

**Community Living Central York**  
**Financial Statements**  
**For the Year Ended March 31, 2025**

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## Independent Auditor's Report

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### 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, 2025, 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, 2025, 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, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1, 2024 and March 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2024 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

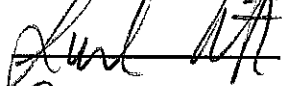
Barrie, Ontario


July 24, 2025

## Community Living Central York Statement of Financial Position

| March 31  | 2025                 | 2024                |
|---|----------------------|---------------------|
| <b>Assets</b>   |                      |                     |
| <b>Current</b>  |                      |                     |
| Cash  | \$ 2,014,948         | \$ 2,008,626        |
| Short term investments (Note 2)                             | 40,382               | 40,364              |
| Accounts receivable   | 914,976              | 473,088             |
| Prepaid expenses  | 176,172              | 29,857              |
|   | <u>3,146,478</u>     | <u>2,551,935</u>    |
| Long term investments (Note 4)                              | 500,231              | 445,839             |
| Tangible capital assets (Note 5)                            | 6,599,882            | 6,954,077           |
|   | <u>\$ 10,246,591</u> | <u>\$ 9,951,851</u> |
| <b>Liabilities and Net Assets</b>                           |                      |                     |
| <b>Current</b>  |                      |                     |
| Accounts payable and accrued liabilities (Note 6)           | \$ 978,603           | \$ 946,737          |
| Deferred revenue (Note 7)                                   | 374,550              | 331,800             |
| Current portion of mortgages payable (Note 8)               | 31,488               | 80,018              |
| Loan payable (Note 3)                                       | -                    | 3,090,000           |
|   | <u>1,384,641</u>     | <u>4,448,555</u>    |
| Mortgages payable (Note 8)                                  | 85,312               | 116,786             |
| Loans payable (Note 3)                                      | 3,090,000            | -                   |
| Deferred contributions for tangible capital assets (Note 9) | 3,487,213            | 3,343,750           |
|   | <u>8,047,166</u>     | <u>7,909,091</u>    |
| <b>Commitments and contingencies (Note 10)</b>              |                      |                     |
| <b>Net Assets</b>   |                      |                     |
| Internally restricted (Note 11)                             | 1,002,832            | 998,528             |
| Unrestricted - operations                                   | 1,196,593            | 1,044,232           |
|   | <u>2,199,425</u>     | <u>2,042,760</u>    |
|   | <u>\$ 10,246,591</u> | <u>\$ 9,951,851</u> |

On behalf of the Board:

  
Sarah Virenot  
Director

  
KEVIN CASEY  
Director

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

## Community Living Central York Statement of Operations

| <u>For the year ended March 31</u>                                       | <u>2025</u>       | <u>2024</u>       |
|--|-------------------|-------------------|
| <b>Revenue</b>   |                   |                   |
| Provincial subsidies (Note 13)   | \$ 13,517,378     | \$ 13,950,858     |
| Donations, fundraising, and other income                                 | 429,195           | 308,216           |
| Accommodation and fees   | 1,588,560         | 1,264,231         |
| Other subsidies  | 85,189            | 78,904            |
| United way funding   | 50,000            | 50,000            |
| Interest income  | 141,831           | 80,367            |
| Amortization of deferred contribution related to tangible capital assets | 354,351           | 341,243           |
|  | <u>16,166,504</u> | <u>16,073,819</u> |
| <b>Expenses</b>  |                   |                   |
| Salaries and benefits  | 11,250,095        | 10,977,859        |
| Other (see schedule of expenses - page 7)                                | 2,951,249         | 3,029,958         |
| Occupancy costs  | 1,348,236         | 1,524,235         |
| Amortization of tangible capital assets                                  | 460,259           | 472,832           |
|  | <u>16,009,839</u> | <u>16,004,884</u> |
| <b>Excess of revenue over expenses</b>                                   | <u>\$ 156,665</u> | <u>\$ 68,935</u>  |

