

**FINANCIAL STATEMENTS**  
**For**  
**WESTERN OTTAWA COMMUNITY RESOURCE CENTRE**  
**For year ended**  
**MARCH 31, 2023**

WESTERN OTTAWA COMMUNITY RESOURCE CENTRE  
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MARCH 31, 2023

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**WESTERN OTTAWA COMMUNITY RESOURCE CENTRE**

*Opinion*

We have audited the financial statements of Western Ottawa Community Resource Centre (the Centre), which comprise the statement of financial position as at March 31, 2023, and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre 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 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 Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

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

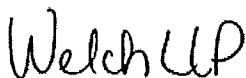
### *Auditor's Responsibilities for the Audit of the Financial Statements*

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 Centre'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 Centre'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 Centre 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

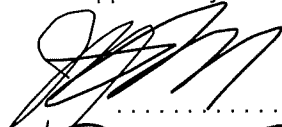
Ottawa, Ontario  
June 21, 2023.

Welch LLP<sup>®</sup>


WESTERN OTTAWA COMMUNITY RESOURCE CENTRE  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2023

	<u>2023</u>	<u>2022</u> (as restated)
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,612,951	\$ 2,176,705
Accounts receivable (note 4)	265,222	195,307
Prepaid expenses	<u>42,613</u>	<u>49,148</u>
	1,920,786	2,421,160
<b>INVESTMENTS</b> (note 5)	1,308,595	1,278,677
<b>CAPITAL ASSETS</b> (note 6)	<u>7,254,351</u>	<u>6,642,439</u>
	<u>\$ 10,483,732</u>	<u>\$ 10,342,276</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,341,798	\$ 1,270,446
Committed funds (note 8)	739,520	1,335,654
Current portion of long-term debt (note 9)	<u>136,583</u>	<u>132,090</u>
	2,217,901	2,738,190
<b>LONG-TERM DEBT</b> (note 9)	425,156	561,712
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS</b> (note 10)	<u>2,605,085</u>	<u>1,840,019</u>
	<u>5,248,142</u>	<u>5,139,921</u>
<b>NET ASSETS</b>		
Invested in capital assets - internally restricted	4,087,527	4,108,618
Unrestricted	<u>1,148,063</u>	<u>1,093,737</u>
	<u>5,235,590</u>	<u>5,202,355</u>
<b>Contractual obligations</b> (note 12)	<u>\$ 10,483,732</u>	<u>\$ 10,342,276</u>

Approved by the Board:



..... Chair



..... Vice-Chair

(See accompanying notes)

WESTERN OTTAWA COMMUNITY RESOURCE CENTRE

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2023

	Budget (unaudited)	2023	2022 (as restated)
<b>REVENUE</b>			
Grants and contributions (note 11)	\$ 7,106,989	\$ 7,177,901	\$ 6,621,050
Programs	719,664	751,876	631,154
Fundraising	90,000	9,499	3,234
Investment	<u>22,000</u>	<u>31,524</u>	<u>30,317</u>
	<u>7,938,653</u>	<u>7,970,800</u>	<u>7,285,755</u>
<b>EXPENSES</b>			
Salaries and benefits	5,275,940	5,221,931	4,923,681
Champlain Community Support Services	697,459	628,724	523,575
Occupancy costs	554,257	544,796	600,751
Program costs	372,213	456,814	387,179
Subcontracts	180,618	338,293	94,970
Office expenses	188,905	189,862	155,085
Professional fees	55,974	63,213	75,139
Insurance	57,972	62,987	52,586
Memberships	47,231	61,026	45,508
Travel	56,077	60,050	32,203
Vehicle expenses	30,000	41,695	31,586
Staff training	155,825	36,657	52,225
Service charges	29,164	36,297	31,961
Volunteer expenses	19,940	12,128	15,537
Advertising	<u>10,000</u>	<u>3,353</u>	<u>3,800</u>
	<u>7,731,575</u>	<u>7,757,826</u>	<u>7,025,786</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE AMORTIZATION OF CAPITAL ASSETS</b>	207,078	212,974	259,969
Amortization of capital assets	<u>176,492</u>	<u>179,739</u>	<u>194,269</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 30,586</u>	<u>\$ 33,235</u>	<u>\$ 65,700</u>

