



GOOD REDDEN KLOSLER

Supporting Growth. Providing Direction.

Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of:

TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

Qualified Opinion

We have audited the accompanying financial statements of Tillsonburg & District Multi-Service Centre which comprise the statement of financial position as at March 31, 2021, statement of change in net assets, 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 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 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 not-for-profit organizations, Tillsonburg & District Multi-Service Centre derives revenue in cash from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of Tillsonburg & District Multi-Service Centre. Therefore, we were not able to determine whether any adjustments might be necessary to revenue 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Tillsonburg & District Multi-Service Centre 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 audit opinion.

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 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 entity'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 or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 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 entity'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 entity 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.

Good Redden Klosler LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

Tillsonburg, Ontario
May 31, 2021



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

(With comparative figures as at March 31, 2020)

ASSETS	Operating Fund	Capital Fund	Reserve Fund	Total	
				2021	2020
	\$	\$	\$	\$	\$
Cash	937,931	50,000	715,289	1,703,220	1,389,347
Accounts receivable	95,866	33	-	95,899	72,868
Prepaid expenses and deposits	2,062	-	-	2,062	-
Total current assets	1,035,859	50,033	715,289	1,801,181	1,462,215
Long-term investments and receivables (note 3)	93,915	311,000	721,939	1,126,854	1,118,700
Equipment (note 5)	-	2,001	-	2,001	3,393
Total Assets	1,129,774	363,034	1,437,228	2,930,036	2,584,308
LIABILITIES AND FUND BALANCES					
Accounts payable and accrued liabilities (note 4)	795,972	-	-	795,972	570,121
Deferred revenue (note 8)	154,329	-	-	154,329	142,920
Total current liabilities	950,301	-	-	950,301	713,041
Fund Balances					
Invested in property and equipment	-	2,001	-	2,001	3,393
Invested in long-term investments	-	311,000	721,939	1,032,939	1,024,784
Internally restricted	-	50,033	715,289	765,322	672,303
Unrestricted	179,473	-	-	179,473	170,787
Total fund balances	179,473	363,034	1,437,228	1,979,735	1,871,267
Total Liabilities and Fund Balances	1,129,774	363,034	1,437,228	2,930,036	2,584,308

Approved by: _____



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended March 31, 2021
(With comparative figures for the year ended March 31, 2020)

	Operating Fund	Capital Fund	Reserve Fund	Mar. 31 2021	Mar. 31 2020
	\$	\$	\$	\$	\$
REVENUE					
Provincial funding	3,714,670	-	-	3,714,670	3,910,262
Local government and other grants	198,290	-	-	198,290	68,281
Donations and fundraising	21,437	-	-	21,437	16,883
Client fees	102,048	-	-	102,048	190,694
Program income	60,499	-	-	60,499	52,176
Allocated administration	669,171	34,872	-	704,043	674,856
Interest and miscellaneous income	42,733	444	11,006	54,183	61,041
Total revenue	4,808,848	35,316	11,006	4,855,170	4,974,193



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended March 31, 2021

(With comparative figures for the year ended March 31, 2020)

	Operating Fund	Capital Fund	Reserve Fund	Mar. 31 2021	Mar. 31 2020
	\$	\$	\$	\$	\$
EXPENDITURES					
Wages and benefits	2,706,616	-	-	2,706,616	2,752,529
Travel	51,549	-	-	51,549	85,278
Program expenses	750,428	-	-	750,428	955,971
Office and administration	532,654	21	-	532,675	397,680
Allocated administration	704,043	-	-	704,043	674,856
Amortization of property and equipment	-	1,391	-	1,391	2,085
Total expenditures	4,745,290	1,412	-	4,746,702	4,868,399
Excess (Deficiency) of Revenue Over					
Expenditures for the Year	63,558	33,904	11,006	108,468	105,794
Interfund Transfers, Net	(54,871)	(35,262)	90,133	-	-
Change in Fund Balances					
for the Year	8,687	(1,358)	101,139	108,468	105,794
Fund Balance, Beginning of Year	170,786	364,392	1,336,089	1,871,267	1,765,473
Fund Balance, End of Year	179,473	363,034	1,437,228	1,979,735	1,871,267



