

Community Living North Perth

Financial Statements
Year Ended March 31, 2024

- audited -

Community Living North Perth

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Community Living North Perth:

Qualified Opinion

We have audited the financial statements of Community Living North Perth, which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in fund balances and statement of cash flows as at March 31, 2024 for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Community Living North Perth as at March 31, 2024, and its results of its operations and its cash flows for the year then ended March 31, 2024 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, Community Living North Perth derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of Community Living North Perth and we were not able to determine whether any adjustments might have been found necessary with respect to donations, the excess of revenues over expenditures, cash flows from operating activities for the years ended March 31, 2024 and March 31, 2023, current assets as at March 31, 2024 and March 31, 2023, and fund balances as at April 1 and March 31 for both the 2024 and 2023 year ends. As described in Note 2 to the financial statements, in prior years Community Living North Perth did not follow Canadian accounting standards for not-for-profit organizations with respect to the recording of tangible capital assets. Due to the effects of this departure from Canadian accounting standards for not-for-profit organizations we were not able to determine whether any adjustments might be necessary for recorded capital assets prior to fiscal 2021. As such, the financial effect of this departure from Canadian accounting standards for not-for-profits could not be quantified. Our conclusion on the financial statements as at and 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease

Independent Auditor's Report continued on next page...

Independent Auditor's Report continued...

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

Those charged with governance are responsible for overseeing the Organization'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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ward & Uptigrove

Listowel, Ontario

June 19, 2024

Ward & Uptigrove
Chartered Professional Accountants
Licensed Public Accountants



Community Living North Perth

Statement of Financial Position

year ended March 31, 2024

in dollars

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	Unrestricted	Restricted				
The Accompanying Notes are an Integral Part of the Financial Statements	Operating Fund	Board Fund	Capital Asset Fund	Capital Reserve Fund	2024	2023
ASSETS						
Current						
Cash - Note 4	436,136	-	-	7,664	443,800	511,897
Investments - Note 5	2,459	199,769	-	66,107	268,335	217,231
Accounts receivable	27,000	-	-	-	27,000	75,825
Deposit on assets - Note 6	-	-	90,102	-	90,102	135,704
Public Service Bodies' rebate receivable	46,711	-	-	-	46,711	52,474
Prepaid expenses	45,011	-	-	-	45,011	4,369
	557,317	199,769	90,102	73,771	920,959	997,500
Tangible Capital Assets - Note 6						
Cost	-	-	1,777,295	-	1,777,295	1,527,830
Accumulated amortization	-	-	759,048	-	759,048	631,385
	-	-	1,018,247	-	1,018,247	896,445
TOTAL ASSETS	557,317	199,769	1,108,349	73,771	1,939,206	1,893,945
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Current Liabilities						
Accounts payable and accruals	210,114	-	982	-	211,096	230,160
Government remittances payable	28,384	-	-	-	28,384	39,935
Deferred revenue - Note 7	77,049	-	-	-	77,049	42,461
Deferred capital contributions - Note 8	-	-	66,293	-	66,293	-
Current portion of long term debt	-	-	20,321	-	20,321	25,106
Callable portion of long term debt	-	-	347,192	-	347,192	359,593
	315,547	-	434,788	-	750,335	697,255
Long Term Liabilities						
Long term debt - Note 9	-	-	367,513	-	367,513	392,657
Less current portion	-	-	(367,513)	-	(367,513)	(384,699)
	-	-	-	-	-	7,958
FUND BALANCES						
Unrestricted	241,770	-	-	-	241,770	278,146
Internally restricted	-	199,769	673,561	-	873,330	844,365
Externally restricted	-	-	-	73,771	73,771	66,221
	241,770	199,769	673,561	73,771	1,188,871	1,188,732
TOTAL LIABILITIES AND FUND BALANCES	557,317	199,769	1,108,349	73,771	1,939,206	1,893,945

Approved on Behalf of the Board of Directors by

Ben Unwin

B. Blinome

Community Living North Perth

Statement of Changes in Fund Balances

year ended March 31, 2024

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements	Unrestricted	Restricted			2024	2023
	Operating Fund	Board Fund	Capital Asset Fund	Capital Reserve Fund		
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	161,217	(43,535)	(125,207)	7,664	139	399,232
Fund transfer - Note 10	(197,593)	(484)	198,191	(114)	-	-
Fund balances, beginning of year	278,146	243,788	600,577	66,221	1,188,732	789,500
FUND BALANCES, END OF YEAR	241,770	199,769	673,561	73,771	1,188,871	1,188,732

