

CHILD WITNESS CENTRE OF WATERLOO REGION
Financial Statements
Year Ended March 31, 2022

CHILD WITNESS CENTRE OF WATERLOO REGION
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Year Ended March 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Child Witness Centre of Waterloo Region

Qualified Opinion

We have audited the financial statements of Child Witness Centre of Waterloo Region (the organization), which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, revenues and expenditures and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2022, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, 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 donations and fundraising revenues, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2022, current assets and net assets as at March 31, 2022. 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 of 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 the organization in accordance with 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.

Other Information

Management is responsible for the Schedule of Revenue and Expenses by Program ("other information"). The other information comprises the information, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

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

(continues)

Independent Auditor's Report to the To the Members of Child Witness Centre of Waterloo Region
(continued)

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.



Waterloo, Ontario
June 21, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

CHILD WITNESS CENTRE OF WATERLOO REGION
Statement of Financial Position
March 31, 2022

| | 2022 | 2021 |
|--|---------------------|---------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 296,632 | \$ 434,618 |
| Short-term investments (Note 3) | 441,967 | 440,924 |
| Accounts receivable (Note 9) | 16,800 | 40,074 |
| Harmonized sales tax recoverable | 7,827 | 3,470 |
| Prepaid expenses | 4,167 | 3,545 |
| | <u>767,393</u> | 922,631 |
| LONG-TERM INVESTMENTS (Note 3) | 192,646 | 186,886 |
| CAPITAL ASSETS (Note 4) | 343,759 | 382,661 |
| | <u>\$ 1,303,798</u> | <u>\$ 1,492,178</u> |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 41,979 | \$ 40,648 |
| Deferred contributions (Note 5) | 286,250 | 466,380 |
| | <u>328,229</u> | 507,028 |
| DEFERRED CONTRIBUTIONS (Note 5) | 195,846 | 190,086 |
| DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 6) | 13,602 | 28,981 |
| LONG-TERM DEBT (Note 7) | 40,000 | 40,000 |
| | <u>577,677</u> | 766,095 |
| NET ASSETS | | |
| UNRESTRICTED FUND | 378,993 | 355,433 |
| INTERNALLY RESTRICTED (Note 8) | 16,971 | 16,971 |
| INVESTMENT IN CAPITAL ASSETS | 330,157 | 353,679 |
| | <u>726,121</u> | 726,083 |
| | <u>\$ 1,303,798</u> | <u>\$ 1,492,178</u> |

ON BEHALF OF THE BOARD

 06/23/22 Director

 06/23/22 Director

The accompanying notes form an integral part of these financial statements

CHILD WITNESS CENTRE OF WATERLOO REGION
Statement of Changes in Net Assets
Year Ended March 31, 2022

| | Unrestricted Fund | Internally Restricted | Investment in Capital Assets | 2022 | 2021 |
|--|----------------------|--------------------------|---------------------------------|-------------------|-------------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 355,433 | \$ 16,971 | \$ 353,679 | \$ 726,083 | \$ 664,943 |
| Excess of revenues over expenses | 38 | - | - | 38 | 61,140 |
| Transfer for purchase of capital assets | (15,296) | - | 15,296 | - | - |
| Transfer for capital asset funding received | 9,688 | - | (9,688) | - | - |
| Allocation of amortization | 54,195 | - | (54,195) | - | - |
| Allocation of amortization of deferred contributions | (25,065) | - | 25,065 | - | - |
| NET ASSETS - END OF YEAR | \$ 378,993 | \$ 16,971 | \$ 330,157 | \$ 726,121 | \$ 726,083 |

The accompanying notes form an integral part of these financial statements

CHILD WITNESS CENTRE OF WATERLOO REGION
Statement of Revenues and Expenditures
Year Ended March 31, 2022

| | 2022 | 2021 |
|---|------------------|------------------|
| REVENUES | | |
| Donations | \$ 391,905 | \$ 286,005 |
| Government funding (Note 9) | 448,412 | 257,244 |
| United Way funding (Note 10) | 92,410 | 118,600 |
| Fundraising events | 65,031 | 114,869 |
| Amortization of deferred contributions | 25,067 | 30,047 |
| Other income | 1,250 | 1,247 |
| Investment income | 1,043 | 1,079 |
| | <u>1,025,118</u> | <u>809,091</u> |
| EXPENSES | | |
| Facility expenses | 73,042 | 72,443 |
| Amortization | 54,195 | 71,206 |
| Administrative expenses | 44,491 | 30,726 |
| Resource development and marketing expenses | 21,745 | 10,811 |
| Staffing expenses | 1,062,640 | 925,626 |
| Direct program expenses | 15,376 | 4,788 |
| | <u>1,271,489</u> | <u>1,115,600</u> |
| DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS | (246,371) | (306,509) |
| OTHER INCOME | | |
| Federal subsidies (Note 13) | 246,409 | 367,649 |
| EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR | \$ 38 | \$ 61,140 |

