

COMMUNITY COUNSELLING & RESOURCE CENTRE

FINANCIAL STATEMENTS

MARCH 31, 2023

COMMUNITY COUNSELLING & RESOURCE CENTRE

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Community Counselling & Resource Centre

Qualified Opinion

We have audited the financial statements of Community Counselling & Resource Centre (the Organization), which comprise the statement of financial position as at March 31, 2023, the statements of operations, 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.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, 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 most not-for-profit organizations, Community Counselling & Resource Centre derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit evidence. Accordingly, our verification of these revenues was limited to the amounts recorded by the Organization and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue 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 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 qualified 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 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.

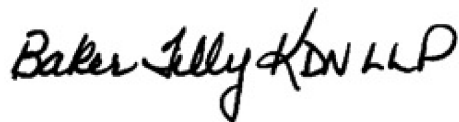
Auditor's Responsibilities for the Audit of the Financial Statements

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.

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.



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 30, 2023

COMMUNITY COUNSELLING & RESOURCE CENTRE

STATEMENT OF FINANCIAL POSITION

As at March 31, 2023

	2023	2022
	\$	\$
ASSETS		
Current assets		
Cash	761,512	778,185
Investments (note 3)	152,158	29,283
Accounts receivable	37,040	42,024
Prepaid expenses	18,909	19,855
	<u>969,619</u>	<u>869,347</u>
Long-term assets		
Investments (note 3)	153,890	75,034
Tangible capital assets (note 4)	44,881	57,499
	<u>198,771</u>	<u>132,533</u>
	<u>1,168,390</u>	<u>1,001,880</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	121,841	112,744
Deferred revenue (note 6)	278,290	208,081
	<u>400,131</u>	<u>320,825</u>
Long-term liabilities		
Deferred capital contributions (note 7)	14,548	26,493
	<u>414,679</u>	<u>347,318</u>
Net assets		
Unrestricted	592,210	492,388
Invested in tangible capital assets	30,333	31,006
Internally restricted (note 8)	126,432	126,432
Externally restricted (note 8)	4,736	4,736
	<u>753,711</u>	<u>654,562</u>
	<u>1,168,390</u>	<u>1,001,880</u>

Approved on behalf of the Board:


_____, President


_____, Treasurer

The accompanying notes are an integral part of these financial statements

COMMUNITY COUNSELLING & RESOURCE CENTRE

STATEMENT OF CHANGES IN NET ASSETS For the Year Ended March 31, 2023

	Unrestricted 2023 \$	Invested in Tangible Capital Assets 2023 \$	Internally Restricted (note 8) 2023 \$	Externally Restricted 2023 \$	Total 2023 \$	Total 2022 \$
Net assets - beginning of year	492,388	31,006	126,432	4,736	654,562	646,825
Excess (deficiency) of revenue over expenses for the year	106,041	(6,892)	-	-	99,149	7,737
Interfund transfer for additions to tangible capital assets	(6,219)	6,219	-	-	-	-
Net assets - end of year	592,210	30,333	126,432	4,736	753,711	654,562

The accompanying notes are an integral part of these financial statements

COMMUNITY COUNSELLING & RESOURCE CENTRE

STATEMENT OF OPERATIONS For the Year Ended March 31, 2023

	2023	2022
	\$	\$
Revenue		
City of Peterborough	531,427	1,285,785
Province of Ontario (note 9)	607,234	615,496
United Way	199,647	145,039
Donations and fundraising	94,219	87,274
Other grants	64,190	76,274
Fees and user charges	92,866	68,996
Trillium Foundation	94,787	40,487
Credit Counselling donations and fees	-	23,237
Amortization of deferred capital contributions (note 7)	11,945	13,657
Housing utility funds	51,006	9,527
Interest	15,735	752
	1,763,056	2,366,524
Expenses		
Salaries and benefits	1,233,687	1,150,409
Office and administration	108,786	109,616
Occupancy costs	102,571	101,544
Program	98,147	884,401
Equipment purchases and maintenance	33,372	24,641
Purchased services	29,487	34,087
Amortization	18,837	26,685
Promotion and publicity	17,669	3,569
Fees and dues	17,664	19,043
Recruitment and education	3,687	4,792
	1,663,907	2,358,787
Excess of revenue over expenses for the year	99,149	7,737

