

2020

**Distress Centres of
Greater Toronto**

Financial Statements

For the year ended
December 31, 2020



CHARTERED
PROFESSIONAL
ACCOUNTANTS

Independent Auditor's Report

To the members of
Distress Centres of Greater Toronto

Report on the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Distress Centres of Greater Toronto, which comprise the statement of financial position as at December 31, 2020 and the statement of operations and net assets, and 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 Distress Centres of Greater Toronto as at December 31, 2020, 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

In common with many charitable organizations, the Charity derives revenue from cash donations, 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 Charity and were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenues over expenses, assets and net assets.

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 Charity 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.

Other information

Management is responsible for the other information, which comprises the annual report except for the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, is inconsistent with our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we determine that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

As part of an audit in accordance with CASs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. 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.
2. 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 Charity's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 Charity'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 Charity to cease to continue as a going concern.
5. 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.

S+C Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
June 16, 2021



Statement of Operations

For the year ended December 31, 2020

	2020	2019 (8 months)
Revenues		
United Way Greater Toronto	\$ 643,087	\$ 378,451
Ontario Ministry of Health and Long-Term Care	334,141	209,535
Donations - individuals	314,257	116,177
Foundations and corporations	264,975	170,380
Region of Peel	159,915	77,382
TTC Crisis Link	124,230	79,130
City of Toronto	123,875	77,977
Crisis Services Canada	102,320	48,813
Government of Canada (note 11)	99,910	52,548
The Professional Association of Residents of Ontario (PARO)	63,345	40,697
Fundraising events (note 8)	36,526	88,747
Emergency Medical Services	28,245	18,240
Miscellaneous income	25,853	-
CAMH priority health line services	16,043	10,257
Amortization of deferred capital contributions (note 6)	8,828	6,876
Investment income	4,205	1,601
	2,349,755	1,376,811
Expenses		
Salaries and benefits	1,598,165	850,122
Telephone	193,445	94,646
Building occupancy	136,883	114,718
Repairs and maintenance	65,577	15,532
Volunteer resources	61,528	14,085
Office supplies	58,843	16,655
Accounting and audit	45,012	38,770
Insurance	16,370	24,095
Fundraising events (note 8)	14,603	22,606
Amortization	12,968	18,673
General and administrative	12,795	72,861
Legal	6,655	16,997
Advertising and promotion	3,261	1,948
Travel	1,146	1,631
Bank charges and interest	295	3,019
Program expenses	-	9,028
Volunteer recruitment and training	-	2,410
	2,227,546	1,317,796
Excess of revenue over expenses	\$ 122,209	\$ 59,015

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

Distress Centres of Greater Toronto



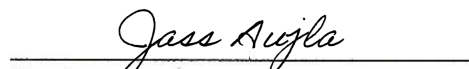
Statement of Financial Position December 31, 2020

Assets	2020	2019
Current assets		
Cash and equivalents	\$ 1,007,323	\$ 599,068
Accounts receivable (note 3)	129,035	86,639
Marketable securities	-	8,067
Prepaid expenses	21,293	24,239
	1,157,651	718,013
Property, plant and equipment (note 4)	-	12,421
	\$ 1,157,651	\$ 730,434
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 188,189	\$ 37,420
Deferred capital contributions (note 6)	-	8,828
Deferred revenue	189,454	26,387
	377,643	72,635
Contingent liability (note 7)		
Net assets		
Invested in furniture and equipment	-	4,140
Operating fund	780,008	653,659
	780,008	657,799
	\$ 1,157,651	\$ 730,434

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

Approved :


Director


Director

Distress Centres of Greater Toronto



Statement of Changes in Net Assets

For the year ended December 31, 2020

	Operating Fund Unrestricted	Invested in Furniture and Equipment	Total
Balance - beginning of period	\$ 653,659	\$ 4,140	\$ 657,799
Excess of revenues over expenses	122,209	-	122,209
Inter-fund transfers representing: Amortization	12,968	(12,968)	-
Amortization of deferred capital contribution	(8,828)	8,828	-
Balance - end of period	\$ 780,008	\$ -	\$ 780,008

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



Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019 (8 months)
Cash flows from operating activities		
Cash receipts from donors and customers	\$ 2,686,186	\$ 1,239,817
Cash paid to suppliers and employees	(2,338,740)	(1,306,847)
Cash receipts from fundraising events	21,923	66,141
Investment and miscellaneous income	38,886	8,477
Increase in cash and equivalents	408,255	7,588
Cash and equivalents, beginning of period	599,068	591,480
Cash and equivalents, end of period	\$ 1,007,323	\$ 599,068
Cash and equivalents is comprised of:		
Cash	\$ 483,304	\$ 377,662
Short-term deposits	524,019	221,406
	\$ 1,007,323	\$ 599,068

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



Notes to the Financial Statements

December 31, 2020

1 Purpose of organization

The mission of Distress Centres of Greater Toronto (the "Charity") is to foster hope and resilience one connection at a time.

The Charity provides confidential crisis response intervention to individuals who are emotionally vulnerable and at risk in the community and serves as a point of access for suicide prevention, intervention and postvention.

The Charity is incorporated without share capital under the laws of Ontario with the amalgamation of Distress Centres and Spectra Community Support Services and is registered as a charitable organization under the *Income Tax Act (Canada) Act (the "Act")*. As such, the Charity is generally exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Charity must meet certain requirements within the Act.

2 Significant accounting policies

Basis of presentation

The operating fund accounts for the day-to-day service delivery activities of the Charity.

