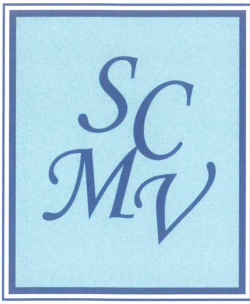


COMMUNITY LIVING DURHAM NORTH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023



Smith
Chappell
Marsh
Vilander LLP

H. Howard Smith, FCPA (Retired)
Richard A. Chappell, CPA, CA (Retired)
Deborah L. Marsh, CPA, CA
Vesa K. Vilander, CPA, CA

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
COMMUNITY LIVING DURHAM NORTH
PORT PERRY, ONTARIO

Qualified Opinion

We have audited the financial statements of Community Living Durham North (the Entity), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 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 Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations and fundraising 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 Entity. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years.

We conducted our audits 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 Entity in accordance with the ethical requirements that are relevant to our audits 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.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Smith Chappell Mark Velantia LLP

June 22, 2023
Oshawa, Ontario

Chartered Professional Accountants
Licensed Public Accountants

COMMUNITY LIVING DURHAM NORTH

(INCORPORATED WITHOUT SHARE CAPITAL UNDER THE LAWS OF THE PROVINCE OF ONTARIO)

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

			<u>2023</u>	<u>2022</u>
<u>ASSETS</u>				
Current				
Cash			\$ 1,679,213	\$ 1,882,128
Accounts receivable (Note 3)			240,385	258,323
Prepaid expenses and deposits			193,492	239,508
			<u>2,113,090</u>	<u>2,379,959</u>
Capital Assets (Note 2(e))				
	<u>Cost</u>	<u>Accumulated Amortization</u>		
Land	\$ 3,559,103	\$ -	3,559,103	3,559,103
Buildings	6,563,105	3,888,735	2,674,370	2,947,481
Equipment and computers	354,999	338,374	16,625	22,285
Furniture and fixtures	216,028	170,765	45,263	54,783
Leasehold improvements	58,657	58,657	-	-
Vehicles	529,518	347,928	181,590	180,304
	<u>\$11,281,410</u>	<u>\$ 4,804,459</u>	<u>6,476,951</u>	<u>6,763,956</u>
			<u>\$ 8,590,041</u>	<u>\$ 9,143,915</u>

Approved by the Board of Directors:


_____, Director


_____, Director

COMMUNITY LIVING DURHAM NORTH

(INCORPORATED WITHOUT SHARE CAPITAL UNDER THE LAWS OF THE PROVINCE OF ONTARIO)

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued charges	\$ 2,060,466	\$ 1,829,209
Deferred revenue (Note 4)	27,056	530,507
Current portion of long term debt	1,732,061	1,086,225
	<u>3,819,583</u>	<u>3,445,941</u>
Long Term		
Mortgages payable (Note 5)	3,528,945	3,668,568
Less: Current portion	(1,732,061)	(1,086,225)
	<u>1,796,884</u>	<u>2,582,343</u>
Deferred Contributions Related to Capital Assets (Note 7)	<u>602,799</u>	<u>711,905</u>
Net Assets		
Invested in capital assets (Note 8)	2,345,207	2,383,483
Unrestricted	25,568	20,243
	<u>2,370,775</u>	<u>2,403,726</u>
	<u>\$ 8,590,041</u>	<u>\$ 9,143,915</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2023

