

**MY FRIEND'S HOUSE,  
COLLINGWOOD CRISIS CENTRE  
FINANCIAL STATEMENTS  
MARCH 31, 2023**

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**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
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**AS AT MARCH 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of My Friend's House, Collingwood Crisis Centre:

### **Qualified opinion**

We have audited the financial statements of My Friend's House, Collingwood Crisis Centre ("the Organization"), which comprise the balance sheet as at March 31, 2023, and the statements of operations, changes in net financial assets and cash flow 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 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 My Friend's House, Collingwood Crisis Centre as at March 31, 2023, and its results of operations and 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 revenues from donations and fundraising, 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 Organization and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenue over expenses and net asset balances for the years ended March 31, 2023 and March 31, 2022.

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. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

### **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 the 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, the board of directors is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

*Baker Tilly SGB LLP*

Baker Tilly SGB LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
Collingwood, Ontario  
June 13, 2023

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**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE****BALANCE SHEET****AS AT MARCH 31**

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	2023	2022
	\$	\$
<b>Assets</b>		
Current		
Cash	797,599	470,564
Accounts receivables	24,322	25,297
Short-term investments (Note 2)	439,294	611,788
Prepaid expenses	40,355	45,658
	<u>1,301,570</u>	1,153,307
Long-term investments (Note 2)	1,256,402	1,115,295
Property and equipment (Note 3)	412,809	441,317
	<u>2,970,781</u>	2,709,919
<b>Liabilities</b>		
Current		
Accounts payable and accruals	82,785	79,630
Deferred revenue (Note 4)	266,910	128,737
	<u>349,695</u>	208,367
Deferred capital contributions (Note 5)	330,193	353,931
	<u>679,888</u>	562,298
<b>Net assets</b>		
Unrestricted	593,640	410,908
Internally restricted (Note 6)	1,697,253	1,736,713
	<u>2,290,893</u>	2,147,621
	<u>2,970,781</u>	2,709,919

Approved on behalf of the board:

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Director  

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Director

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**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE****STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31**

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	2023	2022
	\$	\$
Revenue		
Ministry of Children, Community & Social Services Programs	675,732	612,648
Ministry of Children, Community & Social Services-One Time Funding	112,185	117,269
Ministry of Children, Community & Social Services-COVID-19 Funding	210,314	157,917
Donations and fundraising	786,618	636,754
Grants	83,757	126,060
Amortization of deferred contributions (Note 5)	28,450	26,966
	<u>1,897,056</u>	<u>1,677,614</u>
Expenses		
Amortization of property and equipment	32,557	29,641
Bank charges	15,610	15,883
Bookkeeping	3,320	2,859
COVID-19 expenditures	1,202	8,679
Food purchases and personal needs allowance	15,853	14,080
Fundraising	84,381	59,746
Insurance	15,688	13,170
Membership dues and fees	9,409	6,579
Office	8,091	9,832
Professional fees	9,615	11,114
Programs	2,731	2,762
Recruitment	495	-
Repairs and maintenance	29,401	24,442
Rent	18,135	17,285
Salaries, benefits and related costs	1,322,554	1,048,609
Special projects - One Time Funding	5,010	2,234
Strategic planning	25,521	12,289
Telecommunications	34,847	13,964
Training	34,421	6,711
Travel	10,645	7,018
Utilities	12,299	11,466
	<u>1,691,785</u>	<u>1,318,363</u>
Excess of revenue over expenses from operations	<u>205,271</u>	<u>359,251</u>
Other (expense) income		
Investment management fees	(7,503)	(5,554)
Investment income	64,488	121,289
Loss on disposal of assets	(2,143)	-
Market value change and exchange loss on investments	(116,841)	(95,067)
	<u>(61,999)</u>	<u>20,668</u>
<b>Excess of revenue over expenses for the year</b>	<u><b>143,272</b></u>	<u><b>379,919</b></u>

See accompanying notes to the financial statements

**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31**

	Unrestricted \$	Internally restricted \$ (Note 6)	<b>2023</b> \$	2022 \$
<b>Balance at beginning of year</b>	410,908	1,736,713	<b>2,147,621</b>	1,767,702
Excess of revenue over expenses for the year	205,271	(61,999)	<b>143,272</b>	379,919
Interfund transfer (Note 6)	(22,539)	22,539	-	-
<b>Balance at end of year</b>	<b>593,640</b>	<b>1,697,253</b>	<b>2,290,893</b>	<b>2,147,621</b>

