



Financial Statements

211 Information and Referral Services Association

December 31, 2020

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Independent Auditor's Report

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To the Board of Directors of
[211 Information and Referral Services Association](#)

Opinion

We have audited the financial statements of 211 Information and Referral Services Association (the "Association"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 211 Information and Referral Services Association as at December 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 Association 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Halifax, Canada
April 14, 2021

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

211 Information and Referral Services Association

Statements of operations and surplus

Year ended December 31	2020	2019
Revenues		
Government funding	\$ 945,000	\$ 945,000
Grant revenue	-	23,211
Other revenue	29,612	25,764
Private funding	190,081	98,784
	1,164,693	1,092,759
Expenses		
Advertising	33,614	32,685
Amortization	24,236	13,362
Insurance	3,443	2,969
Interest and bank charges	3,253	2,486
Office	15,390	17,462
Professional fees	216,109	173,276
Rent	15,202	17,374
Repairs and maintenance	2,085	1,105
Staff training	3,375	3,880
Communications	39,317	37,709
Travel	3,343	14,782
Wages and benefits	784,981	778,591
	1,144,348	1,095,681
Excess (deficiency) of revenue over expenses	\$ 20,345	\$ (2,922)
<hr style="border: 1px solid black;"/>		
Surplus, beginning of year	\$ 154,437	\$ 157,359
Excess (deficiency) of revenue over expenses	20,345	(2,922)
Surplus, end of year	\$ 174,782	\$ 154,437


211 Information and Referral Services Association

Statement of financial position

December 31	2020	2019
Assets		
Current		
Cash and cash equivalents	\$ 150,514	\$ 153,115
Receivables	11,852	25,387
Prepays	11,727	5,798
HST receivable	<u>22,088</u>	<u>12,753</u>
	196,181	197,053
Capital assets (Note 3)	<u>66,231</u>	<u>36,425</u>
	<u>\$ 262,412</u>	<u>\$ 233,478</u>
Liabilities		
Current		
Payables and accruals	\$ 50,567	\$ 75,177
Unearned revenue	34,207	-
Lease obligation	<u>2,856</u>	<u>3,864</u>
	87,630	79,041
Surplus	<u>174,782</u>	<u>154,437</u>
	<u>\$ 262,412</u>	<u>\$ 233,478</u>

Commitment (Note 5)

On behalf of the Board



Director



Director

211 Information and Referral Services Association

Statement of cash flows

Year ended December 31

2020

2019

Increase (decrease) in cash and cash equivalents

Operating

Excess (deficiency) of revenue over expenses	\$ 20,345	\$ (2,922)
Item not affecting cash		
Amortization	<u>24,236</u>	<u>13,362</u>
	44,581	10,440
Change in non-cash working capital items		
Receivables	13,535	(10,245)
Prepays	(5,929)	664
HST receivable	(9,335)	2,631
Payables and accruals	(24,611)	30,856
Deferred revenue	<u>34,207</u>	<u>(23,211)</u>
	52,448	11,135

Financing

Capital lease payment	(1,008)	(1,176)
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Investing

Purchase of capital assets	<u>(54,041)</u>	<u>(5,599)</u>
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(Decrease) increase in cash and cash equivalents	(2,601)	4,360
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Cash and cash equivalents

Beginning of year	<u>153,115</u>	<u>148,755</u>
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End of year	<u>\$ 150,514</u>	<u>\$ 153,115</u>
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Cash consists of:

Cash and cash equivalents	\$ 3,788	\$ 33,328
Short term investments	<u>146,726</u>	<u>119,787</u>
	<u>\$ 150,514</u>	<u>\$ 153,115</u>

211 Information and Referral Services Association

Notes to the financial statements

December 31, 2020

1. Nature of operations

211 Information and Referral Services Association (the "Association") is incorporated under the Societies Act of Nova Scotia. The Association is a province-wide 211 system which provides people with information on and referral to human, social and community services in their community.

211 Information and Referral Services Association is a non-profit association, which is exempt from income taxes under Section 149(1) of the *Canadian Income Tax Act*.

2. Significant accounting policies

Basis of presentation

The Association has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

Cash and cash equivalents consist of amounts held on account at financial institutions including an investment savings account.

