

COMMUNITY LIVING DURHAM NORTH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020



INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the financial statements of Community Living Durham North (the Entity), which comprise the statement of financial position as at March 31, 2020 and March 31, 2019, and the statements of operations, changes in net assets and cash flows for the years then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020 and March 31, 2019, and the results of its operations and its cash flows for the years then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations and fundraising the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 years.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Restated Comparative Information

As part of our audit of the financial statements for the year ended March 31, 2020, we also audited the adjustments applied to restate certain comparative information presented. In our opinion, such adjustments are appropriate and have been properly applied.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Smith Chynall Mark Velanka LLP

Chartered Accountants, Licensed Public Accountants

September 14, 2020
Oshawa, Ontario

COMMUNITY LIVING DURHAM NORTH

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

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

			<u>2020</u>	<u>2019</u> (Note 17)
<u>ASSETS</u>				
Current				
Cash			\$ 1,085,027	\$ 794,445
Accounts receivable (Note 3)			260,344	410,564
Prepaid expenses and deposits			48,794	58,752
			<u>1,394,165</u>	<u>1,263,761</u>
Capital Assets (Note 2(e))				
	<u>Cost</u>	<u>Accumulated Amortization</u>		
Land	\$ 2,759,103	\$ -	2,759,103	2,379,103
Buildings	5,665,302	3,100,843	2,564,459	2,473,415
Equipment and computers	354,999	321,092	33,907	42,967
Furniture and fixtures	182,907	142,199	40,708	26,928
Leasehold improvements	58,657	58,657	-	-
Vehicles	648,047	378,300	269,747	281,559
	<u>\$ 9,669,015</u>	<u>\$ 4,001,091</u>	<u>5,667,924</u>	<u>5,203,972</u>
			<u>\$ 7,062,089</u>	<u>\$ 6,467,733</u>

Approved by the Board of Directors:


_____, Director


_____, Director

COMMUNITY LIVING DURHAM NORTH

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

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

	<u>2020</u>	<u>2019</u> (Note 17)
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued charges	\$ 1,346,605	\$ 1,296,520
Deferred revenue (Note 4)	53,331	58,793
Current portion of long term debt	104,968	242,736
	<u>1,504,904</u>	<u>1,598,049</u>
Long Term		
Mortgages payable (Note 5)	2,832,162	2,341,074
Term loans payable (Note 7)	-	43,468
Less: Current portion	(104,968)	(242,736)
	<u>2,727,194</u>	<u>2,141,806</u>
Deferred Contributions Related to Capital Assets (Note 8)	<u>770,892</u>	<u>786,145</u>
Net Assets		
Invested in capital assets (Note 9)	2,064,871	2,033,285
Unrestricted	(5,772)	(91,552)
	<u>2,059,099</u>	<u>1,941,733</u>
	<u>\$ 7,062,089</u>	<u>\$ 6,467,733</u>

COMMUNITY LIVING DURHAM NORTH
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2020

	Invested in Capital Assets	Unrestricted	2020 Total	2019 Total (Note 17)
Opening balance	\$ 2,033,285	\$ (91,552)	\$ 1,941,733	\$ 1,783,056
Excess of revenues over expenses (expenses over revenues) (Note 9(b))	(227,711)	345,077	117,366	158,677
Net change in invested in capital assets (Note 9(b))	259,297	(259,297)	-	-
Closing Balance	\$ 2,064,871	\$ (5,772)	\$ 2,059,099	\$ 1,941,733

