

**CHILD WITNESS CENTRE OF WATERLOO REGION**  
**Financial Statements**  
**Year Ended March 31, 2021**

**CHILD WITNESS CENTRE OF WATERLOO REGION**  
**Index to Financial Statements**  
**Year Ended March 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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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, 2021, 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, 2021, 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 charitable organizations, the Organization derives revenue from donations and fundraising activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets as at March 31, 2021. Our audit opinion on the financial statements for the year ended March 31, 2020 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.

### *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.

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*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 7, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**CHILD WITNESS CENTRE OF WATERLOO REGION**

**Statement of Financial Position**

**March 31, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 434,618	\$ 282,839
Short-term investments (Note 3)	440,924	439,846
Accounts receivable (Note 13)	40,074	20,662
Harmonized sales tax recoverable	3,470	5,263
Prepaid expenses	3,545	6,449
	<u>922,631</u>	755,059
LONG-TERM INVESTMENTS (Note 3)	186,886	164,988
CAPITAL ASSETS (Note 4)	382,661	445,364
	<u>\$ 1,492,178</u>	<u>\$ 1,365,411</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 40,648	\$ 33,209
Deferred contributions (Note 5)	469,580	446,000
	<u>510,228</u>	479,209
DEFERRED CONTRIBUTIONS (Note 5)	186,886	164,988
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 6)	28,981	56,271
LONG-TERM DEBT (Note 7)	40,000	-
	<u>766,095</u>	700,468
<b>NET ASSETS</b>		
UNRESTRICTED FUND	355,433	258,880
INTERNALLY RESTRICTED (Note 11)	16,971	16,971
INVESTMENT IN CAPITAL ASSETS	353,679	389,092
	<u>726,083</u>	664,943
	<u>\$ 1,492,178</u>	<u>\$ 1,365,411</u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ 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, 2021**

	Unrestricted Fund	Internally Restricted	Investment in Capital Assets	<b>2021</b>	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 258,880	\$ 16,971	\$ 389,092	<b>\$ 664,943</b>	\$ 660,294
Excess of revenues over expenses	61,140	-	-	<b>61,140</b>	4,649
Transfer for purchase of capital assets	(8,503)	-	8,503	-	-
Transfer for capital asset funding received	2,757	-	(2,757)	-	-
Allocation of amortization	71,206	-	(71,206)	-	-
Allocation of amortization of deferred contributions	(30,047)	-	30,047	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 355,433</b>	<b>\$ 16,971</b>	<b>\$ 353,679</b>	<b>\$ 726,083</b>	<b>\$ 664,943</b>

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, 2021**

	2021	2020
<b>REVENUES</b>		
Donations	\$ 286,005	\$ 541,938
Government funding <i>(Note 8)</i>	257,244	298,300
United Way funding <i>(Note 9)</i>	118,600	118,000
Fundraising events	114,869	155,978
Amortization of deferred contributions	30,047	31,860
Other income	1,247	21,249
Investment income	1,079	6,749
Program events	-	49,596
	<u>809,091</u>	<u>1,223,670</u>
<b>EXPENSES</b>		
Facility expenses	72,443	63,717
Amortization	71,206	72,808
Administrative expenses	30,726	30,510
Resource development and marketing expenses	10,811	39,767
Staffing expenses	925,626	951,059
Direct program expenses	4,788	64,442
	<u>1,115,600</u>	<u>1,222,303</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>(306,509)</b>	<b>1,367</b>
<b>OTHER INCOME</b>		
Federal subsidies <i>(Notes 7, 13)</i>	<u>367,649</u>	<u>3,282</u>
<b>EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	<b>\$ 61,140</b>	<b>\$ 4,649</b>

