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**CATHOLIC COMMUNITY SERVICES OF
YORK REGION**

FINANCIAL STATEMENTS

MARCH 31, 2021



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FINANCIAL STATEMENTS

MARCH 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Catholic Community Services of York Region

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of the Catholic Community Services of York Region, 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.

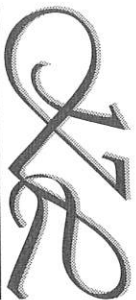
In our opinion, except for the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of fundraising activities described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Catholic Community Services of York Region as at March 31, 2021, and the results of its 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, the completeness of which is not susceptible to satisfactory audit procedures. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenues, excess of revenues over expenses and cash flows for the years ended March 31, 2021 and March 31, 2020, current assets as at March 31, 2021 and March 31, 2020, and net assets balances as at the beginning and the end of the years ended March 31, 2021 and March 31, 2020. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 Catholic Community Services of York Region 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 opinion.

See accompanying notes to the financial statements



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INDEPENDENT AUDITORS' REPORT (Continued)

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 management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

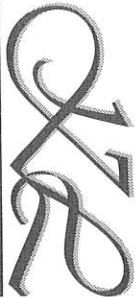
Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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.



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INDEPENDENT AUDITORS' REPORT (Continued)

- 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.

KRIENS-LAROSE, LLP
Kriens-Larose LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 22, 2021

See accompanying notes to the financial statements

CATHOLIC COMMUNITY SERVICES OF YORK REGION
STATEMENT OF FINANCIAL POSITION
 AS AT MARCH 31, 2021

	2021	2020
	\$	\$
<hr/>		
CURRENT	ASSETS	
Cash	700,185	554
Investments (Note 2)	16,608	-
Grant and other receivables (Note 3)	217,034	630,956
Prepaid expenses	109,572	104,130
	<hr/>	
	1,043,399	735,640
<hr/>		
INTERNALLY RESTRICTED INVESTMENTS (Note 4)	321,430	316,792
EQUIPMENT (Note 5)	265,529	254,178
	<hr/>	
	1,630,358	1,306,610
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See accompanying notes to the financial statements

CATHOLIC COMMUNITY SERVICES OF YORK REGION
STATEMENT OF FINANCIAL POSITION
 AS AT MARCH 31, 2021

	2021 \$	2020 \$
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	126,282	80,059
Deferred contributions (Note 7)	233,211	208,245
	359,493	288,304
DEFERRED CAPITAL CONTRIBUTIONS (Note 8)	263,498	253,652
	622,991	541,956
NET ASSETS		
INTERNALLY RESTRICTED (Note 4)	571,430	316,792
GENERAL FUND	435,937	447,862
	1,007,367	764,654
	1,630,358	1,306,610

Approved by the Board


 Board Chair

July 28, 2021

CATHOLIC COMMUNITY SERVICES OF YORK REGION
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED MARCH 31, 2021

	2021 General Fund \$	2021 Reserve Fund \$	2021 Total \$	2020 Total \$
REVENUES				
Immigration Refugees and Citizenship Canada	4,894,715	-	4,894,715	4,962,920
Catholic Charities	535,768	-	535,768	536,562
Ministry of Children, Community and Social Services (MCCSS) (Note 9)	178,400	-	178,400	178,400
The Regional Municipality of York	99,437	-	99,437	25,910
Ontario Trillium Foundation	110,470	-	110,470	113,330
Programs	63,471	-	63,471	10,903
Amortization of deferred capital contribution (Note 8)	72,862	-	72,862	55,577
Fundraising - bingo	26,140	-	26,140	56,997
Counselling	27,798	-	27,798	44,015
Other	101,398	4,638	106,036	150,316
	6,110,459	4,638	6,115,097	6,134,930

EXPENSES				
Salaries and wages	3,583,310	-	3,583,310	3,558,892
Building occupancy	1,209,593	-	1,209,593	1,273,000
Employee benefits	628,143	-	628,143	634,869
Equipment maintenance	91,235	-	91,235	99,095
Communications	127,791	-	127,791	77,505
HST	51,963	-	51,963	58,161
Amortization	72,863	-	72,863	55,577
Conference workshops and meetings	15,014	-	15,014	37,098
Contract services	29,487	-	29,487	32,178
Promotional materials	18,310	-	18,310	24,927
Membership fees and literature	24,842	-	24,842	24,693
Travel - mileage	176	-	176	20,291
Program office supplies	6,243	-	6,243	13,302
Bank charges and interest	11,356	-	11,356	12,599
Staff development	1,137	-	1,137	9,187
Volunteer program	881	-	881	8,061
Community programs	-	-	-	6,053
Bingo fundraising	40	-	40	890
	5,872,384	-	5,872,384	5,946,378