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

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

| For the year ended March 31     | Internally<br>Restricted<br>(Note 11) | Unrestricted | 2025<br>Total | 2024<br>Total |
|---------------------------------|---------------------------------------|--------------|---------------|---------------|
| Balance, beginning of the year  | \$ 998,528                            | \$ 1,044,232 | \$ 2,042,760  | \$ 1,973,825  |
| Excess of revenue over expenses | -                                     | 156,665      | 156,665       | 68,935        |
| Interfund transfer              | 4,304                                 | (4,304)      | -             | -             |
| Balance, end of the year        | \$ 1,002,832                          | \$ 1,196,593 | \$ 2,199,425  | \$ 2,042,760  |

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

## Community Living Central York Statement of Cash Flows

| For the year ended March 31   | 2025                | 2024                |
|---|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                               |                     |                     |
| Excess of revenue over expenses   | \$ 156,665          | \$ 68,935           |
| Items not affecting cash:   |                     |                     |
| Amortization of tangible capital assets                                   | 460,259             | 472,832             |
| Amortization of deferred contributions related to tangible capital assets | (354,351)           | (341,243)           |
|   | <u>262,573</u>      | <u>200,524</u>      |
| Changes in non-cash working capital:                                      |                     |                     |
| Accounts receivable   | (441,888)           | 582,519             |
| Prepaid expenses  | (146,315)           | 27,401              |
| Accounts payable and accrued liabilities                                  | 31,866              | (145,507)           |
| Deferred revenue  | (117,263)           | 75,000              |
|   | <u>(411,027)</u>    | <u>739,937</u>      |
| <b>Cash flows from investing activities</b>                               |                     |                     |
| Purchase of investments   | (54,410)            | (74,954)            |
| Purchase of tangible capital assets                                       | (106,064)           | (79,418)            |
|   | <u>(160,474)</u>    | <u>(154,372)</u>    |
| <b>Cash flows from financing activities</b>                               |                     |                     |
| Repayment on mortgages payable  | (80,004)            | (45,156)            |
| Deferred contributions received   | 657,827             | 34,333              |
|   | <u>577,823</u>      | <u>(10,823)</u>     |
| <b>Net increase in cash</b>   | <u>6,322</u>        | <u>574,742</u>      |
| <b>Cash, beginning of the year</b>  | <u>2,008,626</u>    | <u>1,433,884</u>    |
| <b>Cash, end of the year</b>  | <u>\$ 2,014,948</u> | <u>\$ 2,008,626</u> |

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

## Community Living Central York Schedule of Expenses

| For the year ended March 31 | 2025                | 2024                |
|-----------------------------|---------------------|---------------------|
| Administration and other    | \$ 301,081          | \$ 283,514          |
| Communications              | 105,512             | 112,452             |
| Food                        | 360,562             | 344,800             |
| Minor equipment             | 63,643              | 120,917             |
| Parent relief and per diems | 278,461             | 276,432             |
| Personal needs              | 102,317             | 72,573              |
| Professional fees           | 263,058             | 217,049             |
| Purchase of services        | 498,798             | 716,794             |
| Recreational programs       | 119,044             | 45,936              |
| Supplies                    | 458,234             | 319,394             |
| Training                    | 36,378              | 65,382              |
| Transportation              | 364,161             | 454,715             |
|                             | <b>\$ 2,951,249</b> | <b>\$ 3,029,958</b> |



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## Community Living Central York Notes to Financial Statements

March 31, 2025

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### 1. Significant Accounting Policies

#### Nature and Purpose of Organization

Community Living Central York (the "Association") is a non-profit organization dedicated to enabling and supporting individuals with developmental disabilities to reach their full potential, in partnership with an informed and inclusive community.

The Association delivers programs and services across Newmarket, Aurora, East Gwillimbury, and parts of King Township and Whitchurch-Stouffville.

