

**MY FRIEND'S HOUSE,  
COLLINGWOOD CRISIS CENTRE  
FINANCIAL STATEMENTS  
MARCH 31, 2021**

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**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**TABLE OF CONTENTS**  
**AS AT MARCH 31, 2021**

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	<b>Page</b>
Independent auditor's report	1
Balance sheet	3
Statement of operations	5
Statement of changes in net assets	6
Statement of cash flow	7
Notes to the financial statements	8

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of My Friend's House, Collingwood Crisis Centre:

### **Qualified opinion**

We have audited the financial statements of My Friend's House, Collingwood Crisis Centre ("the Organization"), which comprise the balance sheet as at March 31, 2021, and the statements of operations, changes in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible 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 My Friend's House, Collingwood Crisis Centre as at March 31, 2021, and its results of operations and 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 not-for-profit organizations, the Organization derives revenues from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues 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 donation and fundraising revenues, excess of revenue over expenses and net asset balances for the years ended March 31, 2021 and March 31, 2020. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

### **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 the 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, the board of directors is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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 SGB LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
Collingwood, Ontario  
June 10, 2021

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**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**BALANCE SHEET**  
**AS AT MARCH 31**

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	2021	2020
	\$	\$
<b>Assets</b>		
Current		
Cash	661,167	387,193
Accounts receivables	26,691	26,009
Short-term investments (Note 2)	444,202	291,096
Prepaid expenses	32,513	24,220
	<u>1,164,573</u>	728,518
Long-term investments (Note 2)	822,424	663,857
Property and equipment (Note 4)	432,070	426,542
	<u>2,419,067</u>	1,818,917

Approved on behalf of the board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**BALANCE SHEET**  
**AS AT MARCH 31**

	2021 \$	2020 \$
<b>Liabilities</b>		
Current		
Accounts payable and accruals	57,828	92,572
Deferred revenue	245,435	61,352
	303,263	153,924
Deferred capital contributions (Note 5)	348,102	341,435
	651,365	495,359
<b>Net assets</b>		
Unrestricted	82,014	236,622
Internally restricted (Note 11)	1,685,688	1,086,936
	1,767,702	1,323,558
	2,419,067	1,818,917

See accompanying notes to the financial statements

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**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE****STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31**

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	2021	2020
	\$	\$
Revenue		
Ministry of Children, Community & Social Services Programs	612,663	612,661
Ministry of Children, Community & Social Services-One Time Funding	74,498	84,295
Ministry of Children, Community & Social Services-COVID-19 Funding	121,123	15,492
Donations and fundraising	596,764	341,934
Grants	65,551	35,804
Amortization of deferred contributions (Note 5)	20,358	15,759
	<u>1,490,957</u>	<u>1,105,945</u>
Expenses		
Amortization of property and equipment	22,121	18,679
Bank charges	11,174	7,503
Consulting fees	1,000	-
COVID-19 expenditures	97,879	16,360
Food purchases and personal needs allowance	4,890	10,290
Fundraising	13,984	8,042
Insurance	11,421	9,481
Membership dues and fees	4,943	5,553
Office	9,278	6,316
Professional fees	8,380	9,080
Programs	13,123	12,192
Repairs and maintenance	18,337	14,214
Rent	16,901	16,838
Salaries, benefits and related costs	888,915	876,180
Special projects - One Time Funding	15,450	15,440
Telecommunications	12,715	19,208
Training	13,740	4,310
Travel	3,778	5,047
Utilities	8,572	11,122
	<u>1,176,601</u>	<u>1,065,855</u>
Excess of revenue over expenses from operations	<u>314,356</u>	<u>40,090</u>
Other income (expense)		
Investment management fees	(5,317)	(4,872)
Investment income	23,992	22,495
Market value change and exchange gain (loss) on investments	111,113	(31,488)
	<u>129,788</u>	<u>(13,865)</u>
<b>Excess of revenue over expenses for the year</b>	<u><b>444,144</b></u>	<u><b>26,225</b></u>

See accompanying notes to the financial statements

**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31**

	Unrestricted \$	Internally restricted \$ (Note 3)	<b>2021</b> \$	2020 \$
<b>Balance at beginning of year</b>	236,622	1,086,936	<b>1,323,558</b>	1,297,333
Excess of revenue over expenses for the year	314,356	129,788	<b>444,144</b>	26,225
Interfund transfer (Note 11)	(468,964)	468,964	-	-
<b>Balance at end of year</b>	<b>82,014</b>	<b>1,685,688</b>	<b>1,767,702</b>	<b>1,323,558</b>

