

Community Living Burlington

Financial Statements

For the year ended March 31, 2021

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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, 2021, 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, 2021, 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 25, 2021
Burlington, Ontario

SB Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

Community Living Burlington
Statement of Financial Position
March 31, 2021

Assets		2021	2020
Current assets			
Cash and cash equivalents (Note 3)	\$	440,669	\$ -
Restricted cash - music room		37,226	37,226
Internally restricted cash - other		904,887	888,312
Short-term Investments (Note 4)		-	1,304,307
Accounts receivable (Note 5)		461,503	327,326
Prepays and house deposit (Note 15)		130,636	809,040
		1,974,921	3,366,211
Long-term investments (Note 6)		170,320	170,320
Fixed assets (Note 7)		7,347,345	6,631,594
	\$	9,492,586	\$ 10,168,125
Liabilities			
Current liabilities			
Bank indebtedness (Note 8)	\$	-	\$ 753,309
Accounts payable and accrued liabilities (Note 9)		1,281,298	1,066,360
Deferred revenue		295,206	214,710
Current portion of long-term debt (Note 10)		157,073	555,018
		1,733,577	2,589,397
Long-term debt (Note 10)		227,551	34,599
Deferred fixed asset contributions (Note 11)		3,647,510	3,549,434
		5,608,638	6,173,430
Net Assets			
Net assets restricted for endowment purposes (Note 6)		170,320	170,320
Unrestricted		(543,696)	406,294
Internally restricted funds		904,887	888,312
Restricted funds - music room		37,226	37,226
Invested in fixed assets (Note 13)		3,315,211	2,492,543
		3,883,948	3,994,695
	\$	9,492,586	\$ 10,168,125

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, 2021

	2021	2020
Revenue		
Province of Ontario	\$ 17,369,516	\$ 15,508,877
Residents' fees	1,393,308	1,438,909
Program service fees	1,158,752	1,463,642
Regional Municipality	305,458	428,871
Miscellaneous revenue	225,016	177,048
Amortization of deferred fixed asset contributions	225,399	223,433
United Way grant	72,024	72,024
Freeman foundation	66,000	66,000
	20,815,473	19,378,804
Expenses		
Staff salaries and benefits	17,175,087	16,087,634
Repairs and maintenance	745,248	552,319
Purchased services for clients	701,995	750,332
Food	494,941	402,850
Amortization of fixed assets	370,908	369,985
Supplies	356,201	300,138
Occupancy costs	305,909	321,047
Professional fees	210,220	112,908
Automobile and travel	174,934	238,730
Insurance	103,934	113,129
Telephone and postage	90,137	112,416
Bank charges and interest	80,666	76,995
Other rentals	71,858	42,532
Equipment	53,019	19,349
Personal and health care needs	41,952	48,155
Staff training	21,325	43,965
Utilities	966	-
Trainees payroll	500	1,221
Renovations	-	6,606
	20,999,800	19,600,311
Deficiency of revenues over expenditures from operations	(184,327)	(221,507)
Donations	80,825	84,588
Fundraising revenue (Note 12)	38,403	99,303
Miscellaneous expense	(8,895)	(11,801)
Gain on sale of fixed assets	1,650	980,441
Fundraising expense (Note 12)	(38,403)	(14,213)
Excess (deficiency of) revenues over expenditures	\$ (110,747)	\$ 916,811

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



Community Living Burlington

Statement of Changes in Net Assets

Year Ended March 31, 2021

	Restricted for Endowment Purposes	Unrestricted	Internally restricted funds	Restricted funds - music room	Invested in Fixed Assets	2021 Total	2020 Total
Net assets, beginning of year	\$ 170,320	\$ 406,294	\$ 888,312	\$ 37,226	\$ 2,492,543	\$ 3,994,695	\$ 3,077,884
Excess (deficiency of) revenues over expenditures	-	(110,747)	-	-	-	(110,747)	916,811
Allocation of funds	-	(16,575)	16,575	-	-	-	-
Change in net assets invested in fixed assets (Note 13)	-	(822,668)	-	-	822,668	-	-
Net assets, end of year	\$ 170,320	\$ (543,696)	\$ 904,887	\$ 37,226	\$ 3,315,211	\$ 3,883,948	\$ 3,994,695

