

**THE CANADIAN COMMUNITY
ECONOMIC DEVELOPMENT NETWORK**

**FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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, 2024, 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, 2024, 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 SENCRL*¹

Victoriaville
May 29, 2025

¹ By Joël Minville, CPA auditor

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK
Statement of Revenues and Expenses
For the year ended December 31
2024
2023
REVENUE

Grants and contribution agreements :			
Government contributions	\$	1,487,211	\$ 4,229,761
Community/Charitable sector		587,170	477,924
Other grants and contribution agreements		14,000	11,750
		2,088,381	4,719,435
Earned and unrestricted income :			
Events and training		102,509	127,243
Contracted services		771,270	769,207
Memberships		38,609	46,612
Donations and other revenues		9,625	6,485
Interest		55,877	52,961
		977,890	1,002,508
		3,066,271	5,721,943

EXPENSES

Direct project costs (schedule A)		1,449,060	3,136,684
Board, committees and members (schedule B)		1,538	3,348
Staff costs (schedule C)		1,498,963	1,897,534
Administration (schedule D)		179,226	252,774
Amortization of capital assets		5,858	6,762
		3,134,645	5,297,102

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS
(68,374) 424,841

LOSS ON DISPOSAL OF CAPITAL ASSETS
(883) -

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES
\$ (69,257) \$ 424,841

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

	Endow- ment	Invested in capital assets	Restricted (note 3)	2024 Total	2023 Total
BALANCE, BEGINNING OF YEAR	93,432	7,829	1,187,269	1,288,530	863,689
Excess (loss) of revenues over expenses	4,077	(6,741)	(66,593)	(69,257)	424,841
Investment in capital assets	-	1,704	(1,704)	-	-
BALANCE, END OF YEAR	97,509	2,792	1,118,972	1,219,273	1,288,530

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK

Statement of Financial Position

As at December 31

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,019,528	\$ 725,458
Accounts receivable (note 4)	328,174	1,046,372
Prepaid expenses	46,470	50,036
Current portion of investments (note 5)	283,009	272,350
	1,677,181	2,094,216
INVESTMENTS (note 5)	-	271,050
CAPITAL ASSETS (note 6)	2,792	7,829
	\$ 1,679,973	\$ 2,373,095
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (note 7)	\$ 80,324	\$ 162,863
Deferred revenue and contributions (note 8)	380,376	921,702
	460,700	1,084,565
NET ASSETS		
ENDOWMENT	97,509	93,432
RESTRICTED NET ASSETS	1,118,972	1,187,269
NETS ASSETS INVESTED IN CAPITAL ASSETS	2,792	7,829
	1,219,273	1,288,530
	\$ 1,679,973	\$ 2,373,095

On behalf of the Board:

Michelle Colussi, Director

Carl A, Director

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK
Cash Flows
For the year ended December 31
2024
2023
OPERATING ACTIVITIES

Excess (deficiency) of revenues over expenses	\$	(69,257)	\$	424,841
Adjustments for:				
Amortization of capital assets		5,858		6,762
Loss on disposal of capital assets		883		-
		(62,516)		431,603
Net change in non-cash items related to operating activities:				
Accounts receivable		718,198		(507,691)
Prepaid expenses		3,566		(932)
Accounts payable		(82,539)		(4,100)
Deferred revenue and contributions		(541,326)		237,915
		35,383		156,795

INVESTING ACTIVITIES

Investment acquisition		(11,959)		(23,400)
Collection of term deposits		272,350		-
Acquisition of capital assets		(1,704)		(7,242)
		258,687		(30,642)

FINANCING ACTIVITY

Repayment of long-term debt		-		(40,000)
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INCREASE IN CASH **294,070** 86,153
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR **725,458** 639,305
CASH, END OF YEAR **\$ 1,019,528** \$ 725,458

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK

Notes to Financial Statements

As at December 31, 2024

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.

