

# **PROJECT S.H.A.R.E. OF NIAGARA FALLS INC.**

Financial Statements  
for the Year Ended May 31, 2022  
and Independent Auditor's Report to the Directors



CHARTERED  
PROFESSIONAL  
ACCOUNTANTS

DURWARD JONES BARKWELL  
& COMPANY LLP

Big enough to know. SMALL ENOUGH TO CARE.

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## INDEPENDENT AUDITOR'S REPORT

**To the Directors of  
Project S.H.A.R.E. of Niagara Falls Inc.:**

### **Qualified Opinion**

We have audited the accompanying financial statements of Project S.H.A.R.E. of Niagara Falls Inc. (the Organization), which comprise the statement of financial position as at May 31, 2022 and the statements of operations and fund balances and changes in fund balances and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of the Organization as at May 31, 2022, 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 Qualified Opinion**

In common with many not-for-profit organizations, the Organization derives revenue from fundraising and donations 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 the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donation revenue, excess (deficiency) of revenues over expenses, and cash flows from operations for the years ended May 31, 2022 and 2021, current assets as at May 31, 2022 and 2021, and fund balances as at June 1 and May 31 for both the 2022 and 2021 years.

We were also unable to verify the amount of revenue from contributed materials or the amount of expense of contributed materials distributed to clients as we were unable to observe the counting of contributed materials as received or distributed. We were unable to verify the balance by alternate means. Therefore, we were not able to determine whether any adjustments might be necessary to contributed materials or contributed materials distributed to clients for the year ended May 31, 2022.

Our audit opinion on the financial statements for the year ended May 31, 2021 was modified accordingly because of the possible effects of these limitation in scope.

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 in our audit is sufficient and appropriate to provide a basis for our qualified 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 Entity or to cease operations, or has no realistic alternative but to do so.

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

**Durward Jones Barkwell & Company LLP**  
**Licensed Public Accountants**

**September 7, 2022**



**PROJECT S.H.A.R.E. OF NIAGARA FALLS INC.**STATEMENT OF OPERATIONS AND FUND BALANCES  
YEAR ENDED MAY 31, 2022

	<u>2022</u>	<u>2021</u>
<b>REVENUE</b>		
Amortization of deferred contributions (Note 5)	\$ 54,715	\$ 42,208
Bingo	9,156	8,071
Community Garden programs	21,772	23,020
Contributed materials	2,775,000	2,874,101
COVID-19 grants	136,803	196,513
Donations and fundraising	880,036	903,313
Federal grant	8,975	17,597
Healthy Communities programs	74,099	77,103
Miscellaneous	9,603	3,016
Municipal grant	298,400	298,400
Nevada ticket sales	1,005	-
Niagara Region - Housing Stability	101,195	111,234
Other grants	190,200	92,541
Utilities programs	124,279	151,825
	<b>4,685,238</b>	<b>4,798,942</b>
<b>EXPENSES</b>		
Client services	802,909	697,349
Contributed materials distributed to clients	3,075,523	2,750,306
Depreciation	91,307	70,460
Donations and fundraising	129,926	94,694
Insurance	16,531	15,851
Maintenance	34,181	42,808
Nevada ticket sales	513	-
Occupancy costs	82,676	69,505
Office	94,509	94,798
Professional fees	21,998	13,200
Salaries and benefits	373,466	424,264
Vehicle expense	9,496	7,034
	<b>4,733,035</b>	<b>4,280,269</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER INCOME</b>	<b>(47,797)</b>	<b>518,673</b>
<b>OTHER INCOME (EXPENSES)</b>		
Interest income	9,334	12,151
Unrealized gain (loss) on investments	(417)	470
	<b>8,917</b>	<b>12,621</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>(38,880)</b>	<b>531,294</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>2,207,144</b>	<b>1,675,850</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 2,168,264</b>	<b>\$ 2,207,144</b>

# PROJECT S.H.A.R.E. OF NIAGARA FALLS INC.

## STATEMENT OF CHANGES IN FUND BALANCES YEAR ENDED MAY 31, 2022

	Operating Fund	Capital Assets Fund	Internally Restricted Fund	Total 2022	Total 2021
<b>FUND BALANCES, BEGINNING OF THE YEAR</b>	\$ 1,187,846	\$ 236,179	\$ 783,119	<b>\$ 2,207,144</b>	\$ 1,675,850
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	(2,288)	(36,592)	-	<b>(38,880)</b>	531,294
<b>PURCHASE OF CAPITAL ASSETS</b>	(15,567)	15,567	-	-	-
<b>FUND BALANCES, END OF THE YEAR</b>	<b>\$ 1,169,991</b>	<b>\$ 215,154</b>	<b>\$ 783,119</b>	<b>\$ 2,168,264</b>	<b>\$ 2,207,144</b>

# PROJECT S.H.A.R.E. OF NIAGARA FALLS INC.

BALANCE SHEET  
MAY 31, 2022

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash - operating fund	\$ 229,583	\$ 95,806
Cash - internally restricted fund	783,119	783,119
Temporary investments (Note 2)	746,395	738,862
Accounts receivable	15,529	23,031
Inventory (Note 3)	256,864	568,850
Prepaid expenses	55,071	9,757
Due from capital fund	10,875	7,200
	2,097,436	2,226,625
<b>Property, equipment and vehicles (Note 4)</b>	<b>713,237</b>	<b>772,970</b>
	<b>\$ 2,810,673</b>	<b>\$ 2,999,595</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued charges, including government remittances of \$1,608 (2021 - \$3,304)	\$ 33,144	\$ 30,431
Due to operating fund	10,875	7,200
Deferred revenue	111,182	225,229
	155,201	262,860
<b>Deferred contributions (Note 5)</b>	<b>487,208</b>	<b>529,591</b>
<b>Lease commitment (Note 7)</b>	<b>642,409</b>	<b>792,451</b>
	<b>\$ 2,810,673</b>	<b>\$ 2,999,595</b>
<b>FUND BALANCES</b>		
Operating fund	1,169,991	1,187,846
Capital assets fund	215,154	236,179
Internally restricted fund (Note 6)	783,119	783,119
	2,168,264	2,207,144
	<b>\$ 2,810,673</b>	<b>\$ 2,999,595</b>

Approved by the Board:

..... Director

..... Director

# PROJECT S.H.A.R.E. OF NIAGARA FALLS INC.

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 2022

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## 9. IMPACT OF COVID-19 PANDEMIC

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

The Organization has determined that adjustments to the financial statements are not required as of result of these events. Accordingly, the financial position and results of operations as of and for the year ended May 31, 2022 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.

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## 10. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current year's financial statement presentation.

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