Community Living North Perth

Statement of Operations

year ended March 31, 2024

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements	Unrestricted	Restricted			2024	2023
	Operating Fund	Board Fund	Capital Asset Fund	Capital Reserve Fund		

REVENUE

Amortization of deferred capital contributions - Note 8	-	-	13,259	-	13,259	-
Capital reserve - Note 11	-	-	-	7,664	7,664	7,664
Community Services Coordination Network (CSCN) Passport	395,317	-	-	-	395,317	415,811
Donations and fundraising	-	10,223	-	-	10,223	10,834
Fees from people supported	102,924	-	-	-	102,924	119,065
Investment income	-	11,316	-	-	11,316	12,519
Ministry of Children Community and Social Service Funding (MCCSS):						
Annual - Note 7	3,052,579	-	-	-	3,052,579	2,360,133
Rent subsidy	22,881	-	-	-	22,881	21,905
COVID-19 Residential Relief Fund (CRRF)	79,835	-	-	-	79,835	485,711
Compensation enhancement	-	-	-	-	-	413,387
Other grants	127,980	-	-	-	127,980	-
Other	21,283	-	-	-	21,283	30,550
	3,802,799	21,539	13,259	7,664	3,845,261	3,877,579

EXPENDITURES

Amortization	-	-	127,662	-	127,662	54,630
Corporate supplies	89,362	-	-	-	89,362	191,537
Funding reallocation	-	-	-	-	-	350,000
Fundraising expenses	-	65,074	-	-	65,074	4,593
IT supplies and equipment	26,930	-	-	-	26,930	15,239
Mortgage interest and bank charges	-	-	10,804	-	10,804	11,512
Occupancy expenses	155,346	-	-	-	155,346	141,238
Office supplies	22,510	-	-	-	22,510	30,965
Other staff costs	68,650	-	-	-	68,650	87,552
Program expenses	60,073	-	-	-	60,073	69,652
Staff salaries and benefits	3,171,908	-	-	-	3,171,908	2,477,979
Transportation and vehicle operation	46,803	-	-	-	46,803	43,450
	3,641,582	65,074	138,466	-	3,845,122	3,478,347

EXCESS (DEFICIENCY) OF

REVENUE OVER EXPENDITURES	161,217	(43,535)	(125,207)	7,664	139	399,232
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Community Living North Perth

Statement of Cash Flows year ended March 31, 2024

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2024

2023

CASH PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess of revenue over expenditures for the year	139	399,232
Items not affecting cash		
Amortization	127,662	54,630
Amortization of deferred capital contributions	(13,259)	-
	114,542	453,862
Changes in non-cash working capital related to operations - Note 12	63,521	(323,785)
	178,063	130,077

FINANCING ACTIVITIES

Repayment of long-term debt	(25,144)	(24,433)
Proceeds on disposal of investments	-	65,420
Purchase of investments	(51,104)	(72,263)
Deferred capital contributions received	79,552	-
	3,304	(31,276)

INVESTING ACTIVITIES

Purchase of tangible capital assets	(249,464)	(176,467)
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CHANGE IN CASH AND CASH EQUIVALENTS

	(68,097)	(77,666)
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Cash and cash equivalents, beginning of year	511,897	589,563
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Cash and cash equivalents, end of year	443,800	511,897
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Represented by:

Cash	443,800	511,897
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	443,800	511,897
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Community Living North Perth

Notes to the Financial Statements

year ended March 31, 2024

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

1 PURPOSE OF ORGANIZATION

Community Living North Perth ("the Organization") is a not-for-profit corporation and is a registered charity under the Income Tax Act. The purpose of the Organization is to provide housing, independent living, training and support to adults with developmental disabilities living in North Perth and area.

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:

2.1 Basis of Accounting

These financial statements of the Organization are the representation of management prepared in accordance with the Canadian accounting standards for not-for-profit organizations (ASNPO), which is one of the financial reporting frameworks in Canadian generally accepted accounting principles, except as noted:

Prior to the 2021 year end, the Organization only capitalized land and buildings. All other expenditures were expensed as incurred.

2.2 Fund Accounting

In order to ensure observance of the limitations and restrictions on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with the principles of fund accounting. These funds are held in accordance with the objectives specified by the members, or in accordance with the directives issued by the Board of Directors. Transfers between the funds are made when it is considered appropriate and authorized by the Board of Directors. To meet these objectives of financial reporting and stewardship over assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds.

