

COMMUNITY LIVING DURHAM NORTH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024



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, 2024, 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, 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 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, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 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 18, 2024
Oshawa, Ontario

Chartered Professional Accountants
Licensed Public Accountants

COMMUNITY LIVING DURHAM NORTH

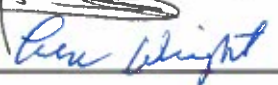
(INCORPORATED WITHOUT SHARE CAPITAL UNDER THE LAWS OF THE PROVINCE OF ONTARIO)

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

			<u>2024</u>	<u>2023</u>
<u>ASSETS</u>				
Current				
Cash			\$ 1,560,632	\$ 1,679,213
Accounts receivable (Note 3)			440,432	240,385
Prepaid expenses and deposits			49,395	193,492
			<u>2,050,459</u>	<u>2,113,090</u>
Capital Assets (Note 2(e))				
	<u>Cost</u>	<u>Accumulated Amortization</u>		
Land	\$ 3,959,103	\$ -	3,959,103	3,559,103
Buildings	7,396,264	4,175,831	3,220,433	2,674,370
Equipment and computers	354,999	344,033	10,966	16,625
Furniture and fixtures	229,778	179,870	49,908	45,263
Leasehold improvements	58,657	58,657	-	-
Vehicles	529,518	401,145	128,373	181,590
	<u>\$12,528,319</u>	<u>\$ 5,159,536</u>	<u>7,368,783</u>	<u>6,476,951</u>
			<u>\$ 9,419,242</u>	<u>\$ 8,590,041</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, 2024

	<u>2024</u>	<u>2023</u>
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued charges	\$ 2,114,162	\$ 2,060,466
Deferred revenue (Note 4)	8,613	27,056
Current portion of long term debt	1,521,425	1,732,061
	<u>3,644,200</u>	<u>3,819,583</u>
Long Term		
Mortgages payable (Note 5)	4,185,710	3,528,945
Less: Current portion	(1,521,425)	(1,732,061)
	<u>2,664,285</u>	<u>1,796,884</u>
Deferred Contributions Related to Capital Assets (Note 7)	<u>686,193</u>	<u>602,799</u>
Net Assets		
Invested in capital assets (Note 8)	2,496,880	2,345,207
Unrestricted	(72,316)	25,568
	<u>2,424,564</u>	<u>2,370,775</u>
	<u>\$ 9,419,242</u>	<u>\$ 8,590,041</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2024

	Invested in Capital Assets	Unrestricted	2024 Total	2023 Total
Opening balance	\$ 2,345,207	\$ 25,568	\$ 2,370,775	\$ 2,403,726
Excess of revenues over expenses (expenses over revenues) (Note 8(b))	(238,472)	292,261	53,789	(32,951)
Net change in invested in capital assets (Note 8(b))	<u>390,145</u>	<u>(390,145)</u>	<u>-</u>	<u>-</u>
Closing Balance	<u>\$ 2,496,880</u>	<u>\$ (72,316)</u>	<u>\$ 2,424,564</u>	<u>\$ 2,370,775</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Operating Activities		
Excess of revenue over expenses	\$ 53,789	\$ (32,951)
Charges to income not involving cash:		
Amortization	355,078	367,717
(Gain)/Loss on disposal of capital assets	<u>-</u>	<u>(10,475)</u>
	<u>408,867</u>	<u>324,291</u>
Net change in non-cash working capital balances related to operations:		
Account receivable	(200,047)	17,938
Prepaid expenses and deposits	144,097	46,016
Accounts payable	53,696	231,256
Deferred revenue	<u>(18,443)</u>	<u>(503,450)</u>
	<u>(20,697)</u>	<u>(208,240)</u>
	<u>388,170</u>	<u>116,051</u>
Investing Activities		
Proceeds on disposal of capital assets	-	17,145
Additions to capital assets	<u>(1,246,910)</u>	<u>(87,382)</u>
	<u>(1,246,910)</u>	<u>(70,237)</u>
Financing Activities		
Increase (decrease) in long term debt	656,765	(139,623)
Increase (decrease) in deferred contributions related to capital assets net of related amortization	<u>83,394</u>	<u>(109,106)</u>
	<u>740,159</u>	<u>(248,729)</u>
Change in Cash and Cash Equivalents During the Year	(118,581)	(202,915)
Cash and Cash Equivalents, Beginning of Year	<u>1,679,213</u>	<u>1,882,128</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,560,632</u>	<u>\$ 1,679,213</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - GENERAL

FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUES:		
Donations and fundraising	\$ 6,025	\$ 5,801
Membership dues	40	30
Miscellaneous	63,777	58,498
Region of Durham (Note 9)	184,725	189,810
	<u>254,567</u>	<u>254,139</u>
EXPENDITURES:		
Supplies	17,838	34,202
Volunteer training	1,952	1,275
Advertising and promotion	-	1,010
Staff training	388	-
Personal needs	-	100
Region of Durham (Note 9)	185,948	188,662
Central administration - general	619	775
	<u>206,745</u>	<u>226,024</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION	47,822	28,115
Amortization	5,000	-
EXCESS OF REVENUES OVER EXPENDITURES	\$ 42,822	\$ 28,115

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - CONSOLIDATED PROGRAMS

FOR THE YEAR ENDED MARCH 31, 2024

	<u>BUDGET</u> <u>2024</u>	<u>ACTUAL</u> <u>2024</u>	<u>ACTUAL</u> <u>2023</u>
SUPPORT:			
MCCSS - operating	\$17,510,270	\$17,566,445	\$16,699,725
MCCSS East Region - operating	39,900	39,900	34,900
	<u>17,550,170</u>	<u>17,606,345</u>	<u>16,734,625</u>
REVENUE:			
Rent	1,219,587	1,282,664	1,144,638
Other funding	1,556,196	1,404,039	917,541
United Way	30,000	30,000	30,000
Respite	25,625	42,625	26,546
	<u>2,831,408</u>	<u>2,759,328</u>	<u>2,118,725</u>
SUPPORT:			
Amortization of Deferred Contributions (Note 7)	-	116,606	109,106
	<u>20,381,578</u>	<u>20,482,279</u>	<u>18,962,456</u>
EXPENDITURES:			
Wages and salaries	13,935,979	14,250,463	13,244,721
Employee benefits	2,632,011	2,270,028	1,891,824
Staff travel	81,169	70,978	57,262
Supplies	62,860	55,505	66,637
Vehicle operation	179,798	156,015	201,350
Utilities and taxes	238,437	251,173	244,958
Purchased services	455,272	443,103	428,671
Food	442,712	438,755	393,411
Personal needs	399,444	315,397	277,647
New furnishings and equipment	48,001	36,289	156,821
Advertising and promotion	800	713	2,803
Repairs and maintenance	106,119	269,858	361,436
Staff training and conferences	23,383	34,010	68,184
Rental	455,326	311,312	283,562
Central administration - general (reallocation)	347,913	318,727	211,847
- staffing	972,354	898,908	764,671
	<u>20,381,578</u>	<u>20,121,234</u>	<u>18,655,805</u>
EXCESS OF REVENUES OVER			
EXPENDITURES BEFORE AMORTIZATION	-	361,045	306,651
Amortization	-	350,078	367,717
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 10,967</u>	<u>\$ (61,066)</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - ADULT DS COMMUNITY SUPPORT SERVICES

FOR THE YEAR ENDED MARCH 31, 2024

	BUDGET 2024	ACTUAL 2024	ACTUAL 2023
SUPPORT:			
MCCSS - operating	\$ 2,664,415	\$ 2,664,415	\$ 2,520,643
REVENUE:			
United Way	30,000	30,000	30,000
Other funding	46,427	47,800	18,009
Respite	25,625	42,625	26,546
	<u>102,052</u>	<u>120,425</u>	<u>74,555</u>
Amortization of Deferred Contributions (Note 7)	-	5,000	5,000
	<u>2,766,467</u>	<u>2,789,840</u>	<u>2,600,198</u>
EXPENDITURES:			
Wages and salaries	1,866,717	1,974,525	1,785,150
Employee benefits	327,297	280,809	242,048
Staff travel	14,650	9,731	8,567
Supplies	11,950	6,626	12,519
Vehicle operation	66,962	78,578	86,081
Utilities and taxes	42,012	43,289	55,608
Purchased services	52,275	43,187	58,678
Food	33,684	33,507	26,736
New furnishings and equipment	8,000	3,307	18,104
Advertising and promotion	106	95	427
Repairs and maintenance	15,668	13,720	39,916
Staff training and conferences	2,831	4,477	9,786
Rental	128,188	96,583	105,748
Personal needs	15,592	16,080	9,890
Central administration - general (reallocation)	53,375	44,176	29,579
- staffing	127,160	119,555	106,977
	<u>2,766,467</u>	<u>2,768,245</u>	<u>2,595,814</u>
EXCESS OF REVENUES OVER			
EXPENDITURES BEFORE AMORTIZATION	-	21,595	4,384
Amortization	-	45,670	44,826
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	\$ -	\$ (24,075)	\$ (40,442)

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - ADULT COMMUNITY ACCOMMODATION