	Invested in Capital Assets	Unrestricted	2023 Total	2022 Total
Opening balance	\$ 2,383,483	\$ 20,243	\$ 2,403,726	\$ 2,359,244
Excess of revenues over expenses (expenses over revenues) (Note 8(b))	(248,136)	215,185	(32,951)	44,482
Net change in invested in capital assets (Note 8(b))	<u>209,860</u>	<u>(209,860)</u>	<u>-</u>	<u>-</u>
Closing Balance	<u><u>\$ 2,345,207</u></u>	<u><u>\$ 25,568</u></u>	<u><u>\$ 2,370,775</u></u>	<u><u>\$ 2,403,726</u></u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
Operating Activities		
Excess of revenue over expenses	\$ (32,951)	\$ 44,482
Charges to income not involving cash:		
Amortization	367,717	358,614
(Gain)/Loss on disposal of capital assets	<u>(10,475)</u>	<u>(480)</u>
	<u>324,291</u>	<u>402,616</u>
Net change in non-cash working capital balances related to operations:		
Account receivable	17,938	106,776
Prepaid expenses and deposits	46,016	(58,805)
Accounts payable	231,257	(152,421)
Deferred revenue	<u>(503,451)</u>	<u>365,886</u>
	<u>(208,240)</u>	<u>261,436</u>
	<u>116,051</u>	<u>664,052</u>
Investing Activities		
Proceeds on disposal of capital assets	17,145	10,000
Additions to capital assets	<u>(87,382)</u>	<u>(815,839)</u>
	<u>(70,237)</u>	<u>(805,839)</u>
Financing Activities		
Increase (decrease) in long term debt	(139,623)	474,401
Increase (decrease) in deferred contributions related to capital assets net of related amortization	<u>(109,106)</u>	<u>(109,106)</u>
	<u>(248,729)</u>	<u>365,295</u>
Change in Cash and Cash Equivalents During the Year	(202,915)	223,508
Cash and Cash Equivalents, Beginning of Year	<u>1,882,128</u>	<u>1,658,620</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,679,213</u>	<u>\$ 1,882,128</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - GENERAL

FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUES:		
Donations and fundraising	\$ 5,801	\$ 31,824
Membership dues	30	120
Miscellaneous	58,498	45,842
Region of Durham (Note 9)	189,810	195,290
	<u>254,139</u>	<u>273,076</u>
EXPENDITURES:		
Supplies	34,202	16,160
Volunteer training	1,275	-
Advertising and promotion	1,010	250
Purchased services	-	869
Personal needs	100	-
Region of Durham (Note 9)	188,662	193,308
Central administration - general	775	123
	<u>226,024</u>	<u>210,710</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 28,115</u>	<u>\$ 62,366</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - CONSOLIDATED PROGRAMS

FOR THE YEAR ENDED MARCH 31, 2023

	<u>BUDGET</u> <u>2023</u>	<u>ACTUAL</u> <u>2023</u>	<u>ACTUAL</u> <u>2022</u>
SUPPORT:			
MCCSS - operating	\$16,604,361	\$16,699,725	\$15,654,105
MCCSS East Region - operating	34,900	34,900	34,900
	<u>16,639,261</u>	<u>16,734,625</u>	<u>15,689,005</u>
REVENUE:			
Rent	1,170,888	1,144,638	1,123,537
Other funding	1,448,468	917,541	1,111,886
United Way	30,000	30,000	30,000
Respite	22,000	26,546	13,752
	<u>2,671,356</u>	<u>2,118,725</u>	<u>2,279,175</u>
SUPPORT:			
Amortization of Deferred Contributions (Note 7)	-	109,106	109,106
	<u>19,310,617</u>	<u>18,962,456</u>	<u>18,077,286</u>
EXPENDITURES:			
Wages and salaries	13,679,069	13,244,721	12,207,740
Employee benefits	2,428,285	1,891,824	1,895,187
Staff travel	79,040	57,262	47,001
Supplies	56,550	66,637	88,511
Vehicle operation	131,175	201,350	172,559
Utilities and taxes	231,332	244,958	230,537
Purchased services	378,005	428,671	585,349
Food	388,836	393,411	377,924
Personal needs	361,123	277,647	269,233
New furnishings and equipment	48,001	156,821	71,626
Advertising and promotion	900	2,803	540
Repairs and maintenance	106,088	361,436	416,900
Staff training and conferences	23,700	68,184	76,111
Rental	418,408	283,562	275,054
Central administration - general (reallocation)	250,944	211,847	283,371
- staffing	729,161	764,671	738,913
	<u>19,310,617</u>	<u>18,655,805</u>	<u>17,736,556</u>
EXCESS OF REVENUES OVER			
EXPENDITURES BEFORE AMORTIZATION	-	306,651	340,730
Amortization	-	367,717	358,614
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	<u>\$ -</u>	<u>\$ (61,066)</u>	<u>\$ (17,884)</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - ADULT DS COMMUNITY SUPPORT SERVICES