(See accompanying notes)

**WESTERN OTTAWA COMMUNITY RESOURCE CENTRE**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2023**

	<u>2023</u>			<u>2022</u>
	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>Total</u>	<u>(as restated)</u> <u>Total</u>
<b>Balance, beginning of year</b>	\$ 4,108,618	\$ 1,093,737	\$ 5,202,355	\$ 5,136,655
Excess (deficiency) of revenue over expenses	(116,425)	149,660	33,235	65,700
Acquisition of capital assets	791,649	(791,649)	-	-
Capital assets financed by capital grants	(828,380)	828,380	-	-
Mortgage repayments, net of advance	<u>132,065</u>	<u>(132,065)</u>	<u>-</u>	<u>-</u>
<b>Balance, end of year</b>	<u>\$ 4,087,527</u>	<u>\$ 1,148,063</u>	<u>\$ 5,235,590</u>	<u>\$ 5,202,355</u>

(See accompanying notes)

WESTERN OTTAWA COMMUNITY RESOURCE CENTRE

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u> (as restated)
<b>CASH PROVIDED (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 33,235	\$ 65,700
Adjustments for:		
Amortization of capital assets	179,739	194,269
Amortization of deferred contributions related to capital assets	<u>(63,314)</u>	<u>(73,184)</u>
	149,660	186,785
Net change in non-cash working capital items:		
Accounts receivable	(69,915)	(93,259)
Prepaid expenses	6,535	(41,016)
Accounts payable and accrued liabilities	71,352	378,162
Committed funds	<u>(596,134)</u>	<u>(31,713)</u>
	<u>(438,502)</u>	<u>398,959</u>
<b>INVESTING ACTIVITIES</b>		
Net purchase in investments	(29,918)	(29,179)
Acquisition of capital assets	<u>(791,649)</u>	<u>-</u>
	<u>(821,567)</u>	<u>(29,179)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(132,065)	(127,713)
Increase in deferred contributions related to capital assets	<u>828,380</u>	<u>59,994</u>
	<u>696,315</u>	<u>(67,719)</u>
<b>INCREASE (DECREASE) IN CASH</b>	(563,754)	302,061
<b>CASH, AT BEGINNING OF YEAR</b>	<u>2,176,705</u>	<u>1,874,644</u>
<b>CASH, AT END OF YEAR</b>	<u>\$ 1,612,951</u>	<u>\$ 2,176,705</u>

(See accompanying notes)



**WESTERN OTTAWA COMMUNITY RESOURCE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2023**

**1. STATUTE AND NATURE OF OPERATIONS**

The Western Ottawa Community Resource Centre (the Centre) was incorporated without share capital on September 26, 1986 under the Corporations Act of Ontario. The Centre is a non-profit organization whose purpose is to provide social services to the Western areas of the City of Ottawa. The Centre is authorized to issue income tax receipts for donations and is exempt from taxation under the provision of Section 149 of the Federal Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and consist of the following significant accounting policies:

**Use of estimates**

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management estimates in these statements include useful life of capital assets, allowance for doubtful accounts, and accrued liabilities. Actual results could differ from these estimates.

**Revenue recognition**

The Centre follows the deferral method of accounting for restricted contributions. Restricted contributions are recognized only when all of the significant foreseeable expenditures related to the contribution source have been incurred in a year. Otherwise, such contributions are deferred as committed funds until the related expenditures have been incurred.

Investment revenue and unrestricted contributions are recognized as they are earned.

**Contributed services and donations in kind**

Volunteers assist the Centre in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Donated goods are valued at fair value at the date of receipt when the fair value can be easily determined. No donated goods were accounted for in the financial statements in 2023 and 2022.

**Financial instruments**

*Measurement of financial instruments*

The Centre initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Centre subsequently measures all its financial assets and financial 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 operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

**WESTERN OTTAWA COMMUNITY RESOURCE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2023**

2. **SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

**Financial instruments - Cont'd.**

*Transaction costs*

The Centre recognizes its transaction costs in operations in the period incurred. However, transaction costs related to financial instruments subsequently measured at amortized cost reduce the carrying amount of the financial asset or liability and are accounted for in the statement of operations using the straight-line method.