The Association is registered as a charitable organization under the Income Tax Act (Canada) and is therefore exempt from income taxes.

#### Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), as set out in Part III of the CPA Canada Handbook.

#### 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%  |
| Leasehold improvements  | Straight line     | 20%  |
| Vehicles                | Declining balance | 30%  |

|   |   |
|---|---|
| Mount Albert Road, Selby Crescent<br>and April Gardens residences | Equal to principal<br>payments on mortgages |
|---|---|

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## Community Living Central York Notes to Financial Statements

March 31, 2025

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### 1. Significant Accounting Policies (continued)

#### Revenue Recognition

The Association follows the deferral method of accounting for contributions, which includes donations and government grants. 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 externally restricted are recorded as deferred contributions and recognized as revenue in the year in which the related expenses are recognized. Deferred contributions related to capital assets represents the unamortized amounts of grants received for the purchase of capital assets. Contributions restricted for the purchase of capital assets are amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate of the related capital assets.

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

#### Related Party

The financial position and results of operations of Archway Community Homes ("Archway"), a related non-profit entity administered by the Association's Executive Committee, have not been consolidated in these financial statements. Archway operates independently to acquire, hold, and lease property in support of the Association's programs.

Refer to Note 3 for a summary of Archway's financial information and related party disclosures.

#### Pension Plan

The Association sponsors a defined contribution pension plan for eligible employees. Contributions to the plan are expensed in the period in which the related employee services are rendered. The Association has no further legal or constructive obligation to make additional contributions once the required contributions have been made.

Contributions made by the Association are recognized as an expense in the statement of operations and are included as part of salaries and benefits.

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## Community Living Central York Notes to Financial Statements

March 31, 2025

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### 1. Significant Accounting Policies (continued)

#### Financial Instruments

Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.

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.

The Association's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, loans payable, mortgage payable, and short and long-term investments. Cash, accounts receivable, accounts payable and accrued liabilities, loans payable, and mortgage payable are measured at amortized cost. Short and long-term investments are measured at fair value, with changes in fair value recognized in the statement of operations. Transaction costs are expensed as incurred for instruments measured at fair value and included in the carrying amount for those measured at amortized cost.

#### 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 reported amounts of revenues and expenses during the year. Significant estimates include the useful life and valuation of tangible capital assets, the amortization of deferred contributions related to those assets, and significant accruals. Actual results could differ from management's estimates as additional information becomes available in the future.

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## Community Living Central York Notes to Financial Statements

March 31, 2025

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### 2. Short Term Investments

Short term investments are comprised of the following:

|   | <u>2025</u>      | <u>2024</u>      |
|---|------------------|------------------|
| Guaranteed Investment Certificate, interest rate at 1.99%, maturing October 7, 2025 | \$ 40,382        | \$ -             |
| Guaranteed Investment Certificate, interest rate at 1.92%, matured October 7, 2024  | -                | 40,364           |
|   | <u>\$ 40,382</u> | <u>\$ 40,364</u> |

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## Community Living Central York Notes to Financial Statements

**March 31, 2025**

### 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 registered as a charitable organization with the Canada Revenue Agency. Known as Archway Community Homes ("Archway"), the entity was established to acquire, hold, and lease land, buildings, or personal property for use in connection with, in support of, or to enhance the programs, services, and facilities of the Association.

A financial summary of Archway as at March 31, 2025 and 2024, and for the years then ended, is presented below:

|  | <u>2025</u>         | <u>2024</u>         |
|--|---------------------|---------------------|
| <b>Financial position</b>                |                     |                     |
| Assets                                   | \$ 5,856,464        | \$ 5,951,250        |
| Liabilities                              | <u>3,916,599</u>    | <u>4,071,696</u>    |
| Net assets                               | <u>\$ 1,939,865</u> | <u>\$ 1,879,554</u> |
| <b>Financial activities</b>              |                     |                     |
| Revenue                                  | \$ 412,941          | \$ 400,898          |
| Expenses                                 | <u>352,630</u>      | <u>326,307</u>      |
| Excess of revenue over expenses          | <u>\$ 60,311</u>    | <u>\$ 74,591</u>    |
| <b>Cash flows</b>                        |                     |                     |
| Cash from operating activities           | \$ 67,514           | \$ 130,892          |
| Cash from/(used) in financing activities | <u>(178,283)</u>    | <u>(178,519)</u>    |
| Decrease in cash, end of the year        | <u>\$ (110,769)</u> | <u>\$ (47,627)</u>  |