FOR THE YEAR ENDED MARCH 31, 2023

	BUDGET 2023	ACTUAL 2023	ACTUAL 2022
SUPPORT:			
MCCSS - operating	\$ 2,520,643	\$ 2,520,643	\$ 2,454,848
REVENUE:			
United Way	30,000	30,000	30,000
Other funding	34,331	18,009	86,546
Respite	22,000	26,546	13,752
	<u>86,331</u>	<u>74,555</u>	<u>130,298</u>
Amortization of Deferred Contributions (Note 7)	-	5,000	5,000
	<u>2,606,974</u>	<u>2,600,198</u>	<u>2,590,146</u>
EXPENDITURES:			
Wages and salaries	1,811,265	1,785,150	1,155,479
Employee benefits	326,028	242,048	193,390
Staff travel	21,800	8,567	6,028
Supplies	12,950	12,519	13,753
Vehicle operation	62,591	86,081	69,111
Utilities and taxes	43,048	55,608	46,146
Purchased services	50,168	58,678	88,185
Food	29,520	26,736	23,550
New furnishings and equipment	8,000	18,104	5,558
Advertising and promotion	126	427	99
Repairs and maintenance	14,848	39,916	20,316
Staff training and conferences	3,315	9,786	13,367
Rental	68,297	105,748	73,002
Personal needs	9,548	9,890	6,677
Central administration - general (reallocation)	43,476	29,579	52,199
- staffing	101,994	106,977	135,812
	<u>2,606,974</u>	<u>2,595,814</u>	<u>1,902,672</u>
EXCESS OF REVENUES OVER			
EXPENDITURES BEFORE AMORTIZATION	-	4,384	687,474
Amortization	-	44,826	38,226
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	\$ -	\$ (40,442)	\$ 649,248

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - ADULT COMMUNITY ACCOMODATION

FOR THE YEAR ENDED MARCH 31, 2023

	BUDGET	ACTUAL	ACTUAL
	<u>2023</u>	<u>2023</u>	<u>2022</u>
SUPPORT:			
MCCSS - operating	<u>\$14,083,718</u>	<u>\$14,083,717</u>	<u>\$11,970,978</u>
REVENUE:			
Rent	<u>1,170,888</u>	<u>1,144,638</u>	<u>1,123,537</u>
Other funding	<u>1,414,137</u>	<u>899,532</u>	<u>1,025,340</u>
	<u>2,585,025</u>	<u>2,044,170</u>	<u>2,148,877</u>
SUPPORT:			
Amortization of Deferred Contributions (Note 7)	<u>-</u>	<u>99,036</u>	<u>99,036</u>
	<u>16,668,743</u>	<u>16,226,923</u>	<u>14,218,891</u>
EXPENDITURES:			
Wages and salaries	11,867,804	11,459,571	9,970,837
Employee benefits	2,102,257	1,649,776	1,594,635
Staff travel	57,240	48,695	40,973
Supplies	43,600	54,118	61,258
Vehicle operation	68,584	115,269	103,448
Utilities and taxes	184,248	185,314	180,355
Purchased services	327,837	369,993	497,164
Food	359,316	366,675	354,374
Personal needs	351,575	267,758	262,556
New furnishings and equipment	40,001	138,717	39,875
Advertising and promotion	774	2,376	441
Repairs and maintenance	91,240	226,155	396,584
Staff training and conferences	20,385	58,398	62,744
Rental	319,247	165,376	188,598
Central administration - general (reallocation)	207,468	182,268	231,172
- staffing	627,167	657,693	603,101
	<u>16,668,743</u>	<u>15,948,152</u>	<u>14,588,115</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
BEFORE AMORTIZATION	-	278,771	(369,224)
Amortization	-	310,401	307,898
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	<u>\$ -</u>	<u>\$ (31,630)</u>	<u>\$ (677,122)</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - CRRF

FOR THE YEAR ENDED MARCH 31, 2023

	<u>BUDGET</u> <u>2023</u>	<u>ACTUAL</u> <u>2023</u>	<u>ACTUAL</u> <u>2022</u>
SUPPORT:			
MCCSS - operating	\$ -	\$ -	\$ 13,500
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Supplies	-	-	13,500
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUE	\$ -	\$ -	\$ -
OVER EXPENDITURES	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - TEMPORARY WAGE ENHANCEMENT

FOR THE YEAR ENDED MARCH 31, 2023

	<u>BUDGET</u> <u>2023</u>	<u>ACTUAL</u> <u>2023</u>	<u>ACTUAL</u> <u>2022</u>
SUPPORT:			
MCCSS - operating	\$ -	\$ -	\$ 1,188,586
EXPENDITURES:			
Wages and salaries	-	-	1,081,424
Employee benefits	-	-	107,162
	-	-	1,188,586
EXCESS OF REVENUES			
OVER EXPENDITURES	\$ -	\$ -	\$ -

