

Financial Statements of

**COMMUNITY LIVING  
CHATHAM-KENT**

Year ended March 31, 2024

# COMMUNITY LIVING CHATHAM-KENT

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Year ended March 31, 2024

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# **INDEPENDENT AUDITOR'S REPORT**

To the directors of Community Living Chatham-Kent

## ***Opinion***

We have audited the financial statements of Community Living Chatham-Kent (the Entity), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and its results of operations and changes in fund balances 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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.



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## ***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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 auditors' 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 the 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 Entity's internal control.



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- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

June 11, 2024

# COMMUNITY LIVING CHATHAM-KENT

## Statement of Financial Position

March 31, 2024, with comparative information for 2023

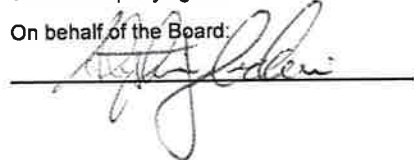
	General Fund		Capital Asset Fund		Endowment Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Assets</b>								
<b>Current assets:</b>								
Cash	\$ 2,101,759	\$ 2,087,871	\$ (52,537)	\$ (11,574)	\$ 166,777	\$ 159,945	\$ 2,215,999	\$ 2,236,242
Short-term investments	3,592,850	3,213,280	-	-	-	-	3,592,850	3,213,280
Accounts receivable	240,838	492,443	-	-	-	-	240,838	492,443
Prepaid expenses	6,312	230,893	-	-	-	-	6,312	230,893
	<u>5,941,759</u>	<u>6,024,487</u>	<u>(52,537)</u>	<u>(11,574)</u>	<u>166,777</u>	<u>159,945</u>	<u>6,055,999</u>	<u>6,172,858</u>
<b>Capital assets (note 2):</b>								
Cost	-	-	12,747,613	11,847,240	-	-	12,747,613	11,847,240
Less accumulated amortization	-	-	4,490,076	4,001,051	-	-	4,490,076	4,001,051
	<u>-</u>	<u>-</u>	<u>8,257,537</u>	<u>7,846,189</u>	<u>-</u>	<u>-</u>	<u>8,257,537</u>	<u>7,846,189</u>
	<u>\$ 5,941,759</u>	<u>\$ 6,024,487</u>	<u>\$ 8,205,000</u>	<u>\$ 7,834,615</u>	<u>\$ 166,777</u>	<u>\$ 159,945</u>	<u>\$ 14,313,536</u>	<u>\$ 14,019,047</u>

## Liabilities and Fund Balances

<b>Current liabilities:</b>								
Accounts payable and accrued liabilities (note 3)	\$ 1,887,327	\$ 2,367,737	\$ -	\$ -	\$ -	\$ -	\$ 1,887,327	\$ 2,367,737
Repayable to Ministry - operational surplus (note 4)	-	126,232	-	-	-	-	-	126,232
Current portion of long-term debt	-	-	526,382	545,248	-	-	526,382	545,248
	<u>1,887,327</u>	<u>2,493,969</u>	<u>526,382</u>	<u>545,248</u>	<u>-</u>	<u>-</u>	<u>2,413,709</u>	<u>3,039,217</u>
Long-term debt (note 5)	-	-	20,991	57,630	-	-	20,991	57,630
Deferred contributions (note 6)	55,624	42,882	576,000	432,000	-	-	631,624	474,882
<b>Fund balances:</b>								
Invested in capital assets	-	-	7,081,627	6,799,737	-	-	7,081,627	6,799,737
Externally restricted (note 7)	-	-	-	-	166,777	159,945	166,777	159,945
Unrestricted	3,998,808	3,487,636	-	-	-	-	3,998,808	3,487,636
	<u>3,998,808</u>	<u>3,487,636</u>	<u>7,081,627</u>	<u>6,799,737</u>	<u>166,777</u>	<u>159,945</u>	<u>11,247,212</u>	<u>10,447,318</u>
	<u>\$ 5,941,759</u>	<u>\$ 6,024,487</u>	<u>\$ 8,205,000</u>	<u>\$ 7,834,615</u>	<u>\$ 166,777</u>	<u>\$ 159,945</u>	<u>\$ 14,313,536</u>	<u>\$ 14,019,047</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

