

**NIAGARA LIFE CENTRE COUNSELLING**  
**Financial Statements**  
**For the year ended December 31, 2022**

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## Independent Auditors' Report

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To the Board of Directors  
Niagara Life Centre Counselling

### *Opinion*

We have audited the accompanying financial statements of Niagara Life Centre Counselling (the organization), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, 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, except for the 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 the organization as at December 31, 2022, and its results of its 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 revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2022, current assets and net assets as at December 31, 2022. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 qualified opinion.

### *Other Matter*

The financial statements of Niagara Life Centre Counselling for the year ended December 31, 2022 were reviewed by us and our report thereon, dated June 15, 2022, stated that nothing has come to our attention that causes us to believe that the financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

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## Independent Auditors' Report

### *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 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 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. When individuals responsible for the oversight of the financial reporting process are the same as those responsible for the preparation of the financial statements, no reference to oversight responsibilities is required.

### *Auditors' 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 auditors' 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,

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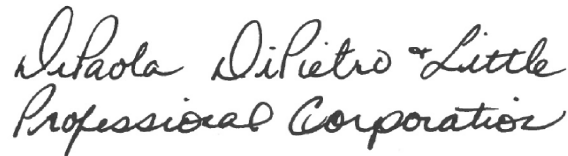
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### Independent Auditors' Report

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 auditors' 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 auditors' 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.



**DiPaola Di Pietro & Little Professional Corporation**

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

St. Catharines, Ontario  
June 19, 2023

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**NIAGARA LIFE CENTRE COUNSELLING**  
**Statement of Financial Position**  
**December 31, 2022**

	Note	2022	2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 532,226	\$ 437,691
Short term investments	2.	23,569	26,404
Accounts receivable	3.	21,109	13,688
Government remittances recoverable		1,222	4,415
Prepaid expenses		2,672	3,528
<b>Total current assets</b>		<b>580,798</b>	485,726
Capital assets	4.	668,001	680,200
<b>TOTAL ASSETS</b>		<b>\$ 1,248,799</b>	\$ 1,165,926
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	5.	\$ 14,744	\$ 20,632
Current portion of capital lease obligation	6.	1,428	-
Current portion of Canada Emergency Business Account	7.	40,000	-
<b>Total current liabilities</b>		<b>56,172</b>	20,632
Obligations under capital lease	6.	7,808	-
Canada Emergency Business Account	7.	-	40,000
<b>Total liabilities</b>		<b>63,980</b>	60,632
<b>Net assets</b>			
Operating fund		249,123	337,954
Capital fund		694,221	680,200
Bequest fund		241,475	87,140
<b>Total net assets</b>		<b>1,184,819</b>	1,105,294
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$ 1,248,799</b>	\$ 1,165,926

Approved on Behalf of the Board:

\_\_\_\_\_, Director

# NIAGARA LIFE CENTRE COUNSELLING

## Statement of Operations

For the Year Ended December 31, 2022

	Note	Operating fund	Capital fund	Bequests fund	2022	2021
<b>Revenue</b>						
General donations		\$ 258,821	\$ -	\$ -	\$ 258,821	\$ 311,202
Fundraising		142,638	-	-	142,638	63,052
Capital donations		-	26,220	-	26,220	67,894
BarterPay donations		31,301	-	-	31,301	15,000
Fees for services		88,278	-	-	88,278	80,254
Bequest donations		-	-	154,335	154,335	-
Program income		-	-	-	-	500
Interest income		4,320	-	-	4,320	1,346
<b>Total revenue</b>		<b>525,358</b>	<b>26,220</b>	<b>154,335</b>	<b>705,913</b>	<b>539,248</b>
<b>Expenses</b>						
Advertising and promotion		11,459	-	-	11,459	7,350
Conferences and education		4,322	-	-	4,322	4,281
Fundraising		52,232	-	-	52,232	30,157
Harmonized sales tax		4,813	-	-	4,813	5,490
Insurance		4,420	-	-	4,420	4,492
Interest and bank charges		2,199	-	-	2,199	914
Office		18,708	-	-	18,708	18,324
Professional fees		38,868	-	-	38,868	8,178
Property taxes		6,842	-	-	6,842	6,925
Repairs and maintenance		9,874	-	-	9,874	5,576
Salaries and wages		434,899	-	-	434,899	355,887
Telephone and internet		5,240	-	-	5,240	7,091
Travel		-	-	-	-	524
Utilities		6,051	-	-	6,051	5,754
Amortization of capital assets		-	24,661	-	24,661	22,542
<b>Total operating expenses</b>		<b>599,927</b>	<b>24,661</b>	<b>-</b>	<b>624,588</b>	<b>483,485</b>
<b>Non operating income and expenses</b>						
Dividend income		1,035	-	-	1,035	-
Loan forgiveness income	7.	-	-	-	-	10,000
Canada Emergency Wage Subsidy	9.	-	-	-	-	11,799
Unrealized gain (loss) on shares		(2,835)	-	-	(2,835)	510
<b>Total non operating income and expenses</b>		<b>(1,800)</b>	<b>-</b>	<b>-</b>	<b>(1,800)</b>	<b>22,309</b>
<b>Excess of revenue over expenditures</b>		<b>\$ (76,369)</b>	<b>\$ 1,559</b>	<b>\$ 154,335</b>	<b>\$ 79,525</b>	<b>\$ 78,072</b>

# NIAGARA LIFE CENTRE COUNSELLING

## Statement of Net Assets

For the Year Ended December 31, 2022

	Operating fund	Capital fund	Bequests fund	2022	2021
Net assets - beginning	\$ 337,954	\$ 680,200	\$ 87,140	\$ 1,105,294	\$ 1,027,222
Excess of revenue over expenditures	(76,369)	1,559	154,335	79,525	78,072
Transfers	(12,462)	12,462	-	-	-
<b>Net assets - ending</b>	<b>\$ 249,123</b>	<b>\$ 694,221</b>	<b>\$ 241,475</b>	<b>\$ 1,184,819</b>	<b>\$ 1,105,294</b>

# NIAGARA LIFE CENTRE COUNSELLING

## Statement of Cash Flows

For the Year Ended December 31, 2022

	2022	2021
<b>Cash flows from operating activities:</b>		
Excess of revenue over expenditures for the year	\$ 79,525	\$ 78,072
<b>Non cash items</b>		
Amortization of capital assets	24,661	22,542
Loan forgiveness income	-	(10,000)
Unrealized gain on investments	2,835	(510)
	107,021	90,104
Net change in accounts receivable	(7,421)	2,244
Net change in prepaid expenses	856	(3,393)
Net change in accounts payable and accrued liabilities	(5,888)	15,307
Net change in government remittances	3,193	(3,328)
<b>Total cash flows from operating activities</b>	<b>97,761</b>	<b>100,934</b>
<b>Cash flows from investing activities:</b>		
Payments to acquire capital assets	(12,462)	(67,495)
Proceeds from sale of capital assets	-	640
Payments to acquire short term investments	-	(25,894)
<b>Total cash flows from investing activities</b>	<b>(12,462)</b>	<b>(92,749)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from capital lease obligations	9,462	-
Repayments of capital lease obligations	(226)	-
Proceeds from the Canada Emergency Business Account	-	20,000
<b>Total cash flows from financing activities</b>	<b>9,236</b>	<b>20,000</b>
<b>Increase in cash</b>	<b>94,535</b>	<b>28,185</b>
Cash - beginning	437,691	409,506
<b>Cash - ending</b>	<b>\$ 532,226</b>	<b>\$ 437,691</b>



# NIAGARA LIFE CENTRE COUNSELLING

## Notes to the Financial Statements

For the Year Ended December 31, 2022

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### 1. Significant accounting policies

#### a. Nature of business and basis of preparation

Niagara Life Centre Counselling (the organization) is a charitable organization providing help, hope, and healing to families and individuals from its centre in St. Catharines. They provide crisis pregnancy and general counselling services.

The organization is a registered charity under the Income Tax Act and is exempt from payment of taxes as provided under the Income Tax Act.

The accounting policies of the organization are in accordance with Canadian accounting standards for not-for-profit organizations applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

#### b. Revenue recognition

General donation revenue, capital donation revenue, BarterPay donation revenue, and bequest fund income is recognized upon receipt of the funds.

