

**THE HOPE CENTRE:  
COMMUNITY RESOURCES IN ADVOCACY  
FINANCIAL STATEMENTS  
MARCH 31, 2022**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
The Hope Centre:  
Community Resources in Advocacy

### *Qualified Opinion*

We have audited the financial statements of The Hope Centre: Community Resources in Advocacy, which comprise the statement of financial position as at March 31, 2022, and the statement of operations and statement of 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 paragraph, 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*

The Hope Centre: Community Resources in Advocacy derives a material amount of revenue from donations and fundraising activities. We were not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for donation and fundraising revenue, revenue in excess of expenditure and changes to net assets because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

## INDEPENDENT AUDITOR'S REPORT, continued

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.

## INDEPENDENT AUDITOR'S REPORT, continued

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.



**Finucci Porter Hetu Professional  
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Authorized to practice public  
accounting by the Chartered  
Professional Accountants of Ontario

St. Catharines, Ontario  
September 13, 2022

**THE HOPE CENTRE:  
COMMUNITY RESOURCES IN ADVOCACY  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2022**

	Operating fund 2022	Capital fund 2022	Kacey-Lynn fund 2022 (restricted)	NEEF fund 2022 (restricted)	March 31 2022	March 31 2021
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash	\$ 491,610	\$ 158,539	\$ 13,828	\$ 12,906	\$ 676,883	\$ 736,865
Accounts receivable	29,043	-	-	-	29,043	9,807
HST receivable	21,308	-	-	-	21,308	22,550
Prepaid expenses	1,250	-	-	-	1,250	-
	<u>543,211</u>	<u>158,539</u>	<u>13,828</u>	<u>12,906</u>	<u>728,484</u>	<u>769,222</u>
SHORT-TERM INVESTMENTS (Note 4)	149,859	-	-	-	149,859	150,806
PROPERTY AND EQUIPMENT (Note 3)	-	543,608	-	-	543,608	547,022
	<u>149,859</u>	<u>543,608</u>	<u>-</u>	<u>-</u>	<u>693,467</u>	<u>697,828</u>
<b>TOTAL ASSETS</b>	<u>\$ 693,070</u>	<u>\$ 702,147</u>	<u>\$ 13,828</u>	<u>\$ 12,906</u>	<u>\$ 1,421,951</u>	<u>\$ 1,467,050</u>

The accompanying notes are an integral part of these financial statements

**THE HOPE CENTRE:  
COMMUNITY RESOURCES IN ADVOCACY  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2022**

	Operating fund 2022	Capital fund 2022	Kacey-Lynn fund 2022 (restricted)	NEEF fund 2022 (restricted)	March 31 2022	March 31 2021
<b>LIABILITIES AND FUND BALANCES</b>						
<b>CURRENT</b>						
Accounts payable and accrued liabilities	\$ 54,370	\$ -	\$ -	\$ -	\$ 54,370	\$ 53,740
Payroll amounts payable	16,797	-	-	-	16,797	16,431
Unearned revenue	245,597	-	-	-	245,597	252,213
Current portion of long-term debt	-	-	-	-	-	8,901
<b>TOTAL CURRENT LIABILITIES</b>	<b>316,764</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>316,764</b>	<b>331,285</b>
<b>LONG-TERM DEBT (Note 5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147,293</b>
<b>TOTAL LIABILITIES</b>	<b>316,764</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>316,764</b>	<b>478,578</b>
<b>FUND BALANCES</b>						
Restricted surplus	-	-	13,828	12,906	26,734	30,655
Unrestricted surplus	376,306	702,147	-	-	1,078,453	957,817
	376,306	702,147	13,828	12,906	1,105,187	988,472
<b>\$ 693,070</b>	<b>\$ 702,147</b>	<b>\$ 13,828</b>	<b>\$ 12,906</b>	<b>\$ 1,421,951</b>	<b>\$ 1,467,050</b>	

Approved on behalf of the board

Director, Barbara Lynn

Director, R. Hill

**THE HOPE CENTRE:  
COMMUNITY RESOURCES IN ADVOCACY  
STATEMENT OF OPERATIONS AND FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2022**

	Operating fund 2022	Capital fund 2022	Kacey-Lynn fund 2022 (restricted)	NEEF fund 2022 (restricted)	March 31 2022	March 31 2021
<b>REVENUES</b>						
Niagara Region homelessness prevention	\$ 628,925	\$ -	\$ -	\$ 85,000	\$ 713,925	\$ 725,250
City of Welland	65,000	-	-	-	65,000	65,000
Federal grant - CSJ	18,269	-	-	-	18,269	8,069
MCSS Pay Equity	5,859	-	-	-	5,859	5,859
<b>Total government funding</b>	<b>718,053</b>	<b>-</b>	<b>-</b>	<b>85,000</b>	<b>803,053</b>	<b>804,178</b>
Donations	296,223	-	-	-	296,223	466,932
Fee for service and other	38,819	54	-	-	38,873	93,394
Rental and parking income	122,437	-	-	-	122,437	160,407
United Way of South Niagara	63,040	-	-	-	63,040	71,246
Interest income	1,401	-	-	-	1,401	819
Fundraising revenue	78,347	-	-	-	78,347	22,510
Grants	431,314	-	-	-	431,314	75,498
Amortization of deferred grants	-	16,251	-	-	16,251	30,368
25% transfer of income from operating to capital	(35,549)	35,549	-	-	-	-
	<b>1,714,085</b>	<b>51,854</b>	<b>-</b>	<b>85,000</b>	<b>1,850,939</b>	<b>1,725,352</b>