See accompanying notes to the financial statements

**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED MARCH 31**

	2023	2022
	\$	\$
Cash flows from (for):		
Operating activities		
Excess of revenue over expenses for the year	143,272	379,919
Items not involving cash		
Amortization of property and equipment	32,557	29,641
Amortization of deferred contributions	(28,450)	(26,966)
Loss on disposal of assets	2,143	-
Market value change and exchange loss on investments	116,841	95,067
	266,363	477,661
Changes in		
Accounts receivable	975	1,394
Prepaid expenses	5,303	(13,145)
Accounts payable and accruals	3,155	21,802
Deferred revenue	138,173	(116,698)
	413,969	371,014
Financing activities		
Deferred capital contributions	4,712	32,795
Investing activities		
Purchase of property and equipment	(6,192)	(38,888)
Net change in investment	(85,454)	(555,524)
	(91,646)	(594,412)
<b>Change in cash</b>	<b>327,035</b>	<b>(190,603)</b>
Balance at beginning of year	470,564	661,167
<b>Balance at end of year</b>	<b>797,599</b>	<b>470,564</b>

See accompanying notes to the financial statements



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**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2023**

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**Nature of the organization**

My Friend's House, Collingwood Crisis Centre is a registered charitable organization incorporated without share capital under the laws of Ontario. It is exempt from income taxes. The Organization is engaged in the provision of emergency shelter and counselling services to women and children who have experienced physical, mental and/or sexual abuse. The Organization's activities are dependent on funding from the Ministry of Community and Social Services.

**1. Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (referred to as "ASNFPO") and are in accordance with Canadian generally accepted accounting principles (GAAP).

The following is a summary of significant accounting policies followed in the preparation of the financial statements:

**(a) Financial instruments**

*Initial recognition and measurement*

A financial asset or a financial liability is recognized when the Organization becomes a party to the contractual provisions of the financial instrument.

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction, are initially measured at their fair value.

*Subsequent measurement*

Changes in fair value of investments in equity instruments are recognized in operations in the period incurred. All other financial assets and financial liabilities are measured at amortized cost.

*Impairment*

At the end of each reporting period, the Organization assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired.

**(b) 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 revenue and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Significant estimates have been made of the useful lives of property and equipment. Actual results could differ from those estimates.

**(c) Cash and cash equivalents**

Cash and cash equivalents include all cash balances and short-term, highly liquid financial instruments with a maturity of three months or less at acquisition.

**(d) Investments**

Equity investment measurement is initially at fair value. Unrealized gains and losses are recognized immediately in the financial statements. Realized gains and losses are recognized when the investment is sold. All other investments are initially measured at fair value and gains and losses are recognized when the investment is sold.

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**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2023**

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**1. Summary of significant accounting policies (continued)**

**(e) Property and equipment**

Purchased property and equipment is recorded at cost. Cost includes the purchase price and any directly attributable cost of preparing the asset for its intended use. Contributed property and equipment are recorded at fair market value at the date of contribution.

Property and equipment is tested for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statement of operations when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the property and equipment exceeds its fair value. An impairment loss is not reversed if the fair value of the property and equipment subsequently increases.

Amortization is provided to amortize the cost of assets over their estimated useful lives. Provision is made for amortization as follows:

Buildings and improvements	4% declining balance
Office equipment	20% declining balance
Furniture and fixtures	20% declining balance
Computer hardware	55% declining balance
Computer software	100% declining balance
Other	20% declining balance

Other property and equipment consists of a generator and security system.

**(f) Revenue recognition**

The Organization follows the deferral method of accounting for contributions. 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. Unrestricted contributions include donations and fundraising (unless otherwise specified by the donor) and grants. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Restricted contributions include funding from the Ministry of Community and Social Services. Contributions related to property and equipment are recognized as revenue on the same basis as the amortization expense of the related asset. Internally restricted contributions are recognized as revenue when received or receivable. Investment income is recognized on the internally restricted contributions when received or receivable.

**(g) Contributed materials and services**

Contributed materials and services which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Volunteers, including the Board of Directors, contribute to My Friend's House, Collingwood Crisis Centre each year to assist the Organization in carrying out its service delivery activities. Because of the difficulty in determining fair market value, volunteer services are not recognized in the financial statements.

**2. Investments**

Short-term investments consist of common shares invested through CIBC Wood Gundy. Common shares are frequently traded to ensure they stay within the Organization's investment policy.

Long-term investments consist of government bonds, principal protected notes and mutual funds. Government bonds carry interest rates of 5.00% to 5.85% and mature in 2033 through 2037. Principal at risk notes held mature in 2027 to 2030.

