

Community Living Burlington

Financial Statements

For the year ended March 31, 2020

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To the Members of
Community Living Burlington

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of Community Living Burlington (the Organization), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Community Living Burlington as at March 31, 2020, 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 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 operations, or has no realistic alternative but to do so.

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

Auditors' 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 Auditing Standards (CASs), 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.

May 26, 2020
Burlington, Ontario

SB Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

Community Living Burlington
Statement of Financial Position
March 31, 2020

Assets			
	2020	2019	
Current assets			
Restricted cash - music room	\$ 37,226	\$ 40,000	
Internally restricted cash - other	888,312	819,797	
Short-term Investments (Note 3)	1,304,307	403,923	
Accounts receivable (Note 4)	327,326	215,416	
Prepays and house deposit(Note 14)	809,040	42,597	
	3,366,211	1,521,733	
Long-term investments (Note 5)	170,320	178,490	
Fixed assets (Note 6)	6,631,594	7,040,125	
	\$ 10,168,125	\$ 8,740,348	
Liabilities			
Current liabilities			
Bank indebtedness (Note 7)	\$ 753,309	\$ 221,559	
Accounts payable and accrued liabilities (Note 8)	1,066,360	1,329,896	
Deferred revenue	214,710	105,443	
Current portion of long-term debt (Note 9)	555,018	351,975	
	2,589,397	2,008,873	
Long-term debt (Note 9)	34,599	292,271	
Deferred fixed asset contributions (Note 10)	3,549,434	3,361,320	
	6,173,430	5,662,464	
Net Assets			
Net assets restricted for endowment purposes (Note 5)	170,320	178,490	
Unrestricted	406,294	(994,962)	
Internally restricted funds	888,312	819,797	
Restricted funds - music room	37,226	40,000	
Invested in fixed assets (Note 12)	2,492,543	3,034,559	
	3,994,695	3,077,884	
	\$ 10,168,125	\$ 8,740,348	

Approved on Behalf of the Board


 Director


 Director

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



Community Living Burlington

Statement of Operations

Year Ended March 31, 2020

	2020	2019
Revenue		
Province of Ontario	\$ 15,508,877	\$ 14,818,083
Program service fees	1,463,642	1,452,993
Residents' fees	1,438,909	1,445,099
Regional Municipality	428,871	422,798
Amortization of deferred fixed asset contributions	223,433	223,122
Miscellaneous revenue	177,048	220,998
United Way grant	72,024	72,024
Freeman foundation	66,000	66,000
Job placements	-	9,213
	19,378,804	18,730,330
Expenses		
Staff salaries and benefits	16,087,634	15,446,919
Purchased services for clients	750,332	591,239
Repairs and maintenance	552,319	516,939
Food	402,850	408,528
Amortization of fixed assets	369,985	348,237
Occupancy costs	321,047	316,589
Supplies	300,138	307,251
Automobile and travel	238,730	269,769
Insurance	113,129	103,192
Professional fees	112,908	194,200
Telephone and postage	112,416	116,184
Bank charges and interest	76,995	59,930
Personal and health care needs	48,155	102,427
Staff training	43,965	47,929
Other rentals	42,532	53,144
Equipment	19,349	22,975
Renovations	6,606	68,179
Trainees payroll	1,221	10,068
	19,600,311	18,983,699
Deficiency of revenues over expenditures from operations	(221,507)	(253,369)
Donations	84,588	137,899
Fundraising revenue (Note 11)	99,303	106,163
Miscellaneous expense	(11,801)	(33,379)
Gain on sale of fixed assets	980,441	27
Fundraising expense (Note 11)	(14,213)	(23,431)
Excess (deficiency of) revenues over expenditures	\$ 916,811	\$ (66,090)

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



Community Living Burlington
Statement of Changes in Net Assets
Year Ended March 31, 2020

	Restricted for Endowment Purposes	Unrestricted	Internally restricted funds	Restricted funds - music room	Invested in Fixed Assets	2020 Total	2019 Total
Net assets, beginning of year	\$ 178,490	\$ (994,962)	\$ 819,797	\$ 40,000	\$ 3,034,559	\$ 3,077,884	\$ 3,143,974
Excess (deficiency of) revenues over expenditures	-	919,585	-	(2,774)	-	916,811	(66,090)
Allocation of funds	-	(85,090)	85,090	-	-	-	-
Use of funds	(8,170)	8,170	-	-	-	-	-
Change in net assets invested in fixed assets (Note 12)	-	558,591	(16,575)	-	(542,016)	-	-
Net assets, end of year	\$ 170,320	\$ 406,294	\$ 888,312	\$ 37,226	\$ 2,492,543	\$ 3,994,695	\$ 3,077,884

