

**Community Living Central York
Financial Statements
Year Ended March 31, 2023**

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Independent Auditor's Report

To the Members of Community Living Central York

Qualified Opinion

We have audited the accompanying financial statements of Community Living Central York (the "Association"), 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 Association 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 charitable organizations, the Association derives revenue from fundraising and donation 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 Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donation revenue, deficiency 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, 2022 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association 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 audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

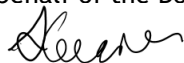
Barrie, Ontario

October 4, 2023

Community Living Central York Statement of Financial Position

March 31	2023	2022
Assets		
Current		
Cash	\$ 1,433,884	\$ 2,473,734
Short term investments (Note 2)	40,318	40,222
Accounts receivable	1,055,607	400,337
Prepaid expenses	57,258	54,353
	2,587,067	2,968,646
Long term investments (Note 4)	370,930	411,860
Tangible capital assets (Note 5)	7,347,492	7,752,989
	\$ 10,305,489	\$ 11,133,495
 Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 1,092,244	\$ 1,084,629
Deferred revenue (Note 7)	256,800	296,800
Current portion of mortgages payable (Note 8)	191,885	44,738
Due to Archway Community Homes (Note 3)	-	425,000
	1,540,929	1,851,167
Mortgages payable (Note 8)	50,075	242,004
Loans payable (Note 3)	3,090,000	3,090,000
Deferred contributions for tangible capital assets (Note 9)	3,650,660	3,903,121
	8,331,664	9,086,292
 Commitments and contingencies (Note 10)		
Net Assets		
Internally restricted (Note 11)	998,528	998,528
Unrestricted (Note 12)	975,297	1,048,675
	1,973,825	2,047,203
	\$ 10,305,489	\$ 11,133,495

On behalf of the Board:



Director



Director

Community Living Central York Statement of Operations

Year ended March 31	2023	2022
Revenue		
Provincial subsidies	\$ 12,650,185	\$ 11,988,310
Donations, fundraising and other	302,179	232,830
Accommodation and fees	1,046,592	926,687
Other subsidies	66,206	440,780
United Way	45,241	46,307
Interest	51,024	35,540
Amortization of deferred contribution related to tangible capital assets	344,127	349,498
	14,505,554	14,019,952
Expenses		
Salaries and benefits	10,035,852	9,555,301
Other (see schedule of expenses - page 7)	2,731,397	2,711,252
Occupancy costs	1,268,232	1,227,761
Amortization of tangible capital assets	543,451	582,989
	14,578,932	14,077,303
Deficiency of revenue over expenses	\$ (73,378)	\$ (57,351)

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

**Community Living Central York
Statement of Changes in Net Assets**

Year ended March 31	Internally Restricted	Unrestricted	2023 Total	2022 Total
	(Note 11)	(Note 12)		
Balance, beginning of the year	\$ 998,528	\$ 1,048,675	\$ 2,047,203	\$ 2,104,554
Deficiency of revenue over expenses	-	(73,378)	(73,378)	(57,351)
Balance, end of the year	\$ 998,528	\$ 975,297	\$ 1,973,825	\$ 2,047,203

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

Community Living Central York Statement of Cash Flows

Year ended March 31	2023	2022
Cash flows from operating activities		
Deficiency of revenue over expenses	\$ (73,378)	\$ (57,351)
Items not affecting cash:		
Amortization of tangible capital assets	543,451	582,989
Amortization of deferred contributions related to tangible capital assets	(344,127)	(349,498)
	<u>125,946</u>	<u>176,140</u>
Changes in non-cash working capital:		
Accounts receivable	(655,270)	1,282
Prepaid expenses	(2,905)	142,603
Accounts payable and accrued liabilities	7,615	(53,146)
Deferred revenue	(40,000)	147,380
	<u>(564,614)</u>	<u>414,259</u>
Cash flows from investing activities		
Sale (purchase) of investments	40,834	(36,990)
Purchase of tangible capital assets	(137,954)	(90,197)
	<u>(97,120)</u>	<u>(127,187)</u>
Cash flows from financing activities		
Repayment on mortgages payable	(44,782)	(42,978)
Increase in deferred contributions	91,666	167,667
Repayment of related party loan	(425,000)	-
	<u>(378,116)</u>	<u>124,689</u>
Net (decrease) increase in cash	(1,039,850)	411,761
Cash, beginning of the year	2,473,734	2,061,973
Cash, end of the year	\$ 1,433,884	\$ 2,473,734

