

**PIN THE PEOPLE AND INFORMATION
NETWORK**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To: The Members of PIN the People and Information Network

Qualified Opinion

We have audited the accompanying financial statements of **PIN the People and Information Network**, which comprise the statement of financial position as at **March 31, 2022**, the statement of operations, the statement of changes in net assets and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of PIN the People and Information Network at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

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 opinion.

In common with many non-profit organizations, the Organization derives revenue from donations and events, the completeness of which is not susceptible to 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 donation and event revenue, excess of revenue over expenditures for the year and cash flows from operations for the years ended March 31, 2022 and March 31, 2021, current assets as at March 31, 2022 and March 31, 2021, and net assets as at April 1, 2021 and March 31, 2022 and April 1, 2020 and March 31, 2021.

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

Management is responsible for the preparation and fair presentation of these 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 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.

Guelph, Ontario
June 16, 2022


WCO Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

PIN THE PEOPLE AND INFORMATION NETWORK
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Unrestricted Fund	Contingency Reserve Fund	WWLA Fund	Total 2022	Total 2021
ASSETS					
CURRENT					
Cash	\$ 164,726	\$ 0	\$ 0	\$ 164,726	\$ 194,599
Internally restricted cash	0	40,210	0	40,210	68
Accrued interest receivable	0	611	0	611	598
Accounts receivable (note 2)	11,357	0	0	11,357	25,690
Government remittances receivable	4,784	0	0	4,784	5,393
COVID government assistance receivable	0	0	0	0	18,489
Prepaid expenses	4,187	0	0	4,187	5,582
	185,054	40,821	0	225,875	250,419
OTHER ASSETS					
Long-term investments (note 3)	0	30,885	0	30,885	30,265
	<u>\$ 185,054</u>	<u>\$ 71,706</u>	<u>\$ 0</u>	<u>\$ 256,760</u>	<u>\$ 280,684</u>
LIABILITIES					
CURRENT					
Demand loan (note 8)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,000
Accounts payable and accrued liabilities	6,604	0	0	6,604	15,613
Deferred revenue (note 4)	82,840	0	0	82,840	110,102
Interfund due to (from) (note 5)	(260)	2,263	(2,003)	0	0
Total Liabilities	89,184	2,263	(2,003)	89,444	155,715
NET ASSETS					
NET ASSETS	<u>95,870</u>	<u>69,443</u>	<u>2,003</u>	<u>167,316</u>	<u>124,969</u>
	<u>\$ 185,054</u>	<u>\$ 71,706</u>	<u>\$ 0</u>	<u>\$ 256,760</u>	<u>\$ 280,684</u>

APPROVED BY THE BOARD:

<u>Janet Kaufman</u>	Director
<u>Moisan</u>	Director

**PIN THE PEOPLE AND INFORMATION NETWORK
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022**

	Contingency				
	Unrestricted Fund	Reserve Fund	WWLA Fund	Total 2022	Total 2021
Balance at beginning of the year	\$ 54,298	\$ 68,668	\$ 2,003	\$ 124,969	\$ 46,442
Excess of revenue over expenses for the year	41,572	775	0	42,347	78,527
Interfund transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance at end of the year	<u>\$ 95,870</u>	<u>\$ 69,443</u>	<u>\$ 2,003</u>	<u>\$ 167,316</u>	<u>\$ 124,969</u>

PIN THE PEOPLE AND INFORMATION NETWORK
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022

	Contingency				
	Unrestricted	Reserve	WWLA	Total	Total
	Fund	Fund	Fund	2022	2021
REVENUE					
United Way allocation (note 10)\$	117,500	\$ 0	\$ 0	\$ 117,500	\$ 142,500
Fee for service	98,615	0	0	98,615	99,971
Grants and donations	75,832	0	0	75,832	53,169
Membership fees	24,843	0	0	24,843	30,471
Training and consultation	19,022	0	0	19,022	20,705
Project administrative fee	18,540	0	0	18,540	18,138
Other income	3,406	0	0	3,406	0
Interest income	725	775	0	1,500	846
	<u>358,483</u>	<u>775</u>	<u>0</u>	<u>359,258</u>	<u>365,800</u>
EXPENSES					
Wages and benefits	215,298	0	0	215,298	248,378
Fee for service	36,543	0	0	36,543	28,883
Rent	28,037	0	0	28,037	27,089
Office	17,340	0	0	17,340	22,429
Promotion and printing	11,148	0	0	11,148	5,496
Professional fees	6,490	0	0	6,490	9,729
Insurance	3,763	0	0	3,763	3,700
Membership fees	2,807	0	0	2,807	1,652
Repairs and maintenance	2,793	0	0	2,793	2,893
Bank charges and interest	1,780	0	0	1,780	2,034
Programs	1,728	0	0	1,728	2,927
Professional development	1,700	0	0	1,700	1,157
Training and consultation	1,500	0	0	1,500	125
Telephone and internet	1,163	0	0	1,163	1,630
National Volunteer Week	1,026	0	0	1,026	1,080
Board expenditures	413	0	0	413	780
Travel	25	0	0	25	0
Utilities	0	0	0	0	21
	<u>333,554</u>	<u>0</u>	<u>0</u>	<u>333,554</u>	<u>360,003</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	24,929	775	0	25,704	5,797
COVID GOVERNMENT ASSISTANCE	<u>16,643</u>	<u>0</u>	<u>0</u>	<u>16,643</u>	<u>72,730</u>
EXCESS OF REVENUE OVER EXPENSES for the year	<u>\$ 41,572</u>	<u>\$ 775</u>	<u>\$ 0</u>	<u>\$ 42,347</u>	<u>\$ 78,527</u>

see accompanying notes

PIN THE PEOPLE AND INFORMATION NETWORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022