The accompanying notes are an integral part of these financial statements

**THE HOPE CENTRE:  
COMMUNITY RESOURCES IN ADVOCACY  
STATEMENT OF OPERATIONS AND FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2022**

	Operating fund 2022	Capital fund 2022	Kacey-Lynn fund 2022 (restricted)	NEEF fund 2022 (restricted)	March 31 2022	March 31 2021
<b>EXPENSES</b>						
Amortization	-	32,120	-	-	32,120	34,491
Automotive and travel	5,554	-	-	-	5,554	3,785
Interest on long-term debt	-	5,744	-	-	5,744	5,719
Office and telephone	40,955	-	-	53	41,008	36,081
Professional fees	20,758	-	-	-	20,758	6,884
Occupancy cost -King Street	254,354	-	-	-	254,354	148,000
Salaries and related benefits	798,771	-	-	-	798,771	789,464
Program food and kitchen supplies	51,166	-	-	-	51,166	20,929
Occupancy costs - transitional housing	257,416	-	-	-	257,416	174,905
Assistance to individuals	176,097	-	534	88,334	264,965	213,769
Fundraising cost	2,368	-	-	-	2,368	956
Admin services	-	-	-	-	-	15,080
	<u>1,607,439</u>	<u>37,864</u>	<u>534</u>	<u>88,387</u>	<u>1,734,224</u>	<u>1,450,063</u>
Income (loss)	106,646	13,990	(534)	(3,387)	116,715	275,289
Balance, beginning of year	407,820	549,997	14,362	16,293	988,472	713,183
Interfund transfers	(138,160)	138,160	-	-	-	-
Balance, end of year	<u>\$ 376,306</u>	<u>\$ 702,147</u>	<u>\$ 13,828</u>	<u>\$ 12,906</u>	<u>\$ 1,105,187</u>	<u>\$ 988,472</u>

The accompanying notes are an integral part of these financial statements



**THE HOPE CENTRE:  
COMMUNITY RESOURCES IN ADVOCACY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2022**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income/(Loss)	\$ 116,715	\$ 275,288
Adjustments for		
Amortization	32,120	34,491
Amortization of deferred grant	(16,251)	(30,368)
	132,584	279,411
Change in non-cash working capital items		
Accounts receivable	(17,994)	52,672
Prepaid expenses	(1,250)	354
Accounts payable and accrued liabilities	631	1,494
Payroll amounts payable	366	17,218
Unearned revenue	(6,616)	171,413
Current portions	(8,901)	(290)
	98,820	522,272
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments	947	(64,217)
Purchase of property and equipment	(12,451)	(77,611)
	(11,504)	(141,828)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of demand loan	(147,298)	(9,444)
Deferred grant received	-	89,700
	(147,298)	80,256
<b>Increase (decrease) in cash</b>	(59,982)	460,700
<b>Cash, beginning of year</b>	736,865	276,165
 <b>Cash, end of year</b>	 \$ 676,883	 \$ 736,865

**THE HOPE CENTRE:  
COMMUNITY RESOURCES IN ADVOCACY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**1. Nature of operations**

The Hope Centre: Community Resources in Advocacy is a non-profit organization incorporated under the Ontario Business Corporations Act and is exempt from income taxes. The organization's primary purpose is to provide short term assistance in the form of food, health care emergency shelter and other personal needs to clients.

**2. Significant accounting policies**

The organization applies the Canadian accounting standards for not-for-profit organizations.

**(a) Revenue recognition**

The organization follows the restricted method of accounting for contributions and reports its activities by fund. Under the restricted fund method, funding provided for general operating purposes is recorded as revenue in the fiscal year in which it is awarded. Restricted contributions are recognized as revenue of the appropriate restricted fund. Contributions received for the purchase of capital assets are recorded as a reduction of the cost of the related capital assets and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

**Operating fund**

This fund presents the day to day operations of the organization, funded by government grants and private donations. This fund reports unrestricted contributions.

**Capital Fund**

This fund is internally restricted for the purpose of building improvements and major capital expenditures.

**Kacey-Lynn Fund**

This fund is restricted for the purposes of providing medical or dental assistance to families. Funding is provided by private donations.

