

Community Living Burlington

Financial Statements

For the year ended March 31, 2022

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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, 2022, 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, 2022, 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.

September 7, 2022
Burlington, Ontario

SB Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

Community Living Burlington
Statement of Financial Position
March 31, 2022

Assets		
	2022	2021 (Note 17)
Current assets		
Cash and cash equivalents (Note 3)	\$ 1,712,361	\$ 440,669
Restricted cash - music room (Note 3)	37,226	37,226
Internally restricted cash - other (Note 3)	929,432	904,887
Accounts receivable (Note 4)	296,347	461,503
Prepays and house deposit	5,931	130,636
	2,981,297	1,974,921
Long-term investments (Note 5)	170,320	170,320
Fixed assets (Note 6)	7,520,296	7,347,345
	\$ 10,671,913	\$ 9,492,586
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 1,641,485	\$ 1,281,298
Deferred revenue	1,559,498	458,305
Current portion of long-term debt (Note 9)	141,228	157,073
	3,342,211	1,896,676
Long-term debt (Note 9)	219,615	227,551
Deferred fixed asset contributions (Note 10)	3,370,213	3,484,411
	6,932,039	5,608,638
Net Assets		
Net assets restricted for endowment purposes (Note 5)	170,320	170,320
Unrestricted	(1,186,344)	(706,795)
Internally restricted funds	929,432	904,887
Restricted funds - music room	37,226	37,226
Invested in fixed assets (Note 12)	3,789,240	3,478,310
	3,739,874	3,883,948
	\$ 10,671,913	\$ 9,492,586

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, 2022

	2022	2021 (Note 17)
Revenue		
Province of Ontario	\$ 18,312,074	\$ 17,369,516
Residents' fees	1,431,564	1,393,308
Program service fees	1,087,892	1,158,752
Regional Municipality	424,706	305,458
Amortization of deferred fixed asset contributions	267,070	225,399
Miscellaneous revenue	259,648	225,016
Program grants	110,400	-
United Way grant	71,853	72,024
Freeman foundation	66,000	66,000
	22,031,207	20,815,473
Expenses		
Staff salaries and benefits	17,961,185	17,175,087
Purchased services for clients	1,023,778	701,995
Repairs and maintenance	869,251	745,248
Food	427,590	494,941
Amortization of fixed assets	415,554	370,908
Supplies	341,189	356,201
Occupancy costs	329,191	305,909
Automobile and travel	177,427	174,934
Professional fees	161,544	210,220
Insurance	125,346	103,934
Other rentals	96,600	71,858
Telephone and postage	93,889	90,137
Equipment	76,080	53,019
Bank charges and interest	65,700	80,666
Staff training	60,049	21,325
Personal and health care needs	36,895	41,952
Utilities	5,121	966
Trainees payroll	-	500
	22,266,389	20,999,800
Deficiency of revenues over expenditures from operations	(235,182)	(184,327)
Donations	81,915	80,825
Fundraising revenue (Note 11)	48,887	38,403
Miscellaneous expense	(15,352)	(8,895)
Gain on sale of fixed assets	-	1,650
Fundraising expense (Note 11)	(24,342)	(38,403)
Excess (deficiency of) revenues over expenditures	\$ (144,074)	\$ (110,747)

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



Community Living Burlington
Statement of Changes in Net Assets
Year Ended March 31, 2022

	Restricted for Endowment Purposes	Unrestricted (Note 17)	Internally restricted funds	Restricted funds - music room	Invested in Fixed Assets (Note 17)	2022 Total	2021 Total
Net assets, beginning of year	\$ 170,320	\$ (706,795)	\$ 904,887	\$ 37,226	\$ 3,478,310	\$ 3,883,948	\$ 3,994,695
Deficiency of revenues over expenditures	-	(144,074)	-	-	-	(144,074)	(110,747)
Allocation of funds	-	(24,545)	24,545	-	-	-	-
Change in net assets invested in fixed assets (Note 12)	-	(310,930)	-	-	310,930	-	-
Net assets, end of year	\$ 170,320	\$ (1,186,344)	\$ 929,432	\$ 37,226	\$ 3,789,240	\$ 3,739,874	\$ 3,883,948