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

STATEMENT OF OPERATIONS - OPERATING FUND

For the year ended March 31, 2021
(With comparative figures for the year ended March 31, 2020)

	Schedule 1	Schedule 2	Schedule 3	Mar. 31	Mar. 31
	\$	\$	\$	2021	2020
				\$	\$
REVENUE					
Provincial funding	2,182,432	1,532,238	-	3,714,670	3,910,262
Local government and other grants	121,938	50,000	26,352	198,290	68,281
Donations and fundraising	19,220	2,217	-	21,437	16,883
Client fees	102,048	-	-	102,048	190,694
Program income	21,777	-	38,722	60,499	52,176
Allocated administration	-	-	669,171	669,171	639,984
Interest and miscellaneous income	-	-	42,733	42,733	42,882
Total revenue	2,447,415	1,584,455	776,978	4,808,848	4,921,162
EXPENDITURES					
Wages and benefits	1,475,656	737,150	493,810	2,706,616	2,752,529
Travel	50,996	543	10	51,549	85,278
Program expenses	235,174	325,983	189,271	750,428	955,971
Office and administration	314,513	188,916	29,225	532,654	397,657
Allocated administration	371,076	331,863	1,104	704,043	674,856
Total expenditures	2,447,415	1,584,455	713,420	4,745,290	4,866,291
Excess (Deficiency) of Revenue Over Expenditures for the Year	-	-	63,558	63,558	54,871



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

SCHEDULE 1

STATEMENT OF OPERATIONS - COMMUNITY SUPPORT SERVICES

For the year ended March 31, 2021

(With comparative figures for the year ended March 31, 2020)

	South West LHIN \$	Exercise Program \$	Mar. 31 2021 \$	Mar. 31 2020 \$
REVENUE				
Provincial funding	2,110,948	71,484	2,182,432	2,161,449
Local government and other grants	121,938	-	121,938	-
Donations and fundraising	838	18,382	19,220	16,299
Client fees	102,048	-	102,048	190,694
Program income	11,777	10,000	21,777	10,215
Total revenue	2,347,549	99,866	2,447,415	2,378,657
EXPENDITURES				
Wages and benefits	1,375,790	99,866	1,475,656	1,437,725
Travel	50,996	-	50,996	82,126
Program expenses	235,174	-	235,174	281,553
Office and administration	314,513	-	314,513	232,157
Allocated administration	371,076	-	371,076	345,096
Total expenditures	2,347,549	99,866	2,447,415	2,378,657
Excess (Deficiency) of Revenue Over Expenditures for the Year	-	-	-	-



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

SCHEDULE 2

STATEMENT OF OPERATIONS - MILTSD FUNDED PROGRAMS

For the year ended March 31, 2021

(With comparative figures for the year ended March 31, 2020)

	Literacy Basic Skills \$	Employment Services \$	YJC/ YJCS \$	CAN/ON Job Grant \$	Mar. 31 2021 \$	Mar. 31 2020 \$
REVENUE						
Provincial funding	187,746	895,633	354,685	94,174	1,532,238	1,748,813
Local government and other grants	-	50,000	-	-	50,000	40,996
Donations and fundraising	-	2,217	-	-	2,217	-
Program income	-	-	-	-	-	15
Total revenue	187,746	947,850	354,685	94,174	1,584,455	1,789,824
EXPENDITURES						
Wages and benefits	136,580	430,262	154,271	16,037	737,150	812,402
Travel	26	517	-	-	543	2,626
Program expenses	2,934	110,550	137,254	75,245	325,983	513,105
Office and administration	17,522	163,422	7,972	-	188,916	131,931
Allocated administration	30,684	243,099	55,188	2,892	331,863	329,760
Total expenditures	187,746	947,850	354,685	94,174	1,584,455	1,789,824
Excess (Deficiency) of Revenue Over Expenditures for the Year	-	-	-	-	-	-