FOR THE YEAR ENDED MARCH 31, 2024

	<u>BUDGET</u> <u>2024</u>	<u>ACTUAL</u> <u>2024</u>	<u>ACTUAL</u> <u>2023</u>
SUPPORT:			
MCCSS - operating	<u>\$14,845,855</u>	<u>\$14,845,855</u>	<u>\$14,083,717</u>
REVENUE:			
Rent	<u>1,219,587</u>	<u>1,282,664</u>	<u>1,144,638</u>
Other funding	<u>1,509,769</u>	<u>1,356,239</u>	<u>899,532</u>
	<u>2,729,356</u>	<u>2,638,903</u>	<u>2,044,170</u>
SUPPORT:			
Amortization of Deferred Contributions (Note 7)	<u>-</u>	<u>106,536</u>	<u>99,036</u>
	<u>17,575,211</u>	<u>17,591,294</u>	<u>16,226,923</u>
EXPENDITURES:			
Wages and salaries	12,069,262	12,275,938	11,459,571
Employee benefits	2,304,714	1,989,219	1,649,776
Staff travel	66,519	61,247	48,695
Supplies	50,910	48,879	54,118
Vehicle operation	112,836	77,437	115,269
Utilities and taxes	187,389	198,848	185,314
Purchased services	402,997	399,916	369,993
Food	409,028	405,248	366,675
Personal needs	383,852	299,317	267,758
New furnishings and equipment	40,001	32,982	138,717
Advertising and promotion	694	618	2,376
Repairs and maintenance	90,451	202,136	226,155
Staff training and conferences	20,552	29,533	58,398
Rental	296,274	203,367	165,376
Central administration - general (reallocation)	294,538	274,551	182,268
- staffing	845,194	779,353	657,693
	<u>17,575,211</u>	<u>17,278,589</u>	<u>15,948,152</u>
EXCESS OF REVENUES OVER EXPENDITURES			
BEFORE AMORTIZATION	-	312,705	278,771
Amortization	-	291,918	310,401
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 20,787</u>	<u>\$ (31,630)</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - CRRF

FOR THE YEAR ENDED MARCH 31, 2024

	BUDGET <u>2024</u>	ACTUAL <u>2024</u>	ACTUAL <u>2023</u>
SUPPORT:			
MCCSS - operating	\$ -	\$ 18,475	\$ -
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Repairs and maintenance	-	18,475	-
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENDITURES	\$ -	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - REPAIRS AND MAINTENANCE

FOR THE YEAR ENDED MARCH 31, 2024

	BUDGET <u>2024</u>	ACTUAL <u>2024</u>	ACTUAL <u>2023</u>
SUPPORT:			
OMCSS - operating	\$ -	\$ 37,700	\$ 95,365
SUPPORT:			
Amortization of Deferred Contributions (Note 7)	-	5,070	5,070
	-	42,770	100,435
EXPENDITURES:			
Repairs and maintenance	-	35,527	95,365
EXCESS OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION	-	7,243	5,070
Amortization	-	5,070	5,070
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ 2,173	\$ -

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - DEDICATED SUPPORTIVE HOUSING

FOR THE YEAR ENDED MARCH 31, 2024

	<u>BUDGET</u> <u>2024</u>	<u>ACTUAL</u> <u>2024</u>	<u>ACTUAL</u> <u>2023</u>
SUPPORT:			
MCCSS East Region - operating	\$ 39,900	\$ 39,900	\$ 34,900
EXPENDITURES:			
Utilities	9,036	9,036	4,036
Rental	30,864	11,362	12,438
	<u>39,900</u>	<u>20,398</u>	<u>16,474</u>
EXCESS OF REVENUES OVER EXPENDITURES			
BEFORE AMORTIZATION	-	19,502	18,426
Amortization	-	7,420	7,420
	<u>-</u>	<u>12,082</u>	<u>11,006</u>
EXCESS OF REVENUES			
OVER EXPENDITURES	\$ -	\$ 12,082	\$ 11,006

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2024

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, 2024

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, 2024

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, 2024

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>2024</u>	<u>2023</u>
Opening balance	\$ 27,056	\$ 530,507
Earned	19,348	519,169
Received	905	15,718
	<hr/>	<hr/>
Closing balance	\$ 8,613	\$ 27,056
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2024