**NEEF (Niagara Emergency Energy Fund)**

This restricted fund is provided by the Regional Municipality of Niagara to assist with energy customers who are having difficulty paying their bills. It is administered by the Hope Centre to determine those eligible for assistance under the program.

**(b) Cash and cash equivalents**

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

Amounts held as short-term investments are internally restricted to maintain enough funds for ongoing operations.

**THE HOPE CENTRE:  
COMMUNITY RESOURCES IN ADVOCACY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**2. Significant accounting policies, continued**

**(c) Capital assets**

Capital assets are recorded at cost. An impairment loss is recognized when the carrying amount of these assets is not recoverable and exceeds their fair value. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. One-half of the normal rate of amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Land and building -King Street	Declining balance	2.5%
Equipment	Declining balance	20%
Vehicles	Declining balance	30%
Computer equipment	Declining balance	30%
Deferred grants	Declining balance	2.5 & 30%

**(d) Deferred revenue**

This represents amounts received that are related to services to be provided in subsequent periods.

**(e) Financial instruments**

**(i) Measurement of financial instruments**

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures its financial assets and financial liabilities at cost, except for investments which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at cost include cash, restricted cash and accounts receivable.

Financial liabilities measured at cost include accounts payable and accrued liabilities and long-term debt.

**(ii) Impairment**

Financial assets measured at cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations. The write down reflects the difference between the carrying amount and the higher of:

**THE HOPE CENTRE:  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**2. Significant accounting policies, continued**

- ♦ the present value of the cash flows expected to be generated by the asset or group of assets;
- ♦ the amount that could be realized by selling the assets or group of assets;
- ♦ the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the statement of operations up to the amount of the previously recognized impairment.

**(f) Accounting 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant estimates and assumptions are used when accounting for items such as impairment of long-lived assets, determination of useful lives of property and equipment, revenue recognition, contingent liabilities and allowances for accounts receivable.

**(g) Contributed services**

Directors, committee members and owners volunteer their time to assist in the organization's activities. While these services benefit the organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

**(h) Fund accounting - restricted**

The revenues and expenses related to the collection of unrestricted donations and fund raising activities are reported in the General Fund. The Board has passed a motion to reflect all amounts as unrestricted. The funds held as GIC investments are internally considered restricted funds by the Board but can be used for any purpose at the Board's discretion.

**THE HOPE CENTRE:  
COMMUNITY RESOURCES IN ADVOCACY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**3. Property and equipment**

	2022	2022	2021	2021
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land and buildings - King St.	\$ 785,167	\$ 109,914	\$ 785,167	\$ 92,600
Equipment	111,903	70,113	101,953	60,909
Vehicles	54,496	43,495	54,496	38,780
Computer equipment	18,858	15,538	16,354	14,651
Deferred capital grants	(303,211)	-	(322,068)	-
	<u>667,213</u>	<u>239,060</u>	<u>635,902</u>	<u>206,940</u>
Net book value	\$ 428,153		\$ 650,588	

It is management's opinion that none of the property and equipment values are impaired.

**4. Investments**

	2022 Fair value	2022 Cost	2021 Fair value	2021 Cost
Invested with TD Bank				
GIC - 0.3% maturing 11/14/22	\$ 27,073	\$ 27,073	\$ 28,535	\$ 28,535
GIC - 2.7% maturing 6/17/23	32,174	32,174	31,855	31,855
GIC - 0.6% maturing 3/19/23	63,539	63,539	63,411	63,411
GIC - 0.3% maturing 11/14/22	27,073	27,073	27,005	27,005
	<u>\$ 149,859</u>	<u>\$ 149,859</u>	<u>\$ 150,806</u>	<u>\$ 150,806</u>

**THE HOPE CENTRE:  
COMMUNITY RESOURCES IN ADVOCACY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**5. Long-term Debt**

	<u>2022</u>	<u>2021</u>
TD commercial mortgage - 4.2% interest, repayable in equal monthly instalments of \$1,268, due September 2024 and secured by land and building located at 570 King Street, Welland, Ontario.	\$ -	\$ 156,199
Less amounts due within one year	-	8,901
	\$ -	\$ 147,298

During the year the organization paid \$5,744 (2020 - \$5,719) of interest on long-term debt.

The mortgage was fully discharged in the year.

**6. Economic dependence**

The organization receives a significant amount of its revenues from government and other charitable organizations such as the United Way. The organization's operations are contingent on the continuing support of the government and these other charitable organizations.

**7. Financial risk management**

The organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, market (other price) risk, and liquidity risk. Price risk arises from changes in interest rates and market prices.

It is management's opinion that the organization is not exposed to significant interest rate, credit, market or liquidity risks arising from its financial instruments. There has been no change in the types or concentrations of these risks from prior years.

**8. Interfund transfers**

The Board of Directors, based on availability of funds within each of the programs, may transfer funds between various programs to ensure the organization's overall objectives are met. The interfund transfers are reflected in the Statement of Financial Position when applicable.