	Total 2022	Total 2021
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 42,347	\$ 78,527
Changes in non-cash working capital items		
Decrease (increase) in government remittances receivable	609	(464)
(Increase) decrease in accrued interest receivable	(13)	171
Decrease (increase) in accounts receivable	14,333	(15,461)
Decrease in prepaid expenses	1,395	1,478
Decrease (increase) in COVID government assistance receivable	18,489	(18,489)
(Decrease) increase in accounts payable and accrued liabilities	(9,016)	1,504
(Decrease) in deferred revenue	<u>(27,262)</u>	<u>(4,431)</u>
	<u>40,882</u>	<u>42,835</u>
INVESTING ACTIVITIES		
(Increase) decrease in short-term investments	0	29,467
(Increase) in long-term investments	<u>(620)</u>	<u>(30,265)</u>
	<u>(620)</u>	<u>(798)</u>
FINANCING ACTIVITIES		
(Decrease) increase in term loan	<u>(30,000)</u>	<u>30,000</u>
NET INCREASE IN CASH	10,262	72,037
CASH, BEGINNING OF YEAR	<u>194,674</u>	<u>122,630</u>
CASH, END OF YEAR	<u>\$ 204,936</u>	<u>\$ 194,667</u>
CASH CONSISTS OF:		
Cash	\$ 164,726	\$ 194,599
Internally restricted cash	<u>40,210</u>	<u>68</u>
	<u>\$ 204,936</u>	<u>\$ 194,667</u>

see accompanying notes

PIN THE PEOPLE AND INFORMATION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NATURE OF BUSINESS

PIN The People and Information Network is a charitable organization incorporated without share capital under the Ontario Business Corporations Act. The Organization promotes and supports effective volunteerism throughout the City of Guelph and Wellington County by working with existing organizations and individuals. The organization is exempt from income taxes.

1. SUMMARY OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

(a) FUND ACCOUNTING

The activities of the Organization are recorded through the following funds:

Unrestricted Fund

The unrestricted fund records the ongoing operations of the Organization.

Contingency Reserve Fund

The contingency reserve fund is internally restricted and can be used for contingency purposes under the discretion of the Board of Directors of the Organization.

WWLA Fund

The WWLA fund is a restricted fund that reflects the transactions associated with the collaborative agreement between the Organization and Volunteer Action Centre of Kitchener-Waterloo & Area.

(b) REVENUE RECOGNITION

The Organization follows the deferral method for contributions. Under this method:

- Contributions received for specific purposes are deferred and recognized as revenue in the year in which expenses are incurred.
- Unrestricted contributions are recognized when received.

(c) INVESTMENTS

Investments are valued at fair value. Fair value is determined by the closing sale price on the recognized stock exchange on which the investments are listed or principally traded.

**PIN THE PEOPLE AND INFORMATION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

1. SUMMARY OF ACCOUNTING POLICIES *(continued)*

(d) CASH

Cash consists principally of funds held at financial institutions.

(e) CAPITAL ASSETS

Capital assets are recorded at cost. Depreciation is calculated using the straight line method and reflect the estimated useful lives of the assets as the following:

Office equipment	5 years
Computer equipment	2 years
Computer software	2 years
Leasehold improvements	Over period of lease

(f) CONTRIBUTED SERVICES

Volunteers contribute a significant amount of time per year to assist the Organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

PIN THE PEOPLE AND INFORMATION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

1. SUMMARY OF ACCOUNTING POLICIES *(continued)*

(g) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and liabilities at amortized cost, except for cash, short term investments and investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include accounts receivable and government remittances recoverable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and the operating loan.

Measurement of financial instruments with related parties

The Organization initially and subsequently measures related party transactions that are considered financial instruments at cost. Related party transactions do not have repayment terms and are considered to be in the normal course of operations, therefore cost is the exchange amount of the consideration transferred or received.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

For financial instruments subsequently measured at fair value, the Organization recognizes transaction costs directly attributable to their origination, issuance or assumption in net income in the period incurred. When a financial instrument is measured at amortized cost, transaction costs are included in the initial measurement of the instrument.

(h) ALLOCATION OF EXPENSES

The Organization's operations consists of a number of programs. Some personnel split their time between the programs as needed. These costs are allocated to each individual program based on management's best estimate of time spent by personnel on each program.