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

Community Living Central York Schedule of Expenses

Year ended March 31	2023	2022
Administration and other	\$ 240,585	\$ 166,530
Communications	57,461	167,970
Food	305,268	275,533
Investment loss	338,406	335,238
Minor equipment	61,271	138,786
Parent relief and per diems	280,705	288,294
Personal needs	136,682	202,376
Professional fees	251,579	145,109
Purchase of services	759,706	775,916
Recreational programs	20,198	12,962
Supplies	232,834	153,720
Training	46,702	48,818
	<u>338,406</u>	<u>335,238</u>
	<u>\$ 2,731,397</u>	<u>\$ 2,711,252</u>

Community Living Central York Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies

Nature and Purpose of Organization Community Living Central York (the "Association") is a non-profit organization established to enable and support people with developmental disabilities to achieve their full potential in partnership with an informed community.

The Association provides its support and services in Newmarket, Aurora, East Gwillimbury, parts of King Township and Whitchurch-Stouffville. The Association is registered as a charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

Basis of Presentation These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash and Cash Equivalents Management considers all highly liquid investments with maturity of three months or less to be cash equivalents.

Tangible Capital Assets Tangible capital assets are tangible assets that are held to provide services for the Association and have a useful life greater than one year.

Tangible capital assets are recorded at cost.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Building	Declining balance	5%
Furniture and equipment	Declining balance	20%
Paving	Declining balance	10%
Leasehold improvements	Straight line	20%
Vehicles	Declining balance	30%

Mount Albert Road, Selby Crescent and April Gardens residences Equal to principal payments on mortgages

Revenue Recognition The Association follows the deferral method of accounting for contributions. 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. Contributions received for tangible capital assets are deferred and recognized as revenue over the estimated useful life of the assets. Provincial subsidies received from the Ministry are recognized as revenue on the basis of legal agreements.

Restricted contributions related to subsequent years are deferred until revenue is earned.

Community Living Central York Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued)

Related Party	The financial position and results of operations of an entity administered by the Association's executive committee ("Archway") have not been consolidated in the Association's financial statements. Refer to Note 3 for disclosure of Archway's financial information.
Pension Plan	The Association's contributions to a defined contribution pension plan are expensed when contributions are made.
Financial Instruments	<p>Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and capitalized and amortized over the expected life of the instrument using the straight-line method for those measured at amortized cost.</p> <p>The Association's financial instruments comprise of short term and long term investments which are recorded at fair value and cash, accounts receivable, accounts payable and accrued liabilities, loans payable and mortgage payable which are recorded at amortized cost.</p>
Use of Estimates	The preparation of financial statements in accordance 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 revenues and expenses during the year. The principal estimates used in the preparation of these financial statements include useful life and valuation of tangible capital assets, deferred contributions for tangible capital assets, and significant accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

Community Living Central York Notes to Financial Statements

March 31, 2023

2. Short Term Investments

Short term investments are comprised of the following:

	<u>2023</u>	<u>2022</u>
Guaranteed Investment Certificate, interest rate at 1.66%, maturing October 10, 2023	\$ 40,318	\$ -
Guaranteed Investment Certificate, interest rate at 1.16%, matured October 7, 2022	-	40,222
	<u>\$ 40,318</u>	<u>\$ 40,222</u>

Community Living Central York Notes to Financial Statements

March 31, 2023

3. Related Party Transactions

The entity administered by the Association's executive committee is a non-profit organization incorporated without share capital under the laws of Ontario and is registered as a charitable organization with Canada Revenue Agency. Archway was formed to acquire, hold and lease land, premises or personal property, to be used in connection with, for the benefit of, or to enhance the services or facilities of the Association.

The financial summary of Archway as at March 31, 2023 and 2022 and for the years then ended is as follows:

	2023	2022
Financial position		
Assets	\$ 6,055,514	\$ 6,191,337
Liabilities	4,250,551	4,416,688
Net assets	1,804,963	1,774,649
Financial activities		
Revenue	405,958	389,584
Expenses	375,644	294,076
Excess of revenue over expenses	30,314	95,508
Cash flows		
Cash from operating activities	165,640	180,728
Cash from/(used) in financing activities	252,490	(166,186)
Increase in cash, end of the year	\$ 418,130	\$ 14,542

The accounting policy of Archway for amortization differs from the policy of the Association. Archway provides for amortization on a straight line basis for its buildings and this policy is reflected in the above summary.