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

SCHEDULE 3

STATEMENT OF OPERATIONS - ADMINISTRATION & OTHER PROGRAMS

For the year ended March 31, 2021

(With comparative figures for the year ended March 31, 2020)

	Admin	VIP Program	Mar. 31 2021	Mar. 31 2020
	\$	\$	\$	\$
REVENUE				
Provincial funding	-	-	-	-
Local government and other grants	19,061	7,291	26,352	27,285
Donations and fundraising	-	-	-	584
Program income	38,722	-	38,722	41,946
Allocated administration	669,171	-	669,171	639,984
Interest and miscellaneous income	42,733	-	42,733	42,882
Total revenue	769,687	7,291	776,978	752,681
EXPENDITURES				
Wages and benefits	489,240	4,570	493,810	502,402
Travel	10	-	10	526
Program expenses	189,271	-	189,271	161,313
Office and administration	27,608	1,617	29,225	33,569
Allocated administration	-	1,104	1,104	-
Total expenditures	706,129	7,291	713,420	697,810
Excess (Deficiency) of Revenue Over Expenditures for the Year	63,558	-	63,558	54,871



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

STATEMENT OF CASH FLOWS

For the year ended March 31, 2021

(With comparative figures for the year ended March 31, 2020)

	2021 \$	2020 \$
Cash Flows from Operating Activities		
Excess of revenue over expenditures for the year	108,464	105,794
Amortization	1,391	2,085
	109,855	107,879
Changes in non-cash working capital accounts		
Decrease (increase) in accounts receivable	(23,026)	35,924
Decrease (increase) in prepaid expenses and deposits	(2,062)	-
Increase (decrease) in accounts payable and accruals	225,852	52,916
Increase (decrease) in deferred revenue	11,408	54,842
Cash flows from (applied to) operating activities	322,027	251,561
Cash Flows from Investing Activities		
Decrease (increase) in long-term investments and receivables	(8,154)	(7,842)
Increase in Cash During the Year	313,873	243,719
Cash at Beginning of Year	1,389,347	1,145,628
Cash at End of Year	1,703,220	1,389,347



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

1. NATURE OF OPERATIONS

The Tillsonburg & District Multi-Service Centre (the "Centre") was incorporated without share capital in 1977 under the Income Tax Act of Canada as a registered charity. The Centre is exempt from tax under section 149 of the Income Tax Act.

The purpose of the Centre is:

- (i) To provide and render employment, home support and adult basic literacy services to a primarily adult resident population;
- (ii) To establish and operate a centre for the organization and dissemination of social services throughout the Town of Tillsonburg and its surrounding district;
- (iii) To co-operate and co-ordinate with all other social service agencies; and
- (iv) To receive, acquire and hold gifts, donations, legacies and devises.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Centre follows Canadian Accounting Standards for Not-for-Profit Organizations; significant aspects of the accounting policies adopted are as follows:

(a) Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Tillsonburg & District Multi-Service Centre ("Centre"), the accounts are maintained in accordance with the principles of "fund accounting". Under these principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund.

(i) Operating Fund

The Operating Fund of the Centre records amounts used for the day to day operations of the Centre and also records the assets, liabilities and net surplus carried forward relating to ongoing operations.

(ii) Capital Fund

The Capital Fund reports assets, liabilities, revenue and expenditures related to the Centre's property and equipment.

(iii) Reserve Fund

Money in the reserve funds have been set aside for future expenditures for building maintenance, other capital additions and contingencies and is to be used as authorized by the Board. Interest generated by the reserve fund is maintained in the account.



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Revenue Recognition

The Centre follows the restricted fund method of accounting for contributions.

Restricted contributions are recognized as revenue of the fund to which they relate in the year in which they are received. Restricted contributions for which there is no corresponding restricted fund, are recognized in the Operating Fund using the deferral method, whereby the contributions are deferred and brought into income when the applicable expenses are incurred.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year in which they are received or become receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on resources of the Capital Fund and Reserve Fund is recognized as revenue of those funds. Unrestricted investment income is recognized as revenue of the Operating Fund.

