

**FOUR COUNTY LABOUR MARKET
PLANNING BOARD**

FINANCIAL STATEMENTS

MARCH 31, 2022



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Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of:
Four County Labour Market Planning Board

Opinion

We have audited the accompanying financial statements of Four County Labour Market Planning Board, which comprise of the statement of financial position as at March 31, 2022, the statements of operations, changes in accumulated net assets, schedule of Ministry of Labour, Training, and Skills Development Core Funding, schedule of Ministry of Labour, Training, and Skills Development SkillsAdvance Ontario, schedule of projects, 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, the financial statements present fairly, in all material respects, the financial position of Four County Labour Market Planning Board as 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 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.

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.

A further description of the auditor's responsibilities for the audit of the financial statements is located on Davis Martindale LLP's website. This description forms part of our auditor's report. https://www.davismartindale.com/auditors_report.

London, Ontario
June 13, 2022


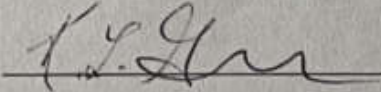
Davis Martindale LLP
Chartered Professional Accountants
Licensed Public Accountants



FOUR COUNTY LABOUR MARKET PLANNING BOARD
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	ASSETS				
	Restricted	Internally Restricted	Invested in Tangible Capital Assets	2022	2021
Current Assets					
Cash	\$ 266,654	\$ -	\$ -	\$ 266,654	\$ 290,997
Accounts receivable	3,537	-	-	3,537	4,686
Contribution funding receivable (note 5)	243,097	-	-	243,097	580,778
HST receivable	37,421	-	-	37,421	38,518
Prepaid expenses	1,090	-	-	1,090	1,090
Due from restricted fund	-	98,310	-	98,310	98,310
	<u>551,799</u>	<u>98,310</u>	-	650,109	1,014,379
Tangible Capital Assets (note 3)	<u>-</u>	<u>-</u>	<u>1,666</u>	<u>1,666</u>	<u>5,000</u>
	<u><u>\$ 551,799</u></u>	<u><u>\$ 98,310</u></u>	<u><u>\$ 1,666</u></u>	<u><u>\$ 651,775</u></u>	<u><u>\$ 1,019,379</u></u>
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable and accrued liabilities	\$ 74,808	\$ -	\$ -	\$ 74,808	\$ 77,598
Government remittances payable	1,674	-	-	1,674	4,507
Deferred contributions (note 4)	89,915	-	-	89,915	87,376
Due to internally restricted fund	98,310	-	-	98,310	98,310
Contribution funding repayable (note 5)	217,743	-	-	217,743	594,860
	<u>482,450</u>	<u>-</u>	<u>-</u>	<u>482,450</u>	<u>862,651</u>
Deferred Tangible Capital Asset Contributions (note 6)	<u>-</u>	<u>-</u>	<u>1,666</u>	<u>1,666</u>	<u>5,000</u>
	<u>482,450</u>	<u>-</u>	<u>1,666</u>	<u>484,116</u>	<u>867,651</u>
Net Assets (note 7)	<u>69,349</u>	<u>98,310</u>	<u>-</u>	<u>167,659</u>	<u>151,728</u>
	<u><u>\$ 551,799</u></u>	<u><u>\$ 98,310</u></u>	<u><u>\$ 1,666</u></u>	<u><u>\$ 651,775</u></u>	<u><u>\$ 1,019,379</u></u>

APPROVED ON BEHALF OF THE BOARD:

 Co-Chair  Co-Chair

*The attached Independent Auditor's Report and accompanying notes
form an integral part of these audited financial statements.*



FOUR COUNTY LABOUR MARKET PLANNING BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022