The accompanying notes form an integral part of these financial statements

CHILD WITNESS CENTRE OF WATERLOO REGION**Statement of Cash Flow
Year Ended March 31, 2022**

| | 2022 | 2021 |
|---|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenues over expenses | \$ 38 | \$ 61,140 |
| Items not affecting cash: | | |
| Amortization of capital assets | 54,195 | 71,206 |
| Forgiveness on long-term debt | - | (20,000) |
| | <u>54,233</u> | <u>112,346</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | 23,274 | (19,412) |
| Harmonized sales tax recoverable | (4,357) | 1,793 |
| Prepaid expenses | (622) | 2,904 |
| Accounts payable and accrued liabilities | 1,331 | 7,439 |
| Deferred contributions | (189,748) | 18,187 |
| | <u>(170,122)</u> | <u>10,911</u> |
| Cash flow from (used by) operating activities | <u>(115,889)</u> | <u>123,257</u> |
| INVESTING ACTIVITIES | | |
| Purchase of capital assets | (15,294) | (8,503) |
| Change in investments | (6,803) | (22,975) |
| Cash flow used by investing activities | <u>(22,097)</u> | <u>(31,478)</u> |
| FINANCING ACTIVITY | | |
| Proceeds on long-term debt | - | 60,000 |
| INCREASE (DECREASE) IN CASH FLOW | <u>(137,986)</u> | <u>151,779</u> |
| Cash - beginning of year | <u>434,618</u> | <u>282,839</u> |
| CASH - END OF YEAR | <u>\$ 296,632</u> | <u>\$ 434,618</u> |

The accompanying notes form an integral part of these financial statements

CHILD WITNESS CENTRE OF WATERLOO REGION**Notes to Financial Statements****Year Ended March 31, 2022**

1. DESCRIPTION OF ORGANIZATION

The Child Witness Centre of Waterloo Region is a not-for-profit agency incorporated under letters of patent in the Province of Ontario and is a registered charity under the Income Tax Act. The Organization works in collaboration with the community and provides caring and compassionate support and advocacy for children and youth who are victims or witnesses of abuse or crime and their families through their Child Witness Program and the Child and Youth Advocacy Centre. Due to the Organization's status under the Income Tax Act, it is not subject to tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESBasis of presentation

These financial statements are prepared in accordance with the Canadian accounting standards for not-for-profit organizations.

Revenue recognition

Child Witness Centre of Waterloo Region follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions used to purchase capital assets are deferred and recognized as revenue on the same basis as the amortized expense related to the acquired capital asset. Unrestricted contributions are recognized as revenue when received.

Government funding is recognized in income during the period in which the funded services were provided.

Programming and fundraising events are recognized in income during the period in which the event occurred.

Software licensing income is recorded when the software is provided to the purchaser and collection is reasonably assured.

Investment income and other income are recognized into income when earned.

Federal subsidies are recognized in the period in which they relate.

Contributed Services

Volunteers contribute a significant number of hours per year to assist Child Witness Centre of Waterloo Region in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

In-kind Donations

Donations of goods in-kind for which a tax receipt is issued are recorded at the fair market value of the goods received.

Harmonized Sales Tax recoverable

The Organization is eligible to receive a semi-annual rebate from the Canada Revenue Agency in the amount of 50% of the federal portion and 82% of the provincial portion of Harmonized Sales Tax paid.

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CHILD WITNESS CENTRE OF WATERLOO REGION**Notes to Financial Statements****Year Ended March 31, 2022****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Cash and cash equivalents

The Organization considers cash deposited in the operating bank account to be cash and cash equivalents.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. The cost of capital items is capitalized on the date purchased when the cost is greater than \$500 and the life exceeds one year. Leasehold improvements are amortized over the estimated total life of the lease. Building is amortized based on a declining balance and the remaining capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

| | | |
|--|----------|--------------------------|
| Building | 4% | declining balance method |
| Paving | 10 years | straight-line method |
| Leasehold improvements | 6 years | straight-line method |
| Furniture, fixtures and office equipment | 5 years | straight-line method |
| Electronics | 3 years | straight-line method |

One-half the normal amortization is taken in the year of acquisition and no amortization is taken the year of disposal.