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



Community Living Burlington

Statement of Cash Flows

Year Ended March 31, 2022

	2022	2021 (Note 17)
Cash flows from operating activities		
Excess (deficiency of) revenues over expenditures	\$ (144,074)	\$ (110,747)
Charges not involving cash		
Amortization of fixed assets	415,554	370,908
Amortization of deferred fixed asset contributions	(267,070)	(225,399)
Gain on sale of fixed assets	-	(1,650)
	4,410	33,112
Net change in accounts receivable	165,156	(134,177)
Net change in accounts payable and accrued liabilities	360,187	216,588
Net change in deferred revenue	1,101,193	243,595
Net change in other operating working capital balances	124,705	678,404
Cash flows from operating activities	1,755,651	1,037,522
Cash flows from financing activities		
Change in bank indebtedness	-	(753,309)
Decrease in long-term debt	(23,781)	(204,993)
Cash flows used in financing activities	(23,781)	(958,302)
Cash flows from investing activities		
Increase in internally restricted cash - other	(24,545)	(16,575)
Purchase of fixed assets	(588,505)	(1,086,659)
Redemption of investments	-	1,304,307
Deferred fixed asset contributions	152,872	160,376
Cash flows from (used in) investing activities	(460,178)	361,449
Net increase in cash and cash equivalents	1,271,692	440,669
Cash and cash equivalents, beginning of year	440,669	-
Cash and cash equivalents, end of year	\$ 1,712,361	\$ 440,669

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



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2022

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.



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2022

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%, being 0.80% at year-end.

4. Accounts receivable

	2022	2021
Trade accounts receivable	\$ 34,399	\$ 129,087
Passport fees receivable	63,450	270,025
H.S.T recoverable	164,963	61,350
Funding receivable	33,535	1,041
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	\$ 296,347	\$ 461,503

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, 2022

6. Fixed assets	2022			2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land and buildings^(a)				
Alconbury House	\$ 283,146	\$ 124,481	\$ 158,665	\$ 139,918
Berkshire House	291,786	153,379	138,407	147,796
Barclay House	402,014	67,854	334,160	344,134
1254 Consort	384,000	69,600	314,400	324,000
1325 Consort	468,057	72,781	395,276	323,156
Daryl House	277,050	177,650	99,400	105,322
Deerwood House	321,516	164,157	157,359	130,597
Duncaster House	259,513	142,955	116,558	124,435
Dynes House	261,792	158,446	103,346	108,152
Fairfax House	420,490	173,560	246,930	244,343
Freeman House	285,854	150,147	135,707	144,956
Fischer House	422,951	106,199	316,752	326,227
Hammond House	249,218	145,470	103,748	111,373
Headon Forest House	357,110	159,082	198,028	208,643
Headon Road House	378,630	193,450	185,180	101,793
Kirkburn House	252,426	140,080	112,346	119,311
Mainway	2,369,607	1,440,837	928,770	777,927
Moss Glen House	278,712	170,756	107,956	114,307
New Street 1	426,224	156,058	270,166	281,755
New Street 2	744,336	326,697	417,639	439,342
Rotary House	338,736	153,509	185,227	195,441
Rubens Court 1	452,405	191,052	261,353	274,238
Rubens Court 2	410,412	157,375	253,037	263,665
Ryerson House	395,054	174,483	220,571	219,889
Stratton House	313,681	171,183	142,498	147,848
Sunnydale	903,092	-	903,092	868,815
Wanda House	496,786	127,235	369,551	381,099
Wedgewood House	257,084	103,055	154,029	157,636
	\$ 12,701,682	\$ 5,371,531	\$ 7,330,151	\$ 7,126,118
Other assets				
Computer- Administration	\$ 54,988	\$ 69,649	\$ (14,661)	\$ 3,482
Computer- Life Skills	8,995	8,794	201	291
Furniture and Fixtures	155,193	146,363	8,830	11,773
IT equipment	120,602	41,530	79,072	79,072
Vehicles	750,984	634,281	116,703	126,609
	1,090,762	900,617	190,145	221,227
	\$ 13,792,444	\$ 6,272,148	\$ 7,520,296	\$ 7,347,345