Fundraising revenue is recognized upon completion of the fundraising event.

Revenues from fees for services are recognized when there is persuasive evidence that an arrangement exists, the services have been provided by the company, the price is fixed or determinable, and collection is reasonably assured.

Interest income is recognized when the company's right to receive payment is established.

#### c. 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 recognized amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The uncertainties around COVID-19 required the use of judgments and estimates which resulted in no material impacts for the year ended December 31, 2022. The future impact of COVID-19 uncertainties could generate, in future reporting periods, a significant risk of material adjustments to the following: revenue recognition, and other assets and liabilities.

# NIAGARA LIFE CENTRE COUNSELLING

## Notes to the Financial Statements

### For the Year Ended December 31, 2022

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#### 1. Significant accounting policies (continued)

##### d. Fund accounting

Niagara Life Centre following the restricted fund method of accounting for contributions.

The operating fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The capital fund reports the assets, liabilities, revenues and expenses related to Niagara Life Centre's capital assets and building expansion campaign. This is an internally restricted fund based on the current building expansion plans.

The bequests fund reports the organization's receipts of bequests (gift from estates) and the expenses to which those monies are allocated at the discretion of management. The use of these funds is not restricted by the estate.

##### e. Donated materials and services

The Niagara Life Centre generally does not record the value of donated materials and services when the amounts are not readily determinable. When the fair values can be estimates and when the materials and services are used in the normal course of the organization's operations and would otherwise have been purchased, they are recorded.

##### f. Cash

Cash includes cash on hand and balances with banks, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

##### g. Capital assets

Capital assets are stated at cost. Amortization is provided using the following methods and annual rates:

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	Method	Rate
Buildings	Declining balance	4%
Computer equipment	Declining balance	30%
Signs	Declining balance	20%
Small tools	Declining balance	20%
Capital leases of vehicles	Declining balance	20%

# NIAGARA LIFE CENTRE COUNSELLING

## Notes to the Financial Statements

### For the Year Ended December 31, 2022

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#### 1. Significant accounting policies (continued)

##### h. Financial instruments

Initial and subsequent measurement:

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost include cash, short term investments, accounts receivable, BarterPay dollars, and government remittances recoverable.

Financial assets measured at fair value include investments in quoted shares.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, obligations under capital lease, and Canada Emergency Business Account.

Transactions costs:

The organization recognizes all transaction costs related to financial assets and liabilities subsequently measured at fair value as a reduction to net income in the period in which the costs were incurred.

Impairment:

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, 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. A 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.

#### 2. Short term investments

Investments consist of the following:

	2022	2021
<b>Equity investments, at fair value</b>		
Investment in SunLife Financial publicly trade shares	\$ 23,569	\$ 26,404
<b>Total investments</b>	<b>\$ 23,569</b>	<b>\$ 26,404</b>

# NIAGARA LIFE CENTRE COUNSELLING

## Notes to the Financial Statements

### For the Year Ended December 31, 2022

#### 3. Accounts receivable

Accounts receivable consist of the following:

	2022	2021
Trade accounts receivable	\$ 21,109	\$ -
BarterPay receivable	-	1,889
Government assistance receivable	-	11,799
<b>Total</b>	<b>\$ 21,109</b>	<b>\$ 13,688</b>

#### 4. Capital assets

Capital assets consist of the following:

			2022	2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 150,000	\$ -	\$ 150,000	\$ 150,000
Buildings	611,895	113,465	498,430	519,198
Computer equipment	15,005	11,879	3,126	4,466
Signs	2,909	1,837	1,072	1,340
Small tools	18,734	11,877	6,857	5,196
Capital leases of equipment	9,462	946	8,516	-
<b>Total</b>	<b>\$ 808,005</b>	<b>\$ 140,004</b>	<b>\$ 668,001</b>	<b>\$ 680,200</b>

#### 5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2022	2021
Trade accounts payable	\$ 8,244	\$ 17,131
Accrued liabilities	6,500	3,500
<b>Total</b>	<b>\$ 14,744</b>	<b>\$ 20,631</b>

# NIAGARA LIFE CENTRE COUNSELLING

## Notes to the Financial Statements

For the Year Ended December 31, 2022

### 6. Capital lease obligation

The organization has entered into a lease agreement to acquire office equipment which has been financed by a capital lease. The liability recorded under the capital lease represents the minimum lease payments payable net of imputed interest at an average rate of 8.55% per annum, due April 2028.