Assets under construction are the accumulated costs of capital assets which are being built for use in the Organization but are not available for use within the fiscal year. No amortization is taken on these assets until they are utilized within the Organization.

Financial instruments policy

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. Transaction costs are expensed when incurred. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Use of estimates

The preparation of financial statements in accordance with accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Estimates included in these financial statements include the estimated useful lives of capital assets and expense accruals.

CHILD WITNESS CENTRE OF WATERLOO REGION
Notes to Financial Statements
Year Ended March 31, 2022

3. INVESTMENTS

| | <u>2022</u> | <u>2021</u> |
|---|--------------------------|--------------------------|
| TD Investment Savings Account | \$ 441,967 | \$ 440,924 |
| TD Wealth Mutual Funds (book value \$168,029) | 192,646 | 186,886 |
| | <u>\$ 634,613</u> | <u>\$ 627,810</u> |

The allocation between short-term and long-term is as follows:

| | <u>2022</u> | <u>2021</u> |
|------------------------|--------------------------|--------------------------|
| Short-term investments | \$ 441,967 | \$ 440,924 |
| Long-term investments | 192,646 | 186,886 |
| | <u>\$ 634,613</u> | <u>\$ 627,810</u> |

A portion of investments have been designated as short-term to satisfy the current portion of deferred contributions as outlined in Note 5.

4. CAPITAL ASSETS

| | Cost | Accumulated amortization | 2022 Net book value | 2021 Net book value |
|---|--------------------------|-----------------------------|------------------------------------|---------------------------|
| Land | \$ 96,000 | \$ - | \$ 96,000 | \$ 96,000 |
| Building | 343,250 | 126,387 | 216,863 | 225,899 |
| Paving | 7,380 | 7,380 | - | 402 |
| Leasehold improvements | 49,032 | 44,946 | 4,086 | 12,258 |
| Furniture, fixtures and office equipment | 112,519 | 108,883 | 3,636 | 10,261 |
| Electronics | 196,622 | 173,448 | 23,174 | 37,841 |
| | <u>\$ 804,803</u> | <u>\$ 461,044</u> | <u>\$ 343,759</u> | <u>\$ 382,661</u> |

CHILD WITNESS CENTRE OF WATERLOO REGION**Notes to Financial Statements****Year Ended March 31, 2022****5. DEFERRED CONTRIBUTIONS**

Deferred contributions include contributions and grants which are to be used for specified expenditures incurred at a later date. The changes in deferred contributions during the year are as follows:

| | Safe Hands- Strong Futures Campaign | Youth Symposium | Other | 2022 | 2021 |
|---|--|--------------------|-----------|-------------------|------------|
| Opening balance | \$ 415,380 | \$ 190,086 | \$ 51,000 | \$ 656,466 | \$ 610,988 |
| Less: Amounts recognized in revenue during the year | (144,500) | - | (121,000) | (265,500) | (199,917) |
| Add: Restricted contributions received | 15,370 | 5,760 | 70,000 | 91,130 | 245,395 |
| Ending balance | \$ 286,250 | \$ 195,846 | \$ - | \$ 482,096 | \$ 656,466 |

Deferred contributions at yearend are presented as:

| | | | | | |
|-----------|-------------------|-------------------|------|-------------------|------------|
| Current | \$ 286,250 | \$ - | \$ - | \$ 286,250 | \$ 469,580 |
| Long-term | - | 195,846 | - | 195,846 | 186,886 |
| | \$ 286,250 | \$ 195,846 | \$ - | \$ 482,096 | \$ 656,466 |

The Safe Hands-Strong Futures campaign includes fundraising amounts received from individuals, corporations and the community and foundations which are restricted for the purpose of supporting the Child Witness Centre role in the Child and Youth Advocacy Centre and Child Witness Program. These campaign contributions are deferred until they have been spent on their restricted purpose supporting future program delivery.

The Youth Symposium is funding received from KW Sertoma/LaSertoma Foundation designated for the Waterloo Region Youth Symposium. This is funded from investment income and principal for as long as the event continues. Any amounts earned on the funds are recorded as an increase to the deferred contribution balance. The use of the funds is restricted to a maximum of \$21,000 annually.

