

Community Living Burlington

Financial Statements

For the year ended March 31, 2023

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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, 2023, 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, 2023, 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.

June 23, 2023
Burlington, Ontario

SB Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

Community Living Burlington
Statement of Financial Position
March 31, 2023

Assets		
	2023	2022 (Note 16)
Current assets		
Cash and cash equivalents (Note 3)	\$ 306,269	\$ 1,712,361
Restricted cash - music room (Note 3)	37,226	37,226
Internally restricted cash - other (Note 3)	1,010,755	929,432
Short-term Investments	180,000	-
Accounts receivable (Note 4)	270,602	296,347
Prepays and house deposit	20,866	5,931
	1,825,718	2,981,297
Long-term investments (Note 5)	174,147	170,320
Fixed assets (Note 6)	7,149,388	7,520,296
	\$ 9,149,253	\$ 10,671,913
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 1,185,024	\$ 1,641,485
Deferred revenue	485,632	1,596,189
Current portion of long-term debt (Note 9)	117,740	141,228
	1,788,396	3,378,902
Long-term debt (Note 9)	196,734	219,615
Deferred fixed asset contributions (Note 10)	3,290,201	3,333,522
	5,275,331	6,932,039
Net Assets		
Net assets restricted for endowment purposes (Note 5)	170,320	170,320
Unrestricted	(832,314)	(1,223,035)
Internally restricted funds	953,977	929,432
Restricted funds - music room	37,226	37,226
Invested in fixed assets (Note 12)	3,544,713	3,825,931
	3,873,922	3,739,874
	\$ 9,149,253	\$ 10,671,913

Approved on Behalf of the Board

"Mike Flintoff" (Signed)

Director

"James Boland" (Signed)

Director

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



Community Living Burlington

Statement of Operations

Year Ended March 31, 2023

	2023	2022 (Note 16)
Revenue		
Province of Ontario	\$ 20,086,394	\$ 18,312,074
Residents' fees	1,549,285	1,493,988
Program service fees	1,359,211	1,000,413
Regional Municipality	472,249	424,706
Amortization of deferred fixed asset contributions	217,784	267,071
Miscellaneous revenue	591,923	284,702
Program grants	11,934	110,400
United Way grant	96,000	71,853
Freeman foundation and occupancy	126,000	66,000
	24,510,780	22,031,207
Expenses		
Staff salaries and benefits	19,226,949	17,961,185
Repairs and maintenance	1,348,513	869,251
Purchased services for clients	1,113,999	1,023,778
Supplies	489,236	341,189
Food	463,622	427,590
Occupancy costs	320,682	329,191
Amortization of fixed assets - Building	295,469	340,115
Automobile and travel	247,885	177,427
Professional fees	238,858	161,544
Insurance	138,724	125,346
Equipment	100,677	76,080
Telephone and postage	97,997	93,889
Other rentals	89,800	96,600
Staff training	88,519	60,049
Amortization of fixed assets - Equipment and Vehicles	75,439	75,439
Bank charges and interest	71,492	65,700
Personal and health care needs	40,839	36,895
Utilities	11,528	5,121
	24,460,228	22,266,389
Excess (deficiency of) revenues over expenditures from operations	50,552	(235,182)
Donations	52,160	81,915
Fundraising revenue (Note 11)	56,028	48,887
Miscellaneous expense	(13,744)	(15,352)
Fundraising expense (Note 11)	(10,948)	(24,342)
Excess (deficiency of) revenues over expenditures	\$ 134,048	\$ (144,074)

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



Community Living Burlington
Statement of Changes in Net Assets
Year Ended March 31, 2023

	Restricted for Endowment Purposes	Unrestricted (Note 16)	Internally restricted funds	Restricted funds - music room	Invested in Fixed Assets (Note 16)	2023 Total	2022 Total
Net assets, beginning of year	\$ 170,320	\$ (1,223,035)	\$ 929,432	\$ 37,226	\$ 3,825,931	\$ 3,739,874	\$ 3,883,948
Excess (deficiency of) revenues over expenditures	-	134,048	-	-	-	134,048	(144,074)
Allocation of funds	-	(24,545)	24,545	-	-	-	-
Change in net assets invested in fixed assets (Note 12)	-	281,218	-	-	(281,218)	-	-
Net assets, end of year	\$ 170,320	\$ (832,314)	\$ 953,977	\$ 37,226	\$ 3,544,713	\$ 3,873,922	\$ 3,739,874