Net assets invested in furniture and equipment comprises the net book value of furniture and equipment funded by the Charity.

Revenue recognition

Revenue is recognized using the deferral method.

Revenue from unrestricted donations and fundraising is recognized when cash is received.

Revenue from restricted donations is recognized in the same period as the related expense the donation was restricted for.

Contributions received which are restricted for asset purchases are recognized as revenue on the same basis used for amortization of the related asset. If the related asset is not subject to amortization, the contribution is recorded as a direct increase to net assets.

Operating grants are recorded as revenue in the year in which the expenses are incurred. Grants approved but not received at the end of the fiscal year are accrued. When a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Net investment income, which consists of interest, dividends, unrealized and realized gains or losses, is recognized on the following basis:

- income (losses) which are unrestricted are recognized in the period in which it is earned;
- income (losses) related to endowments are recorded as direct increases or decreases to net assets;
- income (losses) on restricted investments are recognized in the same period as the expenses they are related to.



2 Significant accounting policies (continued)

Contributed services and materials

Volunteers provide donated services to the Charity. Since volunteer time and services are not purchased and the value of such services cannot be reasonably measured, no provision for these services has been reflected in the financial statements.

The Charity also receives contributions in the form of supplies and property. Contributed materials are recorded at fair market value as determined on the date contributed, if fair value can be reasonably determined.

Cash and equivalents

Cash and equivalents consist of current cash accounts and short term deposits with a maturity period less than one year in length, or are cashable prior to maturity.

Marketable securities

The Charity accounts for its investment in marketable securities with a quoted price on an active market at fair value. Subsequent changes in fair value are recorded as an unrealized gain or loss until the underlying asset is disposed.

Property, plant and equipment

Property, plant and equipment are stated at cost. Amortization is provided for over the estimated useful life of the assets at the following rates:

Computer hardware	25% straight line
Furniture and fixtures	20% straight line
Telephone system	25% straight line

Amortization in the year of acquisition is recorded at one-half the normal rate.

Deferred capital contributions

Externally restricted contributions for the acquisition of capital assets that will be depreciated are deferred and amortized on the same basis that the related asset is depreciated.

Government assistance

Government assistance related to expenses of the current period are recorded as revenue.

Financial instruments

Measurement of financial instruments

The Charity initially measures its financial assets and liabilities at fair value. The Charity subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations. Financial assets measured at amortized cost include cash and equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred revenue. The Charity's financial assets measured at fair value include marketable securities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in the statement of operations. 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 the statement of operations.



Notes to the Financial Statements

December 31, 2020

2 Significant accounting policies (continued)

Use of estimates

The preparation of these 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in these financial statements are the determination for allowance for doubtful accounts and the estimated useful life of property, plant and equipment. Actual results could differ from management's best estimates as additional information becomes available.

3 Accounts receivable

	2020	2019
Contributions receivable	\$ 77,485	\$ 57,627
Government remittances receivable	51,446	25,901
Interest receivable	104	3,111
	\$ 129,035	\$ 86,639

4 Property, plant and equipment

	2020		2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	\$ 24,879	\$ 24,879	\$ -	\$ 5,096
Furniture and fixtures	1,314	1,314	-	656
Telephone system	91,765	91,765	-	6,669
	\$ 117,958	\$ 117,958	\$ -	\$ 12,421



Notes to the Financial Statements

December 31, 2020

5 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2020	2019
Trade payables and accrued liabilities	\$ 183,249	\$ 36,017
Government remittances payable	4,940	1,403
	\$ 188,189	\$ 37,420

6 Deferred capital contributions

	2020	2019
Balance - beginning of year	\$ 8,828	\$ 15,704
Amortization of deferred capital contributions	(8,828)	(6,876)
	\$ -	\$ 8,828

7 Contingency

The Charity has indemnified its past, present and future directors, officers and volunteers against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding, subject to certain restrictions in which they are sued as a result of their involvement with the Charity, if they acted honestly and in good faith with the best interest of the Charity. The nature of the indemnity prevents the Charity from reasonably estimating the maximum exposure. The Charity has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits and actions.

In the normal course of operations the Charity has entered into agreements that include indemnities in favour of third parties, either express or implied, such as in service contracts, leasing agreements or purchase contracts. In these agreements, the Charity has agreed to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Charity. The terms of these indemnities are not explicitly defined and the maximum amount of any potential liability cannot be reasonably estimated.



Notes to the Financial Statements

December 31, 2020

8 Fundraising events

	2020			2019	
	Revenue	Expenses	Net	Net	
Bingo	\$ 8,255	\$ 2,719	\$ 5,536	\$	13,400
Suicide Survivor Conference	-	-	-		12,125
Other special events	28,271	11,884	16,387		40,616
	\$ 36,526	\$ 14,603	\$ 21,923	\$	66,141

9 Financial instruments

The Charity is subject to market risk through its investment in marketable securities. The Charity typically holds minimal investments in marketable securities, and typically sells the marketable securities shortly after receiving any as donations.

It is management's opinion that the Charity is not subject to significant interest, credit, currency, liquidity or other price risk.

10 Lease commitments

The Charity leases various office space in the Greater Toronto Area. The minimum lease payments under the operating leases, which expire at various dates through December 2021, are as follows:

Year ending December 31,	
2021	\$ 107,579

11 Government assistance

These financial statements include revenues of \$23,600 (2019 - \$nil) related to the Temporary Wage Subsidy claimed in the current year. Also included is revenue of \$20,000 (2019 - \$nil) related to the forgivable portion of the Canada Emergency Business Account loan.