See accompanying notes to the financial statements



**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED MARCH 31**

	2021	2020
	\$	\$
Cash flows from (for):		
Operating activities		
Excess of revenue over expenses for the year	444,144	26,225
Items not involving cash		
Amortization of property and equipment	22,121	18,679
Amortization of deferred contributions	(20,358)	(15,759)
Market value change and exchange gain (loss) on investments	(111,113)	31,488
	334,794	60,633
Changes in		
Accounts receivable	(682)	(17,950)
Prepaid expenses	(8,293)	(7,344)
Accounts payable and accruals	(34,744)	20,617
Deferred revenue	184,083	43,805
	475,158	99,761
Financing activities		
Deferred capital contributions	27,026	18,600
	27,026	18,600
Investing activities		
Purchase of property and equipment	(27,651)	(20,308)
Net change in investment	(200,559)	82,088
	(228,210)	61,780
<b>Change in cash</b>	<b>273,974</b>	<b>180,141</b>
Balance at beginning of year	387,193	207,052
<b>Balance at end of year</b>	<b>661,167</b>	<b>387,193</b>

See accompanying notes to the financial statements

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**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2021**

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**Nature of the organization**

My Friend's House, Collingwood Crisis Centre is a registered charitable organization incorporated without share capital under the laws of Ontario. It is exempt from income taxes. The Organization is engaged in the provision of emergency shelter and counselling services to women who have experienced physical, mental and/or sexual abuse. The Organization's activities are dependent on funding from the Ministry of Community and Social Services.

**1. Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (referred to as "ASNFPO") and are in accordance with Canadian generally accepted accounting principles (GAAP).

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements:

**(a) Financial instruments**

The Organization considers any contract that creates a financial asset, a financial liability or equity instrument as a financial instrument, except in limited items such as leases and loan commitments.

*Initial recognition and measurement*

A financial asset or a financial liability is recognized when the Organization becomes a party to the contractual provisions of the financial instrument.

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction, are initially measured at their fair value.

*Subsequent measurement*

Changes in fair value of investments in equity instruments are recognized in operations in the period incurred. All other financial assets and financial liabilities are measured at amortized cost.

*Impairment*

At the end of each reporting period, the Organization assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired.

**(b) Use of estimates**

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Significant estimates have been made of the useful lives of property and equipment. Actual results could differ from those estimates.

**(c) Cash and cash equivalents**

Cash and cash equivalents include all cash balances and short-term, highly liquid financial instruments with a maturity of three months or less at acquisition.

**(d) Investments**

Equity investment measurement is initially at fair value. Unrealized gains and losses are recognized immediately in the financial statements. Realized gains and losses are recognized when the investment is sold. All other investments are initially measured at fair value and gains and losses are recognized when the investment is sold.

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**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2021**

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**1. Summary of significant accounting policies (continued)**

**(e) Property and equipment**

Purchased property and equipment is recorded at cost. Cost includes the purchase price and any directly attributable cost of preparing the asset for its intended use. Contributed property and equipment are recorded at fair market value at the date of contribution.

Property and equipment is tested for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statement of operations when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the property and equipment exceeds its fair value. An impairment loss is not reversed if the fair value of the property and equipment subsequently increases.

Amortization is provided to amortize the cost of assets over their estimated useful lives. Provision is made for amortization as follows:

Buildings and improvements	4% declining balance
Office equipment	20% declining balance
Furniture and fixtures	20% declining balance
Computer hardware	30% declining balance
Computer software	100% declining balance
Other	20% declining balance

**(f) Revenue recognition**

The Organization follows the deferral method of accounting for contributions. 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. Unrestricted contributions include donations and fundraising (unless otherwise specified by the donor) and grants. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Restricted contributions include funding from the Ministry of Community and Social Services. Contributions related to property and equipment are recognized as revenue on the same basis as the amortization expense of the related asset. Internally restricted contributions are recognized as revenue when received or receivable. Investment income is recognized on the internally restricted contributions when received or receivable.

**(g) Contributed materials and services**

Contributed materials and services which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Volunteers, including the Board of Directors, contribute to My Friend's House, Collingwood Crisis Centre each year to assist the Organization in carrying out its service delivery activities. Because of the difficulty in determining fair market value, volunteer services are not recognized in the financial statements.

**2. Investments**

Short-term investments consist of common shares and bonds invested through CIBC Wood Gundy. Common shares are frequently traded to ensure they stay within the Organization's investment policy. The bonds carry interest rates of 2.62% to 3.25% and mature within one year.

Long-term investments consist of government bonds. Government bonds carry interest rates of 2.40% to 6.50% and mature in 2022 through 2037.

**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2021**

**3. Internally restricted Campbell Family Endowment Fund**

The objective of the endowment fund, created by the Board of Directors, is to generate sufficient ongoing annual income to preserve capital while permitting material contributions to the Organization's operations.

