

Community Living North Bay
Financial Statements
For the year ended March 31, 2024

DRAFT - For Discussion Purposes Only

Community Living North Bay
Financial Statements
For the year ended March 31, 2024

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Independent Auditor's Report

To the Members of Community Living North Bay

Opinion

We have audited the financial statements of Community Living North Bay (the Organization), which comprise the statement of financial position as at March 31, 2024, the statements of operations, the statement of changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, and its results of operations and 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 *Auditor's 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 the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
June 10, 2024

Community Living North Bay Statement of Financial Position

March 31 2024 2023

Assets

Current

Cash and cash equivalents (Note 9)	\$	2,746,748	\$	3,312,191
Short-term investments (Note 3)		306,482		285,186
Accounts receivable (Note 4)		519,828		405,815

		3,573,058		4,003,192
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Capital assets (Note 5)

		11,135,488		11,151,188
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	\$	14,708,546	\$	15,154,380
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 6)	\$	2,866,058	\$	3,218,639
Deferred revenue (Note 7)		157,254		327,773
Current portion of mortgages and loans payable (Note 8)		2,444,061		2,520,012

		5,467,373		6,066,424
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Deferred capital contributions (Note 10)

		3,244,152		3,415,587
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		8,711,525		9,482,011
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Net Assets

Internally restricted - Perpetual fund		61,000		61,000
Internally restricted - Designated funds - Trust		1,588		724
Internally restricted - Designated funds - Donations and fundraising		36,202		36,202
Unrestricted		5,898,231		5,574,443

		5,997,021		5,672,369
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	\$	14,708,546	\$	15,154,380
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Commitments (Note 13)

On behalf of the Board:

_____ Director

_____ Director

Community Living North Bay Statement of Operations

For the year ended March 31

2024

2023

Revenues

Province of Ontario - core funding	\$ 18,322,940	\$ 17,320,058
DNSSAB Funding	2,151,349	2,527,421
Transfer to deferred revenue	(41,553)	(92,140)
Resident rent	807,787	746,190
Restaurant sales	278,163	221,007
Other revenue	917,989	876,612
MSN health	-	102
Passport	660,661	540,341
Urgent Response	21,080	-
Specialized Accommodations	26,591	20,000
Donations and Fundraising	53,516	28,167
Unrealized gain (loss) on investments	21,296	(6,525)
Amortization of deferred capital contributions (Note 10)	198,280	188,035
	23,418,099	22,369,268

Expenses

Salaries	15,364,839	13,868,939
Benefits	2,940,667	2,519,111
Building occupancy (Note 8)	1,162,183	963,655
Professional Services	439,088	477,424
Parent / provider subsidy Program	467,196	394,275
Food	359,256	816,628
Transportation	955,733	945,637
Respite Subsidy	355,001	348,166
Medical & health related	63,425	71,243
Training	41,487	65,455
Office administration	188,242	112,834
Outcomes Programs	66,525	71,955
Promotion and publicity	7,363	5,403
Fundraising	64,239	73,734
Donations	16,529	7,875
Amortization	200	700
	601,474	570,908
	23,093,447	21,313,942

Excess of revenues over expenses for the year	\$ 324,652	\$ 1,055,326
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Community Living North Bay Statement of Changes in Net Assets

For the year ended March 31

2024

2023

	Internally Restricted - Perpetual Fund	Internally Restricted - Designated Funds - Trust	Internally Restricted - Designated Funds - Donations and Fundraising	Unrestricted	Total	Total
Balance						
- beginning of year	\$ 61,000	\$ 724	\$ 36,202	\$ 5,574,443	\$ 5,672,369	\$ 4,472,043
Land contribution	-	-	-	-	-	145,000
Excess of revenues over expenses for the year	-	-	-	324,652	324,652	1,055,326
	61,000	724	36,202	5,899,095	5,997,021	5,672,369
Transfer to internally restricted net assets	-	864	-	(864)	-	-
Balance - end of year	\$ 61,000	\$ 1,588	\$ 36,202	\$ 5,898,231	\$ 5,997,021	\$ 5,672,369