The following funds have been established:

- i) **Operating Fund** - accounts for the Organization's program delivery and administration activities. This fund reports unrestricted resources and restricted operating grants.
- ii) **Board Fund** - reports the assets, liabilities, revenues and expenditures related to the Organization's fundraising and investment activities. Internally restricted amounts are determined by the board where to be used by the Organization.
- iii) **Capital Asset Fund** - reports the assets, liabilities, revenues and expenditures related to the Organization's capital assets. Fundraising dollars designated for future use are also accumulated here.
- iv) **Capital Reserve Fund** - reports the resources restricted by the MCCSS - Dedicated Supportive Non-Profit Housing Program to fund future repairs and maintenance to the housing unit.

2.3 Portfolio investments

Short term investments consist of investments with maturities of between three months and one year at the date of acquisition. Long term investments consist of investments with maturities in excess of one year at the date of acquisition. The Organization does not exercise significant influence with respect to any of these investments.

Community Living North Perth

Notes to the Financial Statements

year ended March 31, 2024

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2.4 Tangible capital assets

Tangible capital assets are stated at cost and are amortized on a straight line basis utilizing annual rates, as indicated below, which will fully amortize the assets over their estimated useful lives.

Buildings	25 years
Modular home	25 years
Pavement	10 years
Furniture and equipment	5 years
Computer hardware	3 years
Vehicles	3 years

In the year of acquisition, only one half of the above rates are applied.

When a tangible capital asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

2.5 Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenditures are incurred. Restricted contributions received where expenses are not yet incurred, are recorded as deferred revenue. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received.

Unrestricted contributions and grants received to support operations are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably measured and collection is reasonably assured.

Grants received to support the acquisition of tangible capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related tangible capital assets.

Investment revenue is recognized as revenue in the year in which the income was earned and realized and collection is reasonably assured.

Fees from people supported is recognized as revenue in the year in which the income was earned and realized and collections are reasonably assured.

2.6 Financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for any 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.

2.7 Use of estimates

The preparation of these financial statements in conformity with accounting principles noted above, which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Community Living North Perth

Notes to the Financial Statements

year ended March 31, 2024

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

3 FINANCIAL INSTRUMENTS

The significant risks arising from financial instruments to which the Organization is exposed as at year end are detailed below.

a) Credit risk

The Organization's credit risk is mainly related to accounts receivable. The Organization provides credit to its clients in the normal course of operations. At year-end, MCCSS customers accounted for 98% (2023 - 99%) of accounts receivable.

b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not exposed to any significant currency risk.

c) 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 Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed rate instruments subject the Organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating interest rate instruments subject the Organization to changes in related future cash flows.

d) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to liquidity risk in respect of its accounts payable and accrued liabilities, callable debt and long term debt.

e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Organization is not exposed to any significant other price risk.

4 CASH

The Organization has overall approved credit line facilities available in the amount of \$50,000, bearing interest at bank prime plus 1.25%. At the year-end date, the credit facility was not utilized (2023 - \$NIL).

5 INVESTMENTS

	2024	2023
High interest savings account	265,876	213,977
Libro profit shares	2,459	3,254
	268,335	217,231

Community Living North Perth

Notes to the Financial Statements

year ended March 31, 2024

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

6 TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2024 Net book value	2023 Net book value
Land	120,000	-	120,000	120,000
Building - 820 Main Street	425,242	269,842	155,400	159,437
Modular home	64,808	47,308	17,500	20,092
Buildings	825,968	362,841	463,127	507,885
Pavement	10,394	520	9,874	-
Furniture and equipment	79,322	17,411	61,911	42,653
Computer hardware	12,143	3,036	9,107	-
Vehicles	239,418	58,090	181,328	46,378
	1,777,295	759,048	1,018,247	896,445

During the year, the Organization paid \$42,082 in deposits on building and property improvements and \$23,677 in prepaid furniture and equipment for a new supported living location purchased after year end (see Note 15) and \$24,343 in deposits on furniture and building improvements at 820 Main Street. The assets were not available for use before year end and have been recorded as deposits on assets.