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u> (Note 17)
Operating Activities		
Excess of revenue over expenses	\$ 117,366	\$ 158,677
Charges to income not involving cash:		
Amortization	342,964	314,909
Loss on disposal of capital assets	<u>-</u>	<u>1,386</u>
	<u>460,330</u>	<u>474,972</u>
Net change in non-cash working capital balances related to operations:		
Account receivable	150,220	(159,930)
Prepaid expenses and deposits	9,958	29,033
Accounts payable	50,086	214,708
Deferred revenue	<u>(5,462)</u>	<u>(21,292)</u>
	<u>204,802</u>	<u>62,519</u>
	<u>665,132</u>	<u>537,491</u>
Investing Activities		
Proceeds on disposal of capital assets		9,617
Additions to capital assets	<u>(806,917)</u>	<u>(1,043,557)</u>
	<u>(806,917)</u>	<u>(1,033,940)</u>
Financing Activities		
Increase (decrease) in long term debt	447,620	672,149
Increase (decrease) in deferred contributions related to capital assets net of related amortization	<u>(15,253)</u>	<u>(125,850)</u>
	<u>432,367</u>	<u>546,299</u>
Change in Cash and Cash Equivalents During the Year	290,582	49,850
Cash and Cash Equivalents, Beginning of Year	<u>794,445</u>	<u>744,595</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,085,027</u>	<u>\$ 794,445</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - GENERAL

FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u> (Note 17)
REVENUES:		
Donations and fundraising	\$ 6,854	\$ 35,044
Membership dues	160	180
Miscellaneous	48,816	45,095
Region of Durham (Note 10)	258,935	270,972
	<hr/>	<hr/>
	314,765	351,291
	<hr/>	<hr/>
EXPENDITURES:		
Supplies	13,806	20,250
Vehicle operation	119	-
Volunteer training	1,509	545
Advertising and promotion	-	604
Purchased services	80	80
Region of Durham (Note 10)	254,450	267,393
	<hr/>	<hr/>
	269,964	288,872
	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 44,801	\$ 62,419
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING DURHAM NORTH**STATEMENT OF OPERATIONS - CONSOLIDATED PROGRAMS****FOR THE YEAR ENDED MARCH 31, 2020**

	<u>BUDGET</u> <u>2020</u>	<u>ACTUAL</u> <u>2020</u>	<u>ACTUAL</u> <u>2019</u> (Note 17)
SUPPORT:			
MCCSS - operating	\$13,497,658	\$13,497,658	\$13,575,114
MCCSS East Region - operating	34,900	34,900	13,100
	<u>13,532,558</u>	<u>13,532,558</u>	<u>13,588,214</u>
REVENUE:			
Rent	1,074,924	1,082,852	1,043,211
Other funding	684,404	656,765	647,469
United Way	30,000	33,408	30,000
Respite	38,000	39,674	37,170
	<u>1,827,328</u>	<u>1,812,699</u>	<u>1,757,850</u>
SUPPORT:			
Amortization of Deferred Contributions (Note 8)	-	115,253	125,850
	<u>15,359,886</u>	<u>15,460,510</u>	<u>15,471,914</u>
EXPENDITURES:			
Wages and salaries	10,836,041	10,450,079	10,626,736
Employee benefits	1,811,390	1,493,242	1,690,718
Staff travel	98,415	94,839	96,010
Supplies	45,127	69,028	71,564
Vehicle operation	142,976	111,078	87,998
Utilities and taxes	216,341	190,327	181,363
Purchased services	280,664	308,463	306,451
Food	351,720	356,409	340,123
Personal needs	192,696	241,752	164,767
New furnishings and equipment	19,000	162,783	91,002
Advertising and promotion	760	-	525
Repairs and maintenance	135,038	410,467	248,364
Staff training and conferences	19,820	56,103	17,691
Rental	326,353	260,539	246,887
Central administration - general (reallocation)	272,315	196,802	254,644
- staffing	611,230	643,070	635,904
	<u>15,359,886</u>	<u>15,044,981</u>	<u>15,060,747</u>
EXCESS OF REVENUES OVER			
EXPENDITURES BEFORE AMORTIZATION	-	415,529	411,167
Amortization	-	342,964	314,909
EXCESS OF REVENUES			
OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 72,565</u>	<u>\$ 96,258</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - ADULT DAY PROGRAM

