

**CALGARY COUNSELLING CENTRE**

**Financial Statements**

**December 31, 2023**

**CALGARY COUNSELLING CENTRE**  
**Index to Financial Statements**  
**For the Year Ended December 31, 2023**

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Tel: 403-266-5608  
Fax: 403-233-7833  
www.bdo.ca

BDO Canada LLP  
903 - 8th Avenue SW, Suite 620  
Calgary AB T2P 0P7 Canada

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## INDEPENDENT AUDITOR'S REPORT

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### To the Members of Calgary Counselling Centre

#### Opinion

We have audited the financial statements of Calgary Counselling Centre (the "Centre" or "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statement of operations, changes in net assets and cash flow statement 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 ethical responsibilities in accordance with those 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 (ASNPO), 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 cease operations, or has no realistic alternative but to do so.

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## Independent Auditor's Report to the Members of Calgary Counselling Centre *(continued)*

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

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

Calgary, Alberta

March 28, 2024

**CALGARY COUNSELLING CENTRE**  
**Statement of Financial Position**  
**As at December 31**

	2023	2022
<b>Assets</b>		
Current		
Cash	\$ 4,804,416	\$ 7,742,379
Short-term investments (Note 3)	29,369	166,724
Accounts receivable	138,954	101,607
Goods and services tax recoverable	18,748	21,830
Prepaid expenses	18,954	12,912
	<u>5,010,441</u>	8,045,452
Endowment Fund (Note 4)	37,624	37,624
Property and equipment (Note 5)	<u>1,294,904</u>	1,622,736
	<u>\$ 6,342,969</u>	<u>\$ 9,705,812</u>
<b>Liabilities and Net assets</b>		
Current		
Accounts payable and accrued liabilities	\$ 305,363	\$ 403,968
Bank operating line of credit (Note 6)	275,000	245,000
Unearned revenue	7,326	-
Deferred contributions related to operations (Note 7)	<u>3,962,908</u>	6,797,858
	<u>4,550,597</u>	7,446,826
Deferred contributions related to property and equipment (Note 8)	548,628	711,552
Lease inducement (Note 11)	211,927	290,177
Long-term debt (Note 9)	<u>380,061</u>	516,370
	<u>5,691,213</u>	8,964,925
Net Assets		
Invested in property and equipment	746,277	911,184
Endowment (Note 4)	37,624	37,624
Internally restricted (Note 12)	1,153,280	1,153,280
Unrestricted	<u>(1,285,425)</u>	<u>(1,361,201)</u>
	<u>651,756</u>	740,887
	<u>\$ 6,342,969</u>	<u>\$ 9,705,812</u>

Commitments (Note 10)

**ON BEHALF OF THE BOARD**

Matthew Hutchens, Director  
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Dawn Tirling, Director  
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The accompanying notes are an integral part of these financial statements.

**CALGARY COUNSELLING CENTRE**  
**Statement of Operations**  
**For the Year Ended December 31, 2023**

	2023	2022
<b>Revenues</b>		
Grants		
Grants from funders <i>(Note 14)</i>	\$ 6,155,339	\$ 3,811,731
Fees for service		
Counselling	3,215,264	2,928,709
Fundraising revenue		
Donations	115,744	246,327
Special events	39,155	76,597
United Way of Calgary and Area Donor Choice	51,161	56,318
Annual campaign	60,425	10,600
Conferences and workshops	5,376	1,275
Other		
Recognition of deferred contributions related to property and equipment <i>(Note 8)</i>	162,924	172,474
Other	91,701	68,363
	<u>9,897,089</u>	<u>7,372,394</u>
<b>Expenses</b>		
Salaries and benefits	5,675,597	5,066,094
Alberta Government - counselling program expenses	1,238,445	-
Bursary and residency payments	675,362	469,356
Amortization	629,934	567,463
Administrative	594,831	268,494
Consulting fees	479,190	652,111
Occupancy costs	397,217	366,757
Advertising and promotion	76,564	134,000
Interest and bank charges	61,588	59,123
Accounting fees	55,830	36,600
Goods and services tax expenses	37,321	35,399
Bad debts	33,839	23,780
Legal fees	21,230	20,271
Repairs and maintenance	4,928	5,232
Fundraising	1,939	3,975
Printing	1,377	2,930
Workshops and conferences	1,028	810
	<u>9,986,220</u>	<u>7,712,395</u>
<b>Deficiency of revenues over expenses</b>	<u>\$ (89,131)</u>	<u>\$ (340,001)</u>

The accompanying notes are an integral part of these financial statements.