	Restricted	Invested in Tangible Capital Assets	2022	%	2021	%
Revenue						
Core Funding (Schedule 1)	\$ 284,500	\$ -	\$ 284,500	20	\$ 284,500	17
SkillsAdvance Ontario (Schedule 2)	1,127,131	-	1,127,131	78	1,340,266	79
Other Project Funding (Schedule 3)	31,302	-	31,302	2	45,812	3
Amortization of Deferred Capital Contributions	<u>-</u>	<u>3,334</u>	<u>3,334</u>	<u>-</u>	<u>4,790</u>	<u>1</u>
	<u>1,442,933</u>	<u>3,334</u>	<u>1,446,267</u>	<u>100</u>	<u>1,675,368</u>	<u>100</u>
Expenditures						
Core Funding (Schedule 1)	281,886	-	281,886	19	284,500	17
SkillsAdvance Ontario (Schedule 2)	911,803	-	911,803	63	800,038	48
Other Project Funding (Schedule 3)	15,371	-	15,371	1	18,282	1
Amortization expense	<u>-</u>	<u>3,334</u>	<u>3,334</u>	<u>-</u>	<u>4,790</u>	<u>-</u>
Total Expenditures	<u>1,209,060</u>	<u>3,334</u>	<u>1,212,394</u>	<u>83</u>	<u>1,107,610</u>	<u>66</u>
Excess of Revenue Over Expenditures from Operations	233,873	-	233,873	17	567,758	34
Contribution Funding Repayable	<u>(217,942)</u>	<u>-</u>	<u>(217,942)</u>	<u>(15)</u>	<u>(540,228)</u>	<u>(32)</u>
Excess of Revenue Over Expenditures	<u>\$ 15,931</u>	<u>\$ -</u>	<u>\$ 15,931</u>	<u>2</u>	<u>\$ 27,530</u>	<u>2</u>

The attached Independent Auditor's Report and accompanying notes form an integral part of these audited financial statements.



FOUR COUNTY LABOUR MARKET PLANNING BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

1. Purpose of the Organization

Four County Labour Market Planning Board ("the organization") was incorporated as a not-for-profit organization under the laws of the Province of Ontario. Working with community partners, the Board proactively advocates and pursues local solutions to overcome training and employment barriers in order to ensure the development of a skilled workforce in the counties of Bruce, Grey, Huron, and Perth. The organization is exempt from income tax under Section 149 on the Income Tax Act of Canada.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Those policies that are considered to be significant are outlined below:

a) Tangible Capital Assets and Amortization

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at the fair value at the date of contribution. Amortization of equipment is calculated using the straight-line basis over the expected life noted in note 3, with half a year of amortization in the year of purchase.

b) Fund Accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the organization, the accounts are maintained in accordance with the principles of Fund Accounting. Under these principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund.

Restricted Fund

The Restricted Fund of the organization records amounts used for the administrative, operational and project costs financed by Ministry grants, private sponsorships, and investment revenues.

Internally Restricted Fund

The Internally Restricted Fund of the organization records amounts designated by the board to be used in the event of a wind down of the organization.

Invested in Tangible Capital Assets Fund

The Invested in Tangible Capital Assets Fund accounts for the costs of acquiring equipment which is expected to have an economic life of more than one accounting period.

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FOUR COUNTY LABOUR MARKET PLANNING BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

2. Significant Accounting Policies (continued)

c) Revenue Recognition

The organization follows the deferral method of accounting for project contributions. Deferred project contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted project contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

d) Contributed Services

Volunteers contribute a number of hours per year to assist the Four County Labour Market Planning Board 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.

e) Inter-Program Revenue/Expenditures and Transfers

The organization's policy is to operate and account for its various programs and activities on a stand-alone basis wherever possible. Accordingly, certain inter-program revenue/expenditures and transfers are recorded in the accounts to reflect services rendered between programs. These transactions are identified and eliminated in the summary statement of receipts and disbursements to arrive at the organization's combined net funding and expenditures for the year.

f) Use of Estimates

The preparation of the financial statements of the organization, 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenues and expenses during the reporting period. Actual results could differ from those estimates.

g) Impairment of Long-lived Assets

Long-lived assets are tested for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

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FOUR COUNTY LABOUR MARKET PLANNING BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

2. Significant Accounting Policies (continued)

h) Financial Instruments

The organization's financial instruments consist of cash, accounts receivable, HST receivable, accounts payable and accrued liabilities, and government remittances repayable. The organization initially recognizes these financial instruments at fair value and subsequently, at amortized cost.

