

Inspire - Community Support Services
Financial Statements
For the year ended March 31, 2022

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 13
Schedule 1 - Central Administration Costs	14



Independent Auditor's Report

**To the Board of Directors of
Inspire - Community Support Services**

Opinion

We have audited the financial statements of Inspire - Community Support Services (the Organization), which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, 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 Opinion

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 requirement 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.

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.
- 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Cornwall, Ontario
June 20, 2022

Inspire - Community Support Services Statement of Financial Position

March 31	2022	2021
Assets		
Current		
Cash	\$1,504,747	\$ 1,457,191
Investments (Note 2)	123,114	128,196
Trade and other receivables	155,259	82,522
Prepaid expenses	15,025	3,058
	1,798,145	1,670,967
Investments (Note 2)	687,803	672,404
Tangible capital assets (Note 3)	483,213	520,487
	\$2,969,161	\$ 2,863,858
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 682,100	\$ 555,570
Due to MCCSS	1,017,954	1,060,859
Deferred contributions (Note 4)	41,862	41,862
	1,741,916	1,658,291
Deferred contributions related to tangible capital assets (Note 5)	147,754	169,032
	1,889,670	1,827,323
Contractual obligations (Note 6)		
Contingencies (Note 7)		
Net Assets		
Internally restricted Board Equity Fund	288,082	289,134
Internally restricted Reserve Fund	202,243	202,243
Invested in tangible capital assets	335,459	351,455
Unrestricted	253,707	193,703
	1,079,491	1,036,535
	\$2,969,161	\$ 2,863,858

On behalf of the board:

Francine Hart

Director

DocuSigned by:

Milena Cardinal

Director

Inspire - Community Support Services Statement of Changes in Net Assets

For the year ended March 31	Internally Restricted Board Equity	Internally Restricted Reserve Fund	Invested in Tangible Capital Assets	Unrestricted	2022	2021
Balance, beginning of the year	\$ 289,134	\$ 202,243	\$ 351,455	\$ 193,703	\$1,036,535	\$1,008,956
Excess (deficiency) of revenues over expenses	(1,052)	-	(15,996)	60,004	42,956	27,578
Balance, end of the year	\$ 288,082	\$ 202,243	\$ 335,459	\$ 253,707	\$1,079,491	1,036,534

Inspire - Community Support Services Statement of Operations

For the year ended March 31	2022	2021
Revenues		
Ministry of Children, Community and Social Services (MCCSS)	\$ 9,130,927	\$ 8,926,194
Ministry of the Attorney General	118,743	126,455
March of Dimes	373,113	96,081
United Way	60,000	61,600
Amortization of deferred contributions (Note 5)	21,278	26,178
Other (Note 8)	242,496	343,592
	9,946,557	9,580,100
Expenses		
Salaries	2,315,587	2,266,691
Benefits	637,353	398,063
Travel	19,644	25,140
Communication	16,155	19,153
Occupancy costs	108,084	121,404
Utilities	4,261	1,730
Staff training	2,156	4,604
Advertising	111	-
Repairs & maintenance	74,800	61,568
Professional / contracted services	23,726	55,010
IT services	18,320	6,895
Purchased client services	5,295,815	4,914,925
Passport expenses	327,596	167,927
Insurance	35,200	45,266
Other services	5,697	8,919
R&M supplies & equipment	-	1,325
IT supplies & equipment	2,801	7,514
Other supplies & equipment	39,726	49,690
Central administration costs (Schedule 1)	692,725	556,511
Members' expenses	520	20,277
Amortization of tangible capital assets	37,274	44,135
Year-end settlement	246,050	775,775
	9,903,601	9,552,522
Excess of revenues over expenses	\$ 42,956	\$ 27,578

Inspire - Community Support Services Statement of Cash Flows

For the year ended March 31	2022	2021
Cash flows from operating activities		
Cash receipts from government subsidies and members	\$ 9,852,541	\$ 9,621,460
Cash paid to funders, suppliers and employees	<u>(9,794,669)</u>	<u>(8,853,206)</u>
	<u>57,872</u>	<u>768,254</u>
Cash flows from investing activities		
Acquisition of tangible capital assets	-	(11,556)
Acquisition of term deposits	<u>(10,316)</u>	<u>(33,979)</u>
	<u>(10,316)</u>	<u>(45,535)</u>
Net increase in cash	47,556	722,719
Cash, beginning of the year	<u>1,457,191</u>	<u>734,472</u>
Cash, end of the year	<u>\$ 1,504,747</u>	<u>\$ 1,457,191</u>

Inspire - Community Support Services Notes to Financial Statements

March 31, 2022

1. Accounting Policies

Purpose of Organization	Inspire - Community Support Services is a community based not-for-profit charitable organization incorporated without share capital under the laws of Ontario. The Organization is dedicated to working with its members and clients to provide the highest quality of care and services possible to developmentally and physically handicapped children and adults in the United Counties of Stormont, Dundas and Glengarry. The Organization is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.
Basis of Accounting	The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.
Use of Estimates	The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the year covered. The main estimates relate to the estimated useful lives of tangible capital assets and amounts due to MCCSS.
Revenue Recognition	<p>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, including other revenue, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured either when the service has been performed or when the activity has taken place.</p> <p>Contributions relating to tangible capital assets are accounted for as deferred contributions and amortized on the same basis as the related tangible capital assets.</p>

Inspire - Community Support Services Notes to Financial Statements

March 31, 2022

1. Accounting Policies (continued)

Financial Instruments

Initial and subsequent measurement

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market. These are measured at fair value. Changes in fair value of these financial instruments are recognized in the statement of operations in the year incurred.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment.