**CALGARY COUNSELLING CENTRE**  
**Statement of Changes in Net Assets**  
**For the Year Ended December 31**

	Invested in property and equipment	Endowment (Note 4)	Internally restricted (Note 12)	Unrestricted	2023	2022
Net assets - beginning of year	\$ 911,184	\$ 37,624	\$ 1,153,280	\$ (1,361,201)	\$ 740,887	\$ 1,080,888
Excess (deficiency) of revenue over expenses	(467,010)	-	-	377,879	(89,131)	(340,001)
Purchase of property and equipment less funds received	302,103	-	-	(302,103)	-	-
Interfund transfers	-	-	-	-	-	-
<b>Net assets - end of year</b>	<b>\$ 746,277</b>	<b>\$ 37,624</b>	<b>\$ 1,153,280</b>	<b>\$ (1,285,425)</b>	<b>\$ 651,756</b>	<b>\$ 740,887</b>

**CALGARY COUNSELLING CENTRE**  
**Statement of Cash Flows**  
**For the Year Ended December 31**

	<b>2023</b>	2022
<b>Operating activities</b>		
Cash receipts from contributors and clients	\$ 6,872,276	\$ 13,337,653
Cash paid to suppliers and employees	<u>(9,539,182)</u>	<u>(7,105,774)</u>
Cash flows (used by) from operating activities	<u>(2,666,906)</u>	6,231,879
<b>Investing activities</b>		
Purchase of property and equipment	(302,103)	(524,948)
Redemption/(purchase) of short-term investment	<u>137,355</u>	<u>(9,694)</u>
Cash flow used by investing activities	<u>(164,748)</u>	(534,642)
<b>Financing activities</b>		
Deferred contributions related to property and equipment	-	41,666
Payment of long-term debt	(136,309)	(130,000)
Increase in line of credit	<u>30,000</u>	<u>245,000</u>
Cash flows (used by) from financing activities	<u>(106,309)</u>	156,666
<b>(Decrease) increase in cash flow</b>	<b>(2,937,963)</b>	5,853,903
Cash – beginning of year	<u>7,742,379</u>	1,888,476
<b>Cash – end of year</b>	<b>\$ 4,804,416</b>	<b>\$ 7,742,379</b>



# CALGARY COUNSELLING CENTRE

## Notes to Financial Statements

Year Ended December 31, 2023

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### 1. Purpose of the organization

Calgary Counselling Centre (the "Centre") provides compassionate, professional and affordable counselling services to Calgarians. It helps individuals, families, couples and children resolve emotional and social problems. It also strives to meet the changing needs of the community through ongoing research and education programs.

The Centre is a not-for-profit organization and a registered charity. As such, it is not subject to the payment of income tax under section 149(1) of the Income Tax Act of Canada.

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### 2. Summary of significant accounting policies

#### Accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

#### Revenue recognition

The Centre follows 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 were recognized as direct increases in the fund. Restricted contributions for the purchase of property and equipment are deferred and recognized as income on the same basis that the related assets are amortized.

Contributions in-kind are recognized at their fair market value on the date received by the Centre.

#### Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less and that are subject to an insignificant risk of change in value.

#### Property and equipment

Property and equipment are stated at cost less accumulated amortization. Amortization is provided at the following rates and methods designed to amortize the assets over their estimated useful lives. Amortization is provided at one half the rate in the year of acquisition.

