Book Value	249,432	241,272

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.

	33,174	47,253
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Canada Emergency Business Account Loan, interest free until January 2023. \$20,000 forgivable if repaid by December 2022. Interest at 5% beginning January 2023 and balance due in full by December 2025.

	60,000	
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	93,174	47,253
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Current portion due within one year	14,754	14,109
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	78,420	33,144
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The Organization must make the following principal repayments over the next five years on the long-term debt:

2022	14,754	
2023	18,420	
2024	NIL	
2025	NIL	
2026	60,000	
	93,174	

FAMILY COUNSELLING CENTRE OF CAMBRIDGE AND NORTH DUMFRIES

EXPLANATORY FINANCIAL NOTES YEAR ENDED MARCH 31, 2021

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.

	2021	2020
	\$	\$
7. Government and Related Services Revenue		
City of Cambridge	10,600	10,600
Township of North Dumfries	4,000	5,500
Ontario Ministry of the Attorney General	147,670	130,851
Lutherwood	200,886	196,656
Ontario Ministry of Community and Social Services	225,908	197,688
Ontario Ministry of Children and Youth Services	5,000	5,000
Region of Waterloo	92,274	128,274
	686,338	674,569

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)	147,670
Client fees	13,390
	161,060

Expenses

Advertising and promotion	887
Client	60
Insurance	1,273
Memberships and subscriptions	4,020
Office equipment	3,300
Office supplies	3,415
Professional fees (audit, bookkeeping and legal)	1,305
Rent/lease and utilities	3,222
Salaries and benefits	165,688
Staff training	2,650
Telecommunications	1,015
Office expenses	275
	187,110

Deficiency of revenue over expenses	(26,050)
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FAMILY COUNSELLING CENTRE OF CAMBRIDGE AND NORTH DUMFRIES

EXPLANATORY FINANCIAL NOTES YEAR ENDED MARCH 31, 2021

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

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

	MCYS \$	MCSS \$
Revenue		
Provincial subsidy	5,000	225,908
Expenses		
Office administration	500	20,220
Salaries and benefits	4,000	127,947
Staff training	250	6,066
Supplies and equipment	250	1,011
Building and accommodation		4,044
Rural Initiative		64,800
Communications		1,820
	5,000	225,908
Deficiency of revenue over expenses	NIL	NIL

10. Commitments

The Organization has entered into a lease commitment for equipment with estimated minimum annual payments in 2022 of approximately \$4,500. Furthermore, the Organization rents two buildings in Cambridge on a month to month basis. The monthly rent for the two buildings amount to approximately \$4,175.

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.

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. 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.