Transaction costs

Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations over the life of the instrument using the straight-line method.

Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization. Amortization is provided on the basis of their useful lives using the following methods and annual rates and duration:

Buildings	4% diminishing balance basis
Computer equipment	30% diminishing balance basis
Equipment, furniture & fixtures	20% diminishing balance basis
Vehicles	30% diminishing balance basis

Impairment of Tangible Capital Assets

When a tangible capital 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.

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.

Inspire - Community Support Services Notes to Financial Statements

March 31, 2022

2. Investments

	2022	2021
Short-term, measured at fair value		
SocieTerra Conservative - Non registered Canadian investments	\$ 123,114	\$ 128,196
Long-term, measured at cost		
Guaranteed investment certificate, 2.25%, maturing in June 2024	104,551	102,250
Guaranteed investment certificate, 2.25%, maturing in June 2024	182,964	175,000
Guaranteed investment certificate, 1.00%, maturing in October 2024	361,339	356,879
Guaranteed investment certificate, 0.75%, maturing in September 2024	38,949	38,275
	687,803	672,404
	\$ 810,917	\$ 800,600

3. Tangible Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 39,000	\$ -	\$ 39,000	\$ -
Buildings	440,404	50,763	440,404	34,528
Computer equipment	49,461	30,231	49,461	21,989
Equipment, furniture & fixtures	24,654	11,498	24,654	8,209
Vehicles	64,683	42,497	64,683	32,989
	\$ 618,202	\$ 134,989	\$ 618,202	\$ 97,715
Net carrying amount		\$ 483,213		\$ 520,487

Inspire - Community Support Services Notes to Financial Statements

March 31, 2022

4. Deferred Contributions

Deferred contributions represent restricted operating funding received in the current year to cover operating expenses in the subsequent year. The variations in the balance of deferred contributions is as follows:

	2022	2021
Balance, beginning of the year	\$ 41,862	\$ 41,862
Less: amounts recognized as revenue in the year	-	-
Balance, end of the year	\$ 41,862	\$ 41,862

5. Deferred Contributions Related to Tangible Capital Assets

Deferred contributions related to tangible capital assets represent contributions received from the government or donors for the purchase of tangible capital assets. The variations in the balance of deferred contributions is as follows:

	2022	2021
Balance, beginning of the year	\$ 169,032	\$ 183,654
Less: amount amortized to operations	(21,278)	(26,178)
Plus: amount received during the year	-	11,556
Balance, end of the year	\$ 147,754	\$ 169,032

6. Contractual Obligations

The Organization has operating leases for its premises expiring in November 2032.

Future minimum lease payments over the next five years are as follows:

2023	\$ 90,818
2024	167,245
2025	170,255
2026	172,030
2027	173,320
Thereafter	1,009,700
	\$ 1,783,368

Inspire - Community Support Services Notes to Financial Statements

March 31, 2022

7. Contingencies

The Organization has several service contracts with the Ministry of Children, Community and Social Services (MCCSS). Some funding agencies require the production of different reports by management, showing the summary of all revenues and expenses and any resulting excess or deficiency that relate to the contract.

If the Organization has not spent its entire budget, it is liable to reimburse the difference to the funding agency and it will be reflected in the year incurred. If such a reimbursement is requested it will be reflected in the year reimbursed or the current year, if the amount to be reimbursed can be reasonably estimated.

8. Other Revenue

	2022	2021
Client fees	\$ 72,134	\$ 88,002
Other MCCSS funding	20,847	48,057
Rent recovery	17,294	17,634
Wage recovery	26,650	32,159
Interest earned	2,579	5,783
Other income	102,992	151,957
	\$ 242,496	\$ 343,592

9. Economic Dependence

The Organization receives 94% (2021 - 96%) of its revenues from the government. Should this funding not be continued or it cannot be replaced, the Organization would not be able to continue its operations at the current level.

Inspire - Community Support Services Notes to Financial Statements

March 31, 2022

10. Financial Instruments

Liquidity risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations with financial liabilities. Liquidity risk arises from accounts payable and accrued liabilities and due to MCCSS.

Credit risk

The Organization is exposed to credit risk for its trade and other 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 rebate.

The Organization is also exposed to credit risk since its bank accounts are held at one financial institution and deposits are only insured up to \$100,000.

There have not been any changes in this risk from the prior year.

Inspire - Community Support Services Schedule 1 - Central Administration Costs

For the year ended March 31	2022	2021
Expenses		
Advertising	\$ 1,661	\$ 3,428
Bank charges	6,655	5,924
Conference and meetings	2,223	-
Board expense	-	516
Equipment	3,302	-
Insurance	27,793	14,720
IT support	12,553	33,849
Other supplies and equipment	24,518	7,043
Professional fees / contracted services	66,050	90,783
Other services	4,980	434
Occupancy cost	29,549	13,249
Repairs and maintenance	2,685	2,830
Salaries and employee benefits	474,059	363,881
Telephone	11,890	-
Utilities	21,332	19,213
Travel	91	7,063
Staff training	1,129	633
Accounting services provided	-	(3,900)
Membership dues	2,255	8,015
Other income	-	(9,540)
Interest earned	-	(1,630)
	\$ 692,725	\$ 556,511