

Shelldale Family Gateway  
Financial Statements  
For the Year Ended March 31, 2022

Shelldale Family Gateway  
For the Year Ended March 31, 2022

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## Independent Auditor's Report

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To the Board of Directors of Shelldale Family Gateway

### Qualified Opinion

We have audited the financial statements of Shelldale Family Gateway (the Organization), which comprise the statement of financial position as at March 31, 2022, the statements of operations, changes in net assets and 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 of the Organization as at March 31, 2022, and its results of 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, the Organization derives revenue from donations and other 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 other revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021 and net assets as at April 1 and March 31 for both the 2022 and 2021 years.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical 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 private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.



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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario  
September 13, 2022

Shelldale Family Gateway  
Statement of Financial Position

March 31	2022	2021
Assets		
Current		
Cash (Note 2)	\$ 479,518	\$ 433,697
Accounts receivable (Note 3)	22,259	9,034
Prepaid expenses	3,509	3,261
	\$ 505,286	\$ 445,992
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 94,016	\$ 89,154
Deferred contributions (Note 5)	3,369	38,000
	97,385	127,154
Long-term debt (Note 7)	30,000	-
	127,385	127,154
Net Assets		
EarlyOn fund	27,761	27,557
Youth and Community fund	347,463	288,604
Effort to Fundraise fund	2,677	2,677
	377,901	318,838
	\$ 505,286	\$ 445,992

Flow-Through Funding (Note 8)

Approved on behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

Shelldale Family Gateway  
Statement of Changes in Net Assets

For the year ended March 31	EarlyOn	Youth and Community	Effort to Fundraise	2022 Total	2021 Total
Balance, beginning of the year	\$ 27,557	\$ 288,604	\$ 2,677	\$ 318,838	\$ 212,419
Excess of revenues over expenditures	62,175	58,859	-	121,034	171,419
Program surplus to be repaid to funder	<u>(61,971)</u>	-	-	<u>(61,971)</u>	<u>(65,000)</u>
Balance, end of the year	<u>\$ 27,761</u>	<u>\$ 347,463</u>	<u>\$ 2,677</u>	<u>\$ 377,901</u>	<u>\$ 318,838</u>

The accompanying notes are an integral part of these financial statements.

Shelldale Family Gateway  
Statement of Operations

For the year ended March 31	EarlyON	Youth and Community	Effort to Fundraise	2022	2021
<b>Revenue</b>					
County of Wellington subsidy (Note 6)	\$ 553,100	\$ -	\$ -	\$ 553,100	\$ 553,100
Donations and grants	-	391,932	-	391,932	323,807
Government assistance (Note 7)	-	10,000	-	10,000	63,065
Interest	-	-	-	-	114
Lottery fundraising	-	-	-	-	36
Youth room rent	-	-	-	-	853
	<u>553,100</u>	<u>401,932</u>	<u>-</u>	<u>955,032</u>	<u>940,975</u>
<b>Expenditures</b>					
Advertising and promotion	637	4,940	-	5,577	953
Insurance	13,787	-	-	13,787	12,823
Professional/contracted-out-services	19,962	9,121	-	29,083	44,587
Program nutrition and other	1,014	11,062	-	12,076	8,605
Purchased client services	5,168	3,933	-	9,101	10,857
Rent/lease accommodation	71,744	14,960	-	86,704	77,970
Repairs and maintenance	14,788	793	-	15,581	11,853
Salaries and benefits - front line personnel	336,848	293,280	-	630,128	564,838
Supplies and equipment	16,199	1,929	-	18,128	26,037
Transportation	173	166	-	339	1,795
Utilities	10,605	2,889	-	13,494	9,238
	<u>490,925</u>	<u>343,073</u>	<u>-</u>	<u>833,998</u>	<u>769,556</u>
<b>Total expenditures</b>					
<b>Excess of revenues over expenditures</b>	<b>\$ 62,175</b>	<b>\$ 58,859</b>	<b>\$ -</b>	<b>\$ 121,034</b>	<b>\$ 171,419</b>

The accompanying notes are an integral part of these financial statements.

## Shelldale Family Gateway Statement of Cash Flows

For the year ended March 31	2022	2021
Cash flows from operating activities		
Excess of revenues over expenditures	\$ 121,034	\$ 171,419
Program surplus to be repaid to funder	(61,971)	(65,000)
	59,063	106,419
Changes in non-cash working capital:		
Accounts receivable	(13,225)	1,606
Prepaid expenses	(248)	(219)
Accounts payable and accrued liabilities	4,862	68,680
Deferred contributions	(34,631)	29,500
	15,821	205,986
Cash flows from investing activities		
Advance of long-term debt	30,000	-
Net increase in cash	45,821	205,986
Cash, beginning of the year	433,697	227,711
Cash, end of the year	\$ 479,518	\$ 433,697

The accompanying notes are an integral part of these financial statements.