7 DEFERRED REVENUE

	2024	2023
MCCSS - Transition-aged youth (TAY) supported living plan	76,506	-
MCCSS - emergency fund	543	543
Employment and Social Development Canada (ESDC) - building renovations	-	37,931
Deferred rental income - 360 Nichol Property	-	3,987
	77,049	42,461

Deferred revenue represents unrecognized grants and a reserve for emergencies. During the year, the Organization received \$217,000 in funding from MCCSS for TAY supported living accommodations. Of that amount, \$37,082 deposited on building and property improvements and \$39,424 used to purchase prepaid equipment and supplies has been deferred; a further amount of \$79,552 was used to purchase tangible capital assets (see Note 8), and \$60,942 was recognized as revenue under MCCSS Annual funding.

Community Living North Perth

Notes to the Financial Statements

year ended March 31, 2024

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

8 DEFERRED CAPITAL CONTRIBUTIONS

	2024	2023
Balance, beginning of the year	-	-
Add: Contributions received during the year	79,552	-
Less: Revenue recognized during the year	(13,259)	-
Balance, end of the year	66,293	-

Deferred capital contributions represent the unrecognized amount of grants received for the purchase of tangible capital assets related to the MCCSS transition-aged youth (TAY) supported living plan.

9 LONG TERM DEBT

	2024	2023
Mortgage payable - Scotiabank, interest bearing 5.12%, repayable in blended monthly payments of principal and interest of \$1,153, due October 2024	7,949	21,029
Mortgage payable - Libro Credit Union, interest bearing 2.75%, repayable in blended monthly payments of \$1,842, due October 2025	359,564	371,628
	367,513	392,657

Long term debt with Scotiabank is secured by the land and building at 360 Nichol Ave. South, Listowel. Long term debt with Libro Credit Union is secured by the land and buildings located at 621 & 623 Elma St., Listowel. Libro also has a GSA providing a first charge over all present and after acquired assets.

The banking agreement includes a minimum debt service ratio of not less than 1.1:1 that must be maintained by the Organization.

Although the Libro mortgage is callable on demand, the repayment schedule below assumes the continued repayment of the loans.

Long term debt payable in each of the next two years is as follows:

2025	20,321
2026	347,192
	367,513

10 INTERFUND TRANSFERS

During the year, the Board of Directors authorized transfers of \$197,593 from the Operating Fund, \$484 from the Board Fund, and \$114 from the Capital Reserve Fund to the Capital Asset Fund for \$198,191.

Community Living North Perth

Notes to the Financial Statements

year ended March 31, 2024

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

11 CAPITAL RESERVE FUND

Under the terms of the agreement with the Ministry of Children, Community and Social Services - Dedicated Supportive Non-Profit Housing Program, the Capital Reserve Fund must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by the Ministry from time to time. The funds in the account may be used only as approved by the Ministry. During the year, \$7,664 (2023 - \$7,664) was transferred to the Capital Reserve Fund as approved by the Ministry.

12 STATEMENT OF CASH FLOWS

The net change in non-cash working capital consists of:

	2024	2023
Accounts receivable	48,825	(8,189)
Deposit on assets	45,602	(135,704)
Public Service Bodies' rebate receivable	5,763	(26,223)
Prepaid expenses	(40,642)	25
Accounts payable and accruals	(19,064)	(114,045)
Government remittances payable	(11,551)	15,254
Deferred revenue	34,588	(54,903)
	63,521	(323,785)

13 COMMITMENTS

The Organization has an operating lease for its printing equipment at \$123 per month and expires July 2026.

The Organization has an operating lease for its office at \$2,540 per year. The lease expires July 2024.

The annual lease payments for the next three years are as follows:

2025	2,330
2026	1,480
2027	490
	<u>4,300</u>

Community Living North Perth

Notes to the Financial Statements

year ended March 31, 2024

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

14 ECONOMIC DEPENDENCE

The Organization derives substantially all of its revenue from the Ministry of Children, Community and Social Services (MCCSS), without which it would be unable to continue operating in its current form.

15 SUBSEQUENT EVENTS

The Organization entered into an agreement with MCCSS during the year to provide additional supported living services to a transition-aged youth (TAY) effective October 1, 2024 and will receive additional annual funding of \$722,016 in subsequent years.

On March 8, 2024 the board authorized the purchase of a new property to provide supported living accommodations to individuals with developmental disabilities. Subsequent to year end, a new property was purchased for \$645,000 and financing obtained from Libro Credit Union in the amount of \$465,000.

On March 20, 2024 the Organization entered into a grant contract with the Ontario Trillium Foundation to receive \$200,000 from the Resilient Communities Fund over the next 24 months subsequent to year end. The grant will be used to implement a comprehensive HR strategy to enhance staff training, support, and well-being.