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



Community Living Burlington

Statement of Cash Flows

Year Ended March 31, 2020

	2020	2019
Cash flows from operating activities		
Excess (deficiency of) revenues over expenditures	\$ 916,811	\$ (66,090)
Charges not involving cash		
Amortization of fixed assets	369,985	348,237
Amortization of deferred fixed asset contributions	(223,433)	(223,122)
Gain on sale of fixed assets	(980,441)	(27)
	82,922	58,998
Net change in accounts receivable	(111,910)	26,628
Net change in accounts payable and accrued liabilities	(263,536)	(88,449)
Net change in other operating working capital balances	(657,176)	(77,131)
Cash flows used in operating activities	(949,700)	(79,954)
Cash flows from financing activities		
Change in bank indebtedness	531,750	221,559
Decrease in long-term debt	(54,629)	(58,469)
Cash flows from financing activities	477,121	163,090
Cash flows from investing activities		
Allocation of endowment income	8,170	(8,170)
(Increase) decrease in restricted cash - music room	2,774	(40,000)
Increase in internally restricted cash - other	(68,515)	(14,768)
Purchase of fixed assets	(67,662)	(649,021)
Proceeds on disposal of fixed assets	1,086,649	400
Purchase of investments	(900,384)	(3,923)
Deferred fixed asset contributions	411,547	538,655
Cash flows from (used in) investing activities	472,579	(176,827)
Net decrease in cash and cash equivalents	-	(93,691)
Cash and cash equivalents, beginning of year	-	93,691
Cash and cash equivalents, end of year	\$ -	\$ -

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



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2020

1. Purpose of the Organization

Community Living Burlington ("CLB" or the "organization") was incorporated as a company without share capital on May 17, 1963 by letters patent issued under the Corporations Act of the Province of Ontario, as a not-for-profit organization and is a registered charity under the Income Tax Act. The purpose of CLB is to administer various programs for individuals with developmental disabilities.

2. Significant accounting policies

Basis of presentation

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

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with banks. Bank borrowings to finance capital and operating expenditures are considered to be financing activities.

Fixed assets and amortization

Fixed assets are recorded at acquisition cost. Amortization is provided as follows:

Buildings	30 year straight-line
Computer equipment	20% declining balance
Furniture and fixtures	20% declining balance
Vehicles	20% declining balance

Revenue recognition

CLB 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.

Resident fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues from fundraising activities are recorded when received.

Contributed services

In common with many not-for-profit organizations, CLB receives contributions from individuals in the form of contributed services. Because of the difficulty determining their fair value, contributed services are not recognized in the financial statements.

Deferred fixed asset contributions

Contributions received and spent for fixed assets are deferred in the accounts and amortized over the same terms and on the same basis as the related fixed assets.



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2020

3. Short-term investments

Short-term investments are investments in guaranteed investment certificates of \$101,463 bearing interest at 2.00% per annum which matures on August 10, 2020, \$102,844 bearing interest at 1.80% per annum which matures on October 30, 2020, \$1,000,000 bearing interest at 1.80% per annum which matures on November 16, 2020 and \$100,000 bearing interest at 2.20% per annum which matures on January 28, 2021.

4. Accounts receivable

	2020	2019
Trade accounts receivable	\$ 54,634	\$ 43,331
Passport fees receivable	200,000	-
H.S.T recoverable	48,549	118,429
Funding receivable	24,143	53,656
	<hr/>	
	\$ 327,326	\$ 215,416

5. Long-term investments

The long-term investment represents an endowment contribution to Burlington Community Foundation. The contribution has been invested in a balanced investment portfolio. Due to the nature of the endowment contribution, only the income earned on the investment can be used for operations.