**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2023**

**3. Property and equipment**

Property and equipment consist of the following:

	2023	2022
	\$	\$
Cost		
Land	70,000	70,000
Building and improvements	826,193	826,193
Office equipment	41,469	41,469
Furniture and fixtures	85,800	84,320
Computer hardware	39,595	100,271
Computer software	20,303	20,303
Other	46,056	46,056
	<b>1,129,416</b>	<b>1,188,612</b>
Accumulated amortization		
Building and improvements	518,076	505,238
Office equipment	36,857	35,694
Furniture and fixtures	76,380	74,210
Computer hardware	27,787	76,859
Computer software	20,303	20,303
Other	37,204	34,991
	<b>716,607</b>	<b>747,295</b>
	<b>412,809</b>	<b>441,317</b>

**4. Deferred revenue**

Donations were externally restricted as follows:

	2023	2022
	\$	\$
Balance, beginning of the year	128,737	245,435
Community donations	31,800	51,500
Ontario Trillium Foundation	-	48,000
Women's Shelter Canada	329,150	42,150
Ministry of Children, Community and Social Service Programs	30,370	-
Expenditures	(253,147)	(258,348)
	<b>266,910</b>	<b>128,737</b>

During the year, the Organization received externally restricted donations totaling \$31,800 (2022 - \$51,500). The funds donated in 2023 and 2022 were for housing, repairs, and a Child and Youth position.

In addition, the \$30,370 from Ministry of Children, Community and Social Service Programs were for specific property and equipment purchases.

The organization applies to and receives funding from a variety of sources including foundations, community programs, federal and provincial government initiatives. The amounts received vary from year to year depending on the needs of the organization and the funding available from these sources. During the year they received \$329,150 from Women's Shelter Canada.

**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2023**

**5. Deferred capital contributions**

Deferred capital contributions are comprised of grants and donations directly specified to the purchase of certain property and equipment. These funds are amortized over the same period of time as the related asset.

	2023	2022
	\$	\$
Balance, beginning of year	353,931	348,102
Ministry of Children Community, and Social Services funding	4,712	12,776
Ontario Trillium Grant	-	20,019
Amortization of deferred capital contributions	<u>(28,450)</u>	<u>(26,966)</u>
	<b><u>330,193</u></b>	<b><u>353,931</u></b>

**6. Internally restricted net assets**

The net assets are internally restricted as follows:

	2023	2022
	\$	\$
Reserve for property and equipment purchases, building repairs, facility closure, and professional fees	545,008	564,101
Campbell Family Endowment Fund (Note 7)	646,569	675,142
Funding shortfall contingency	<u>505,676</u>	<u>497,470</u>
Balance at end of year	<b><u>1,697,253</u></b>	<b><u>1,736,713</u></b>

In 2016, the Board of Directors approved the transfer of any future surpluses into the Funding Shortfall Contingency fund. Any year end surpluses will be transferred into this fund until it has a balance of approximately one year of operating expenses based on the current fiscal year budget less government program funding. During the year a total of \$22,539 was transferred to the internally restricted funds.

Investment income is allocated to each of the funds based on the income earned by those investments which are in separate accounts.

Subsequent to year end, effective May 16, 2023, the Board of Directors approved the merging of the reserve for property and equipment purchases, building repairs, facility closure, and professional fees and the funding shortfall contingency fund into one combined Reserve/Contingency Fund. The new combined fund will provide the same purposes as each of the existing separate funds, in addition to reserving for non-budgeted expansion project expenses.

**7. Internally restricted Campbell Family Endowment Fund**

The objective of the endowment fund, created by the Board of Directors, is to generate sufficient ongoing annual income to preserve capital while permitting material contributions to the Organization's operations.

**8. Collective agreement**

The collective agreement between the Organization and the Labourers' International Union of North America Local 3000 was ratified on April 5, 2022 and expires on March 31, 2025. The collective agreement represents all employees of the Organization except management staff.

**9. Contingent liabilities**

Various actions and legal proceedings can arise during the course of normal operations against the Organization. Management is not aware of any legal matters subsequent to year end.

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**MY FRIEND'S HOUSE, COLLINGWOOD CRISIS CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2023**

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**10. Financial instruments**

The Organization's financial instruments consist of cash, accounts receivable, and investments which will result in future cash receipts, as well as accounts payable which will result in future cash outlays.

The Organization is not exposed to significant credit risk or liquidity risk.

*Financial risks*

**(a) Market risk**

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk and other price risk.

**(b) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The conversion rate is expected to remain relatively stable.

**(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's government bonds earn interest from 3.50% to 5.85%. Changes in the bank's prime lending rate can cause fluctuations in interest payments and cash flows. The Organization does not use derivative financial instruments to alter the effects of this risk.

Interest rate risk is managed by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the Organization's results of operations.

**(d) Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization derives part of its revenues from donations and investments, and donations and investment income are generally dependent on the economy.

The Organization is exposed to fluctuations in market prices of equities and fixed income investments, interest, and credit risks on fixed income investments. These investment funds are held at CIBC Wood Gundy and are managed in accordance with the investment policy approved by the Board of Directors, which is monitored on a regular basis, and is considered the method by which the Organization manages the risks.