Equipment	30%	declining balance
Computer equipment	30%	declining balance
Computer software	50%	declining balance
Furniture and fixtures	20%	declining balance
Leasehold improvements	remaining term of lease	straight-line

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**CALGARY COUNSELLING CENTRE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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

Volunteer services

Volunteers contributed approximately 36,659 hours this year (2022 - 36,206) to 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.

Financial instruments

The Centre initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and mutual funds that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized as unrealized gains or losses in the statement of operations and financial assets and liabilities are tested for impairment at each reporting date.

The financial assets measured at amortized cost include cash, short-term investments, endowment fund and accounts receivable. The financial liabilities measured at amortized cost include bank operating line of credit, accounts payable and accrued liabilities and long-term debt. The financial assets measured at fair value include marketable securities and funds that hold investments in equity instruments. The Centre currently holds no investments measured at fair value.

Measurement uncertainty

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 the reported amounts of revenues and expenses during the reporting period. The determination of amortization expense requires management to make assumptions about the expected useful life of property and equipment. Application of the deferral method of accounting for restricted contributions requires management to make assumptions about the matching of expenses against specific revenue in order to determine the amount of such revenue recognized in each period. Actual results could differ from those estimates.

**3. Short-term investments**

	<u>2023</u>	<u>2022</u>
Short term investments are comprised of RBC cashable Guaranteed Investment Certificates (GICs) with a maturity date of less than one year. These GICs carry an interest rate of 4.70% - 4.95% (2022 - 3.50%) and mature in April and November 2024 (2022 - November 2023).	\$ 29,369	\$ 29,557
Mutual funds	-	137,167
	<u>\$ 29,369</u>	<u>\$ 166,724</u>

## CALGARY COUNSELLING CENTRE

### Notes to Financial Statements

Year Ended December 31, 2023

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#### 4. Endowment fund

An endowment fund was established by the Nickle Family Foundation in 1990 to provide one bursary for clergy who wish to acquire training in Pastoral Counselling at the Calgary Counselling Centre. The \$15,000 contribution must remain permanently invested, with the investment income earned on the endowment used to fund the bursary.

In 2008 the Calgary Breakfast Club contributed to the Calgary Counselling General Endowment Fund to provide one bursary for post-graduate counsellor training that will translate into leadership in the mental health field. The \$22,624 (2022 - \$22,624) must remain permanently invested, with the investment income earned on the endowment used to fund the bursary. Additional contributions of \$Nil (2022 - \$Nil) were made during the year.

These funds are currently invested in a GIC maturing November 2024 and is bearing annual interest at 4.75% (2022 - 3.50%).

	2023	2022
Nickle Family Foundation endowment	\$ 15,000	\$ 15,000
Calgary Breakfast Club endowment	22,624	22,624
	<b>\$ 37,624</b>	<b>\$ 37,624</b>

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#### 5. Property and equipment

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Equipment	\$ 197,162	\$ 195,277	\$ 1,885	\$ 2,693
Computer equipment	494,355	439,426	54,929	64,117
Computer software	2,002,476	1,524,007	478,469	521,515
Furniture and fixtures	133,194	126,281	6,913	8,641
Leasehold improvements	2,730,615	1,977,907	752,708	1,025,770
	<b>\$ 5,557,802</b>	<b>\$ 4,262,898</b>	<b>\$ 1,294,904</b>	<b>\$ 1,622,736</b>

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#### 6. Bank operating line of credit

The Centre has an operating line of credit to a maximum of \$450,000 (2022 - \$450,000) with interest payable at bank prime plus 0.75% (2022 - bank prime plus 0.75%) per annum. This line is secured by a general security agreement. At the date of the statement of financial position the amount outstanding was \$275,000 (2022 - \$245,000).