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2020

6. Fixed assets	2020			2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land and buildings^(a)				
Alconbury House	\$ 259,468	\$ 114,618	\$ 144,850	\$ 149,781
Berkshire House	276,610	134,602	142,008	151,397
Barclay House	375,470	47,906	327,564	337,538
1254 Consort	384,000	50,400	333,600	343,200
1325 Consort	383,000	50,269	332,731	342,306
Daryl House	277,050	165,807	111,243	117,165
Deerwood House	269,393	129,839	139,554	148,511
Duncaster House	259,513	127,202	132,311	140,187
Dynes House	244,179	148,834	95,345	100,151
Fairfax House	398,697	152,147	246,550	257,257
Freeman House	260,056	134,230	125,826	132,495
Fischer House	379,000	87,249	291,751	301,226
Hammond House	249,218	130,220	118,998	126,622
Headon Forest House	357,110	140,946	216,164	223,686
Headon Road House	275,567	165,355	110,212	118,561
Kirkburn House	239,668	126,151	113,517	120,482
Mainway	2,148,629	1,307,616	841,013	904,100
Moss Glen House	278,712	158,055	120,657	127,007
New Street 1	426,224	132,881	293,343	304,932
New Street 2	744,336	283,292	461,044	482,747
Pinecove House	-	-	-	108,050
Rotary House	338,736	133,081	205,655	215,868
Rubens Court 1	452,405	165,282	287,123	300,008
Rubens Court 2	410,412	136,119	274,293	284,922
Ryerson House	384,271	154,281	229,990	240,090
Stratton House	267,059	160,484	106,575	95,350
Wanda House	496,786	104,139	392,647	404,195
Wedgewood House	241,834	95,842	145,992	149,598
	\$ 11,077,403	\$ 4,736,847	\$ 6,340,556	\$ 6,727,432
Other assets				
Computer- Administration	\$ 54,988	\$ 50,636	\$ 4,352	\$ 5,440
Computer- Life Skills	8,920	8,539	381	460
Furniture and Fixtures	155,193	140,477	14,716	18,395
IT equipment	114,974	24,256	90,718	93,010
Vehicles	706,628	525,757	180,871	195,388
	1,040,703	749,665	291,038	312,693
	\$ 12,118,106	\$ 5,486,512	\$ 6,631,594	\$ 7,040,125



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2020

6. Capital assets (cont'd.)

The Ministry of Community and Social Services ("the Ministry") has an interest in certain fixed assets of CLB. Therefore, CLB is not at liberty to dispose of, or otherwise encumber the title in relation to these assets without the Ministry's prior written approval.

^(a) Included in the total amount of land and building costs are land costs of \$2,565,135 (2019 - \$2,669,135) which are not being amortized.

7. Bank indebtedness

CLB has a demand operating line of credit. The amount of credit authorized is \$1,000,000, at prime plus 0.25%. At March 31, 2020, the amount drawn from this operating line was \$Nil (2019 - \$Nil).

CLB has a demand revolving term facility for the purposes of financing its buildings. The amount of credit authorized is \$1,000,000, at prime plus 0.25%. The revolving term facility is due on demand. Until demand, this facility is repayable between 203-218 regular monthly payments, plus accrued interest payable monthly in respect of each Demand Instalment Loan issued under this facility. At March 31, 2020, the amount drawn from this term facility was \$295,577 (2019 - \$315,416). The amounts drawn on the revolving term facility are disclosed in Note 9.

For financial statement purposes, CLB has reallocated \$942,113 (2019 - \$859,787) from cash and cash equivalents to restricted cash to present the restricted nature of those funds.

The operating line of credit and revolving term facility are secured by a General Security Agreement covering all present and future personal property of CLB. As part of the agreement, CLB is required to maintain certain financial covenants. As at March 31, 2020, CLB is in compliance with those covenants.

8. Accounts payable and accrued liabilities

	2020	2019
Accounts payable and accrued liabilities	\$ 342,761	\$ 755,319
Payroll deductions payable	278,776	223,543
Salaries payable	444,823	351,034
	\$ 1,066,360	\$ 1,329,896



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2020

9. Long-term debt	Current Requirements	2020	2019
Prime plus 0.65% term loan, payable in monthly principal payments of \$1,016, plus interest, maturing September 2024, due on demand. Secured by the Mainway land and building.	\$ 175,791	\$ 175,791	\$ 187,985
2.92% mortgage, payable in blended weekly payments of \$204, maturing March 2022. Secured by the Hammond House land and building.	10,545	12,661	21,702
2.49% mortgage, payable in blended weekly payments of \$192, matured August 2019	-	-	10,311
3.75% mortgage, payable in blended weekly payments of \$80, matured August 2019	-	-	561
3.02% mortgage, payable in blended monthly payments of \$543, maturing June 2021. Secured by Headon Forest House land and building.	5,473	37,956	42,534
Prime plus 0.65% term loan, payable in monthly principal payments of \$135, plus interest, maturing December 2035, due on demand. Secured by Deerwood House land and building.	25,366	25,366	26,985
Prime plus 0.65% term loan, payable in monthly principal payments of \$461, plus interest, maturing October 2021, due on demand. Secured by Berkshire House and Sovereign House land and building.	94,420	94,420	100,446
Prime plus 1.30% mortgage, payable in blended weekly payments of \$405, maturing March 2021. Secured by Wanda House land and building.	243,423	243,423	253,722
	<u>\$ 555,018</u>	<u>\$ 589,617</u>	<u>\$ 644,246</u>
Less: Current portion		(555,018)	(351,975)
		<u>\$ 34,599</u>	<u>\$ 292,271</u>