FOR THE YEAR ENDED MARCH 31, 2020

	BUDGET <u>2020</u>	ACTUAL <u>2020</u>	ACTUAL <u>2019</u> (Note 17)
SUPPORT:			
MCCSS - operating	\$ 1,278,641	\$ 1,278,641	\$ 1,348,443
REVENUE:			
Other funding	119,595	146,360	154,922
	<u>119,595</u>	<u>146,360</u>	<u>154,922</u>
	<u>1,398,236</u>	<u>1,425,001</u>	<u>1,503,365</u>
EXPENDITURES:			
Wages and salaries	972,500	903,616	1,021,231
Employee benefits	165,325	129,867	152,657
Staff travel	23,250	22,448	22,222
Supplies	12,570	8,671	9,603
Vehicle operation	35,237	26,650	30,261
Utilities and taxes	28,170	24,897	30,749
Purchased services	17,900	32,994	30,033
Food	2,280	1,811	2,283
New furnishings and equipment	1,500	31,748	15,732
Advertising and promotion	74	-	54
Repairs and maintenance	12,861	25,165	12,317
Staff training and conferences	1,930	5,297	3,434
Rental	34,947	44,423	49,947
Personal needs	3,652	39,143	16,550
Central administration - general (reallocation)	26,518	19,632	25,624
- staffing	59,522	64,112	65,726
	<u>1,398,236</u>	<u>1,380,474</u>	<u>1,488,423</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION	-	44,527	14,942
Amortization	-	41,545	41,545
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 2,982	\$ (26,603)

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - GROUP HOMES

FOR THE YEAR ENDED MARCH 31, 2020

	BUDGET	ACTUAL	ACTUAL
	<u>2020</u>	<u>2020</u>	<u>2019</u>
			(Note 17)
SUPPORT:			
MCCSS - operating	\$ 9,030,245	\$ 9,030,245	\$ 8,891,866
REVENUE:			
Rent	967,908	967,140	944,988
Other funding	413,102	366,872	383,101
	<u>1,381,010</u>	<u>1,334,012</u>	<u>1,328,089</u>
SUPPORT:			
Amortization of Deferred Contributions (Note 8)	-	105,183	120,780
	<u>10,411,255</u>	<u>10,469,440</u>	<u>10,340,735</u>
EXPENDITURES:			
Wages and salaries	7,433,178	7,189,710	7,121,968
Employee benefits	1,232,903	1,010,865	1,139,168
Staff travel	46,825	47,083	45,174
Supplies	17,042	42,271	43,086
Vehicle operation	70,271	40,984	42,168
Utilities and taxes	141,214	128,533	113,687
Purchased services	160,399	177,100	163,648
Food	283,728	290,323	274,827
Personal needs	146,085	156,128	107,581
New furnishings and equipment	13,000	104,476	62,016
Advertising and promotion	509	-	349
Repairs and maintenance	96,455	314,537	141,631
Staff training and conferences	13,278	38,209	10,605
Rental	164,420	107,431	117,052
Central administration - general (reallocation)	182,443	131,345	170,640
- staffing	409,505	430,053	424,304
	<u>10,411,255</u>	<u>10,209,048</u>	<u>9,977,904</u>
EXCESS OF REVENUES OVER EXPENDITURES			
BEFORE AMORTIZATION	-	260,392	362,831
Amortization	-	222,705	213,325
EXCESS OF REVENUES			
OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 37,687</u>	<u>\$ 149,506</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - COMBINED SUPPORTED INDEPENDENT LIVING