**PIN THE PEOPLE AND INFORMATION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

1. SUMMARY OF ACCOUNTING POLICIES *(continued)*

(i) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Actual results could differ from those estimates. Estimates are reviewed on a regular basis and, as adjustments become necessary, they are reported in income in the periods in which they become known. The assets and liabilities which require management to make significant estimates and assumptions in determining carrying values include accounts receivable, capital assets, and accounts payable and accrued liabilities.

2. ACCOUNTS RECEIVABLE

Accounts receivable is net of an allowance for impairment in the amount of \$0 (2020 - \$0).

3. LONG-TERM INVESTMENTS

Long-term investments as at March 31, 2022 consists of the following:

	2022	2021
GIC - bears interest at 2.05% with a maturity date of April 13, 2023	<u>\$ 30,885</u>	<u>\$ 30,265</u>

The fair value of long-term investments is equivalent to cost.

4. DEFERRED REVENUE

Deferred revenue consists of membership fees, grants and fee-for-service payments received in advance for the following year as well as other amounts received by the Organization for specific programs and projects that will be expended in future years.

5. INTERFUND LOAN

Interfund loans are non-interest bearing and have no specific terms of repayment.

**PIN THE PEOPLE AND INFORMATION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

6. COMMITMENTS

The Organization is committed under a lease for premises (55 Wyndham Street) which expires July 31, 2022. The lease will not be renewed upon expiry. Minimum annual rentals for the next year are approximately as follows:

2023	\$ <u>11,300</u>
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7. WATERLOO WELLINGTON LEARNING ALLIANCE (WWLA)

On January 1, 2012 the Organization entered into a partnership (collaborative) agreement with Volunteer Action Centre of Kitchener-Waterloo & Area and United Way of Waterloo Region Communities involving training and consultation services for Waterloo and Guelph-Wellington regions. Beginning 2019, this alliance consists of two partners, namely, PIN and Volunteer Action Centre of Kitchener-Waterloo & Area. The mission is to collaboratively facilitate a learning program that will enable, fuel and empower community oriented work in the voluntary sector in Cambridge, Kitchener-Waterloo, Guelph, Wellington County and surrounding areas. The WWLA fund is externally restricted. The Organization and Volunteer Action Centre of Kitchener-Waterloo & Area are jointly and equally responsible for any cash flow shortages or budget shortfalls of the Waterloo Wellington Learning Alliance. The excess of revenue over expenses are to be shared equally to reimburse for services provided by their respective Organizations. Payments of surplus are disclosed as WWLA partner distributions and interfund transfers.

PIN THE PEOPLE AND INFORMATION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

8. DEMAND LOAN

The Organization received \$40,000 from the Canadian Emergency Benefit Account program in the prior year. The loan is interest free until December 31, 2023, after which interest will accrue at a rate of 5% annually. A maximum of \$10,000 (25%) of the loan will be forgiven if the loan is repaid in full by December 31, 2023. The forgivable portion of the loan was included in COVID government assistance revenue in the prior year. The loan was fully repaid in the current year.

	2022	2021
Opening balance	\$ 30,000	\$ 0
Amount received	0	40,000
Forgivable portion	0	(10,000)
Amount repaid	<u>(30,000)</u>	<u>0</u>
	<u>\$ 0</u>	<u>\$ 30,000</u>

9. UNCERTAINTY DUE TO COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The situation is dynamic with various cities, regions and countries around the world responding in different ways to address the outbreak.

During the year, COVID-19 restrictions began to relax as vaccination rates increased and governments established rules and regulations to allow businesses to resume normal operations. However, uncertainty due to COVID-19 remains a risk as new variants emerge.

The potential economic effects within the Organization's environment and in the global markets due to possible disruption to supply chains and measures introduced at various levels of government to curtail the spread of the virus continue to impact the operations of the business. The Organization has adapted to local restrictions by transitioning to online based events where possible. The full extent of the impact of the pandemic and related containment measures on the Organization's operations cannot be reliably esimated at this time.

10. SUBSEQUENT EVENT

Subsequent to the year end, the Organization received notice from United Way Guelph Wellington Dufferin that their funding for the 2023 fiscal year will be reduced to \$10,000. A portion of this reduction (\$55,750) relates to the Organization's decision to cease providing Community Information services effective March 31, 2022. Management is responding to the additional loss of funding through a reduction of expenditures with the goal of minimizing the impact to continuing services and programs.

PIN THE PEOPLE AND INFORMATION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

11. FINANCIAL RISK MANAGEMENT

The Organization may be exposed to a variety of financial risks including credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and other price risk). It is management's opinion that the Organization's risk exposure is unchanged from the prior year.

a) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation that is entered into with the Organization. It is management's opinion that the Organization is not exposed to significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. It is management's opinion that the Organization is not exposed to significant liquidity risk.

c) 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 is comprised of three types of risk: currency risk, interest rate risk, and other price risk. The Organization is mainly exposed to interest rate risk.

i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currencies. The Organization does not transact in foreign currency, therefore, is not exposed to currency risk.

ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value of financial instruments. The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Organization to a fair value risk, while floating rate instruments subject the Organization to a cash flow risk.

iii) Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. The Organization is not exposed to other price risk.