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2020

9. Long-term debt (cont'd.)

Interest expense on mortgages in 2020 amounted to \$28,357 (2019 - \$27,225), and is included in the statement of operations as a component of occupancy costs.

Certain term loans above are due on demand, and therefore are classified as a current liability.

	2021	\$	555,018
	2022		34,599
		\$	589,617

10. Deferred fixed asset contributions

	2020		2019
Balance, beginning of year	\$ 3,361,320	\$	3,045,787
Contributions received and spent in year	411,547		538,655
Amortization for the year	(223,433)		(223,122)
Balance, end of year	\$ 3,549,434	\$	3,361,320

Deferred fixed asset contributions represent the unamortized amount of donations and grants received for the purchase of fixed assets.

11. Fundraising revenue and expense

	2020		2019
Fundraising revenue	\$ 99,303	\$	106,163
Fundraising expenses	(14,213)		(23,431)
Fundraising revenue, net of expenses	\$ 85,090	\$	82,732

Included in the above are two fundraising events that CLB sponsors annually and various other smaller fundraising activities.

Contributions reported in the Statement of Operations from the Walk 'N Roll event include net revenues from this event of \$33,511. Gross revenues and expenses related to this event were \$39,597 and \$6,086 respectively.

Contributions reported in the Statement of Operations from the Talent Show include net revenues from this event of \$29,425. Gross revenues and expenses related to this event were \$37,552 and \$8,127 respectively.

The above noted expenses do not include any allocation of administration or overhead costs.



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2020

12. Net assets invested in fixed assets

	2020	2019
Fixed assets	\$ 6,631,594	\$ 7,040,125
Amounts funded by deferred fixed asset contributions	(3,549,434)	(3,361,320)
Amounts funded by long term debt	(589,617)	(644,246)
	\$ 2,492,543	\$ 3,034,559

The change in net assets invested in fixed assets is as follows:

Purchase of fixed assets	\$ 67,662	\$ 649,021
Proceeds on disposal	(1,086,649)	-
Disposal of fixed assets	963,866	(373)
Amounts funded by deferred fixed asset contributions	(411,547)	(538,655)
Amounts funded by internally restricted funds	16,575	-
Amortization of fixed assets	(369,985)	(348,237)
Amortization of deferred fixed asset contributions	223,433	223,122
Decrease in long term debt	54,629	58,469
	\$ (542,016)	\$ 43,347

13. Economic dependence

The Organization receives the majority of its funding for operating and capital activities during the year from the Province of Ontario.

14. Subsequent events

The Organization purchased the Sunnysdale property for \$649,000 plus additional closing costs. The payments were made before March 31, 2020 and are included in the prepaid deposits balance. The sale closed subsequent to year-end on April 14, 2020.

15. Other matter

Prior to March 31, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Organization is not known at this time. Management is carefully monitoring the situation as developments occur. No adjustments have been made to these financial statements to reflect these potential impacts.



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2020

16. Financial instruments

The Organization's financial instruments consist of bank indebtedness, cash and cash equivalents, internally restricted cash, short-term investments, accounts receivable, long-term investments, accounts payable and accrued liabilities, and long-term debt.

Interest rate risk

The Organization has an operating line of credit and mortgages that bear interest at a floating rate subject to fluctuations in the bank prime. Changes in the bank prime lending rate can cause fluctuation in interest payments and cash flows. The Organization does not use derivative financial instruments to mitigate the effect of this risk.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit, liquidity, market, or currency risks.

17. Defined Contribution Pension Plan

During the year, the organization made contributions associated with its defined contribution pension plan in the amount of \$191,663 (2019 - \$198,630). This amount is included in staff salaries and benefits in the Statement of Operations.