Community Living North Bay Statement of Cash Flows

For the year ended March 31	2024	2023
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	\$ 324,652	\$ 1,055,326
Items not involving cash		
Amortization of capital assets	601,474	570,908
Amortization of deferred contributions	(198,280)	(188,035)
Unrealized (gain) loss on investments	(21,296)	6,525
	706,550	1,444,724
Changes in non-cash working capital balances		
Accounts receivable	(114,013)	(60,238)
Accounts payable and accrued liabilities	(352,581)	843,575
Deferred revenue	(170,519)	(581,524)
	69,437	1,646,537
Investing activities		
Purchase of capital assets	(585,775)	(1,239,557)
	(585,775)	(1,239,557)
Financing activities		
Principal payments on mortgage and loans payable	(75,950)	(193,727)
Contributions received for capital purposes	26,845	629,285
	(49,105)	435,558
Increase in cash and cash equivalents during the year	(565,443)	842,538
Cash and cash equivalents, beginning of year	3,312,191	2,469,653
Cash and cash equivalents, end of year	\$ 2,746,748	\$ 3,312,191

Community Living North Bay Notes to Financial Statements

March 31, 2024

1. Summary of Significant Accounting Policies

Nature of Business The organization is a non-profit organization created by Letters Patent on June 2, 1976 in the jurisdiction of the Province of Ontario. Its principal activities consist of providing support to citizens with a developmental challenge and their families.

Income Taxes The organization is a registered charity under the Canadian Income Tax Act and as such is not subject to Canadian income taxes.

Basis of Accounting The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Cash and Cash Equivalents Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value with any unrealized gains and losses reported in statement of remeasurement gains and losses. All other financial instruments are reported at cost or amortized cost less impairment if applicable.

Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Capital Assets Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Land	No amortization
Buildings	15 - 40 years
Paving	10 years
Septic systems	10 years
Furniture and equipment	5 years
Vehicles	4 years

Community Living North Bay Notes to Financial Statements

March 31, 2024

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Subsidy revenue is based on amounts approved by the Ministry of Children, Community and Social Services and the District of Nipissing Social Services Administration Board. Funding received which pertains to prior periods as well as any repayment of excess funding is recorded to the statement of operations under Other items as a prior period subsidy settlement.

Contributions restricted for the purchase of capital assets are deferred and amortized to revenue at rates corresponding to the related capital assets.

Deferred revenue results from funding received during the year from agreements which cover more than one fiscal year and represents the unexpended portion of that funding.

Donations are recognized as revenue when received. Restricted donations are recognized as revenue in the year in which the related expenses are incurred.

Resident rent, MSN health, Passport, Urgent response, Specialized Accommodations, and Restaurant sales revenue are recognized when products are delivered or services are provided.

Other revenue includes fees collected for services provided and are recognized as revenue when services are provided.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions and are based on management's best estimates include due from Ministry, accounts receivable, accounts payable and accrued liabilities, amounts due to MCCSS, deferred revenue and estimated future principal repayment of mortgages and loans payable. Actual results could differ from management's best estimates as additional information becomes available in the future.

Community Living North Bay Notes to Financial Statements

March 31, 2024

2. Financial Instruments

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	2024		
	Fair Value	Amortized Cost	Total
Cash and cash equivalents	\$ 2,746,748	\$ -	\$ 2,746,748
Short-term investments	306,482	-	306,482
Accounts receivable	-	519,828	519,828
Accounts payable and accrued liabilities	-	(2,866,058)	(2,866,058)
Mortgages and loan payable	-	(2,444,061)	(2,444,061)
	\$ 3,053,230	\$ (4,790,291)	\$ (1,737,061)

3. Short-term Investments

	2024	2023
BMO Principal Protected Note (cost \$80,000)	\$ 74,829	\$ 70,007
Mutual Fund – Balanced (cost \$43,503)	59,288	54,302
Mutual Fund – Canadian Dividend (cost \$24,111)	68,301	61,087
TD Ultra Short-Term Bond (cost \$105,371)	104,064	99,789
	\$ 306,482	\$ 285,186

4. Accounts Receivable

	2024	2023
Coughlin and Associates	\$ 45,000	\$ 45,000
HST rebate	49,828	83,939
Family Service Toronto	126,095	227,130
MCCSS	184,661	-
Other receivables	114,244	49,746
	\$ 519,828	\$ 405,815

Community Living North Bay Notes to Financial Statements

March 31, 2024

5. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 1,036,153	\$ -	\$ 1,036,153	\$ -
Buildings	13,992,384	4,480,428	13,443,837	4,134,117
Paving	159,979	101,323	141,280	94,747
Septic System	157,372	157,372	157,372	157,372
Furniture and equipment	3,400,560	3,054,849	3,313,806	2,935,451
Vehicles	1,272,721	1,089,709	1,216,126	970,419
Work in Progress	-	-	134,720	-
	\$ 20,019,169	\$ 8,883,681	\$ 19,443,294	\$ 8,292,106
Net book value		\$ 11,135,488		\$ 11,151,188

The Province of Ontario has a lien on the above noted land and buildings.