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**CALGARY COUNSELLING CENTRE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

**7. Deferred contributions related to operations**

Deferred contributions consist of unspent externally restricted contributions that are received in the current year, but are related to subsequent operations. Changes in deferred contribution balances are as follows:

	Beginning Balance	Additions	Utilizations	Ending balance
Alberta Health Services – Provincial Family Violence Treatment Plan	\$ -	\$ 275,779	\$ 271,950	\$ 3,829
Petronas	-	69,000	50,000	19,000
Anonymous – Capital Campaign	35,726	-	-	35,726
Anonymous donor	72,917	150,000	156,249	66,669
Bursaries - Empowering Minds, Sinopec, Donation.com	-	100,000	-	100,000
Bell Fund – NDSD	-	10,000	10,000	-
W. Brett Wilson Family Fund	-	50,000	50,000	-
Calgary Foundation – Other	36,485	73,000	34,202	75,283
Casino	31,204	148,026	46,350	132,880
Catholic Family Services (BICS)	73,500	-	63,500	10,000
Community Foundation	14,900	-	-	14,900
Community Foundation Canada	-	50,000	-	50,000
Evolve University	500	5,500	2,287	3,713
Family and Community Support Services	-	368,880	368,880	-
Government of Alberta – Alberta Provincial Counselling Program	6,221,744	254,874	3,332,940	3,143,678
Government of Alberta – AHS/Community	148,672	571,373	559,285	160,760
Government of Alberta – Male Victims of Domestic Violence	30,959	92,877	123,836	-
Private Family Foundation	100,000	100,000	100,000	100,000
WestBury	-	15,220	-	15,220
Telus - Tech	-	20,000	20,000	-
RBC Foundation	31,250	85,333	85,333	31,250
	<b>\$ 6,797,858</b>	<b>\$ 2,439,862</b>	<b>\$ 5,274,812</b>	<b>\$ 3,962,908</b>

## CALGARY COUNSELLING CENTRE

### Notes to Financial Statements

Year Ended December 31, 2023

#### 8. Deferred contributions related to property and equipment

Deferred contributions related to property and equipment consist of externally restricted capital contributions with which the Centre has purchased property and equipment or paid down related debt. These are recognized as revenue on the same basis as the amortization of the underlying equipment purchased. Changes in the deferred contributions related to property and equipment balance are as follows:

	Beginning Balance	Additions	Utilizations	Ending balance
Anonymous – Capital Donations	\$ 378,651	\$ -	\$ 82,044	\$ 296,607
Alberta Government Grant	2,857	-	857	2,000
Kahanoff Centre	1,500	-	750	750
Calgary Foundation	46,267	-	22,757	23,510
Community Facilities Enhancement Program	50,576	-	10,338	40,238
Bell Canada Golf Tournament	1,787	-	714	1,073
Clearwater Charitable Foundation	4,285	-	1,286	2,999
Alberta Lotteries – Technology	686	-	206	480
Calgary Foundation Technology	118	-	59	59
Government of Alberta – AHS/Community	989	-	495	494
Community Initiatives Program	337	-	111	226
United Way	387	-	116	271
Alberta Gaming, Liquor and Cannabis Commission – Casino Funds	179	-	63	116
Willow Park Charity Classic	222,933	-	43,128	179,805
	<u>\$ 711,552</u>	<u>\$ -</u>	<u>\$ 162,924</u>	<u>\$ 548,628</u>

#### 9. Long-term debt

	2023	2022
Loan from current landlord with interest at a fixed rate of 2.77% per annum. The loan is due on August 31, 2026, at the termination of the lease.	<u>\$ 380,061</u>	<u>\$ 516,370</u>
	<u>\$ 380,061</u>	<u>\$ 516,370</u>

Principal prepayments on this loan may be made at any time as funds are raised by the Centre. Interest amortization has commenced on January 1, 2019 and the Centre has been making monthly interest payments on the loan since 2021. Principal payments of \$136,309 (2022 - \$130,000) were made during the year.

**CALGARY COUNSELLING CENTRE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**10. Commitments**

i) The Centre has a lease agreement for its current office premises. This lease will expire in August 2026. Minimum annual rent payments are \$254,664 for the term of the lease.

ii) The Centre has lease agreements for a photocopier and a mailing machine. The photocopier is leased at a cost of \$803 per quarter to December 2025.