**Capital assets**

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful life using the following methods, annual rates and period:

	<u>Methods</u>	<u>Rates</u>
Buildings	Diminishing balance	2.5%
Vehicles	Diminishing balance	30%
Computer equipment	Diminishing balance	30% - 50%
Furniture and fixtures	Diminishing balance	20%

Deferred contributions relating to capital assets are amortized over the same period as the corresponding capital asset.

**Indemnification agreements**

In the normal course of operations, the Centre signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of the Centre to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.

3. **FINANCIAL INSTRUMENTS**

The Centre is exposed to various risks through its financial instruments. The following analysis provides a measure of the Centre's risk exposure and concentrations.

The Centres does not use derivative financial instruments to manage its risks.

The Centre's financial instruments are subject to the following risks, substantially unchanged from the prior year unless otherwise noted:

*Credit risk*

The Centre is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Centre's maximum exposure to credit risk represents the sum of the carrying value of its cash, guaranteed investment certificates and its account receivable. The Centre's cash and guaranteed investment certificates are deposited with a Canadian chartered bank and as a result, management believes the risk of loss on this item to be remote. The Centre manages its credit risk by reviewing accounts receivable aging monthly and following up on outstanding amounts. Management believes that all accounts receivable at year end will be collected.

WESTERN OTTAWA COMMUNITY RESOURCE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

3. **FINANCIAL INSTRUMENTS** - Cont'd.

*Liquidity risk*

Liquidity risk is the risk that the Centre cannot meet a demand for cash or fund its obligations as they become due. The Centre meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations, anticipated investing and financing activities and holding assets that can be readily converted to cash.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) *Currency risk*

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The Centre's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Centre is exposed to interest rate risk due to its investments and its long-term debt. This risk is not considered significant as the rates are fixed.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of the changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

Since the Centre has investments in market-linked GICs, the rate of return on those investments is dependant on open market performance.

4. **ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following:

	<u>2023</u>	<u>2022</u>
Trade accounts	\$ 137,777	\$ 90,404
Sales tax rebates	<u>127,445</u>	<u>104,903</u>
	<u>\$ 265,222</u>	<u>\$ 195,307</u>

WESTERN OTTAWA COMMUNITY RESOURCE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

5. INVESTMENTS

Investments consists of the following:

	<u>2023</u>	<u>2022</u>
Guaranteed investment certificates	\$ 972,769	\$ 946,872
Market-linked guaranteed investment	264,887	261,841
Savings account	<u>70,939</u>	<u>69,964</u>
	<u>\$ 1,308,595</u>	<u>\$ 1,278,677</u>

Guaranteed investment certificates have an interest rate of 2.75% and maturity date of May 4, 2023.

Market-linked guaranteed investments have a guaranteed cumulative rate of return of 6%, with a maximum cumulative rate of return of 55% and a maturity date of May 4, 2023.

6. CAPITAL ASSETS

Capital assets consist of the following:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Land	\$ 714,574	\$ -	\$ 714,574	\$ -
Buildings	8,760,055	3,108,453	8,760,055	2,963,542
Vehicles	379,372	334,390	379,372	315,112
Computer equipment	443,902	433,626	436,914	431,992
Furniture and fixtures	770,638	721,150	770,638	708,468
Leasehold improvements	<u>955,043</u>	<u>171,614</u>	<u>171,614</u>	<u>171,614</u>
	12,023,584	\$ 4,769,233	11,061,553	\$ 4,419,114
Accumulated amortization	<u>4,769,233</u>		<u>4,419,114</u>	
	<u>\$ 7,254,351</u>		<u>\$ 6,642,439</u>	

7. BANK LOAN

The authorized line of credit in the amount of \$250,000, at bank prime lending rate plus 1%, is secured by a general security agreement covering all assets. At March 31, 2023, the Centre did not draw upon this line of credit.