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - REPAIRS AND MAINTENANCE

FOR THE YEAR ENDED MARCH 31, 2023

	<u>BUDGET</u> <u>2023</u>	<u>ACTUAL</u> <u>2023</u>	<u>ACTUAL</u> <u>2022</u>
SUPPORT:			
OMCSS - operating	\$ -	\$ 95,365	\$ 26,193
SUPPORT:			
Amortization of Deferred Contributions (Note 7)	-	5,070	5,070
	-	100,435	31,263
EXPENDITURES:			
Repairs and maintenance	-	95,365	-
New furnishings and equipment	-	-	26,193
	-	95,365	26,193
EXCESS OF REVENUES OVER EXPENDITURES			
BEFORE AMORTIZATION	-	5,070	5,070
Amortization	-	5,070	5,070
EXCESS OF REVENUES			
OVER EXPENDITURES	\$ -	\$ -	\$ -

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - DEDICATED SUPPORTIVE HOUSING

FOR THE YEAR ENDED MARCH 31, 2023

	<u>BUDGET</u> <u>2023</u>	<u>ACTUAL</u> <u>2023</u>	<u>ACTUAL</u> <u>2022</u>
SUPPORT:			
MCCSS East Region - operating	\$ 34,900	\$ 34,900	\$ 34,900
EXPENDITURES:			
Utilities	4,036	4,036	4,036
Rental	30,864	12,438	13,454
	<u>34,900</u>	<u>16,474</u>	<u>17,490</u>
EXCESS OF REVENUES OVER EXPENDITURES			
BEFORE AMORTIZATION	-	18,426	17,410
Amortization	-	7,420	7,420
	<u>-</u>	<u>11,006</u>	<u>9,990</u>
EXCESS OF REVENUES			
OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 11,006</u>	<u>\$ 9,990</u>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

1. Status and Nature of Activities

Community Living Durham North is a registered charity which provides services, accommodation and education to individuals who have intellectual disabilities in the Scugog, Brock and Uxbridge Townships.

2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

(a) Basis of Presentation

These financial statements present the financial position and results of operations of Community Living Durham North.

The statements have been departmentalized in accordance with the funding and budgeting requirements prescribed by the Ontario Ministry of Children, Community and Social Services (MCCSS).

(b) Donated Materials and Services

The organization does not record the value of donated materials and services as it is felt to be impracticable from a record keeping and valuation point of view.

(c) Pledges

The organization does not account for the value of pledges. Accordingly, donations are recorded on a cash basis.

(d) Tax Status

The organization is a registered charity under the provisions of the Income Tax Act.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

2. Summary of Significant Accounting Policies - continued

(e) Capital Assets

Capital assets are stated at cost. Amortization charges are calculated on a straight-line basis at the following rates:

Buildings	5%
Equipment	10%
Computers	15%
Furniture and fixtures	10%
Vehicles	15%

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

(f) Revenue Recognition

Community Living Durham North 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.

(g) 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 at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

2. Summary of Significant Accounting Policies - continued

(h) Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets at fair value.

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

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued charges, mortgages payable and term loans payable.

Impairment

Financial assets measured at cost are reviewed annually to determine whether there are indicators of possible impairment. When there is an indication of impairment the amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

2. Summary of Significant Accounting Policies - continued

(i) Allocation of Expenses

The organization provides various programs on behalf of the Ontario Ministry of Children, Community and Social Services (MCCSS). The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The organization also incurs a number of general support expenses that are common to the administration of the organization and each of its programs.

The organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component. The organization allocates these expenses to the departments in accordance with the approved budgets.

3. Accounts Receivable

Accounts receivable are represented by taxes recoverable, community supports, Ontario Ministry of Children, Community and Social Services and rent receivables.

4. Deferred Revenue

Revenues earned are recognized as the expenses relating to these funds are incurred. The unearned portion of these funds are recorded on the Statement of Financial Position as deferred revenue.

