



INDEPENDENT AUDITORS' REPORT

To the Directors of the Community Sector Council of Newfoundland and Labrador

Qualified Opinion

We have audited the accompanying financial statements of Community Sector Council of Newfoundland and Labrador (the Organization), which comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenditures, 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 and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements present fairly, in all material respects, the financial position of Community Sector Council of Newfoundland and Labrador as at March 31, 2022 and the results of its operations and its cash flow 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, Community Sector Council of Newfoundland and Labrador derives a portion of its 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 Community Sector Council of Newfoundland and Labrador. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended March 31, 2022, current assets and net assets as at March 31, 2022.

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 those 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 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 relating 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:



Independent Auditor's Report to the Directors of the Community Sector Council of Newfoundland and Labrador (continued)

- 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.

Roseworthy Chapman

Chartered Professional Accountants
St. John's, Newfoundland & Labrador
September 26, 2022

COMMUNITY SECTOR COUNCIL OF NEWFOUNDLAND AND LABRADOR

Statement of Financial Position March 31, 2022

	2022	2021
ASSETS		
Current		
Cash, short term investments and guaranteed investment certificates	\$2,481,417	\$2,874,855
Contribution agreements receivable	52,706	24,197
Other receivables	9,800	4,805
Harmonized sales tax recoverable	9,465	13,994
Prepays	2,376	2,685
	2,555,764	2,920,536
CAPITAL ASSETS	14,374	16,810
	\$2,570,138	\$2,937,346
LIABILITIES		
Current		
Accounts payable	\$ 123,253	\$ 101,815
Government remittances payable	17,382	17,677
Deferred revenue	1,613,811	2,039,701
	1,754,446	2,159,193
LEASE COMMITMENT		
NET ASSETS		
Invested in capital assets	14,374	16,810
Liability and contingency fund	374,517	374,517
Project fund	250,000	250,000
General fund	176,801	136,826
	815,692	778,153
	\$2,570,138	\$2,937,346

On Behalf of the Board:

_____ Director

_____ Director

COMMUNITY SECTOR COUNCIL OF NEWFOUNDLAND AND LABRADOR

Statement of Operations Year Ended March 31, 2022

	2022	2021
REVENUES		
Contracts and contributions	\$ 1,746,658	\$ 1,251,513
Grants	284,584	308,254
Earned revenue and other income	40,604	57,667
	2,071,846	1,617,434
EXPENDITURES		
Salaries and employee benefits	1,401,767	1,174,292
Program and project costs	491,607	253,014
Office and operational costs	161,827	159,054
Amortization	4,603	4,175
	2,059,804	1,590,535
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	12,042	26,899
Unrealized gain on short term investments <i>(Note 1)</i>	25,497	65,035
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 37,539	\$ 91,934

NOTE 1:

At March 31, 2022, included in short term investments, are investments with a fair market value of \$786,230 (2021 - \$735,465) and a cost of \$626,190 (2021 - \$600,922). At March 31, 2022, this amounted to an accumulated unrealized gain of \$160,040 (2021 - \$134,543). For the year end March 31, 2022, there is an unrealized gain on investments amounting to \$25,497 (2021 - \$65,035).