CHILD WITNESS CENTRE OF WATERLOO REGION**Notes to Financial Statements****Year Ended March 31, 2022****6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

Deferred contributions related to capital assets include restricted contributions received from government and other organizations for capital asset purchases.

| | <u>2022</u> | <u>2021</u> |
|---|------------------|------------------|
| Opening balance | \$ 28,981 | \$ 56,271 |
| Add: Restricted contributions received for the purchase of capital assets | 9,688 | 2,757 |
| Less: Amounts recognized in revenue during the year | <u>(25,067)</u> | <u>(30,047)</u> |
| Ending balance | <u>\$ 13,602</u> | <u>\$ 28,981</u> |

The Organization utilized \$9,688 (2021 - \$2,757) for the purchase of capital assets as part of overall grants from the Ontario Trillium Fund of \$63,600 (2021 - nil) and the Department of Justice of \$110,000 (2021 - \$15,000). This funding will be taken into income over the estimated lifetime of the related capital asset.

7. LONG-TERM DEBT

The Canada Emergency Business Account Loan from the Government of Canada is a \$60,000 non-interest bearing loan with a term date of December 31, 2023. If the loan is repaid by the term date there will be a forgivable portion of \$20,000. The Organization plans to repay the balance of the loan in the term period and therefore has taken the \$20,000 into income in fiscal 2021. The remaining non-forgivable portion of \$40,000 is shown as long-term debt. There is an extended term period up to December 31, 2025. The loan bears interest at 5% per annum in this extended term period.

8. INTERNALLY RESTRICTED NET ASSETS

Internally restricted assets are restricted for the purpose of funding future capital costs, as well as major unplanned expenditures, related to the Organization's property.

CHILD WITNESS CENTRE OF WATERLOO REGION**Notes to Financial Statements****Year Ended March 31, 2022****9. GOVERNMENT FUNDING**

Government funding was as follows:

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|-------------------|-------------------|
| Department of Justice | \$ 209,853 | \$ 87,244 |
| Ministry of the Attorney General | 165,000 | 165,000 |
| Ontario Trillium Fund | 59,059 | - |
| City of Cambridge | 10,000 | 5,000 |
| City of Guelph | 4,500 | - |
| | <u>\$ 448,412</u> | <u>\$ 257,244</u> |

The Department of Justice has approved a grant of \$105,000 in 2021-2022 of which \$105,000 was recognized in 2021-2022 fiscal year for the purpose of supporting the Child Witness Centre's operating activities in the Child and Youth Advocacy Centre and the Child Witness Program. The final reconciliation on the use of the funds is due subsequent to year end. The Organization does not expect any of the funds will need to be returned to the Department of Justice. Included in accounts receivable at March 31, 2022 is \$10,500 with respect to this grant.

Three additional grants were approved by the Department of Justice during the year. Under the Victims Fund - Child Advocacy Centres, \$110,000 of funding was received for COVID-19 relief, of which \$5,147 was used to purchase capital assets, and the remaining \$104,853 was recognized in revenue during the year.

The Child Witness Centre received Child Witness Program funding of \$165,000 from the Ontario Ministry of the Attorney General, in four quarterly payments over the fiscal year 2021-2022. The Ministry has renewed this level of funding for 2022-2023.

10. UNITED WAY FUNDING

Included in revenues are the following United Way grants:

| | <u>2022</u> | <u>2021</u> |
|---|------------------|-------------------|
| United Way of Waterloo Region Communities | \$ 85,000 | \$ 100,000 |
| United Way Guelph Wellington Dufferin | 7,410 | 18,600 |
| | <u>\$ 92,410</u> | <u>\$ 118,600</u> |

CHILD WITNESS CENTRE OF WATERLOO REGION**Notes to Financial Statements****Year Ended March 31, 2022****11. CHILD WITNESS CENTRE ENDOWMENT FUND**

In December 2004 the Organization established the Child Witness Centre Balsillie Endowment Fund with the Kitchener-Waterloo Community Foundation (KWCF). The purpose of the Fund is to encourage donations by those who wish to give a gift which lasts forever in support of the work of the Child Witness Centre.

Donations to the Fund become part of the pool of investments of (and are owned by) KWCF, remain there permanently, and are managed in accordance with the investment policy adopted by KWCF's Investment Committee in consultation with its investment managers and advisors, and approved by its Board of Directors. Earnings available to the Child Witness Centre depend on investment performance and investment management fees, with the amount being appropriate to preserve the capital of the Fund. The Organization began receiving investment earnings from the Fund after it reached a value of \$25,000.