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 530,507	\$ 164,621
Earned	519,169	151,733
Received	15,718	517,619
	<hr/>	<hr/>
Closing balance	\$ 27,056	\$ 530,507
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

5. Mortgages Payable

	<u>2023</u>	<u>2022</u>
Royal Bank of Canada, bearing interest at 5.59%, repayable in monthly payments of principal and interest of \$2,500, due August 15, 2023	\$ 312,573	\$ 325,604
Royal Bank of Canada, bearing interest at 5.59%, repayable in monthly payments of principal and interest of \$3,033, due November 15, 2023	379,581	395,862
Royal Bank of Canada, bearing interest at 4.46%, repayable in monthly payments of principal and interest of \$2,187, due July 15, 2023	291,156	304,091
Royal Bank of Canada, bearing interest at 3.22%, repayable in monthly payments of principal and interest of \$1,003, due November 16, 2024	115,563	123,729
Royal Bank of Canada, bearing interest at 3.74%, repayable in monthly payments of principal and interest of \$2,425, due March 1, 2024	419,282	432,428
Royal Bank of Canada, bearing interest at 5.59%, repayable in monthly payments of principal and interest of \$2,131, due October 22, 2023	254,360	266,380
Royal Bank of Canada, bearing interest at 3.11%, repayable in monthly payments of principal and interest of \$2,814, due July 30, 2024	525,770	542,891
Royal Bank of Canada, bearing interest at 3.10%, repayable in monthly payments of principal and interest of \$2,239, due March 31, 2028	441,431	454,393
Royal Bank of Canada, bearing interest at 3.40%, repayable in monthly payments of principal and interest of \$2,964, due December 21, 2026	580,593	596,128
Great-West Life Assurance, bearing interest at 5.755% repayable in monthly payments of principal and interest of \$2,572, due May 1, 2024	208,636	227,062
	<u>\$ 3,528,945</u>	<u>\$ 3,668,568</u>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

5. Mortgages Payable (continued)

Principal repayments over the next five years are as follows:

2024	\$ 1,732,061
2025	\$ 835,207
2026	\$ 31,671
2027	\$ 405,851
2028	\$ 524,155

6. Bank Credit Facility

The organization has entered into an agreement with the Royal Bank of Canada. The agreement is a demand operating loan in the amount of \$750,000. This loan bears interest at the Royal Bank Prime rate. As at March 31, 2023, there was no balance outstanding on this loan.

Security pledged with the Royal Bank consists of a general security agreement constituting a first ranking security interest in all the assets of the organization except real property. In addition, the Royal Bank has collateral mortgages on 89 Victoria Drive, Uxbridge, Ontario in the amount of \$245,000, 49 South Balsam Street, Uxbridge, Ontario in the amount of \$261,000, 18500 Island Road, Port Perry, Ontario in the amount of \$200,000, 163 Maple Street, Uxbridge, Ontario for the amount of \$197,229, 3 Low Boulevard, Uxbridge, Ontario for the amount of \$370,000, 1040 Concession Road 13, Cannington, Ontario for the amount of \$395,000, 22351 Lake Ridge Road, Uxbridge, Ontario for the amount of \$423,750, 1355 Highway 7A, Port Perry, Ontario for the amount of \$425,000, 101 Alva Street, Port Perry, Ontario for the amount of \$469,000, 15583 Old Simcoe Road, Port Perry, Ontario for the amount of \$586,000, 14438 Old Simcoe Road, Port Perry, Ontario for the amount of \$537,000 and on 158 Reach Street, Uxbridge, Ontario for the amount of \$600,000.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

7. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represents the unamortized amount of grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations on the same basis as the amortization expense related to capital assets.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 711,905	\$ 821,011
Additional contributions received - net	-	-
	<hr/>	<hr/>
	711,905	821,011
Less: Amounts amortized to revenue	109,106	109,106
	<hr/>	<hr/>
Balance, end of year	\$ 602,799	\$ 711,905
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

8. Investment in Capital Assets

(a) Investment in capital assets is calculated as follows:

	<u>2023</u>	<u>2022</u>
Capital assets	\$ 6,476,951	\$ 6,763,956
Less: Amount financed by deferred contributions	(602,799)	(711,905)
Mortgages payable	(3,528,945)	(3,668,568)
	<u>\$ 2,345,207</u>	<u>\$ 2,383,483</u>

(b) Change in net assets invested in capital assets is calculated as follows:

	<u>2023</u>	<u>2022</u>
Excess of revenue over expenses (expenses over revenue)		
Amortization of deferred contributions	\$ 109,106	\$ 109,106
Gain on sale of capital assets	10,475	480
Less: Amortization of capital assets	(367,717)	(358,614)
	<u>(248,136)</u>	<u>(249,028)</u>
Net change in invested in capital assets		
Purchase of capital assets	87,382	815,839
Mortgages payable	139,623	(474,401)
Proceeds on sale of capital assets	(17,145)	(10,000)
	<u>209,860</u>	<u>331,438</u>
	<u>\$ (38,276)</u>	<u>\$ 82,410</u>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