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, 2024

3. INTERNALLY RESTRICTED NET ASSETS

On May 29, 2025, the Board of Directors decided to allocate an amount of \$20,767 to program reserves and to use \$87,100 from operation reserve and \$1,964 from strategic initiatives reserves, thus bringing the total allocated amounts to \$1,118,972. 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:

	2024	2023
Restricted reserves		
Contingency Reserves		
Program Reserves	\$ 396,901	\$ 376,134
Operation Reserve	297,800	384,900
	694,701	761,034
Strategic initiatives reserve	424,271	426,235
Total restricted reserves	1,118,972	1,187,269
Endowments	97,509	93,432
	\$ 1,216,481	\$ 1,280,701

4. ACCOUNTS RECEIVABLE

	2024	2023
Receivables	\$ 305,657	\$ 949,460
Interest	387	583
Goods and services tax	22,130	96,329
	\$ 328,174	\$ 1,046,372

5. INVESTMENTS

	2024	2023
Portfolio investments		
Term deposit, bearing interest at 5%, maturing in December 2025	\$ 283,009	\$ 543,400
Current portion of investments	(283,009)	(272,350)
	\$ -	\$ 271,050

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK

Notes to Financial Statements

As at December 31, 2024

6. CAPITAL ASSETS

				2024		2023
	Cost	Accumulated amortization		Net book value		Net book value
Computer equipment	\$ 13,709	\$ 10,917	\$	2,792	\$	7,829
Furniture and equipment	2,110	2,110		-		-
	\$ 15,819	\$ 13,027	\$	2,792	\$	7,829

7. ACCOUNTS PAYABLE

		2024		2023
Accounts payable	\$	34,504	\$	99,618
Wages and benefits		32,638		55,499
Accrued liabilities		13,182		7,746
	\$	80,324	\$	162,863

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:

		2024		2023
Government contributions	\$	-	\$	482,714
Community/Charitable sector		145,584		93,345
Other restricted income		221,463		276,551
Events and training		-		52,234
Membership		13,329		16,858
	\$	380,376	\$	921,702

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK

Notes to Financial Statements

As at December 31, 2024

9. FINANCIAL INSTRUMENTS

Financial risks

The significant risks arising from financial instruments to which the Organization is exposed as at December 31, 2024 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. its accounts payable. Management believes that the organization has the liquidity to meet its commitments.

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.

10. COMMITMENTS

The commitment of the Organization under lease agreements aggregates to \$46,961. The instalments over the next three years are the following:

2025	\$	31,768
2026	\$	9,714
2027	\$	5,479

THE CANADIAN COMMUNITY ECONOMIC DEVELOPMENT NETWORK
Supplementary Information
For the year ended December 31
2024
2023
SCHEDULE A - DIRECT PROJECT COSTS

Intern wages and benefits	\$	-	\$	820,257
Contractors		1,117,977		1,822,362
Communications		45,733		46,293
Travel and meals		83,064		106,796
Professional development		-		72
Credit card processing fees		1,170		3,094
Materials and supplies		18,566		8,727
Knowledge products		111,164		213,838
Promotion, design and publications		33,311		20,089
Meeting, events, rooms and equipment rental		27,599		43,007
Grants		-		35,000
Translation		10,476		17,149
	\$	1,449,060	\$	3,136,684

SCHEDULE B - BOARD, COMMITTEES AND MEMBERS

Meeting, travel and meals	\$	1,538	\$	3,348
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SCHEDULE C - STAFF COSTS

Wages and benefits	\$	1,498,963	\$	1,897,534
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SCHEDULE D - ADMINISTRATION

Insurance	\$	5,571	\$	5,783
Communications		6,595		7,766
Membership dues		7,374		18,347
Employee training and meeting costs		23,851		59,363
Bank charges and online transaction costs		5,551		5,756
Equipment related costs		190		738
Office operations and supplies		9,124		20,679
Internet and online services		28,344		27,853
Rent		33,273		47,595
Promotion, events and publications		7,496		14,087
Professional services		38,488		29,040
Website		9,897		10,989
Translation		3,472		4,778
	\$	179,226	\$	252,774