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



Community Living Burlington

Statement of Cash Flows

Year Ended March 31, 2023

	2023	2022 (Note 16)
Cash flows from operating activities		
Excess (deficiency of) revenues over expenditures	\$ 134,048	\$ (144,074)
Charges not involving cash		
Amortization of fixed assets	370,908	415,554
Amortization of deferred fixed asset contributions	(217,784)	(267,071)
	287,172	4,409
Net change in accounts receivable	25,745	165,156
Net change in accounts payable and accrued liabilities	(456,461)	360,187
Net change in deferred revenue	(1,110,557)	1,065,543
Net change in other operating working capital balances	(14,935)	124,705
Cash flows from (used in) operating activities	(1,269,036)	1,720,000
Cash flows from financing activities		
Decrease in long-term debt	(46,369)	(23,781)
Cash flows used in financing activities	(46,369)	(23,781)
Cash flows from investing activities		
Allocation of endowment income	(3,827)	-
Increase in internally restricted cash - other	(81,323)	(24,545)
Purchase of fixed assets	-	(588,505)
Purchase of investments	(180,000)	-
Deferred fixed asset contributions	174,463	188,523
Cash flows used in investing activities	(90,687)	(424,527)
Net increase (decrease) in cash and cash equivalents	(1,406,092)	1,271,692
Cash and cash equivalents, beginning of year	1,712,361	440,669
Cash and cash equivalents, end of year	\$ 306,269	\$ 1,712,361

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



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2023

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.

Capital assets

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

Buildings	30 year straight-line
Computer equipment	20% declining balance
Furniture and equipment	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, including any restricted cash, are held at a bank and receive interest on the average monthly balance at a rate of prime less 1.9%.



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2023

4. Accounts receivable

	2023	2022
Trade accounts receivable	\$ 16,211	\$ 44,940
H.S.T recoverable	155,539	164,963
Funding receivable	37,199	22,994
Passport fees receivable	61,653	63,450
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	\$ 270,602	\$ 296,347

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, 2023

6. Fixed assets	2023			2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land and buildings^(a)				
Alconbury House	\$ 283,146	\$ 129,412	\$ 153,734	\$ 158,665
Berkshire House	291,786	162,767	129,019	138,407
Barclay House	402,014	77,828	324,186	334,160
1254 Consort	384,000	79,200	304,800	314,400
1325 Consort	468,057	82,356	385,701	395,276
Daryl House	277,050	183,572	93,478	99,400
Deerwood House	321,516	173,114	148,402	157,359
Duncaster House	259,513	150,831	108,682	116,558
Dynes House	261,792	163,252	98,540	103,346
Fairfax House	420,490	184,267	236,223	246,930
Freeman House	285,854	156,815	129,039	135,707
Fischer House	422,951	115,674	307,277	316,752
Hammond House	249,218	153,094	96,124	103,748
Headon Forest House	357,110	166,603	190,507	198,028
Headon Road House	378,630	201,868	176,762	185,180
Kirkburn House	252,426	147,045	105,381	112,346
Mainway	2,369,607	1,503,928	865,679	928,770
Moss Glen House	278,712	177,106	101,606	107,956
New Street 1	426,224	167,646	258,578	270,166
New Street 2	744,336	348,400	395,936	417,639
Rotary House	338,736	163,723	175,013	185,227
Rubens Court 1	452,405	203,936	248,469	261,353
Rubens Court 2	410,412	168,004	242,408	253,037
Ryerson House	395,054	184,583	210,471	220,571
Stratton House	313,681	176,532	137,149	142,498
Sunnydale	903,092	-	903,092	903,092
Wanda House	496,786	138,783	358,003	369,551
Wedgewood House	257,084	106,661	150,423	154,029
	\$ 12,701,682	\$ 5,667,000	\$ 7,034,682	\$ 7,330,151
Other assets	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer- Administration	\$ 54,988	\$ 54,988	\$ -	\$ -
Computer- Life Skills	8,995	8,884	111	201
Furniture and Fixtures	155,193	149,306	5,887	8,830
IT equipment	120,602	74,335	46,267	64,411
Vehicles	750,984	688,543	62,441	116,703
	1,090,762	976,056	114,706	190,145
	\$ 13,792,444	\$ 6,643,056	\$ 7,149,388	\$ 7,520,296