FOR THE YEAR ENDED MARCH 31, 2020

	<u>BUDGET</u> <u>2020</u>	<u>ACTUAL</u> <u>2020</u>	<u>ACTUAL</u> <u>2019</u> <small>(Note 17)</small>
SUPPORT:			
MCCSS - operating	\$ 341,096	\$ 341,096	\$ 401,398
	<hr/>	<hr/>	<hr/>
REVENUE:			
Rent	12,252	21,957	7,147
Other funding	71,084	65,638	31,329
	<hr/>	<hr/>	<hr/>
	83,336	87,595	38,476
	<hr/>	<hr/>	<hr/>
	424,432	428,691	439,874
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Wages and salaries	308,831	316,895	345,592
Employee benefits	52,501	44,254	45,749
Staff travel	5,400	7,125	6,268
Supplies	600	1,285	802
Utilities and taxes	720	873	541
Advertising and promotion	24	-	14
Staff training and conferences	612	1,587	413
Rental	11,700	13,971	6,825
Repairs and maintenance	-	8,785	-
Personal needs	14,319	7,037	8,879
New furnishings and equipment	-	593	150
Purchased services	5,341	4,082	4,214
Vehicle operation (recovery)	(2,880)	(2,508)	(3,582)
Central administration - general (reallocation)	8,403	5,665	6,692
- staffing	18,861	19,049	17,318
	<hr/>	<hr/>	<hr/>
	424,432	428,693	439,875
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUE OVER			
EXPENDITURES BEFORE AMORTIZATION	-	(2)	(1)
Amortization	-	22,617	22,617
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUE			
OVER EXPENDITURES	\$ -	\$ (22,619)	\$ (22,618)
	<hr/>	<hr/>	<hr/>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - RESPITE PROGRAM

FOR THE YEAR ENDED MARCH 31, 2020

	BUDGET	ACTUAL	ACTUAL
	<u>2020</u>	<u>2020</u>	<u>2019</u>
			(Note 17)
SUPPORT:			
MCCSS - operating	\$ 1,176,207	\$ 1,176,207	\$ 1,191,496
REVENUE:			
Respite	38,000	39,674	37,170
United Way	30,000	33,408	30,000
Other funding	-	-	6,800
Rent	-	-	4,020
	<u>68,000</u>	<u>73,082</u>	<u>77,990</u>
Amortization of Deferred Contributions (Note 8)	-	5,000	-
	<u>1,244,207</u>	<u>1,254,289</u>	<u>1,269,486</u>
EXPENDITURES:			
Wages and salaries	865,129	813,700	879,579
Employee benefits	147,072	127,573	149,585
Staff travel	5,500	4,707	5,196
Supplies	11,365	9,555	8,594
Vehicle operation	18,936	16,192	16,217
Utilities and taxes	16,461	13,137	13,860
Purchased services	30,004	31,160	31,959
Food	27,240	25,945	27,239
New furnishings and equipment	1,500	11,878	1,658
Advertising and promotion	62	-	46
Repairs and maintenance	12,861	36,590	23,219
Staff training and conferences	1,630	4,677	1,361
Rental	33,767	28,231	29,280
Personal needs	-	390	241
Central administration - general (reallocation)	22,400	16,690	21,931
- staffing	50,280	54,372	56,511
	<u>1,244,207</u>	<u>1,194,797</u>	<u>1,266,476</u>
EXCESS OF REVENUES OVER			
EXPENDITURES BEFORE AMORTIZATION	-	59,492	3,010
Amortization	-	25,661	6,986
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	\$ -	\$ 33,831	\$ (3,976)

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - HOST FAMILY

FOR THE YEAR ENDED MARCH 31, 2020

	<u>BUDGET</u> <u>2020</u>	<u>ACTUAL</u> <u>2020</u>	<u>ACTUAL</u> <u>2019</u> (Note 17)
SUPPORT:			
MCCSS - operating	\$ 21,708	\$ 21,708	\$ 22,398
REVENUE:			
Rent	9,000	7,991	8,648
Other	14,140	8,740	8,701
	<u>23,140</u>	<u>16,731</u>	<u>17,349</u>
	<u>44,848</u>	<u>38,439</u>	<u>39,747</u>
EXPENDITURES:			
Wages and salaries	7,771	3,796	4,290
Employee benefits	1,321	1,696	3,084
Staff travel	500	484	269
Supplies	-	32	151
Purchased services	26,562	24,908	23,725
Personal needs	8,033	6,626	6,843
New furnishings and equipment	-	13	10
Repairs and maintenance	-	1	-
Advertising and promotion	1	-	1
Staff training and conferences	15	46	28
Central administration - general (reallocation)	199	244	451
- staffing	446	594	895
	<u>44,848</u>	<u>38,440</u>	<u>39,747</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ (1)	\$ -