Archway uses a straight-line method to amortize its buildings, which differs from the Association's accounting policy; this is reflected in the financial summary above.

The Association leases six premises from Archway for use in its Community Living Supports program. Lease payments totaled \$387,123 in 2025 (2024 - \$387,123). As at March 31, 2025, \$63,264 (2024 - \$38,747) is receivable from Archway.

The Association has non-interest bearing loans payable to Archway of \$3,090,000 (2024 - \$3,090,000). During the year the Association received an extension on the maturity of this loan, with the remaining balance now due on October 16, 2029. The loans are measured at their carrying amount.

A corporate guarantee and postponement of claim has been provided by the Association in favour of its financial institution up to \$4,800,000, covering all related party loans, including those with Archway.

All related party transactions, other than the loans payable, were conducted in the normal course of operations and are measured at the exchange amount, being the value agreed upon by both parties.

## Community Living Central York Notes to Financial Statements

March 31, 2025

### 4. Long Term Investments

|   | 2025              | 2024              |
|---|-------------------|-------------------|
| Guaranteed Investment Certificate, interest rate at 1.99%, maturing October 7, 2025                 | \$ -              | \$ 40,377         |
| Guaranteed Investment Certificate, interest rate at 2.26%, maturing October 7, 2026                 | 40,433            | 40,429            |
| Guaranteed Investment Certificate, interest rate at 3.91%, maturing October 21, 2026                | 42,521            | -                 |
| Guaranteed Investment Certificate, interest rate at 5.78%, maturing October 26, 2026                | 47,151            | 47,136            |
| Guaranteed Investment Certificate, interest rate at 5.01%, maturing May 7, 2027                     | 52,251            | -                 |
| Guaranteed Investment Certificate, interest rate at 4.83%, maturing May 8, 2028                     | 52,170            | -                 |
| Guaranteed Investment Certificate, interest rate at 4.8%, maturing May 7, 2029                      | 52,157            | -                 |
| Public company shares held in domestic securities with a book value of \$116,411 (2024 - \$107,508) | 188,262           | 150,375           |
| Savings held in mutual funds  | 25,286            | 167,522           |
|   | <u>\$ 500,231</u> | <u>\$ 445,839</u> |

### 5. Tangible Capital Assets

|                         | 2025                 |                          |                     | 2024                |
|-------------------------|----------------------|--------------------------|---------------------|---------------------|
|                         | Cost                 | Accumulated Amortization | Net Book Value      | Net Book Value      |
| Building                | \$ 9,167,780         | \$ 2,888,231             | \$ 6,279,549        | \$ 6,610,051        |
| Furniture and equipment | 492,636              | 355,973                  | 136,663             | 142,817             |
| Leasehold improvements  | 1,288,077            | 1,104,563                | 183,514             | 200,986             |
| Vehicles                | 132,034              | 131,878                  | 156                 | 223                 |
|                         | <u>\$ 11,080,527</u> | <u>\$ 4,480,645</u>      | <u>\$ 6,599,882</u> | <u>\$ 6,954,077</u> |

## Community Living Central York Notes to Financial Statements

**March 31, 2025**

### 6. Accounts Payable and Accrued Liabilities

|                               | 2025              | 2024              |
|-------------------------------|-------------------|-------------------|
| Trade accounts payable        | \$ 363,146        | \$ 618,556        |
| Accrued liabilities           | 228,019           | 135,786           |
| Salaries and benefits payable | 387,438           | 192,395           |
|                               | <u>\$ 978,603</u> | <u>\$ 946,737</u> |