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# Shelldale Family Gateway Notes to Financial Statements

March 31, 2022

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## 1. Significant Accounting Policies

Nature of Operations	<p>Shelldale Family Gateway (the "Organization") was incorporated without share capital under the laws of Ontario for the purpose of providing various primary intervention programs in the Willow Road area within the City of Guelph.</p> <p>The Organization is a registered charity and, as such, is exempt from income tax.</p>
Basis of Accounting	<p>These financial statements have been prepared in accordance with accounting standards for not-for-profit organizations.</p>
Revenue Recognition	<p>The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Restricted contributions where expenses have not been incurred are recorded as deferred contributions.</p>
Contributed Services	<p>Volunteers assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.</p>
EarlyOn Fund	<p>These funds were raised through County of Wellington subsidies. These funds are used to fund EarlyOn programs for the year.</p>
Youth and Community Fund	<p>These funds were raised through donations and grants for the purpose of providing programs which are not funded by County of Wellington subsidies. These funds may be transferred to the EarlyOn Fund by the Organization to offset the costs of EarlyOn programs. Programs delivered during the year included:</p> <p>Breakfast Club: A program that provides children the nutritious breakfast that is a building block for a healthy and productive day at school.</p> <p>School Year: A range of social-recreational after school programs that focus on leadership development, social skills, and enrichment opportunities for school aged children and youth, including a teen drop-in program.</p> <p>Summer Camp: A six week summer program to introduce children to a camp atmosphere right in their own neighbourhood. Activities include crafts, sport, swimming and off-site trips.</p>

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## Shelldale Family Gateway Notes to Financial Statements

March 31, 2022

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### 1. Significant Accounting Policies (continued)

Effort to Fundraise Fund	These funds were raised through various fundraising efforts operated by the Organization. These funds may be transferred to the Youth and Community Programs Fund and EarlyOn Fund by the Organization to offset the costs of Youth and Community and EarlyOn programs.
Government Assistance	Government assistance received during the year for current expenses is included in the determination of net income for the year.

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### 2. Cash

The Organization's bank accounts are held at one chartered bank.

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### 3. Financial Instruments

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk resulting from the possibility that a donor or counterparty to a financial instrument defaults on their financial obligations. The Organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. There have not been any changes in the risk from the prior year.

#### Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date or may be unable to settle or recover a financial asset. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, long-term debt (Note 7) and commitments (Note 4). There have not been any changes in the risk from the prior year.

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Shelldale Family Gateway  
Notes to Financial Statements

March 31, 2022

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4. Commitments

The Organization has entered into an operating lease for office space. The lease has an expiry date of 2031.

The minimum annual lease payments over the next nine years are as follows:

2023	86,686
2024	86,686
2025	86,686
2026	86,686
2027	86,686
2028 and thereafter	346,744
	\$ 780,174

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5. Deferred Contributions

Deferred contributions represent unspent resources restricted for the purposes of various programs. Changes in deferred contributions are as follows:

	2022	2021
Balance, beginning of the year	\$ 38,000	\$ 8,500
Add: contributions received	3,369	47,100
Less: revenue recognized	(38,000)	(17,600)
Balance, end of the year	\$ 3,369	\$ 38,000

The year end balance above represents \$3,369 the Organization received from the Guelph Rotary Club for the Breakfast Club program that is to be spent next fiscal year.

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6. Economic Dependence

The Organization receives 100% of its EarlyOn operational revenues from the County of Wellington. The future of the Organization is reliant on the County of Wellington providing sufficient ongoing funding to continue to manage future programs.

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## Shelldale Family Gateway Notes to Financial Statements

March 31, 2022

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### 7. Government Assistance

During the year, the Organization received \$40,000 in financial assistance from the Canadian Emergency Business Account (CEBA). Included in this amount was a \$10,000 forgivable loan if the remaining \$30,000 is repaid prior to December 31, 2023. The amount of the forgivable loan was recognized as government assistance revenue during the year once received. Subsequent to year-end, the \$30,000 repayable portion of the loan was repaid in full.

During the year, the Organization received \$NIL (2021 - \$63,065) of Canadian Emergency Wage Subsidy financial assistance which relates to salaries and benefits within the Youth and Community fund.

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### 8. Flow-Through Funding

During the year, the Organization received an Ontario Trillium Foundation (OTF) grant related to building upgrades of the premises that it rents from Kindle Communities Organization. The Organization entered into an agreement with Kindle Communities which stipulates that the Organization will provide all OTF funding to Kindle Communities Organization and Kindle Communities Organization is responsible for all related building improvement costs.

During the year, the Organization received \$135,600 from OTF which it has provided to Kindle Communities Organization.

Subsequent to year-end, the Organization received an additional \$108,000 from OTF which it has further provided to Kindle Communities Organization net of an administration fee charged by the Organization of \$17,700. The Organization has sole responsibility for the fulfillment of the grant contract with OTF.

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### 9. Comparative Amounts

Certain comparative amounts presented have been reclassified to conform to the current year's presentation.

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