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, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 61,140	\$ 4,649
Items not affecting cash:		
Amortization of capital assets	71,206	72,808
Forgiveness on long-term debt	<u>(20,000)</u>	<u>-</u>
	<u>112,346</u>	<u>77,457</u>
Changes in non-cash working capital:		
Accounts receivable	(19,412)	47,338
Harmonized sales tax recoverable	1,793	390
Prepaid expenses	2,904	4,399
Accounts payable and accrued liabilities	7,439	7,985
Deferred contributions	<u>18,187</u>	<u>(157,132)</u>
	<u>10,911</u>	<u>(97,020)</u>
Cash flow from (used by) operating activities	<u>123,257</u>	<u>(19,563)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(8,503)	(29,295)
Change in investments	<u>(22,975)</u>	<u>38,935</u>
Cash flow from (used by) investing activities	<u>(31,478)</u>	<u>9,640</u>
<b>FINANCING ACTIVITY</b>		
Proceeds on long-term debt	<u>60,000</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>151,779</b>	<b>(9,923)</b>
Cash - beginning of year	<u>282,839</u>	<u>292,762</u>
<b>CASH - END OF YEAR</b>	<b>\$ 434,618</b>	<b>\$ 282,839</b>

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, 2021

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### 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 POLICIES

#### Basis 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, 2021

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### 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, 2021**

3. INVESTMENTS

	<u>2021</u>	<u>2020</u>
TD Investment Savings Account	\$ 440,924	\$ 439,846
TD Wealth Mutual Funds (book value \$163,745)	<b>186,886</b>	164,988
	<b>\$ 627,810</b>	\$ 604,834

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

	<u>2021</u>	<u>2020</u>
Short-term investments	\$ 440,924	\$ 439,846
Long-term investments	<b>186,886</b>	164,988
	<b>\$ 627,810</b>	\$ 604,834

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	<b>2021 Net book value</b>	2020 Net book value
Land	\$ 96,000	\$ -	\$ 96,000	\$ 96,000
Building	343,250	117,351	<b>225,899</b>	235,311
Paving	7,380	6,978	<b>402</b>	804
Leasehold improvements	49,032	36,774	<b>12,258</b>	20,430
Furniture, fixtures and office equipment	112,519	102,258	<b>10,261</b>	16,794
Electronics	181,328	143,487	<b>37,841</b>	76,025
	<b>\$ 789,509</b>	\$ 406,848	<b>\$ 382,661</b>	\$ 445,364

**CHILD WITNESS CENTRE OF WATERLOO REGION**

**Notes to Financial Statements**

**Year Ended March 31, 2021**

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	<b>2021</b>	2020
Opening balance	\$ 353,000	\$ 176,488	\$ 81,500	\$ <b>610,988</b>	\$ 738,260
Less: Amounts recognized in revenue during the year	-	(11,500)	(188,417)	<b>(199,917)</b>	(252,100)
Add: Restricted contribution related to future years	62,380	25,098	157,917	<b>245,395</b>	124,828
Ending balance	\$ <b>415,380</b>	\$ <b>190,086</b>	\$ <b>51,000</b>	\$ <b>656,466</b>	\$ <b>610,988</b>

Deferred contributions at yearend are presented as:

Current	\$ 415,380	\$ 3,200	\$ 51,000	\$ <b>469,580</b>	\$ 446,000
Long-term	-	186,886	-	<b>186,886</b>	164,988
	\$ <b>415,380</b>	\$ <b>190,086</b>	\$ <b>51,000</b>	\$ <b>656,466</b>	\$ <b>610,988</b>

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.

Other deferred amounts include donations and grant funding received for the Child Witness Program and the Child & Youth Advocacy Program. The deferred amounts for these programs at March 31, 2021 are \$11,000 and \$40,000 respectively.

# CHILD WITNESS CENTRE OF WATERLOO REGION

## Notes to Financial Statements

Year Ended March 31, 2021

### 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>2021</u>	<u>2020</u>
Opening balance	\$ 56,271	\$ 86,131
Add: Restricted contributions received for the purchase of capital assets	2,757	2,000
Less: Amounts recognized in revenue during the year	<u>(30,047)</u>	<u>(31,860)</u>
Ending balance	<u>\$ 28,981</u>	<u>\$ 56,271</u>

The Organization received \$2,757 (2020 - \$2,000), as part of an overall grant of \$15,000 (2020 - \$132,000) from the Department of Justice, for the purchase of capital assets. This funding will be taken into income over the estimated lifetime of the related capital asset.

### 7. LONG-TERM DEBT

The Organization received \$60,000 of long-term debt in the form of a Canada Emergency Business Account Loan from the Government of Canada. This loan is non interest bearing and has an initial term date of December 31, 2022. If the loan is repaid by the initial term date there will be a forgivable portion of \$20,000. There is an extended term period up to December 31, 2025. The loan bears interest at 5% per annum in this extended term period.