9. Region of Durham

	<u>Affordable Housing</u>	<u>Housing Support</u>	<u>2023 Total</u>
Revenue	\$ <u>12,810</u>	\$ <u>177,000</u>	\$ <u>189,810</u>
Expenses			
Affordable Housing Reimbursements	12,200	-	12,200
Wages and salaries	-	115,196	115,196
Employee Benefits	-	18,651	18,651
Staff travel	-	8,723	8,723
Utilities and taxes	-	4,114	4,114
Purchased services	-	390	390
Personal needs	-	1,091	1,091
Staff training	-	1,176	1,176
Rental	-	4,491	4,491
Supplies	-	19,474	19,474
Central administration - general	-	3,156	3,156
	<u>12,200</u>	<u>176,462</u>	<u>188,662</u>
	\$ <u>610</u>	\$ <u>538</u>	\$ <u>1,148</u>
	<u>Affordable Housing</u>	<u>Housing Support</u>	<u>2022 Total</u>
Revenue	\$ <u>31,290</u>	\$ <u>164,000</u>	\$ <u>195,290</u>
Expenses			
Affordable Housing Reimbursements	29,800	-	29,800
Wages and salaries	-	106,345	106,345
Employee Benefits	-	18,848	18,848
Staff travel	-	8,773	8,773
Utilities and taxes	-	3,386	3,386
Purchased services	-	3,176	3,176
Personal needs	-	1,049	1,049
Staff training	-	3,389	3,389
Rental	-	4,117	4,117
Supplies	-	9,273	9,273
Central administration - general	-	5,152	5,152
	<u>29,800</u>	<u>163,508</u>	<u>193,308</u>
	\$ <u>1,490</u>	\$ <u>492</u>	\$ <u>1,982</u>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

10. Prior Year Adjustment

Each fiscal year, the organization is required to perform a year-end reconciliation to determine any amounts repayable to, or recoverable from, Ministry of Children, Community and Social Services (MCCSS) in accordance with the organization's operating agreements. As at the Auditor's Report date, the fiscal year ending March 31, 2023 have not been reviewed by MCCSS, and as a result, future adjustments may be required as a result of this review. Due to the particular requirements of MCCSS, comparative figures are not restated when these adjustments are made.

11. Budget Figures

The budget figures presented for comparison purposes represent the annual budget approved by the organization's Board of Directors for the year ended March 31, 2023 which have not been audited or reviewed.

12. Economic Dependence

In common with other publicly funded agencies, the organization derives the majority of its revenue from the Province of Ontario. Further, the Province of Ontario through the Ministry of Children, Community and Social Services, have an encumbrance on specific real properties held in the name of the organization.

13. Lease Commitments

The organization is committed to annual amounts under lease obligations for facilities with respect to several premises. Each location is under a separate lease. The leases expire at various times with varying terms for renewal. Future payments will total \$376,480 plus applicable taxes and include the following payments over the next 4 years:

2024	\$	106,470
2025	\$	106,470
2026	\$	88,270
2027	\$	75,270

The organization committed to various vehicle leases during the year. The leases are 48 to 60 months each with total monthly commitment of \$8,338 including taxes. The leases expire at various times from March, 2024 to March, 2028. Future minimum lease payments over the next 5 years are as follows:

2024	\$	99,262
2025	\$	74,446
2026	\$	62,859
2027	\$	58,764
2028	\$	52,318

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

14. Financial Instruments

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 March 31, 2023.

Liquidity risk

Liquidity risk is defined as the risk that the organization may not be able to meet or settle its obligations as they become due. The organization has taken steps to ensure that it will have sufficient working capital to meet its obligations.

Credit risk

Credit risk arises from the potential that counterparties including clients will fail to perform their obligations. The organization is subject to credit risk through its receivables. Account monitoring procedures are utilized to minimize risk of loss.

Interest rate risk

Interest rate risk arises because of the fluctuation in interest rates. The organization is subject to interest rate risk through their mortgages payable and term loans payable. The organization monitors the current interest rate to ensure that their interest rates do not vary much from market rate.