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - INTENSIVE SUPPORT

FOR THE YEAR ENDED MARCH 31, 2020

	<u>BUDGET</u> <u>2020</u>	<u>ACTUAL</u> <u>2020</u>	<u>ACTUAL</u> <u>2019</u> (Note 17)
SUPPORT:			
MCCSS - operating	\$ 1,649,761	\$ 1,649,761	\$ 1,719,513
REVENUES:			
Other funding	66,483	69,155	62,616
Rent	85,764	85,764	78,408
	<u>152,247</u>	<u>154,919</u>	<u>141,024</u>
	<u>1,802,008</u>	<u>1,804,680</u>	<u>1,860,537</u>
EXPENDITURES:			
Wages and salaries	1,248,632	1,222,362	1,254,076
Employee benefits	212,268	178,987	200,475
Staff travel	16,940	12,992	16,881
Supplies	3,550	7,214	9,328
Purchased services	40,458	38,219	52,872
Repairs and maintenance	12,861	25,389	71,197
Staff training and conferences	2,355	6,287	1,850
Advertising and promotion	90	-	61
Utilities and taxes	25,740	18,851	19,714
New furnishings and equipment	3,000	14,075	11,436
Vehicle operation	21,412	29,760	2,934
Personal needs	20,607	32,428	24,673
Food	38,472	38,330	35,774
Rental	50,655	35,619	33,495
Central administration - general (reallocation)	32,352	23,226	29,306
- staffing	72,616	74,890	71,150
	<u>1,802,008</u>	<u>1,758,629</u>	<u>1,835,222</u>
EXCESS OF REVENUES OVER EXPENDITURES			
BEFORE AMORTIZATION	-	46,051	25,315
Amortization	-	25,366	25,366
EXCESS (DEFICIENCY) OF REVENUE			
OVER EXPENDITURES	\$ -	\$ 20,685	\$ (51)

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - REPAIRS AND MAINTENANCE

FOR THE YEAR ENDED MARCH 31, 2020

	<u>BUDGET</u> <u>2020</u>	<u>ACTUAL</u> <u>2020</u>	<u>ACTUAL</u> <u>2019</u> <small>(Note 17)</small>
SUPPORT:			
Amortization of Deferred Contributions (Note 8)	-	5,070	5,070
EXPENDITURES:			
EXCESS OF REVENUES OVER EXPENDITURES			
BEFORE AMORTIZATION	-	5,070	5,070
Amortization	-	5,070	5,070
EXCESS OF REVENUES			
OVER EXPENDITURES	\$ -	\$ -	\$ -

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - DEDICATED SUPPORTIVE HOUSING

FOR THE YEAR ENDED MARCH 31, 2020

	<u>BUDGET</u> <u>2020</u>	<u>ACTUAL</u> <u>2020</u>	<u>ACTUAL</u> <u>2019</u> <small>(Note 17)</small>
SUPPORT:			
MCCSS East Region - operating	\$ 34,900	\$ 34,900	\$ 13,100
EXPENDITURES:			
Utilities	4,036	4,036	2,812
Rental	30,864	30,864	10,288
	<u>34,900</u>	<u>34,900</u>	<u>13,100</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

1. Status and Nature of Activities

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

2. Summary of Significant Accounting Policies

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

(a) Basis of Presentation

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

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

(b) Donated Materials and Services

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

(c) Pledges

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

(d) Tax Status

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

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

2. Summary of Significant Accounting Policies - continued

(e) Capital Assets

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

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

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

(f) Revenue Recognition

Community Living Durham North follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(g) Use of Estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

2. Summary of Significant Accounting Policies - continued

(h) Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets at fair value.