The accompanying notes are an integral part of these financial statements

COMMUNITY COUNSELLING & RESOURCE CENTRE

STATEMENT OF CASH FLOWS For the Year Ended March 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED FROM (USED FOR):		
Operating activities		
Excess of revenue over expenses for the year	99,149	7,737
Items not affecting cash		
Amortization of tangible capital assets	18,837	26,685
Amortization of deferred capital contributions	(11,945)	(13,657)
	<u>106,041</u>	<u>20,765</u>
Changes in non-cash working capital items		
Accounts receivable	4,984	156,451
Prepaid expenses	946	50,717
Accounts payable and accrued liabilities	9,097	(148,005)
Deferred revenue	70,209	36,646
	<u>85,236</u>	<u>95,809</u>
Net increase in cash from operating activities	<u>191,277</u>	<u>116,574</u>
Investing activities		
Purchase of investments	(234,074)	(104,317)
Proceeds on disposal of investments	32,343	103,590
Purchase of tangible capital assets	(6,219)	(35,751)
Net decrease in cash from investing activities	<u>(207,950)</u>	<u>(36,478)</u>
Financing activities		
Increase in deferred capital contributions	-	27,356
Increase/(decrease) in cash	<u>(16,673)</u>	<u>107,452</u>
Cash - beginning of year	<u>778,185</u>	<u>670,733</u>
Cash - end of year	<u>761,512</u>	<u>778,185</u>

The accompanying notes are an integral part of these financial statements

COMMUNITY COUNSELLING & RESOURCE CENTRE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

1. NATURE OF ENTITY

Community Counselling and Resource Centre is a not-for-profit, charitable organization without share capital. The purpose of the Organization is to help people strengthen their lives and promote community well-being through services that offer counselling, support and resources to assist with personal well-being, credit and financial management, access to housing and connection with the community.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Significant aspects of the accounting policies are as follows:

(a) *Recognition of revenues*

Community Counselling and Resource Centre follows the deferral method of accounting for contributions, which includes donations and government grants. Restricted contributions other than capital contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Fees and user charges are recognized as revenue when the related service is provided. Fundraising is recognized as revenue when the fundraising event has occurred.

Capital contributions are deferred and amortized on the same basis and rate as the amortization of the related tangible capital assets.

Investment income is recognized as revenue when earned in the appropriate fund.

(b) *Tangible capital assets*

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' useful lives, as follows:

Buildings	25 years
Equipment	5 years
Computers and software	3 years
Leasehold improvements	term of lease

Tangible capital assets are reviewed for impairment whenever events or conditions indicate that the assets no longer contribute to the organization's ability to provide services or that the service potential of the assets are less than their net carrying amount.

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the asset is written down to the asset's fair value or replacement cost.

(c) *Income taxes*

The Organization qualifies as a not-for-profit organization as defined by the Federal and Ontario Income Tax Acts and, as such, is not subject to Federal and Provincial income taxes. The Organization is registered as a charity with the Canada Revenue Agency.

COMMUNITY COUNSELLING & RESOURCE CENTRE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) *Volunteer services*

Volunteers contribute significant time to assist Community Counselling and Resource Centre in carrying out its programs and administration. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(e) *Management estimates*

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

In particular, the Organization receives provincial government subsidies for allowable operating costs for several programs. The various Ministries have the right to adjust funding provided to the Organization based on the acceptance of those allowable operating costs. The Ministries communicate certain funding adjustments after the submission of year end data. Since this data is not submitted until after completion of the financial statements, the amount of funding recognized during the year may be increased or decreased subsequent to year end. The amount of revenue recognized in these financial statements represents management's best estimate of amounts that have been earned during the year.

Other key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, accounts payable and accrued liabilities, useful lives of tangible capital assets and amortization. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

(f) *Financial Instruments*

The Organization's financial instruments consist of cash, investments, accounts receivable and accounts payable and accrued liabilities. These financial instruments are measured at amortized cost, evaluated for impairment at each year end date with the write down recorded in the statement of operations. Impairment reversals may occur and the asset can be written up to its original cost.

COMMUNITY COUNSELLING & RESOURCE CENTRE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

3. INVESTMENTS

The Organization has investments in guaranteed investment certificates as follows:

	2023	2022
	\$	\$
Current		
HSBC GIC, 4.10%, maturing July 24, 2023	77,124	-
Equitable Bank GIC, 2.78%, maturing March 25, 2024	75,034	-
Laurentian Bank, 2.03%, matured March 27, 2023	-	29,283
	152,158	29,283
Long-term		
ICICI Bank, 4.48%, maturing July 22, 2024	77,320	-
Manulife Trust Co., 4.66%, maturing October 18, 2024	76,570	-
Equitable Bank, 2.78%, maturing March 25, 2024	-	75,034
	153,890	75,034
	306,048	104,317

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	Net Book Value	
			2023	2022
	\$	\$	\$	\$
Equipment	117,610	110,473	7,137	3,914
Computers and software	135,646	130,643	5,003	16,167
Leasehold improvements	357,561	324,820	32,741	37,418
	610,817	565,936	44,881	57,499

COMMUNITY COUNSELLING & RESOURCE CENTRE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consists of the following:

	2023	2022
	\$	\$
Accounts payable and accrued liabilities	109,517	96,785
Government grants repayable	12,324	15,959
	121,841	112,744

6. DEFERRED REVENUE

Deferred revenue consists of the following:

	2023	2022
	\$	\$
City of Peterborough	86,943	65,290
Trillium Foundation	14,426	9,913
Housing utility funds (FUSE, Enbridge, LEAP, NCC)	7,616	62,512
Juke Box Mania	11,970	17,554
Other	34,477	16,412
Province of Ontario - Ministry of Safety and Correctional Services	84,178	36,400
United Way	38,680	-
	278,290	208,081

COMMUNITY COUNSELLING & RESOURCE CENTRE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

6. DEFERRED REVENUE, continued

The continuity of deferred revenue is as follows:

	2023	2022
	\$	\$
Balance - beginning of year	208,081	171,435
Add amounts received:		
City of Peterborough	553,080	1,302,509
Province of Ontario	655,012	649,895
Housing utility funds (FUSE, Enbridge, LEAP, NCC)	3,950	8,855
Juke Box Mania	20,476	42,746
Other	156,981	53,428
Trillium Foundation	99,300	50,400
United Way	238,327	-
	1,727,126	2,107,833
Less transfer to operations:		
City of Peterborough	531,427	1,285,785
Province of Ontario	607,234	615,496
Housing utility funds (FUSE, Enbridge, LEAP, NCC)	58,845	24,322
Kinark - COVID-19 CYMH Supports	-	18,356
Juke Box Mania	26,060	25,192
Other	138,917	61,549
Trillium Foundation	94,787	40,487
United Way	199,647	-
	1,656,917	2,071,187
Balance - end of year	278,290	208,081

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to restricted funding received for purchases of tangible capital assets. Changes in deferred capital contribution balances are as follows:

	2023	2022
	\$	\$
Balance, beginning of year	26,493	12,794
Funding received in the year related to tangible capital assets	-	27,356
Less: amounts amortized to revenue	(11,945)	(13,657)
Balance, end of year	14,548	26,493

COMMUNITY COUNSELLING & RESOURCE CENTRE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

8. RESTRICTED NET ASSETS

Restricted net assets consist of the following:

	2023	2022
	\$	\$
Internally Restricted		
Board reserve	122,940	122,940
Erica Cherney Inspiration Fund	3,492	3,492
	126,432	126,432
Externally Restricted		
Capital reserve	1,000	1,000
Doyle Scholarship Fund	1,609	1,609
Housing Social Worker Children's Program Fund	2,127	2,127
	4,736	4,736
	131,168	131,168

Internally restricted net assets represent funds that have been designated by the Board of Directors for use in meeting future requirements of the agency. These include:

The Erica Cherney Inspiration Fund which addresses priority needs presented by clients of the Organization that are not supported by other funders. The use of this fund is determined on an annual basis by the Board of Directors; and

The Board reserve has been designated for use in meeting future requirements for the maintenance of the facilities and operations.

Externally restricted net assets represent funds designated by the donor for restricted use within the agency. These include:

The Capital reserve fund is designated for the purchase of tangible capital assets;

The Doyle Scholarship fund is designated for staff training and development; and

The Housing Social Worker Children's program fund is designated for the children's summer program.

COMMUNITY COUNSELLING & RESOURCE CENTRE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2023

9. PROVINCE OF ONTARIO

Province of Ontario revenue consists of the following:

	2023	2022
	\$	\$
Ministry of Children, Community and Social Services	294,707	293,770
Ministry of Health / Ontario Health	213,105	208,926
Ministry of Health / MOH-CYMH	87,422	89,422
Ministry of Safety and Correctional Services	12,000	23,378
	<u>607,234</u>	<u>615,496</u>

10. LEASE COMMITMENTS

The Organization leases property at 540 George St. North, Peterborough. The Organization's commitment under this lease matures April 2030. Payments for the next five years are as follows:

2024	\$61,470
2025	67,105
2026	67,617
2027	67,617
2028	67,617
	<u>\$331,426</u>

11. FINANCIAL INSTRUMENTS

The Organization is exposed to the following risks in respect of certain of the financial instruments held:

(a) Interest rate risk

The Organization is exposed to interest rate risk on its investments. Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income investments will generally rise if interest rates fall and conversely fall when rates rise. This risk is mitigated by the Organization's investment policies.

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from its funders and users of its programs. The Organization is not exposed to significant credit risk with respect to accounts receivable as a significant amount of receivables are from government and government related organizations.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other risks arising from these financial instruments.

12. ECONOMIC DEPENDENCE

The Organization receives a significant amount of funding from the Province of Ontario and the City of Peterborough and as such is economically dependent on these sources of income.