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



Community Living Burlington

Statement of Cash Flows

Year Ended March 31, 2021

	2021	2020
Cash flows from operating activities		
Excess (deficiency of) revenues over expenditures	\$ (110,747)	\$ 916,811
Charges not involving cash		
Amortization of fixed assets	370,908	369,985
Amortization of deferred fixed asset contributions	(225,399)	(223,433)
Gain on sale of fixed assets	(1,650)	(980,441)
	33,112	82,922
Net change in accounts receivable	(134,177)	(111,910)
Net change in accounts payable and accrued liabilities	216,588	(263,536)
Net change in other operating working capital balances	758,900	(657,176)
Cash flows from (used in) operating activities	874,423	(949,700)
Cash flows from financing activities		
Change in bank indebtedness	(753,309)	531,750
Decrease in long-term debt	(204,993)	(54,629)
Cash flows from (used in) financing activities	(958,302)	477,121
Cash flows from investing activities		
Allocation of endowment income	-	8,170
(Increase) decrease in restricted cash - music room	-	2,774
Increase in internally restricted cash - other	(16,575)	(68,515)
Purchase of fixed assets	(1,086,659)	(67,662)
Proceeds on disposal of fixed assets	-	1,086,649
Redemption of investments	1,304,307	-
Purchase of investments	-	(900,384)
Deferred fixed asset contributions	323,475	411,547
Cash flows from investing activities	524,548	472,579
Net increase in cash and cash equivalents	440,669	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ 440,669	\$ -

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



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2021

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 include 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	30% 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.

3. Cash and cash equivalents

Cash and cash equivalents are held at a bank and receive interest on the average monthly balance at a rate of prime less 1.9%, being 0.55% at year-end.



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2021

4. Short-term investments

Short-term investments of \$1,304,307 in guaranteed investment certificates matured during the year.

5. Accounts receivable

	2021	2020
Trade accounts receivable	\$ 129,087	\$ 54,634
Passport fees receivable	270,025	200,000
H.S.T recoverable	61,350	48,549
Funding receivable	1,041	24,143
	<u>\$ 461,503</u>	<u>\$ 327,326</u>

6. 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, 2021

7. Fixed assets	2021			2020
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land and buildings^(a)				
Alconbury House	\$ 259,468	\$ 119,550	\$ 139,918	\$ 144,850
Berkshire House	291,786	143,990	147,796	142,008
Barclay House	402,014	57,880	344,134	327,564
1254 Consort	384,000	60,000	324,000	333,600
1325 Consort	383,000	59,844	323,156	332,731
Daryl House	277,050	171,728	105,322	111,243
Deerwood House	269,393	138,796	130,597	139,554
Duncaster House	259,513	135,078	124,435	132,311
Dynes House	261,792	153,640	108,152	95,345
Fairfax House	407,197	162,854	244,343	246,550
Freeman House	285,854	140,898	144,956	125,826
Fischer House	422,951	96,724	326,227	291,751
Hammond House	249,218	137,845	111,373	118,998
Headon Forest House	357,110	148,467	208,643	216,164
Headon Road House	275,567	173,774	101,793	110,212
Kirkburn House	252,426	133,115	119,311	113,517
Mainway	2,148,629	1,370,702	777,927	841,013
Moss Glen House	278,712	164,405	114,307	120,657
New Street 1	426,224	144,469	281,755	293,343
New Street 2	744,336	304,994	439,342	461,044
Rotary House	338,736	143,295	195,441	205,655
Rubens Court 1	452,405	178,167	274,238	287,123
Rubens Court 2	410,412	146,747	263,665	274,293
Ryerson House	384,271	164,382	219,889	229,990
Stratton House	313,681	165,833	147,848	106,575
Sunnydale	868,815	-	868,815	-
Wanda House	496,786	115,687	381,099	392,647
Wedgewood House	257,084	99,448	157,636	145,992
	\$ 12,158,430	\$ 5,032,312	\$ 7,126,118	\$ 6,340,556
Other assets	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer- Administration	\$ 54,988	\$ 51,506	\$ 3,482	\$ 4,352
Computer- Life Skills	8,995	8,704	291	381
Furniture and Fixtures	155,193	143,420	11,773	14,716
IT equipment	120,602	41,530	79,072	90,718
Vehicles	706,628	580,019	126,609	180,871
	1,046,406	825,179	221,227	291,038
	\$ 13,204,836	\$ 5,857,491	\$ 7,347,345	\$ 6,631,594



Community Living Burlington

Notes to Financial Statements

Year Ended March 31, 2021

7. 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 \$2,965,135 (2020 - \$2,565,135) which are not being amortized.

8. 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, 2021, the amount drawn from this operating line was \$Nil (2020 - \$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, 2021, the amount drawn from this term facility was \$112,140 (2020 - \$295,577). The amounts drawn on the revolving term facility are disclosed in Note 10.