Program income and client fees are recognized as revenue in the Operating Fund when the service is performed and the legal obligation to pay is created.

(c) Contributed Services

Volunteers contribute time each year to assist the Centre in carrying out its service delivery activities. Because of the difficulty in determining the fair value contributed services are not recognized in the financial statements.

(d) Government Assistance

Government grants and funding is recorded when there is reasonable assurance that the Centre has complied with and will continue to comply with all necessary conditions to obtain the grants and funding. Funding related to current expenditures is recognized in the current period determination of net income. Funding related to expenses of future periods is deferred and amortized into income as related expenses are incurred, or in accordance with the restricted fund method where a corresponding restricted fund is presented.

(e) Income Taxes

As a registered charity, the Centre is exempt from Part I tax under paragraph 149(1)(f) of the Income Tax Act (Canada).

(f) Allocated Administration

The Centre incurs administration costs that relate to the whole organization. These costs include human resource costs for the executive director, business manager, accounting clerks, receptionists, as well as costs for office supplies, equipment rental and staff development. These costs are allocated to the various programs and departments using Ministry funding levels as an indicator of program activity, or when identifiable, specific activities and resource consumption of the individual programs.



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Equipment

Equipment is recorded at cost and contributed capital assets are recorded at their fair market value at the date of contribution. Capital assets funded through government programs or agencies are recorded at cost and the corresponding revenue is deferred and amortized on the same basis as the asset. Ministry funding received as outlined in lending agreements, is brought into income in the year received with the offsetting capital purchase recorded as program expense. Ministry funded capital expenditures included in program expense and Ministry funding was \$nil in 2021 (2020 - \$113,391).

The equipment is amortized straight-line using the following rates:

Furniture	20 years
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The Centre regularly reviews capital assets to eliminate obsolete items. Amortization is calculated at half the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal.

(h) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

Financial instruments are comprised of accounts receivable, short and long-term investments and receivables, accounts payable and accrued liabilities. All financial instruments in these financial statements are subsequently carried at amortized cost.

(i) Jointly Controlled Enterprises

The Centre has elected to account for all such interests using the cost method. This applies to the partnership interest in Tillsonburg Community Services Initiatives (TCSI).

(j) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumption 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 amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The primary estimates made by management in these financial statements relate to the useful lives of capital assets and accrued liabilities.



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

3. LONG-TERM INVESTMENTS AND RECEIVABLES

	2021 \$	2020 \$
Partnership Interest - related party		
The Board approved an initial investment in Tillsonburg Community Services Initiatives in partnership with Community Living Tillsonburg. The investment is recorded at its original cost in accordance with the cost method for jointly controlled enterprises.	311,000	311,000
Loan Receivable - related party		
The Board approved long-term financing to a related company, Stonebridge Community Services (SCS). The loan was advanced to fund start up costs. The loan bears cumulative interest at 1% payable annually in December. There are no set terms of repayment and no payments have been received in the last twelve month operating period.	655,000	655,000
Advance Receivable - related party		
The Board approved a short-term advance to a related company, Stonebridge Community Services (SCS). The amounts have been advanced to fund operating needs and working capital requirements. The loan bears cumulative interest at 1% payable annually in December. There are no set terms of repayment and no payments have been received in the last twelve month operating period.	93,915	93,915
Interest Receivable on SCS outstanding balances.	66,939	58,785
	1,126,854	1,118,700

4. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are amounts for government remittances payable totaling \$25,040 (2020 - 34,209).

5. EQUIPMENT

	Cost \$	Accumulated Amortization \$	2021 \$	2020 \$
Furniture	48,177	46,176	2,001	3,393



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

6. LEASE COMMITMENT

The Centre leases its premises located at 96 Tillson Avenue from Tillsonburg Community Services Initiatives. The initial lease period ran for 15 years and expired July 31, 2013. The Centre exercised its option to extend the lease five years, ending July 31, 2018. The organization has entered into a verbal agreement to extend the lease for another 5 years. See note 7 - Related Party Transactions.