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2023

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 \$2,965,135 (2022 - \$2,965,135) 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, 2023, the amount drawn from this operating line was \$Nil (2022 - \$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, 2023, the amount drawn from this term facility was \$97,485 (2022 - \$104,494). The amounts drawn on the revolving term facility are disclosed in Note 9.

For financial statement purposes, CLB has reallocated \$1,047,981 (2021 - \$966,658) 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, 2023, CLB is in compliance with those covenants.

8. Accounts payable and accrued liabilities

	2023	2022
Accounts payable and accrued liabilities	\$ 289,555	\$ 774,042
Payroll deductions payable	278,926	303,516
Salaries payable	616,548	563,927
	\$ 1,185,029	\$ 1,641,485



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2023

9. Long-term debt	Current Requirements	2023	2022
1.87% mortgage, payable in blended monthly payments of \$523, maturing June 2024. Secured by Headon Forest House land and building.	\$ 12,319	\$ 12,319	\$ 28,799
Prime plus 0.65% term loan, payable in monthly principal payments of \$135, plus interest, maturing August 2022, due on demand. Secured by Deerwood House land and building.	20,643	20,643	22,127
Prime plus 0.65% term loan, payable in monthly principal payments of \$502, plus interest, maturing August 2022, due on demand. Secured by Berkshire House and Sovereign House land and building.	76,842	76,842	82,366
1.79% mortgage, payable in blended weekly payments of \$354, maturing February 2025. Secured by Wanda House land and building.	7,936	204,670	227,551
	<u>\$ 117,740</u>	<u>\$ 314,474</u>	<u>\$ 360,843</u>
Less: Current portion		<u>(117,740)</u>	<u>(141,228)</u>
		<u>\$ 196,734</u>	<u>\$ 219,615</u>
Interest expense on mortgages in 2023 amounted to \$9,534 (2022 - \$15,061), 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.			
		2024 \$	117,740
		2025	196,734
		<u>\$</u>	<u>314,474</u>



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2023

10. Deferred fixed asset contributions

	2023	2022
Balance, beginning of year	\$ 3,333,522	\$ 3,412,070
Contributions received and spent in year	174,463	188,523
Amortization for the year	(217,784)	(267,071)
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Balance, end of year	\$ 3,290,201	\$ 3,333,522

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

11. Fundraising revenue and expense

	2023	2022
Fundraising revenue	\$ 56,028	\$ 48,887
Fundraising expenses	(10,948)	(24,342)
	<hr/>	
Fundraising revenue, net of expenses	\$ 45,080	\$ 24,545

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 a net revenues from this event of \$45,080. Gross revenues and expenses related to this event were \$56,028 and \$10,948, 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, 2023

12. Net assets invested in fixed assets

	2023	2022
Fixed assets	\$ 7,149,388	\$ 7,520,296
Amounts funded by deferred fixed asset contributions	(3,290,201)	(3,333,522)
Amounts funded by long term debt	(314,474)	(360,843)
	\$ 3,544,713	\$ 3,825,931

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

Purchase of fixed assets	\$ -	\$ 588,505
Amounts funded by deferred fixed asset contributions	(174,463)	(188,523)
Amortization of fixed assets	(370,908)	(415,554)
Amortization of deferred fixed asset contributions	217,784	267,071
Decrease in long term debt	46,369	23,781
	\$ (281,218)	\$ 275,280

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. 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.

15. Defined Contribution Pension Plan

During the year, the organization made contributions associated with its defined contribution pension plan in the amount of \$348,631 (2022 - \$269,026). This amount is included in staff salaries and benefits in the Statement of Operations.



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2023

16. Comparative information

The comparative figures for 2022 have been reclassified where necessary to conform with the audited 2023 financial statement presentation.