### 7. Deferred Revenue

Deferred revenue represents externally restricted resources that remain unspent at year-end and are intended to be used for specific purposes in future periods.

|                                | 2025              | 2024              |
|--------------------------------|-------------------|-------------------|
| Balance, beginning of the year | \$ 331,800        | \$ 256,800        |
| Contributions received         | 160,013           | 75,000            |
| Amounts recognized             | (117,263)         | -                 |
| Balance, end of the year       | <u>\$ 374,550</u> | <u>\$ 331,800</u> |

## Community Living Central York Notes to Financial Statements

**March 31, 2025**

### 8. Mortgages Payable

|  | 2025             | 2024              |
|--|------------------|-------------------|
| First mortgage at 4.69%, secured by land and buildings at Mount Albert Road, Sharon, Ontario, repayable monthly at \$1,749, including principal and interest, due September 1, 2028    | \$ 67,706        | \$ 85,092         |
| First mortgage at 6.5%, secured by land and buildings at Selby Crescent, Newmarket, Ontario, repayable monthly at \$1,336 including principal and interest, due September 1, 2028      | 49,094           | 61,516            |
| First mortgage at 1.99% secured by land and buildings at April Gardens, Aurora, Ontario, repayable bi-weekly at \$657, including principal and interest, paid out on November 25, 2024 | -                | 50,196            |
|  | 116,800          | 196,804           |
| Less: current portion  | 31,488           | 80,018            |
|  | <u>\$ 85,312</u> | <u>\$ 116,786</u> |

The carrying value of the land and buildings that are secured is \$328,884 (2024 - \$346,194). Interest expense of \$7,556 (2024- \$7,910) is included in other expenses.

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

|      |           |
|------|-----------|
| 2026 | \$ 31,488 |
| 2027 | \$ 33,250 |
| 2028 | \$ 35,112 |
| 2029 | \$ 16,950 |

### 9. Deferred Revenue 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 charge to other expenses. The changes in the deferred contributions balance for the year are as follows:

|   | 2025                | 2024                |
|---|---------------------|---------------------|
| Balance, beginning of the year                  | \$ 3,343,750        | \$ 3,650,660        |
| Contributions received                          | 497,814             | 34,333              |
| Amount amortized in the statement of operations | (354,351)           | (341,243)           |
| Balance, end of the year                        | <u>\$ 3,487,213</u> | <u>\$ 3,343,750</u> |



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## Community Living Central York Notes to Financial Statements

March 31, 2025

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### 10. Commitments and Contingencies

The Association is party to operating leases for its premises, vehicles, and office equipment. Future minimum lease payments are expected to total \$464,661, payable as follows:

|            |    |         |
|------------|----|---------|
| 2026       | \$ | 127,443 |
| 2027       | \$ | 99,866  |
| 2028       | \$ | 99,866  |
| 2029       | \$ | 95,927  |
| Thereafter | \$ | 41,560  |

Because of the nature of its operations, the Association is exposed to litigation risk. A former employee has filed a wrongful-dismissal claim; however, the eventual outcome and any related settlement cannot yet be reasonably estimated. Accordingly, no provision has been recorded in these financial statements. A liability will be recognized when (and if) it becomes both probable and measurable.

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### 11. Internally Restricted Net Assets

The internally restricted net assets consist of:

|                               | 2025                | 2024              |
|-------------------------------|---------------------|-------------------|
| Replacement reserve           | \$ 30,558           | \$ 26,254         |
| Working capital reserve       | 956,190             | 956,190           |
| Designated and other purposes | 16,084              | 16,084            |
|                               | <u>\$ 1,002,832</u> | <u>\$ 998,528</u> |

The Ministry mandates a replacement reserve to fund future major repairs and capital replacements. Annual contributions to this reserve are set by the Ministry. The reserve is internally restricted and may be used only for its designated purpose unless the Board of Directors expressly authorizes an alternative use.