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

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

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

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

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

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

2. Summary of Significant Accounting Policies - continued

(i) Allocation of Expenses

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

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

3. Accounts Receivable

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

4. Deferred Revenue

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

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

5. Mortgages Payable

	<u>2020</u>	<u>2019</u>
Royal Bank of Canada, bearing interest at 3.88%, repayable in monthly payments of principal and interest of \$2,215, due August 15, 2022	\$ 352,439	\$ 365,005
Royal Bank of Canada, bearing interest at 3.88%, repayable in monthly payments of principal and interest of \$2,671, due November 15, 2022	427,977	443,012
Royal Bank of Canada, bearing interest at 4.46%, repayable in monthly payments of principal and interest of \$2,187, due July 15, 2023	328,338	339,580
Royal Bank of Canada, bearing interest at 3.40%, repayable in monthly payments of principal and interest of \$1,006, due November 16, 2019	139,293	146,554
Royal Bank of Canada, bearing interest at 3.74%, repayable in monthly payments of principal and interest of \$2,425, due March 1, 2024	457,340	469,000
Royal Bank of Canada, bearing interest at 3.93%, repayable in monthly payments of principal and interest of \$1,908, due October 22, 2022	290,275	301,461
Royal Bank of Canada, bearing interest at 3.11%, repayable in monthly payments of principal and interest of \$2,814, due July 30, 2024	575,580	-
Great-West Life Assurance, bearing interest at 5.755% repayable in monthly payments of principal and interest of \$2,572, due May 1, 2024	260,920	276,462
	<u>\$ 2,832,162</u>	<u>\$ 2,341,074</u>
Principal repayments over the next five years are as follows:		
2021	\$ 104,968	
2022	\$ 109,297	
2023	\$ 1,056,931	
2024	\$ 755,898	
2025	\$ 805,070	

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

6. Bank Credit Facility

The organization has entered into an agreement with the Royal Bank of Canada. The agreement is a demand operating loan in the amount of \$750,000. This loan bears interest at the Royal Bank Prime rate. As at March 31, 2020, there was no balance outstanding on this loan.

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

7. Term Loans Payable

	<u>2020</u>	<u>2019</u>
Royal Bank of Canada, bearing interest at 3.51% repayable in monthly payments of principal and interest of \$261, due October 20, 2020	\$ -	\$ 4,786
Royal Bank of Canada, bearing interest at 2.99%, repayable in monthly payments of principal and interest of \$446, due November 23, 2021	-	13,771
Royal Bank of Canada, non interest bearing with monthly principal payments of \$471, maturing October 31, 2021	-	15,073
Royal Bank of Canada, non interest bearing with monthly principal payments of \$394, maturing March 31, 2021	-	9,838
	<u>\$ -</u>	<u>\$ 43,468</u>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

8. Deferred Contributions Related to Capital Assets

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

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 786,145	\$ 1,495,632
Additional contributions received - net	100,000	(583,637)
	<hr/>	<hr/>
	886,145	911,995
Less: Amounts amortized to revenue	115,253	125,850
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Balance, end of year	\$ 770,892	\$ 786,145
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COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

9. Investment in Capital Assets

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

	<u>2020</u>	<u>2019</u>
Capital assets	\$ 5,667,925	\$ 5,203,972
Less: Amount financed by deferred contributions	(770,892)	(786,145)
Mortgages payable	(2,832,162)	(2,341,074)
Term loans payable	-	(43,468)
	<u> </u>	<u> </u>
	\$ 2,064,871	\$ 2,033,285
	<u> </u>	<u> </u>

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

	<u>2020</u>	<u>2019</u>
Excess of revenue over expenses (expenses over revenue)		
Amortization of deferred contributions	\$ 115,253	\$ 125,850
Loss on sale of capital assets	-	(1,386)
Less: Amortization of capital assets	(342,964)	(314,910)
	<u> </u>	<u> </u>
	(227,711)	(190,446)
	<u> </u>	<u> </u>
Net change in invested in capital assets		
Purchase of capital assets	806,917	1,043,557
Amounts funded by deferred contributions	(100,000)	583,637
Mortgages payable	(491,088)	(690,285)
Proceeds on sale of capital assets	-	(9,617)
Term loans payable	43,468	18,136
	<u> </u>	<u> </u>
	259,297	945,428
	<u> </u>	<u> </u>
	\$ 31,586	\$ 754,982
	<u> </u>	<u> </u>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

