

**THE CANADIAN COMMUNITY
ECONOMIC DEVELOPMENT NETWORK**

**FINANCIAL STATEMENTS
DECEMBER 31, 2023**

INDEPENDENT AUDITOR'S REPORT

To the Directors of
THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK

Opinion

We have audited the financial statements of THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK (the Organization), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenses, 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 Organization as at December 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 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 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.

Groupe RDL Victoriaville SENCRL¹

Victoriaville
May 30, 2024

¹ By Joël Minville, CPA auditor

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK**Statement of Revenues and Expenses****For the year ended December 31****2023****2022****REVENUE**

Grants and contribution agreements :			
Government contributions	\$	4,229,761	\$ 3,653,256
Community/Charitable sector		477,924	452,812
Other grants and contribution agreements		11,750	28,475
		4,719,435	4,134,543
Earned and unrestricted income :			
Events and training		127,243	95,887
Contracted services		769,207	612,641
Memberships		46,612	40,580
Donations and other revenues		6,485	4,960
Interest		52,961	12,073
		1,002,508	766,141
		5,721,943	4,900,684
EXPENSES			
Direct project costs (schedule A)		3,136,684	3,159,650
Board, committees and members (schedule B)		3,348	26,787
Staff costs (schedule C)		1,897,534	1,337,194
Administration (schedule D)		252,774	233,521
Amortization of capital assets		6,762	5,242
		5,297,102	4,762,394
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS		424,841	138,290
LOSS ON DISPOSAL OF CAPITAL ASSETS		-	(2,468)
EXCESS OF REVENUES OVER EXPENSES	\$	424,841	\$ 135,822

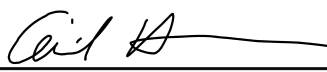
THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK
Changes in Net Assets
For the year ended December 31

	Endow- ment	Invested in capital assets	Restricted	2023 Total	2022 Total
BALANCE, BEGINNING OF YEAR	87,996	7,349	768,344	863,689	727,867
Excess (loss) of revenues over expenses	5,436	(6,762)	426,167	424,841	135,822
Investment in capital assets	-	7,242	(7,242)	-	-
BALANCE, END OF YEAR	93,432	7,829	1,187,269	1,288,530	863,689

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK
Statement of Financial Position
As at December 31

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 725,458	\$ 639,305
Accounts receivable (note 4)	1,046,372	538,681
Prepaid expenses	50,036	49,104
Current portion of investments (note 5)	272,350	-
	2,094,216	1,227,090
INVESTMENTS (note 5)	271,050	520,000
CAPITAL ASSETS (note 6)	7,829	7,349
	\$ 2,373,095	\$ 1,754,439
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (note 7)	\$ 162,863	\$ 166,963
Deferred revenue and contributions	921,702	683,787
Current portion of long term debt (note 9)	-	40,000
	1,084,565	890,750
NET ASSETS		
ENDOWMENT	93,432	87,996
RESTRICTED NET ASSETS	1,187,269	768,344
NETS ASSETS INVESTED IN CAPITAL ASSETS	7,829	7,349
	1,288,530	863,689
	\$ 2,373,095	\$ 1,754,439

On behalf of the Board:


 _____, Director


 _____, Director

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK**Cash Flows****For the year ended December 31****2023****2022****OPERATING ACTIVITIES**

Excess of revenues over expenses	\$	424,841	\$	135,822
Adjustments for:				
Amortization of capital assets		6,762		5,242
Loss on disposal of capital assets		-		2,468
		431,603		143,532
Net change in non-cash items related to operating activities:				
Accounts receivable		(507,691)		(405,660)
Prepaid expenses		(932)		(39,129)
Accounts payable		(4,100)		(15,622)
Deferred revenue and contributions		237,915		(406,823)
		156,795		(723,702)
INVESTING ACTIVITIES				
Investment acquisition		(23,400)		(520,000)
Acquisition of capital assets		(7,242)		(6,819)
		(30,642)		(526,819)
FINANCING ACTIVITY				
Repayment of long-term debt		(40,000)		-
INCREASE (DECREASE) IN CASH		86,153		(1,250,521)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		639,305		1,889,826
CASH, END OF YEAR	\$	725,458	\$	639,305

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK

Notes to Financial Statements

As at December 31, 2023

1. ARTICLES OF INCORPORATION

The Organization is governed under the Canada Not-for-profit Corporations Act and is consequently exempt from income taxes. The objects of the organization are to alleviate poverty, reduce unemployment, and relieve suffering in economically challenged communities.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies the Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The main estimates relate to the provision for doubtful accounts, the impairment of financial assets and the useful lives capital assets subject to amortization.

Revenues recognition

Contributions

The Organization uses the deferral method of accounting for contributions. Restricted 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. Endowment contributions are recognized as direct increases in net asset.

Membership, event and other revenues

The Organization recognizes its membership, event and other revenues when all significant acts have been completed and collection is reasonably assured.

Financial instruments

Initial measurement

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK

Notes to Financial Statements

As at December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Subsequent measurement

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost using the straight-line method include cash, accounts receivable and investments.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in net income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in net income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Capital Assets

Computer equipment are accounted for at cost. Amortization is calculated on its estimated useful life using the declining balance method at the rate of 45%.