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### 12. 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 \$107,300 (2024 - \$99,700) and are included in salaries and benefits in the statement of operations.

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## Community Living Central York Notes to Financial Statements

March 31, 2025

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### 13. Economic Dependence

The Association derives a significant portion of its funding from the Ministry of Children, Community and Social Services. In 2025, the Association received approximately 84% or \$13,517,378 (2024 - 87% or \$13,950,858) of its funding from the Ministry of Children, Community and Social Services.

Annual funding is subject to approval of the Association's budget by the Ministry. As such, the Association is economically dependent on continued support from the Ministry to sustain its operations.

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### 14. 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.

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## Community Living Central York Notes to Financial Statements

March 31, 2025

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### 15. Financial Instruments

#### Interest rate risk

Interest rate risk refers to the potential impact of fluctuations in market interest rates on the fair value or future cash flows of financial instruments. The Association is exposed to this risk through both its fixed and variable rate financial instruments. Fixed-rate instruments expose the Association to fair value risk, as their market value may change with interest rate movements. Variable-rate instruments expose the Association to cash flow risk, as the interest payments fluctuate over time. The Association's exposure to interest rate risk has not changed from the prior year.

#### Credit risk

Credit risk is the risk of financial loss to the Association if a counterparty to a financial instrument fails to meet its contractual obligations. The Association is exposed to credit risk primarily through its accounts receivable, the majority of which are due from tenants and government funding sources. The Association also faces credit risk in relation to its cash and investments, which are held with major financial institutions. These balances may exceed the limits insured by federal deposit insurance programs. The Association's exposure to credit risk remains consistent with the prior year.

#### Liquidity risk

Liquidity risk is the risk that the Association may encounter difficulty in meeting its financial obligations as they come due. This risk arises primarily from accounts payable and accrued liabilities, loans payable, and mortgages payable.

In the current year, a significant loan was extended beyond its original maturity date and reclassified from a current to a long-term liability. As a result, the Association's liquidity risk has decreased compared to the prior year given the reduction in financial obligations due within the next twelve months.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. It includes currency risk, interest rate risk, and other price risk. The Association is primarily exposed to equity market fluctuations through its investment portfolio.

To manage this exposure, the Association maintains an investment policy that outlines guidelines for asset allocation, risk tolerance, and permitted investments. This policy is reviewed annually to ensure it remains appropriate and that investment activities align with the Association's risk management objectives.

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

| <b>For the year ended March 31</b>         | <b>2025</b>     | <b>2024</b>       |
|--|-----------------|-------------------|
| <b>Revenues</b>                            |                 |                   |
| United Way funding                         | \$ 50,000       | \$ 50,000         |
| <b>Expenses</b>                            |                 |                   |
| Salaries and benefits                      | 29,817          | 29,611            |
| Other expenses                             | 21,085          | 28,290            |
|  | <u>50,902</u>   | <u>57,901</u>     |
| <b>Deficiency of revenue over expenses</b> | <b>\$ (902)</b> | <b>\$ (7,901)</b> |

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

| <b>For the year ended March 31</b>     | <b>2025</b>      | <b>2024</b>      |
|--|------------------|------------------|
| <b>Revenues</b>                        |                  |                  |
| Provincial subsidies                   | \$ 60,983        | \$ 59,942        |
| Other revenue                          | 16,440           | 16,663           |
|  | <u>77,423</u>    | <u>76,605</u>    |
| <b>Expenses</b>                        |                  |                  |
| Salaries and benefits                  | 8,627            | 7,144            |
| Other expenses                         | 43,053           | 41,788           |
|  | <u>51,680</u>    | <u>48,932</u>    |
| <b>Excess of revenue over expenses</b> | <b>\$ 25,743</b> | <b>\$ 27,673</b> |