Minimum annual payments for these leases in each of the next three years are as follows:

2024	\$	257,874
2025		257,874
2026		<u>169,776</u>
Total minimum lease payments	\$	<u>685,524</u>

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**11. Lease inducement**

The Centre had signed a ten-year lease agreement for its current office premises (Note 10 i). The landlord offered a lease inducement in the amount of \$782,500. The lease inducement is recognized as a reduction in rent expense at \$78,250 per year over the term of lease for the remaining period. The net book value of the lease inducement was \$211,927 (2022 - \$290,177).

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**12. Internally restricted**

In late 2016, the Centre received a significant bequest. In 2017, the Board of Directors created an operating reserve of \$875,000 and this amount was transferred to a separate internally restricted bank account. The funds in this account are to be used to cover operating expenses from time to time when cash from operating revenue is less than expenses of a particular period. The funds may only be used with the Board's approval and must be restored in future months when the cash flow from operations is positive, with a goal of maintaining the internally restricted cash balance at \$875,000. During the year, the Board made a motion to transfer \$Nil (2022 - \$Nil) to internally restricted for a total balance of \$1,153,280 (2022 - \$1,153,280) as at December 31, 2023.

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**13. Financial instruments**

The Centre's financial instruments consist of cash, accounts receivable, short-term investments, endowment fund, accounts payable and accrued liabilities, bank operating line of credit and long-term debt. All of these are reported at amortized cost.

Management has determined that the Centre is not exposed to significant credit risk, but does have some market risk due to the nature of investments held. To mitigate the market risk, the Board of Directors has implemented an investment policy that limits the nature of investments held. The Centre is exposed to interest rate risk on its loan from the Kahanoff Centre as interest payments have commenced on January 1, 2019. Future cash flows may fluctuate because of changes in interest rates in relation to market rates of interest.

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**CALGARY COUNSELLING CENTRE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**14. Grants from funders**

	<u>2023</u>	<u>2022</u>
Grants from funders		
Government of Alberta		
Alberta Health Services	\$ 559,679	\$ 564,113
Children and Youth Services	123,834	123,835
United Way of Calgary and Area	590,000	590,000
Other Foundations	495,678	698,335
City of Calgary – Family and Community Support Services	368,874	368,880
Catholic Family Service	275	147,000
Other Grants	757,281	680,849
Government of Alberta - APCP/CA	3,259,718	638,719
	<u>\$ 6,155,339</u>	<u>\$ 3,811,731</u>

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**15. Additional information to comply with the disclosure requirements of the Charitable Fundraising Act of Alberta and regulations**

Gross contributions received of \$1,672,071 (2022 - \$1,778,411) were used for program activities throughout the year.

Expenses incurred for the purpose of soliciting contributions were \$210,695 (2022 - \$151,133).

A total amount of \$Nil (2022 - \$Nil) was paid as remuneration to fundraising businesses, including any expenses or fees paid by the Centre to fundraising businesses or as reimbursements to fundraising businesses. \$210,695 (2021 - \$151,133) was paid as remuneration to employees whose principal duties involved fundraising during 2023.

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**CALGARY COUNSELLING CENTRE**  
**FCSS (Family and Community Support Services) Funding**  
**Schedule 1 - Revenue and Expenses**  
**For the year ended December 31, 2023**

	<b>2023</b>
<b>Revenue</b>	
FCSS - Family Violence(FV)	291,415
Other Grants	218,290
Fundraising	67,950
	<u>577,655</u>
<b>Expenses</b>	
Salaries and Benefits	488,089
Rent and Parking	31,645
Program Supplies	27,590
Contractors and Consultants	15,824
Information Technology	9,302
Audit and Bank Charges	4,349
Office Equipment and Maintenance	432
Office Supplies and Equipment Rental	262
Printing and Copying	113
Postage and Courier	25
Insurance	14
Staff Development	10
	<u>577,655</u>
<b>Excess of Revenue over Expenses</b>	<u>-</u>