5. Mortgages Payable

	<u>2024</u>	<u>2023</u>
Royal Bank of Canada, bearing interest at 6.54%, repayable in monthly payments of principal and interest of \$2,367, due August 15, 2026	\$ 302,433	\$ 312,573
Royal Bank of Canada, bearing interest at 5.59%, repayable in monthly payments of principal and interest of \$3,033, due November 15, 2026	364,061	379,581
Royal Bank of Canada, bearing interest at 6.58%, repayable in monthly payments of principal and interest of \$2,518, due July 15, 2026	279,016	291,156
Royal Bank of Canada, bearing interest at Royal Bank Prime Rate minus 0.70%, repayable in monthly payments of principal of \$2,683 plus interest, due September 29, 2024	791,583	-
Royal Bank of Canada, bearing interest at 3.22%, repayable in monthly payments of principal and interest of \$1,003, due November 16, 2024	107,160	115,563
Royal Bank of Canada, bearing interest at 6.38%, repayable in monthly payments of principal and interest of \$3,027, due March 1, 2027	405,678	419,282
Royal Bank of Canada, bearing interest at 6.72%, repayable in monthly payments of principal and interest of \$2,279, due October 22, 2026	243,165	254,360
Royal Bank of Canada, bearing interest at 3.11%, repayable in monthly payments of principal and interest of \$2,814, due July 30, 2024	509,663	525,770
Royal Bank of Canada, bearing interest at 3.10%, repayable in monthly payments of principal and interest of \$2,239, due March 31, 2028	429,243	441,431
Royal Bank of Canada, bearing interest at 3.40%, repayable in monthly payments of principal and interest of \$2,964, due December 21, 2026	564,574	580,593

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2024

5. Mortgages Payable (continued)

	<u>2024</u>	<u>2023</u>
Great-West Life Assurance, bearing interest at 5.755% repayable in monthly payments of principal and interest of \$2,572, due May 1, 2024 (renewed at 4.61%, monthly payment of \$2,465, due May 1, 2029)	189,134	208,636
	<u>\$ 4,185,710</u>	<u>\$ 3,528,945</u>

Principal repayments over the next five years are as follows:

2025	\$ 1,521,425
2026	\$ 119,067
2027	\$ 2,036,846
2028	\$ 410,779
2029	\$ 25,652

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, 2024, 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, 2024

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>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 602,799	\$ 711,905
Additional contributions received - net	200,000	-
	<hr/>	<hr/>
	802,799	711,905
Less: Amounts amortized to revenue	116,606	109,106
	<hr/>	<hr/>
Balance, end of year	\$ 686,193	\$ 602,799
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2024

8. Investment in Capital Assets

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

	<u>2024</u>	<u>2023</u>
Capital assets	\$ 7,368,783	\$ 6,476,951
Less: Amount financed by deferred contributions	(686,193)	(602,799)
Mortgages payable	(4,185,710)	(3,528,945)
	<u>\$ 2,496,880</u>	<u>\$ 2,345,207</u>

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

	<u>2024</u>	<u>2023</u>
Excess of revenue over expenses (expenses over revenue)		
Amortization of deferred contributions	\$ 116,606	\$ 109,106
Gain on sale of capital assets	-	10,475
Less: Amortization of capital assets	(355,078)	(367,717)
	<u>(238,472)</u>	<u>(248,136)</u>
Net change in invested in capital assets		
Purchase of capital assets	1,246,910	87,382
Amounts funded by deferred contributions	(200,000)	-
Mortgages payable	(656,765)	139,623
Proceeds on sale of capital assets	-	(17,145)
	<u>390,145</u>	<u>209,860</u>
	<u>\$ 151,673</u>	<u>\$ (38,276)</u>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2024

9. Region of Durham

	<u>Affordable Housing</u>	<u>Housing Support</u>	<u>2024 Total</u>
Revenue	\$ <u>4,725</u>	\$ <u>180,000</u>	\$ <u>184,725</u>
Expenses			
Affordable Housing Reimbursements	4,500	-	4,500
Wages and salaries	-	116,917	116,917
Employee Benefits	-	21,587	21,587
New furnishings and equipment	-	452	452
Staff travel	-	8,389	8,389
Utilities and taxes	-	3,749	3,749
Purchased services	-	192	192
Personal needs	-	67	67
Staff training	-	647	647
Rental	-	4,491	4,491
Supplies	-	20,864	20,864
Central administration - general	-	4,093	4,093
	<u>4,500</u>	<u>181,448</u>	<u>185,948</u>
	\$ <u>225</u>	\$ <u>(1,448)</u>	\$ <u>(1,223)</u>
	<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>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2024

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, 2024 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, 2024 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.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2024

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 \$1,128,382 plus applicable taxes and include the following payments over the next 5 years:

2025	\$	172,454
2026	\$	179,087
2027	\$	180,861
2028	\$	75,680
2029	\$	77,454

The organization committed to various vehicle leases during the year. The leases are 48 to 60 months each with total monthly commitment of \$11,928 plus applicable taxes. The leases expire at various times from June, 2024 to December, 2028. Future minimum lease payments over the next 5 years are as follows:

2025	\$	137,710
2026	\$	126,123
2027	\$	122,028
2028	\$	115,582
2029	\$	36,126

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2024

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, 2024.

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.