10. Region of Durham

	<u>Affordable Housing</u>	<u>Housing Support</u>	<u>2020 Total</u>
Revenue	\$ <u>94,185</u>	\$ <u>164,750</u>	\$ <u>258,935</u>
Expenses			
Affordable Housing Reimbursements	89,700	-	89,700
Wages and salaries	-	103,142	103,142
Employee Benefits	-	17,387	17,387
New furnishings and equipment	-	108	108
Staff travel	-	5,618	5,618
Utilities and taxes	-	5,149	5,149
Personal needs	-	16	16
Staff training	-	596	596
Rental	-	9,979	9,979
Supplies	-	2,149	2,149
Central administration - general	-	20,606	20,606
	<u>89,700</u>	<u>164,750</u>	<u>254,450</u>
	\$ <u>4,485</u>	\$ <u>-</u>	\$ <u>4,485</u>

	<u>Affordable Housing</u>	<u>Housing Support</u>	<u>2019 Total</u>
Revenue	\$ <u>75,180</u>	\$ <u>195,792</u>	\$ <u>270,972</u>
Expenses			
Affordable Housing Reimbursements	71,600	-	71,600
Wages and salaries	-	133,122	133,122
Employee Benefits	-	22,631	22,631
New furnishings and equipment	-	415	415
Staff travel	-	5,134	5,134
Purchased services	-	200	200
Personal needs	-	44	44
Staff training	-	6,261	6,261
Supplies	-	6,940	6,940
Central administration - general	-	21,046	21,046
	<u>71,600</u>	<u>195,793</u>	<u>267,393</u>
	\$ <u>3,580</u>	\$ <u>(1)</u>	\$ <u>3,579</u>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

11. Prior Year Adjustment

Each fiscal year, the organization is required to perform a year-end reconciliation to determine any amounts repayable to, or recoverable from, Ministry of Children, Community and Social Services (MCCSS) in accordance with the organization's operating agreements. As at the Auditor's Report date, the fiscal year ending March 31, 2019 and March 31, 2020 have not been reviewed by MCCSS, and as a result, future adjustments may be required as a result of this review. Due to the particular requirements of MCCSS, comparative figures are not restated when these adjustments are made.

12. Budget Figures

The budget figures presented for comparison purposes represent the annual budget approved by the organization's Board of Directors for the year ended March 31, 2020 which have not been audited or reviewed.

13. Economic Dependence

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

14. Lease Commitments

The organization is committed to annual amounts under lease obligations for facilities with respect to several premises. Each location is under a separate lease. The leases expire at various times with varying terms for renewal. Future payments will total \$128,928 plus applicable taxes and include the following payments over the next 2 years:

2021	\$	64,464
2022	\$	64,464

The organization committed to various vehicle leases during the year. The leases are 48 months each with total monthly commitment of \$6,478 including taxes. The leases expire at various times from October, 2022 to March, 2024. Future minimum lease payments over the next 4 years are as follows:

2021	\$	77,738
2022	\$	77,738
2023	\$	52,348
2024	\$	19,385

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

15. Financial Instruments

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at March 31, 2020.

Liquidity risk

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

Credit risk

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

Interest rate risk

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

16. Subsequent Event

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world.

As at September 14, 2020, the organization is aware of changes in its operations as a result of the COVID-19 crisis. The organization is continuing to deliver services. The delivery of services has been modified to meet the requirements as prescribed by the government. The health and safety of clients, staff and the community are a priority.

Management is uncertain of the effects of these changes on its financial statements and believe that the disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the organization's operation as at the date of these financial statements.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

17. Prior Period Adjustment

During the current year, the following prior period accounting error was identified:

Deferred contributions related to capital assets were amortized on a declining balance basis as opposed to the straight-line basis used to calculate amortization expense for capital assets.

As a result of the above, the organization's excess of revenues over expenditures for the year ended March 31, 2019 has been restated to \$158,677, an increase in the excess of revenue over expenditures of \$44,740 as previously reported. The invested in capital assets as at March 31, 2019 has increased by the cumulative difference in amortization method and has been restated to \$2,033,285 and deferred contributions related to capital assets restated to \$786,145.