The Association leases six of its premises for Community Living Supports from Archway. The rent in the current year amounted to \$387,123 (2022 - \$387,123).

Included in accounts receivable is \$45,150 (2022 - \$11,403) due from Archway.

The loans payable of \$3,090,000 (2022 - \$3,515,000) represents loans due to Archway. In 2019 Archway extended an interest-free loan to the Association in the amount of \$425,000 which was due on August 26, 2021. It was paid on June 23, 2022. The remaining \$3,090,000 is to be repaid on October 3, 2024.

The Association has a corporate guarantee and postponement of claim in favour of the bank up to \$4,800,000 and there is a postponement of all related party loans.

These transactions, except for loans payable, are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Loans payable are measured at the carrying amount.

Community Living Central York Notes to Financial Statements

March 31, 2023

4. Long Term Investments

	2023	2022
Guaranteed Investment Certificate, interest rate at 1.92%, maturing October 7, 2024	\$ 40,368	\$ 40,368
Guaranteed Investment Certificate, interest rate at 1.99%, maturing October 7, 2025	40,382	40,382
Guaranteed Investment Certificate, interest rate at 2.26%, maturing October 7, 2026	40,434	40,434
Guaranteed Investment Certificate, interest rate at 1.66%, maturing October 10, 2023	-	40,318
Public company shares held in domestic securities with a book value of \$102,738 (2022 - \$92,265)	137,455	140,783
Savings held in mutual funds	112,291	109,575
	\$ 370,930	\$ 411,860

5. Tangible Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building	\$ 8,275,545	\$ 1,317,597	\$ 6,957,948	\$ 7,313,701
Furniture and equipment	375,571	212,879	162,692	166,688
Leasehold improvements	1,148,492	921,959	226,533	272,145
Vehicles	132,034	131,715	319	455
	\$ 9,931,642	\$ 2,584,150	\$ 7,347,492	\$ 7,752,989

Community Living Central York Notes to Financial Statements

March 31, 2023

6. Accounts Payable and Accrued Liabilities

	<u>2023</u>	<u>2022</u>
Trade accounts payable	\$ 234,978	\$ 242,130
Accrued liabilities	256,331	188,589
Pay equity accrual	-	39,343
Salaries and benefits payable	<u>600,935</u>	<u>614,567</u>
	<u>\$ 1,092,244</u>	<u>\$ 1,084,629</u>

7. Deferred Revenue

Deferred revenue represents unspent resources restricted for specific purposes that relate to subsequent years.

	<u>2023</u>	<u>2022</u>
Balance, beginning of the year	\$ 296,800	\$ 149,420
Contributions received	-	200,000
Amounts recognized	<u>(40,000)</u>	<u>(52,620)</u>
Balance, end of the year	<u>\$ 256,800</u>	<u>\$ 296,800</u>

Community Living Central York Notes to Financial Statements

March 31, 2023

8. Mortgages Payable

	2023	2022
First mortgage at 3.028%, secured by land and buildings at Mount Albert Road, Sharon, Ontario, repayable monthly at \$1,680, including principal and interest, due September 1, 2023	\$ 102,094	\$ 118,911
First mortgage at 3.028%, secured by land and buildings at Selby Crescent, Newmarket, Ontario, repayable monthly at \$1,231 including principal and interest, due September 1, 2023	73,758	86,111
First mortgage at 2.1% secured by land and buildings at April Gardens, Aurora, Ontario, repayable bi-weekly at \$657, including principal and interest, due March 30, 2027	66,108	81,720
	241,960	286,742
Less: current portion	191,885	44,738
	\$ 50,075	\$ 242,004

The carrying value of the land and buildings that are secured is \$364,414 (2022 - \$383,594).

Interest expense of \$7,289 (2022- \$9,507) is included in other expenses.

Principal repayments of the mortgages over the next four years are as follows:

2024	\$ 191,885
2025	17,153
2026	17,082
2027	15,840

Community Living Central York Notes to Financial Statements

March 31, 2023

9. Deferred Contributions Related to Tangible Capital Assets

Deferred contributions related to tangible capital assets represent grants restricted for the purchase of specific tangible capital assets. Each year, a portion of the grant is recognized in revenue equal to the related asset amortization charged to other expenses. The changes in the deferred contributions balance for the year are as follows:

	2023	2022
Balance, beginning of the year	\$ 3,903,121	\$ 4,084,952
Contributions received	91,666	164,500
Amount amortized in the statement of operations	(344,127)	(349,498)
Less: adjustment to deferred contributions	-	3,167
	\$ 3,650,660	\$ 3,903,121

10. Commitments and Contingencies

The Association is committed to total payments of \$1,086,449 for premises, vehicle and copier operating leases with approximate annual payments as follows:

2024	\$ 496,860
2025	221,214
2026	106,877
2027	76,536
Thereafter	184,962

The Association has been named as a defendant in a legal claim in which damages have been sought. The ultimate outcome of this claim is not determinable however management believes the resolution of this matter will not have a material adverse effect on their financial position.