Impairment of long-lived assets

Property, plant and equipment and intangible assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized 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 long-lived asset exceeds its fair value.

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK

Notes to Financial Statements

As at December 31, 2023

3. INTERNALLY RESTRICTED NET ASSETS

During the financial year, the Board of Directors decided to allocate an amount of \$418,925, thus bringing the total allocated amounts to \$1,187,269. In 2020, the Board of Directors adopted a new reserve policy with two specific reserves: the Contingency Reserve and the Strategic Initiatives Reserve. Those allocations help to finance programs and general activities when the financial resources of the organization are insufficient. The Organization cannot use those amounts received as allocation without the prior authorization of the Board of Directors. The amounts allocated are divided as follows:

	2023	2022
Restricted reserves		
Contingency Reserves		
Program Reserves	\$ 376,134	\$ 334,355
Operation Reserve	384,900	305,261
	761,034	639,616
Strategic initiatives reserve	426,235	128,728
	1,187,269	768,344
Total restricted reserves	1,187,269	768,344
Endowments	93,432	87,996
	\$ 1,280,701	\$ 856,340

4. ACCOUNTS RECEIVABLE

	2023	2022
Receivables	\$ 949,460	\$ 513,231
Interest	583	639
Goods and services tax	96,329	24,811
	\$ 1,046,372	\$ 538,681

5. INVESTMENTS

	2023	2022
Portfolio investments		
Term deposits, bearing interest at rates varying from 4.25% to 5%, maturing in December 2024 and December 2025	\$ 543,400	\$ 520,000
Current portion of investments	(272,350)	-
	\$ 271,050	\$ 520,000

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK
Notes to Financial Statements
As at December 31, 2023

6. CAPITAL ASSETS

					2023		2022	
	Cost	Accumulated amortization			Net book value		Net book value	
Computer equipment	\$ 25,510	\$ 17,681	\$ 7,829	\$			\$ 7,349	
Furniture and equipment	2,110	2,110	-				-	
	\$ 27,620	\$ 19,791	\$ 7,829	\$			\$ 7,349	

7. ACCOUNTS PAYABLE

					2023		2022	
Accounts payable			\$ 99,618	\$			\$ 114,853	
Wages and benefits			55,499				49,440	
Accrued liabilities			7,746				2,670	
			\$ 162,863	\$			\$ 166,963	

8. DEFERRED REVENUES AND CONTRIBUTIONS

Funds received in the current fiscal year that will be recognized as revenues in a subsequent year when all significant acts will be completed or when expenses will be engaged, are as follows:

					2023		2022	
Government contributions			\$ 482,714	\$			\$ 412,915	
Community/Charitable sector			93,345				102,409	
Other restricted income			276,551				150,953	
Events and training			52,234				-	
Membership			16,858				17,510	
			\$ 921,702	\$			\$ 683,787	

9. LONG TERM DEBT

					2023		2022	
Term loan, expired during the financial year			\$ -	\$			\$ 40,000	
Current portion of long term debt			-				(40,000)	
			\$ -	\$			\$ -	

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK

Notes to Financial Statements

As at December 31, 2023

10. FINANCIAL INSTRUMENTS

Financial risks

The significant risks arising from financial instruments to which the Organization is exposed as at December 31, 2023 are detailed below.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable.

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The Organization's credit risk is mainly related to accounts receivable and investments.

The Organization provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts. The Organization does not normally require a guarantee.

For grants receivable, the Organization continuously evaluates amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

11. COMMITMENTS

The commitment of the Organization under lease agreements aggregates to \$47,058. The instalments over the next three years are the following:

2024	\$	23,605
2025	\$	21,849
2026	\$	1,604

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK**Supplementary Information****For the year ended December 31****2023****2022****SCHEDULE A - DIRECT PROJECT COSTS**

Intern wages and benefits	\$	820,257	\$	1,259,446
Contractors		1,822,362		1,585,066
Communications		46,293		65,307
Travel and meals		106,796		47,168
Professional development		72		1,146
Project partner fees		-		200
Credit card processing fees		3,094		3,866
Materials and supplies		8,727		11,124
Knowledge products		213,838		115,277
Promotion, design and publications		20,089		43,624
Meeting, events, rooms and equipment rental		43,007		18,981
Grants		35,000		-
Translation		17,149		8,445
	\$	3,136,684	\$	3,159,650

SCHEDULE B - BOARD, COMMITTEES AND MEMBERS

Meeting, travel and meals	\$	3,348	\$	26,787
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SCHEDULE C - STAFF COSTS

Wages and benefits	\$	1,897,534	\$	1,337,194
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SCHEDULE D - ADMINISTRATION

Insurance	\$	5,783	\$	5,720
Communications		7,766		4,277
Membership dues		18,347		7,295
Employee training and meeting costs		59,363		56,506
Bank charges and online transaction costs		5,756		5,228
Equipment related costs		738		2,467
Office operations and supplies		20,679		7,528
Internet and online services		27,853		18,704
Rent		47,595		45,490
Promotion, events and publications		14,087		12,425
Professional services		29,040		42,338
Website		10,989		18,764
Translation		4,778		6,779
	\$	252,774	\$	233,521