The following is a summary of Fund activity for the 2021 and 2020 calendar years:

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------|------------------|------------------|
| January 1st, Opening Balance | \$ 64,116 | \$ 63,619 |
| Donations to the Fund | 29 | 48 |
| Disbursed to the Child Witness Centre | (2,600) | (2,400) |
| KWCF Administration Fees | (1,112) | (1,042) |
| Investment gain/loss | 7,988 | 3,891 |
| December 31st, Closing Balance | <u>\$ 68,421</u> | <u>\$ 64,116</u> |

Donations to the fund may be made directly to the Foundation or to the Child Witness Centre. When an endowment fund donation is sent to the Centre with the cheque made payable to the Child Witness Centre, it must legally be deposited in the Centre's bank account and a subsequent cheque issued by the Centre to the Foundation. Such donations are netted against Individual Donations in the Revenue section of the statement.

CHILD WITNESS CENTRE OF WATERLOO REGION**Notes to Financial Statements****Year Ended March 31, 2022**

12. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of March 31, 2022.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting a demand for cash or funding its obligations as they come due. The Organization meets its liquidity requirements by monitoring the cash flow from operations, investment performance and the anticipated cash flows from investing and financing activities.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its investments as outlined in Note 3.

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 risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to these risks as a result of the investments held in Note 3.

Credit risk

At March 31, 2021, the Organization had cash deposited in financial institutions of approximately \$479,179 (2021 - \$676,269) in excess of the Canada Deposit Insurance Corporation (CDIC) limits of \$100,000 per institution. The Organization does not believe it is exposed to any significant credit risk on these deposits.

The extent of the Organization's exposure to the above noted risks did not change significantly during the fiscal year.

13. UNCERTAINTY REGARDING COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a pandemic. At the time of approval of these financial statements, the Organization has experienced the following financial implications:

- Uncertainty regarding future revenues including donations, fundraising revenues, and program events;
- The Organization applied for the emergency wage subsidy for employers in the amount of \$235,772 (2021 - \$323,561) which is included in federal subsidies income;
- The Organization applied for the emergency rental subsidy in the amount of \$10,637 (2021 - \$9,780) which is included in federal subsidies income.

At the time of approval of these financial statements, the pandemic continues to have an impact on the operations of the Organization. There remains uncertainty about the duration and the magnitude of this disturbance. An estimate of the financial effect of the pandemic on the Organization is not determinable at this time.

CHILD WITNESS CENTRE OF WATERLOO REGION**Schedule of Revenue and Expenses by Program****(Schedule 1)****(Unaudited)****Year Ended March 31, 2022**

| | Child Witness Program | Child and Youth Advocate Program | Youth Symposium | Total |
|---|--------------------------|---|--------------------|------------------|
| REVENUE | | | | |
| Donations | \$ 247,405 | \$ 144,500 | \$ - | \$ 391,905 |
| Fundraising events | 46,605 | 18,426 | - | 65,031 |
| United Way funding | 49,910 | 42,500 | - | 92,410 |
| Government funding | | | | |
| Ministry of the Attorney General | 165,000 | - | - | 165,000 |
| Department of Justice | - | 209,853 | - | 209,853 |
| Other | 4,500 | 69,059 | - | 73,559 |
| Other income | 6,339 | 21,021 | - | 27,360 |
| | <u>519,759</u> | <u>505,359</u> | <u>-</u> | <u>1,025,118</u> |
| EXPENSE | | | | |
| Facility expenses | 30,647 | 42,395 | - | 73,042 |
| Amortization | 30,111 | 24,084 | - | 54,195 |
| Administrative expenses | 19,633 | 24,858 | - | 44,491 |
| Resource development and marketing expenses | 6,440 | 15,305 | - | 21,745 |
| Staffing expenses | 556,598 | 506,042 | - | 1,062,640 |
| Direct program expenses | 10,296 | 5,080 | - | 15,376 |
| | <u>653,725</u> | <u>617,764</u> | <u>-</u> | <u>1,271,489</u> |
| DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS | <u>(133,966)</u> | <u>(112,405)</u> | <u>-</u> | <u>(246,371)</u> |
| OTHER INCOME | | | | |
| Federal subsidies | 133,972 | 112,437 | - | 246,409 |
| EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR | <u>\$ 6</u> | <u>\$ 32</u> | <u>\$ -</u> | <u>\$ 38</u> |

The accompanying notes form an integral part of these financial statements