7. RELATED PARTY TRANSACTIONS

During the year the Centre paid rent for office space and storage of \$61,902 (2020 - \$61,902) to and received administration fees of \$12,000 (2020 - \$12,000) from an organization in which they have a partnership interest, Tillsonburg Community Services Initiatives (TCSI). The Centre, together with Community Living Tillsonburg formed a partnership known as Tillsonburg Community Services Initiatives. This partnership is a non-profit corporation established for the purpose of contracting, owning, operating, leasing and managing a building to support community agencies. The initiative represents a jointly controlled enterprise for the Centre. These transactions are in the normal course of operations and were measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

During the year, the Centre made payments to Stonebridge Community Services (SCS) of \$91,201 (2020 - \$91,201) for rent and \$101,745 (2020 - \$96,269) for exercise and falls prevention classes. The Centre charged SCS revenue of \$12,000 in administration fees (2020 - \$12,000). SCS is a non-profit corporation related by common board control. The purpose of SCS is to assist aged, ill or disabled persons by providing such services as housekeeping, meal preparation, nursing and shopping assistance. The organization also assists needy persons who are unemployed and low skilled by providing an employment training centre, counselling and education programs. These transactions were in the normal course of operations and were measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

The Centre periodically lends funds to SCS which are considered to be long term in nature with no set repayment terms. The year end loan balance to SCS was \$748,915 (2020 - \$748,915), of which \$93,915 has been classified as an operating advance with the remaining portion considered a long-term loan financing. All amounts are classified as long-term on these financial statements as there is no expectation of repayment within the next operating period.

Interest accrues on these amounts annually at a rate of 1% per annum and is cumulative. Interest accrued and receivable from SCS at year end is \$66,939 (2020 - \$58,784) and is included in long-term investments and receivables; the amount is not expected to be collected within the next operating period.

Other related parties include management and governance for the Centre as they have the authority and responsibility for planning, directing and controlling the activities. All transactions with management are in the normal course of operations and are limited to salary and wages. There have been no transactions with directors and officers during the period. No other amounts are outstanding from or due to related parties.



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

8. DEFERRED REVENUE AND SURPLUS FUNDS

Some of the programs which are offered by the Centre are funded on a different year end reporting basis than the Centre. The deferred revenue represents the funds which have been received by the Centre, and which relate to expenditures to be incurred subsequent to March 31, but for which no specific restricted fund has been established. These funds will be matched against expenditures during a subsequent period. Any remaining surplus in the government funded programs has been included in accounts payable and will either be returned to the funding agency in the subsequent year, or used in a manner as prescribed by the funding agency and amortized into income on that basis.

9. FINANCIAL INSTRUMENTS

The Centre is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Centre's risk exposure and concentration as of March 31, 2021:

(a) Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Centre extends credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for bad debts. The Centre has a significant number of clients which minimizes the concentration of credit risk, and the most significant receivables are from the government.

(b) Interest Rate Risk

Interest rate risk reflects the sensitivity of the Centre's financial condition to movements in interest rates. The company receives interest on its investments based on the bank prime rate. These interest rates are representative of current market rates for investments with similar terms, conditions and maturities. The Centre does not carry any interest bearing debt.

10. ECONOMIC DEPENDENCE

The organization receives the majority of its revenue through various government ministries and its ability to continue viable operations is dependent upon continued funding from the governments. The funding is based on approved expenditure levels for each program as set out by agreements between the Ministry and the organization. Any excess of revenue over expenditures subsidized by the Ministry can either be requested by the Ministry to be returned or offset against future years' funding.

11. COMPARATIVE FIGURES

Certain of the prior year's balances have been reclassified to conform with the current year's presentation.

12. EXTRAORDINARY EVENT

The global COVID-19 pandemic continues to impact the Centres daily operations. The full extent of the prolonged pandemic at this time remains uncertain and cannot be predicted however it could materially affect the daily operations of the Centre and the ability to secure funding.