For financial statement purposes, CLB has reallocated \$942,113 (2020 - \$942,113) 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, 2021, CLB is in compliance with those covenants.

9. Accounts payable and accrued liabilities

	2021	2020
Accounts payable and accrued liabilities	\$ 414,679	\$ 342,761
Payroll deductions payable	292,804	278,776
Salaries payable	573,815	444,823
	<u>\$ 1,281,298</u>	<u>\$ 1,066,360</u>



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2021

10. Long-term debt	Current Requirements	2021	2020
Prime plus 0.65% term loan, payable in monthly principal payments of \$1,016, plus interest, maturing September 2024. Paid off in a lump sum payment of \$166,645 in February 2021.	\$ -	\$ -	\$ 175,791
2.92% mortgage, payable in blended weekly payments of \$204, maturing March 2022. Secured by the Hammond House land and building.	3,619	3,619	12,661
3.02% mortgage, payable in blended monthly payments of \$543, maturing June 2021. Secured by Headon Forest House land and building.	33,377	33,377	37,956
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.	23,747	23,747	25,366
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.	88,394	88,394	94,420
Prime plus 1.30% mortgage, payable in blended weekly payments of \$405, maturing March 2021. Secured by Wanda House land and building.	-	-	243,423
1.79% mortgage, payable in blended weekly payments of \$354, maturing February 2025. Secured by Wanda House land and building.	7,936	235,487	-
	<u>\$ 157,073</u>	<u>\$ 384,624</u>	<u>\$ 589,617</u>
Less: Current portion		(157,073)	(555,018)
		<u>\$ 227,551</u>	<u>\$ 34,599</u>



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2021

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

Interest expense on mortgages in 2021 amounted to \$23,087 (2020 - \$28,357), 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.

	2022	\$	157,073
	2023		7,936
	2024		7,936
	2025		211,679
		\$	384,624

11. Deferred fixed asset contributions

	2021	2020
Balance, beginning of year	\$ 3,549,434	\$ 3,361,320
Contributions received and spent in year	323,475	411,547
Amortization for the year	(225,399)	(223,433)
Balance, end of year	\$ 3,647,510	\$ 3,549,434

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

12. Fundraising revenue and expense

	2021	2020
Fundraising revenue	\$ 38,403	\$ 99,303
Fundraising expenses	(38,403)	(14,213)
Fundraising revenue, net of expenses	\$ -	\$ 85,090

Included in the above is the Walk 'N Roll fundraising event 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 \$Nil. Gross revenues and expenses related to this event were \$38,403 and \$38,403, respectively. The expenses include \$31,776 allocation of the fundraiser salary.

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, 2021

13. Net assets invested in fixed assets

	2021	2020
Fixed assets	\$ 7,347,345	\$ 6,631,594
Amounts funded by deferred fixed asset contributions	(3,647,510)	(3,549,434)
Amounts funded by long term debt	(384,624)	(589,617)
	<u>\$ 3,315,211</u>	<u>\$ 2,492,543</u>

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

Purchase of fixed assets	\$ 1,086,659	\$ 67,662
Proceeds on disposal	-	(1,086,649)
Disposal of fixed assets	-	963,866
Amounts funded by deferred fixed asset contributions	(323,475)	(411,547)
Amounts funded by internally restricted funds	-	16,575
Amortization of fixed assets	(370,908)	(369,985)
Amortization of deferred fixed asset contributions	225,399	223,433
Decrease in long term debt	204,993	54,629
	<u>\$ 822,668</u>	<u>\$ (542,016)</u>

14. Economic dependence

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

15. Subsequent events

The Organization received an amendment to their CIBC Credit Agreement. The revolving line of credit facility rate has been decreased from prime rate plus 0.65% per annum to prime rate plus 0.25% per annum. The loan administration fee, annual fee, amendment fee and other fee have all been reduced to \$nil. These revisions are applicable starting April 29, 2021.



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2021

16. Impact of COVID-19 pandemic

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian federal and provincial governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions, however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows and future operations, which may also have a direct impact on the Organization's operating results and financial position in the future. 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.

17. Financial instruments

The Company'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 Company does not use derivative financial instruments to mitigate the effect of this risk.

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

18. Defined Contribution Pension Plan

During the year, the organization made contributions associated with its defined contribution pension plan in the amount of \$202,671 (2020 - \$191,663). This amount is included in staff salaries and benefits in the Statement of Operations.