Excess of revenues				
over expenses for the year	238,075	4,638	242,713	188,552

See accompanying notes to the financial statements

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

	2021		2020
	Internally Restricted \$	Unrestricted \$	Total \$
Net assets, beginning of year	316,792	447,862	764,654
Excess of revenues over expenses for the year	4,638	238,075	242,713
Interfund transfer (Note 4)	250,000	(250,000)	-
Net assets, end of year	571,430	435,937	1,007,367
			764,654

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
	\$	\$

CASH FROM OPERATING ACTIVITIES

Cash receipts from Immigration, Refugees and Citizenship Canada	5,246,775	4,945,940
Cash receipts from Catholic Charities	535,768	536,562
Cash receipts from Ministry of Children, Community and Social Services (MCCSS)	178,400	178,400
Cash from Municipality of York Region	96,027	22,500
Cash receipts from Ontario Trillium Foundation	110,470	113,330
Other cash receipts	251,821	294,211
Cash paid to suppliers and employees	(5,696,878)	(6,061,398)
Deferred capital contributions received	82,708	31,869
	805,091	61,414

CASH FROM INVESTING ACTIVITIES

Change in investments	(21,246)	9,909
Purchase of equipment	(84,214)	(31,869)
	(105,460)	(21,960)
Change in cash	699,631	39,454
Cash, beginning of year	554	(38,900)
Cash, end of year	700,185	554

See accompanying notes to the financial statements

PURPOSE OF THE ORGANIZATION

Catholic Community Services of York Region (The Agency) is a social service agency serving individuals and families in York Region within the values and traditions of the Catholic Church. The Agency assists people with social and personal needs in order to strengthen and enhance individual and family functioning and to empower them to live as independent, healthy and socially responsible people. The Agency serves all people regardless of religion, culture, race or creed.

As a registered charitable organization, Catholic Community Services of York Region is exempt from income taxes

1. SIGNIFICANT ACCOUNTING POLICIES

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

Financial Instruments

The Agency initially measures its financial assets and financial liabilities at fair value. The Agency subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

The financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable.

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 and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates are allowance for doubtful accounts and accrued liabilities. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

Equipment and Amortization

Equipment is stated at acquisition cost. Amortization is provided on the following basis at the following annual rates:

Equipment	3 years straight-line
Furniture and fixtures	5 years straight-line
Leasehold improvements	Term of the lease

Where equipment no longer has any long-term service potential to the Agency, the excess of their net carrying amount over any residual value is recognized as an expense in the statement of operations.

Deferred Contributions

Deferred contributions represent unspent resources externally restricted for operating funding that will be spent in a subsequent period.

Revenue Recognition

The Agency follows the deferral method of accounting for revenue. Restricted contributions are recognized as revenue in the period 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.

Counselling fees

Counselling fees are recognized as revenue once the related service has been provided and the fee collection is reasonably assured.

Investment Income

Interest is recognized as revenue when earned on an accrual basis. Unrealized gain or loss on investments, being the difference between book value and fair value, are recognized on an annual basis.

Donated Property and Services

During the year volunteers contribute numerous hours to the Agency in carrying out certain aspects of its service delivery activities. Because of these services are not normally purchased by the Agency, and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

Continued...

2. INVESTMENTS

	2021	2020
GIC, 2-year, 1.7% in year-one and 2.05% in year-two , maturing April 7, 2021	\$ 16,608	\$ -

This GIC may only be cashed on each anniversary date of the initial investment

3. GRANTS AND OTHER RECEIVABLES

	2021	2020
Immigration, Refugees and Citizenship Canada Grant	\$ 70,860	\$ 422,920
HST/GST rebate	71,511	71,637
Other receivables	74,663	136,399
	217,034	630,956

4. INTERNALLY RESTRICTED INVESTMENTS

The reserve fund was established to provide for any emergency expenditures or replacement of assets that the Board of Directors determine necessary. The reserve fund is funded from operations at the discretion of the Board. The fund's assets are as follows:

	2021	2020
	\$	\$
GIC maturing November 1, 2021, 1.8%	74,103	72,438
GIC maturing January 12, 2022, 2.25%	158,656	156,707
GIC maturing May 25, 2021, 2.05%	22,045	21,749
GIC maturing August 25, 2021, 1.8%	14,653	14,448
GIC maturing July 13, 2023, 1.2%	51,973	51,450
Cash	321,430	316,792
	250,000	-
	571,430	316,792

The investments are pledged as security for the Agency's operating loan facility with its bank to a limit of \$300,000.