The Organization plans to repay the balance of the loan in the initial term period. As a result, the forgivable portion of \$20,000 has been included in federal subsidies in the current year.

**CHILD WITNESS CENTRE OF WATERLOO REGION**

**Notes to Financial Statements**

**Year Ended March 31, 2021**

8. GOVERNMENT FUNDING

Government funding was as follows:

	<u>2021</u>	<u>2020</u>
Ministry of the Attorney General	\$ 165,000	\$ 165,000
Department of Justice	87,244	130,000
City of Cambridge	5,000	1,500
City of Guelph	-	1,800
	<u>\$ 257,244</u>	<u>\$ 298,300</u>

The Department of Justice has approved a grant of \$75,000 in 2020-2021 of which \$75,000 was recognized in 2020-2021 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, 2021 is \$7,500 with respect to this grant.

Two additional grants were approved by the Department of Justice during the year. Under the Victims Fund - Child Advocacy Centres, \$15,000 of funding was received for COVID-19 relief, of which \$2,757 was used to purchase capital assets, and the remaining \$12,244 was recognized in revenue during the year. Under the Child & Youth Advocacy Program \$40,000 was received and deferred to the 2021 - 2022 year as described in Note 5.

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 2020-2021. The Ministry has renewed this level of funding for 2021-2022.

Actual expenditures with respect to the Ministry of the Attorney General funding correspond with budget submitted to the Ministry:

	<u>2020-21 Actual</u>	<u>2020-21 Budget</u>
Rent / Lease	\$ 2,500	\$ 2,500
Office Supplies	2,300	2,300
Telecommunications	4,000	4,000
Staff Expenses	4,000	4,000
Audit	2,000	2,000
Insurance	2,700	2,700
Other expenses	7,500	7,500
Salaries and benefits	140,000	140,000
	<u>165,000</u>	<u>165,000</u>

# CHILD WITNESS CENTRE OF WATERLOO REGION

## Notes to Financial Statements

Year Ended March 31, 2021

### 9. UNITED WAY FUNDING

Included in revenues are the following United Way grants:

	<u>2021</u>	<u>2020</u>
United Way of Waterloo Region Communities	\$ 100,000	\$ 110,000
United Way Guelph Wellington Dufferin	18,600	8,000
	<u>\$ 118,600</u>	<u>\$ 118,000</u>

### 10. 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 2020 and 2019 calendar years:

	<u>2020</u>	<u>2019</u>
January 1st, Opening Balance	\$ 63,619	\$ 57,998
Donations to the Fund	48	-
Disbursed to the Child Witness Centre	(2,400)	(2,200)
KWCF Administration Fees	(1,042)	(1,052)
Investment gain/loss	3,891	8,873
December 31st, Closing Balance	<u>\$ 64,116</u>	<u>\$ 63,619</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.

### 11. 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, 2021

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### 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, 2021.

#### 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 \$676,269 (2021 - \$533,655) 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.



## CHILD WITNESS CENTRE OF WATERLOO REGION

### Notes to Financial Statements

Year Ended March 31, 2021

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#### 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 obtaining financing through the Canada Emergency Business Loan Program (CEBA) as described in Note 7.
- The Organization applied and collected the 10% temporary wage subsidy for employers in the amount of \$14,307 (2020 - \$3,282) which is included in federal subsidies income.
- The Organization applied for the emergency wage subsidy for employers in the amount of \$323,561 which is included in federal subsidies income. Included in accounts receivable at March 31, 2021 is \$32,574 related to this subsidy.
- The Organization applied for the emergency rental subsidy in the amount of \$9,780 which is included in federal subsidies income. Included in accounts receivable at March 31, 2021 is \$1,270 related to this subsidy.
- The Organization received \$15,000 from Department of Justice for COVID-19 relief as described in Note 8.
- The Organization received \$40,000 from the United Way of Waterloo Region Communities as disbursed from the COVID-19 Emergency Community Support Funds;
- Decrease in resource development and marketing expenses, and direct program expenses due to a decrease in activity.

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.

#### 14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.