6. Accounts Payable and Accrued Liabilities

	2024	2023
Trade payables	\$ 456,119	\$ 849,736
Accrued salaries, vacation pay & benefits	988,796	971,201
Accrued liabilities	36,307	36,065
Due to funding agencies	1,384,836	1,361,637
	\$ 2,866,058	\$ 3,218,639

Accounts payable and accrued liabilities include \$193,594 (2023 - \$181,314) of government remittances.

7. Deferred Revenue

The organization receives funding from various agencies. The agreements which contain restrictions and extend into the next fiscal year are deferred and recognized when spent.

	2024	2023
DNSSAB – operating	\$ 21,920	\$ 72,507
Breakfast Club of Canada	36,843	174,586
DNSSAB – Best Start	19,633	19,633
Other	78,858	61,047
	\$ 157,254	\$ 327,773

**Community Living North Bay
Notes to Financial Statements**

March 31, 2024

8. Mortgages and Loans Payable

	2024	2023
Loan payable – 6.87%, repayable at blended payments of \$1,781 per month, due March 2025 secured by real property with a net book value of \$451,250	246,358	251,448
Loan payable – 6.94%, repayable at blended payments of \$1,172 per month, due January 18, 2025, secured by real property with a net book value of \$212,685	150,550	155,288
Loan payable – 6.83%, repayable at blended payments of \$16,654 per month, due March 2025, secured by real property with a net book value of \$3,514,281.	2,047,153	2,113,276
	2,444,061	2,520,012
Less amounts due within one year	2,444,061	2,520,012
	\$ -	\$ -

Estimated principal repayment is based on assumption that loans will be renewed at similar terms and conditions.

Included in building occupancy is interest on long-term debt of \$134,168 (2023 – \$69,665).

9. Credit Facility Agreement

The organization has an operating line of credit of \$300,000 (2023 - \$300,000). The loan is secured by a general security agreement on various properties and bears interest at the bank's prime lending rate plus 0%. At year end \$Nil (2023 - \$Nil) was drawn on this facility.

Community Living North Bay Notes to Financial Statements

March 31, 2024

10. Deferred Capital Contributions

Deferred capital contributions represent restricted contributions towards the purchase of buildings, equipment and vehicles, which are recognized as revenue to the same extent that the related capital asset is amortized.

	2024	2023
Balance at beginning of year	\$ 3,415,587	\$ 2,962,337
Add: Capital contributions received during the year	26,845	641,284
Less: Amounts amortized to revenue	(198,280)	(188,034)
	<u>\$ 3,244,152</u>	<u>\$ 3,415,587</u>

11. Economic Dependence

The organization receives a substantial portion of its revenue from the Ministry of Children, Community and Social Services and the District of Nipissing Social Services Administration Board and is dependent on those government organizations to deliver its programs.

12. Financial Instrument Risk Management

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The organization's financial instruments that are exposed to concentrations of credit risk relate primarily to the accounts receivable and cash and cash equivalents. The organization holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. The organization's accounts receivable is made up of various amounts due from organizations or individuals in varying sectors (Note 4).

Community Living North Bay Notes to Financial Statements

March 31, 2024

12. Financial Instrument Risk Management (continued)

Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to fluctuations in equity markets on its short term investments which are invested in mutual fund units which are based in part in shares of various Canadian publicly traded corporations.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to this risk through its loans payable. Certain of the organizations loans payable have variable interest rates which involves risks of default on interest and principal and price changes due to, without limitation, such factors as interest rates and general economic conditions.

Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable, mortgages and loans payable and commitments.

13. Commitments

The organization has entered in various operating leases for premises and office equipment.

The minimum annual lease payments for the next five years are as follows:

2025	\$	112,097
2026		15,724
2027		15,724
2028		5,349
2029		5,349