The organization's obligation under capital leases consists of:

	2022	2021
Minimum lease payments payable	\$ 11,307	\$ -
Less: Portion representing interest to be recorded over the remaining term of the leases	(2,071)	-
<b>Total leases</b>	<b>9,236</b>	<b>-</b>
Less: current portion	(1,428)	-
<b>Long-term portion</b>	<b>\$ 7,808</b>	<b>\$ -</b>

Future minimum annual lease payments payable under the capital leases are as follows:

December 31, 2023	\$ 2,162
December 31, 2024	2,162
December 31, 2025	2,162
December 31, 2026	2,162
December 31, 2027	2,162
Subsequent	497
<b>Total</b>	<b>\$ 11,307</b>

### 7. Canada Emergency Business Account

The Canada Emergency Business Account consists of:

	2022	2021
Loan payable, interest at a rate of 0%, no monthly payments required, if 66% is repaid by December 31, 2023 then remaining 33% of the total balance will be forgiven. After that time the loan becomes interest bearing at a rate of 5% per annum, with monthly interest only payments, due December 31, 2025.	\$ 60,000	\$ 60,000
Less: Forgivable portion	(20,000)	(20,000)
<b>Net loan payable</b>	<b>40,000</b>	<b>40,000</b>
Less: Short term portion of Canada Emergency Business Account	(40,000)	-
<b>Long term portion of Canada Emergency Business Account</b>	<b>\$ -</b>	<b>\$ 40,000</b>

# NIAGARA LIFE CENTRE COUNSELLING

## Notes to the Financial Statements

### For the Year Ended December 31, 2022

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#### 8. BarterPay

##### Revenue

BarterPay donation revenue is received via the BarterPay It Forward Foundation and is recognized when received.

##### Expenses

The Centre primarily uses its BarterPay dollars to purchase good and services to sell at fund raising events and to give to staff as staff appreciation gifts.

##### Assets

The BarterPay dollars are recorded at their full value because management expects that the Centre will be able to realize the full value of the BarterPay dollars. In fact, management has been regularly and routinely using the BarterPay dollars at full value.

##### Future potential write-down, net realizable value

Should management in the future determine that the Centre will not be able to realize the full value of its BarterPay dollars, the amount of write-down will be determined at that time.

#### 9. Government assistance

The organization incurred wage expenses that, in the opinion of management, met the eligibility requirements for the Canada Emergency Wage Subsidy and the Temporary Wage Subsidy. The subsidies were calculated by management and are subject to audit by the taxation authorities. The organization received \$ NIL (2021 - \$ 11,799) which has been recognized as revenue.

#### 10. Financial instruments

##### a. Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at December 31, 2022.

##### b. Credit risk

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. Financial instruments that potentially subject the organization to concentrations of credit risk consists principally of trade accounts receivable and are limited due to the large number of customers comprising the organization's customer base. Potential effects from the COVID-19 pandemic on the organization's credit risk have been considered. The organization continues its assessment given the fluidity of COVID-19's global impact.

# NIAGARA LIFE CENTRE COUNSELLING

## Notes to the Financial Statements

### For the Year Ended December 31, 2022

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#### 10. Financial instruments (continued)

##### c. Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet its financial obligations as they become due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The organization also maintains certain credit facilities, which can be drawn upon as needed.

##### d. Market risk

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risks to which the organization is exposed are foreign exchange risk and price risk. It is in management's opinion that the organization is not subject to significant interest rate risk.

##### e. 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 organization undertakes transactions denominated in United States Dollars and as such is exposed to price risk due to fluctuations in foreign exchange rates. The organization does not use derivative instruments to reduce exposure to foreign exchange risk.

##### f. 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). The organization's investments in publicly-traded securities exposes the organization to price risks as equity instruments are subject to price changes in an open market.