8. COMMITTED FUNDS

Committed funds represent grants, donations and contributions which are restricted for a specific purpose.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,335,654	\$ 1,367,367
Add: Amount received related to future periods	1,176,349	211,167
Less: Amount recognized as revenue in the year	<u>(1,772,483)</u>	<u>(242,880)</u>
Balance, end of year	<u>\$ 739,520</u>	<u>\$ 1,335,654</u>

WESTERN OTTAWA COMMUNITY RESOURCE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

9. LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2023</u>	<u>2022</u>
Mortgage from RBC, secured by land and building with a net book value of \$4,882,663 secured by a general security agreement, a first collateral mortgage for an amount of \$1,300,000 on the property located at 2 MacNeil Court, an assignment of rents and an appropriate insurance policy - 3.35%, maturing in February 2027, payable in blended monthly instalments including principal and interest of \$12,776	\$ 561,739	\$ 693,802
Current portion of long-term debt	<u>136,583</u>	<u>132,090</u>
Long-term debt	<u>\$ 425,156</u>	<u>\$ 561,712</u>

The interest on long-term debt of \$21,278 (2022 - \$25,572) is included in line item "Occupancy costs" in the statement of operations.

Long-term debt principal repayments until for the next four years are as follows:

2024	\$ 136,583
2025	141,230
2026	146,034
2027	137,892

10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,840,019	\$ 1,853,209
Add: Contribution received	828,380	59,994
Less: Accumulated contributions recognized as grants and contributions during the year	<u>(63,314)</u>	<u>(73,184)</u>
Balance, end of year	<u>\$ 2,605,085</u>	<u>\$ 1,840,019</u>

11. GRANTS AND CONTRIBUTIONS

Grants and contributions consists of the following:

	<u>2023</u>	<u>2022</u> (as restated)
Ministry of Community and Social Services and Ministry of Children and Youth Services	\$ 2,123,769	\$ 1,999,451
Ontario Health East	2,132,517	1,878,617
City of Ottawa	2,879,363	2,644,317
Trillium Foundation	-	55,300
Ministry of Agriculture, Food and Rural Affairs	<u>42,252</u>	<u>43,365</u>
	<u>\$ 7,177,901</u>	<u>\$ 6,621,050</u>

**WESTERN OTTAWA COMMUNITY RESOURCE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2023**

**12. CONTRACTUAL OBLIGATIONS**

The commitments of the Centre under contractual agreements relating to lease of building space amount to \$13,160 until July 2023. Future annual lease payments are as follows:

2024	\$ 13,160
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**13. EMPLOYEE BENEFITS PLANS**

Most employees of the Centre are eligible to be members of the Healthcare of Ontario Pension Plan (HOOPP), which is a contributory defined benefit multi-employer pension plan. Employer contributions made to the plan during the year by the Centre amounted to \$282,227 (2022 - \$279,095) and are included in salaries and benefits in the statement of operations. This was less than 0.01% of the Plan's total employer contributions. The Plan's December 31, 2022 actuarial valuation indicate that the Plan is fully funded.

The Centre also contributes to a defined contribution group retirement savings plan held with RBC. Employer contributions made to the plan amounted to \$70,346 (2022 - \$72,797) and are included in salaries and benefits in the statement of operations.

**14. RESTATEMENT OF FINANCIAL STATEMENTS**

During the year, it was determined a 2022 fiscal year-end funder surplus amount was eligible to be applied to other prior year activities. As a result, the following comparative amounts have been restated:

	<u>Original Amount</u>	<u>Adjustment</u>	<u>Restated Amount</u>
<b>Statement of Financial Position</b>			
Accounts payable and accrued liabilities	\$ 1,326,790	\$ (56,344)	\$ 1,270,446
Net assets - Unrestricted	1,037,393	56,344	1,093,737
<b>Statement of Operations</b>			
Grants and Contributions	6,564,706	56,344	6,621,050
Excess of revenue over expenses	9,356	56,344	65,700
<b>Statement of Changes in Net Assets</b>			
Excess of revenue over expenses	9,356	56,344	65,700
Balance, end of year	5,146,011	56,344	5,202,355
<b>Statement of Cash Flows</b>			
Excess of revenue over expenses	9,356	56,344	65,700
Changes in level of accrued liabilities	434,506	(56,344)	378,162
<b>Note 11 - Grants and Contributions</b>			
Ministry of Community and Social Services and Ministry of Children and Youth Services	1,943,107	56,344	1,999,451
Total Grants and Contributions	6,564,706	56,344	6,621,050