Capital assets

Capital assets are stated at cost less accumulated amortization. When a capital asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value. Depreciation is provided on the declining balance basis for equipment, and the straight-line basis for leasehold improvements at the following rates:

Office equipment	20% declining balance
Leasehold improvements	5 Years straight line
Computer equipment	50% declining balance

Revenue

The Association follows the deferral method of accounting for its contributions, included in government funding, grant revenue and private funding.. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue at the same rate of amortization as the related acquired capital assets. 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.

Other revenue includes interest income which is recognized as it is earned, as well as other items recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assumed.

211 Information and Referral Services Association

Notes to the financial statements

December 31, 2020

2. Significant accounting policies (continued)

Financial instruments

The Association considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Association accounts for the following as financial instruments:

- cash and cash equivalents
- receivables
- payables and accruals
- HST receivable

A financial asset or liability is recognized when the Association becomes party to contractual provisions of the instrument.

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

The Association subsequently measures all of its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment. The Association removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include useful lives of capital assets used in determination of depreciation.

211 Information and Referral Services Association

Notes to the financial statements

December 31, 2020

3. Capital assets			<u>2020</u>	<u>2019</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Office equipment	\$ 120,318	\$ 99,588	\$ 20,730	\$ 27,610
Computer equipment	<u>172,401</u>	<u>126,900</u>	<u>45,501</u>	<u>8,815</u>
	<u>\$ 292,719</u>	<u>\$ 226,488</u>	<u>\$ 66,231</u>	<u>\$ 36,425</u>

4. COVID-19 Impacts

The outbreak of the Coronavirus disease, "COVID-19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments nor the impact on the financial position and financial results of the Association in future periods. The Association continues to operate during the pandemic to assist the public in getting access to essential resources. Additionally, the Association has secured funding from United Way Canada for special COVID relief.

5. Commitment

The Association leases its premises under a long term operating lease which expires on March 31, 2025. The remaining commitment under the lease for each of the next five years is as follows:

Estimated principal repayments are as follows:

2021	\$ 17,060
2022	17,572
2023	18,099
2024	18,642
2025	4,695

211 Information and Referral Services Association

Notes to the financial statements

December 31, 2020

6. Public sector compensation disclosure act

This note is prepared in accordance with the financial reporting provisions in Section 3 of the Public Sector Compensation Disclosure Act, 2010 (the "Act"). Management of the Association is responsible for the preparation of this disclosure in accordance with the Act.

Section 4 of the Act requires that the information disclosed in the body of the audited financial statements of the Association or in a statement prepared for the purposes of the Act and certified by its auditors.

Section 2(b) of the Act defines compensation as the total amount or value of all cash and non-cash salary, wages, payments, allowances, bonuses, commissions and perquisites, other than a pension, pursuant to any arrangement, including an employment contract, and includes, without restricting, the generality of the foregoing:

- (i) all overtime payments, retirements or severance payments, lump-sum payments and vacation payouts;
- (ii) the value of loan or loan-interest obligations that have been extinguished and of imputed-interest benefits from loans;
- (iii) long-term incentive plan earnings and payouts;
- (iv) the value of the benefit derived from vehicles or allowances with respect to vehicles;
- (v) the value of the benefit derived from accommodation provided or any subsidy with respect to the living accommodation;
- (vi) payments made for exceptional benefits not provided to the majority of employees;
- (vii) payments for memberships in recreational clubs or organizations; and
- (viii) the value of any other payment or benefit prescribed in the regulations.

Compensation is determined in accordance with Section 2(b) of the Act and is recognized on a cash basis for only those employees, contractors and consultants with compensation in excess of \$100,000.

	<u>2020</u>	<u>2019</u>
Mike Myette, Executive Director	<u>\$ 133,542</u>	<u>\$ 131,148</u>

7. Bank indebtedness

The Association holds an operating line of credit facility from a Canadian chartered bank. The operating line provides the Association with access to \$100,000 at an interest rate of prime plus 2.5%. The purpose of this facility is to provide a bridge between annual grants from the Provincial Government of Nova Scotia in the event of a delay of receipt of the annual funding grant. As at year end, there were no drawings on the facility (2019 - \$Nil).

211 Information and Referral Services Association

Notes to the financial statements

December 31, 2020

8. Economic dependence

Approximately 81% (2019 - 86%) of the Association's revenues are from a single grant from the Province of Nova Scotia. The loss of this grant or curtailment of funding would have a material adverse impact on the Association's operating results and financial position.

9. Comparative figures

Certain figures from the prior year have been reclassified to conform with the financial statement presentation adopted in the current year.