The Board of Directors approved the transfer of \$250,000 from the General Fund to the Internally Restricted Fund in the 2021 fiscal year.

5. EQUIPMENT

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	\$	\$	\$	\$
Leasehold improvements	2,605,923	2,438,991	2,605,923	2,383,614
Office equipment	421,071	380,390	382,937	365,864
Furniture and fixtures	491,190	433,274	445,110	430,314
	3,518,184	3,252,655	3,433,970	3,179,792
Net book value	265,529		254,178	

Continued...

6. BANK INDEBTEDNESS

The Agency has an operating loan facility agreement with its bank to a limit of \$300,000. The facility bears interest at the prime lending rate plus 1%.

The facility is secured by a General Security Agreement and the internally restricted investments described in note # 4.

7. DEFERRED CONTRIBUTIONS

Deferred contributions represents funding received less the costs incurred to date for programs which were not completed as at March 31, 2021. Certain funds received for projects from various funders must be returned to the funder if not expended or absent permission for the purpose for which they were received or permission from the funder to carry these funds forward to be expended in the following year. Any funds to be returned or carried forward are reflected on the statement of financial position as deferred contributions.

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized restricted grants and donations relating the purchase of equipment. These contributions are amortized over the life of the related assets. The changes in the balance for the year is as follows:

	2021	2020
	\$	\$
Balance at beginning of the year	253,652	277,360
Add: additions during the year	82,708	31,869
Less: amounts recognized as revenue	(72,862)	(55,577)
Balance at end of year	263,498	253,652

9. MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES

The Agency receives funding from the Ministry of Children, Community and Social Services (MCCSS) for the following grants:

	2021	2020
	\$	\$
Newcomer Settlement Program	178,400	178,400

Net expenditures allocated by the Agency in connection with Ministry of Children, Community and Social Services (MCCSS) programs for the 2021 fiscal year are as follows:

	Newcomer Settlement Program
Salaries and wages	133,098
Employee's benefits	29,438
Administration	15,858
HST/GST expense	92
Covid-19 expenses	3,028
Program surplus (deficit)	(3,114)
Total program funding	178,400

10. COMMITMENTS

The Agency has entered into a various long-term operating lease agreements. Future minimum payments under such lease obligations to the expiry of the lease are due as follow:

Building space	
2022	1,081,460
2023	952,707
2024	948,606
2025	948,606
	<hr/>
	3,931,379

Office equipment

2022	99,543
2023	88,434
2024	68,185
2025	66,922
2026	8,217
	<hr/>
	331,301

In the event that the Agency's funding contract with Catholic Charities/Sharelife is not renewed, the Agency has the right to terminate their Maple lease upon three months notice by providing the the landlord with three months prior written notice.

In the event that the Agency's funding from their major funders is not renewed, the Agency has the right to terminate their Richmond Hill office lease upon three months notice by providing the the landlord with three months prior written notice.

The Agency has a tenant's termination right in the event the Richmond Hill Welcome Centre's funding agreement is not renewed. The lease extension terms were designed to coincide with the renewal terms of the funding agreement.

11. FINANCIAL INSTRUMENTS

The Agency is exposed to various risks through its financial instruments. The following presents the Agency's risk exposures and concentrations at March 31, 2021.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Agency's credit risk would occur with their accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$0 (2020: \$0).

Liquidity Risk

Liquidity risk is the risk the Agency will encounter difficulties in meeting obligations associated with financial liabilities. The Agency is exposed to this risk as they depend on Government and other funding for their operations, the funding represents 97% of their revenue. In order to reduce this risk the Agency seeks to continue to receive funding on an annual basis and set aside funds to fulfil their obligations. There has been no change in the risk assessment from the prior period.

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 risks: currency risk, interest rate risk and other price risk.

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 Agency is not exposed to foreign currency 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 Agency has a low interest rate risk.

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 Agency is not exposed to other price risk.

12. FINANCIAL IMPACT OF THE NOVEL CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared a global pandemic due to the novel Coronavirus (COVID-19). The situation is constantly evolving and the economic impact has been substantial.

As at June 22, 2021, the Agency is aware of changes in its operations as a result of the COVID-19 crisis, including the potential decrease in funding and reduced counselling and fundraising-bingo revenues. Management cannot estimate the effects of these changes on future operations as there is uncertainty about the length and long-term impact of the crisis. The impacts will be accounted for when they are known and may be assessed.