11. Internally Restricted Net Assets

The internally restricted net assets consist of:

	2023	2022
Replacement reserve	\$ 26,254	\$ 26,254
Working capital reserve	956,190	956,190
Designated and other purposes	16,084	16,084
	\$ 998,528	\$ 998,528

These internally restricted amounts are not available for other purposes without approval from the Board of Directors.

Community Living Central York Notes to Financial Statements

March 31, 2023

12. Unrestricted Net Assets

Unrestricted net assets comprise the following:

	<u>2023</u>	<u>2022</u>
Operations	<u>\$ 975,297</u>	<u>\$ 1,048,675</u>

13. Pension Plan

Substantially all of the full time employees of the Association are members of a Pension Plan (the "Plan") handled by Desjardins Financial Security, which is a defined contribution pension plan available to all eligible employees of the Association.

Contributions to the Plan made during the year by the Association on behalf of employees amounted to \$84,183 (2022 - \$84,727) and are included in salaries and benefits in the statement of operations.

14. Economic Dependence

In 2023 the Association received approximately 87% or \$12,650,185 (2022 - \$11,929,408 or 85%) of its funding from the Ministry of Children, Community and Social Services. Annual funding is based on the approved budget.

15. Indemnification of Officers and Directors

The Association has indemnified its past, present and future directors, officers, employees and volunteers against expenses (including legal expenses), judgments, and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors are sued as a result of their service, if they acted honestly and in good faith with a view to the best interest of the Association. The nature of the indemnity prevents the Association from reasonably estimating the maximum exposure. The Association has purchased directors and officers liability insurance with respect to this indemnification.

Community Living Central York Notes to Financial Statements

March 31, 2023

16. Financial Instruments

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk arising from the possibility that changes on interest rates will affect the value of fixed income denominated investments and the value of its operating and term loans. The risk has not changed from the previous year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is also exposed to credit risk arising from its accounts receivable. The majority of the Association's receivables are from tenants and government sources. The risk has not changed from the previous year. The Association is also exposed to credit risk as its cash and investments are all held at major financial institutions and are in excess of the amount insured by agencies of the federal government.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises from accounts payable and accrued liabilities and mortgages payable. The risk has not changed from the previous year.

Market risk

The Association is exposed to fluctuations in equity markets on its investments.

The Association has an investment policy that is reviewed annually to ensure that the Association is managing its financial risk on its investments in accordance with this policy and that the policy is still appropriate.

**Community Living Central York
Schedule of United Way Revenue and Expenses
Literacy and Promoting Wellness Programs
(Unaudited)**

Year ended March 31	2023	2022
Revenues		
United Way funding	\$ 45,241	\$ 46,307
Expenses		
Salaries and benefits	24,415	34,630
Others	13,090	11,960
	<u>37,505</u>	<u>46,590</u>
Excess (deficiency) of revenue over expenses	\$ 7,736	\$ (283)

**Community Living Central York
Recreational Programs
Schedule of Operations
(Unaudited)**

Year ended March 31	2023	2022
Revenues	\$ -	\$ 20,622
Expenses		
Bank charges	-	1,630
Recreational programs	13,097	17,982
	<u>13,097</u>	<u>19,612</u>
Excess (deficiency) of revenue over expenses	\$ (13,097)	\$ 1,010

**Community Living Central York
Dedicated Supported Housing
Schedule of Operations
(Unaudited)**

Year ended March 31	2023	2022
Revenues		
Provincial subsidies	\$ 58,896	\$ 58,902
Other revenue	16,400	16,440
	<u>75,296</u>	<u>75,342</u>
Expenses		
Salaries and benefits	7,437	7,344
Other expenses	38,822	65,846
Administration	-	2,152
	<u>46,259</u>	<u>75,342</u>
Excess (deficiency) of revenue over expenses	\$ 29,037	\$ -