3. Tangible Capital Assets and Amortization

		Cost	Accumulated Amortization	Net 2022	Net 2021
Office equipment	SL 3 yr	\$ 8,817	\$ 7,348	\$ 1,469	\$ 4,408
Computer hardware	SL 3 yr	8,070	7,873	197	592
Furniture	SL 5 yr	<u>6,798</u>	<u>6,798</u>	<u>-</u>	<u>-</u>
		<u>\$ 23,685</u>	<u>\$ 22,019</u>	<u>\$ 1,666</u>	<u>\$ 5,000</u>

4. Deferred Project Contributions

Deferred project contributions represent unspent resources externally restricted for operating funding received in the current period that is related to the subsequent period and were as follows:

	2022	2021
Skills Opportunities Showcase - Sponsorship	\$ 26,695	\$ 26,695
Bruce Grey Data Info Sharing Consortium	24,175	24,175
Bruce Grey Career Symposium	18,326	18,326
Survey Monkey/Fluid Survey	10,840	8,301
Skills Gap Study	6,167	6,167
Student Training Awareness Conference	1,955	1,955
Growing your workforce	1,288	1,288
First Lego	<u>469</u>	<u>469</u>
	<u>\$ 89,915</u>	<u>\$ 87,376</u>

5. Contribution Funding Repayable/Receivable

Under the terms of the funding agreements with MLTSD, the excess of revenue over expenditures realized during the year will be repaid to the funding organization in proportion to the sponsors' funding contribution. As at March 31, 2022, the organization is required to repay (receive) net contribution funding for the SkillsAdvance Ontario project totaling \$(27,968) (2021 - \$14,082) and for the Core project totaling \$2,614 (2021 - \$NIL).

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FOUR COUNTY LABOUR MARKET PLANNING BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

6. Deferred Tangible Capital Asset Contributions

Deferred contributions related to tangible capital assets represent restricted contributions used to purchase furniture and computer hardware. These contributions are being amortized into income on the same basis as the related tangible capital assets. The changes in the deferred contributions balance for the year are as follows:

	2022	2021
Balance, beginning of year	\$ 5,000	\$ 9,790
Less: amortization of deferred capital contributions	<u>(3,334)</u>	<u>(4,790)</u>
Balance, end of year	<u>\$ 1,666</u>	<u>\$ 5,000</u>

7. Net Assets

Internal Restrictions

The board passed a motion in a prior year that authorized the organization to designate sufficient funds from the project account to be placed in a board closing account. The principal of the funds is to be used only in the event of a wind down of the organization. Internally restricted funds related to operations are to be used to provide programs which are not government funded.

8. Allocation of Expenses

Expense allocation which include costs incurred for salaries and benefits are allocated among the appropriate projects at the discretion of management.

9. Adjustments to Financial Statements

The organization has discovered an error in the determination of the value of ending source deductions payable and accrued payroll as at March 31, 2020. This error resulted from source deduction remittances being collected by the payroll service provider not being deducted from the ending source deductions payable balance. As a result of this error, management has retroactively adjusted the closing March 31, 2020 balances and made the following adjustments to the financial statements presented.

- (a) The impacts of the correction of the error on the statement of financial position as at March 31, 2021 are as follows:
 - i) Accounts payable and accrued liabilities has increased by \$1,734
 - ii) Government remittances payable has decreased by \$11,093
- (b) The impacts of the correction of the error on the statement of changes in net assets for the year ended March 31, 2021 are as follows:
 - i) Restricted net assets has increased by \$9,359

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FOUR COUNTY LABOUR MARKET PLANNING BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

10. Comparative Figures

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

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