**4. Property and equipment**

Property and equipment consist of the following:

	2021 \$	2020 \$
Cost		
Land	70,000	70,000
Building and improvements	825,864	809,770
Office equipment	39,933	39,933
Furniture and fixtures	76,546	76,546
Computer hardware	76,613	65,388
Computer software	20,303	20,303
Other	40,126	40,126
	<b>1,149,385</b>	<b>1,122,066</b>
Accumulated amortization		
Building and improvements	491,498	478,238
Office equipment	34,140	33,113
Furniture and fixtures	72,653	71,680
Computer hardware	65,936	61,013
Computer software	20,303	20,303
Other	32,785	31,177
	<b>717,315</b>	<b>695,524</b>
	<b>432,070</b>	<b>426,542</b>

**5. Deferred capital contributions**

Deferred capital contributions are comprised of grants and donations directly specified to the purchase of certain property and equipment. These funds are amortized over the same period of time as the related asset.

	2021 \$	2020 \$
Balance, beginning of year	341,435	338,594
Community donations	-	6,000
Ministry of Children Community, and Social Services funding	27,025	12,600
Amortization of deferred capital contributions	(20,358)	(15,759)
	<b>348,102</b>	<b>341,435</b>

**6. Collective agreement**

The collective agreement between the Organization and the Laborers' International Union of North America Local 3000 was ratified on November 25, 2019 and expires on March 31, 2022. The collective agreement represents all employees of the Organization except management staff.

**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2021**

**7. Deferred revenue**

Donations were externally restricted as follows:

	2021	2020
	\$	\$
Balance, beginning of the year	61,352	17,547
Community donations	127,127	10,133
Ministry of Children, Community and Social Service Programs	111,655	36,598
Expenditures	<u>(54,699)</u>	<u>(2,926)</u>
	<u>245,435</u>	<u>61,352</u>

During the year, the Organization received externally restricted donations totaling \$127,127 (2020 - \$10,133). The funds donated in 2021 and 2020 were for the provision of children's programs and projects that have been deferred as a result of the COVID-19 pandemic. Funds received in 2020 and 2019 were to be used to support women in need to find suitable housing.

In addition, the \$111,655 (2020 - \$36,598) funds received from the Ministry were for specific property and equipment purchases.

**8. Impact of the COVID-19 pandemic**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The measures 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 impact the Organization's revenues. During the year, the Organization has received additional government funding for expenses incurred as a result of COVID-19. Management is actively monitoring the situation and will adjust operations to comply with all government and health recommendations, guidelines and best practices.

**9. Contingent liabilities**

Various actions and legal proceedings can arise during the course of normal operations against the Organization. Management is not aware of any legal matters subsequent to year end.

**10. Financial instruments**

The Organization's financial instruments consist of cash, accounts receivable, and investments which will result in future cash receipts, as well as accounts payable which will result in future cash outlays.

The Organization is not exposed to significant credit risk or liquidity risk.

*Financial risks*

**(a) Market risk**

Market risk is the risk that 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 mainly exposed to interest rate risk and other price risk.

**(b) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The conversion rate is expected to remain relatively stable.

**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31**

**10. Financial instruments (continued)**

**(c) 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's government bonds earn interest from 2.40% to 6.50%. Changes in the bank's prime lending rate can cause fluctuations in interest payments and cash flows. The Organization does not use derivative financial instruments to alter the effects of this risk.

Interest rate risk is managed by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the Organization's results of operations.

**(d) Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization derives part of its revenues from donations and investments, and donations and investment income are generally dependent on the economy.

The Organization is exposed to fluctuations in market prices of equities and fixed income investments, interest, and credit risks on fixed income investments. These investment funds are held at CIBC Wood Gundy and are managed in accordance with the investment policy approved by the Board of Directors, which is monitored on a regular basis, and is considered the method by which the Organization manages the risks.

**11. Internally restricted net assets**

The net assets are internally restricted as follows:

	<b>2021</b>	<b>2020</b>
	\$	\$
Reserve for property and equipment purchases, building repairs, facility closure, and professional fees	<b>569,771</b>	280,477
Campbell Family Endowment Fund (Note 3)	<b>662,709</b>	617,376
Funding shortfall contingency	<b>453,207</b>	189,083
	<hr/>	<hr/>
Balance at end of year	<b>1,685,687</b>	1,086,936

In 2016, the Board of Directors approved the transfer of any future surpluses into the Funding Shortfall Contingency fund. Any year end surpluses will be transferred into this fund until it has a balance of approximately one year of operating expenses based on the current fiscal year budget less government program funding. During the year a total of \$468,964 was transferred to the internally restricted funds.

Investment income is allocated to each of the funds based on the income earned by those investments which are in separate accounts.