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2022

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 (2021 - \$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, 2022, the amount drawn from this operating line was \$Nil (2021 - \$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, 2022, the amount drawn from this term facility was \$104,494 (2021 - \$112,140). The amounts drawn on the revolving term facility are disclosed in Note 9.

For financial statement purposes, CLB has reallocated \$966,658 (2021 - \$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, 2022, CLB is in compliance with those covenants.

8. Accounts payable and accrued liabilities

	2022	2021
Accounts payable and accrued liabilities	\$ 774,042	\$ 414,679
Payroll deductions payable	303,516	292,804
Salaries payable	563,927	573,815
	\$ 1,641,485	\$ 1,281,298



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2022

9. Long-term debt	Current Requirements	2022	2021
2.92% mortgage, payable in blended weekly payments of \$204, maturing March 2022. Secured by the Hammond House land and building.	\$ -	\$ -	\$ 3,619
1.87% mortgage, payable in blended monthly payments of \$523, maturing June 2024. Secured by Headon Forest House land and building.	28,799	28,799	33,377
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.	22,127	22,127	23,747
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.	82,366	82,366	88,394
1.79% mortgage, payable in blended weekly payments of \$354, maturing February 2025. Secured by Wanda House land and building.	7,936	227,551	235,487
	\$ 141,228	\$ 360,843	\$ 384,624
Less: Current portion		(141,228)	(157,073)
		\$ 219,615	\$ 227,551

Interest expense on mortgages in 2022 amounted to \$15,061 (2021 - \$23,087), 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.

2023	\$ 141,228
2024	7,936
2025	211,679
	\$ 360,843



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2022

10. Deferred fixed asset contributions

	2022	2021
Balance, beginning of year	\$ 3,484,411	\$ 3,549,434
Contributions received and spent in year	152,872	160,376
Amortization for the year	(267,070)	(225,399)
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Balance, end of year	\$ 3,370,213	\$ 3,484,411

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

11. Fundraising revenue and expense

	2022	2021
Fundraising revenue	\$ 48,887	\$ 38,403
Fundraising expenses	(24,342)	(38,403)
	<hr/>	
Fundraising revenue, net of expenses	\$ 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 \$44,589. Gross revenues and expenses related to this event were \$48,887 and \$4,298, respectively. The expenses include \$nil (2021- \$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, 2022

12. Net assets invested in fixed assets

	2022	2021
Fixed assets	\$ 7,520,296	\$ 7,347,345
Amounts funded by deferred fixed asset contributions	(3,370,213)	(3,484,411)
Amounts funded by long term debt	(360,843)	(384,624)
	\$ 3,789,240	\$ 3,478,310

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

Purchase of fixed assets	\$ 588,505	\$ 1,086,659
Amounts funded by deferred fixed asset contributions	(152,872)	(160,376)
Amortization of fixed assets	(415,554)	(370,908)
Amortization of deferred fixed asset contributions	267,070	225,399
Decrease in long term debt	23,781	204,993
	\$ 310,930	\$ 985,767

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. 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.



Community Living Burlington
Notes to Financial Statements
Year Ended March 31, 2022

15. 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.

16. Defined Contribution Pension Plan

During the year, the organization made contributions associated with its defined contribution pension plan in the amount of \$269,026 (2021 - \$202,671). This amount is included in staff salaries and benefits in the Statement of Operations.

17. Comparative information

The comparative figures for 2021 have been reclassified where necessary to conform with the audited 2022 financial statement presentation.