# COMMUNITY LIVING CHATHAM-KENT

## Statements of Operations and Changes in Fund Balances

Year ended March 31, 2024, with comparative information for 2023

	General Fund		Capital Asset Fund		Endowment Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Revenue:</b>								
Employment Supports	\$ 291,957	\$ 291,957	\$ -	\$ -	\$ -	\$ -	\$ 291,957	\$ 291,957
Adult Community Accommodations	12,848,662	12,484,946	-	-	-	-	12,848,662	12,484,946
Adult Community Support Services	2,957,578	3,254,257	-	-	-	-	2,957,578	3,254,257
Children's respite services	795,693	822,417	-	-	-	-	795,693	822,417
Other grant funding	656,599	536,457	-	-	-	-	656,599	536,457
ODSP - Employment Support	224,075	400,000	-	-	-	-	224,075	400,000
Agency	986,355	661,539	-	-	12,580	8,288	998,935	669,827
	18,760,919	18,451,573	-	-	12,580	8,288	18,773,499	18,459,861
<b>Expenditures:</b>								
Employment Supports	324,220	303,956	-	-	-	-	324,220	303,956
Adult Community Accommodations	12,867,092	12,347,498	-	-	-	-	12,867,092	12,347,498
Adult Community Support Services	2,298,307	2,109,975	-	-	-	-	2,298,307	2,109,975
Children's respite services	658,695	617,788	-	-	-	-	658,695	617,788
Other grant funding	448,998	365,106	-	-	-	-	448,998	365,106
ODSP - employment supports	200,697	178,564	-	-	-	-	200,697	178,564
Agency	657,783	612,138	-	-	5,748	5,358	663,531	617,496
Amortization of capital assets	-	-	549,565	476,396	-	-	549,565	476,396
Gain on disposal of capital assets	-	-	(66,207)	(1,736)	-	-	(66,207)	(1,736)
Interest on long-term debt	-	-	28,707	17,450	-	-	28,707	17,450
	17,455,792	16,535,025	512,065	492,110	5,748	5,358	17,973,605	17,032,493
Excess of revenue over expenditures (expenditures over revenue)	1,305,127	1,916,548	(512,065)	(492,110)	6,832	2,930	799,894	1,427,368
Fund balance, beginning of year	3,487,636	3,022,065	6,799,737	5,967,102	159,945	157,015	10,447,318	9,146,182
Transfer to capital fund (note 8)	(793,955)	(1,324,745)	793,955	1,324,745	-	-	-	-
Repayable to Ministry - operational surplus (note 4)	-	(126,232)	-	-	-	-	-	(126,232)
<b>Fund balance, end of year</b>	<b>\$ 3,998,808</b>	<b>\$ 3,487,636</b>	<b>\$ 7,081,627</b>	<b>\$ 6,799,737</b>	<b>\$ 166,777</b>	<b>\$ 159,945</b>	<b>\$ 11,247,212</b>	<b>\$ 10,447,318</b>

See accompanying notes to financial statements.

# COMMUNITY LIVING CHATHAM-KENT

## Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	General Fund		Capital Asset Fund		Endowment Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Cash from operating activities:</b>								
Excess of revenue over expenditures (expenditures over revenue)	\$ 1,305,127	\$ 1,916,548	\$ (512,065)	\$ (492,110)	\$ 6,832	\$ 2,930	\$ 799,894	\$ 1,427,368
Amortization of capital assets	-	-	549,565	476,396	-	-	549,565	476,396
Gain on disposal of capital assets	-	-	(66,207)	(1,736)	-	-	(66,207)	(1,736)
Net change in non-cash working capital	(130,456)	126,297	-	-	-	-	(130,456)	126,297
Increase in deferred contributions	12,742	20,428	144,000	432,000	-	-	156,742	452,428
	1,187,413	2,063,273	115,293	414,550	6,832	2,930	1,309,538	2,480,753
<b>Financing and investing activities:</b>								
Purchase of capital assets	-	-	(931,605)	(1,808,480)	-	-	(931,605)	(1,808,480)
Proceeds on disposal of capital assets	-	-	36,899	116,298	-	-	36,899	116,298
Increase in short-term investments	(379,570)	(204,303)	-	-	-	-	(379,570)	(204,303)
Principal payments on long-term debt	-	-	(55,505)	(70,496)	-	-	(55,505)	(70,496)
	(379,570)	(204,303)	(950,211)	(1,762,678)	-	-	(1,329,781)	(1,966,981)
Increase (decrease) in cash	807,843	1,858,970	(834,918)	(1,348,128)	6,832	2,930	(20,243)	513,772
Cash, beginning of year	2,087,871	1,679,878	(11,574)	11,809	159,945	157,015	2,236,242	1,848,702
Interfund transfers (note 8)	(793,955)	(1,324,745)	793,955	1,324,745	-	-	-	-
Repayable to Ministry - operational surplus (note 4)	-	(126,232)	-	-	-	-	-	(126,232)
Cash, end of year	\$ 2,101,759	\$ 2,087,871	\$ (52,537)	\$ (11,574)	\$ 166,777	\$ 159,945	\$ 2,215,999	\$ 2,236,242

See accompanying notes to financial statements.



# COMMUNITY LIVING CHATHAM-KENT

## Notes to Financial Statements

Year ended March 31, 2024

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Community Living Chatham-Kent (the "Agency") is a charitable organization incorporated without share capital under the laws of Ontario. The Agency's activities include the provision of services and supports for persons who have diverse intellectual abilities in the Municipality of Chatham-Kent. The Agency is a registered charity under the Income Tax Act and accordingly is exempt from income taxes provided certain requirements of the Income Tax act are met.

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Standards in Part III of the CPA Handbook.

### **1. Significant accounting policies:**

#### **(a) Fund accounting:**

The Agency follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Agency's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Asset Fund reports the assets, revenues and expenses related to the Agency's capital assets.

The Endowment Fund reports resources contributed to the D. Barichello Memorial Fund, the R. McLandress Make a Dream Come True Fund, and the Jonathan Daniel Stone Memorial Fund. Investment income earned is reported in the general fund in accordance with the restrictions imposed by the originators of the fund.

# COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition:

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenditures are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted funds.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue of the Endowment Fund.

Investment income earned on short-term investments is recognized as interest income of the General Fund.

### (c) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

### (d) Short-term investments:

Short-term investments consist of fixed income investments, common equities and mutual funds.

# COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When capital assets no longer contribute to the Agency's ability to provide services, its carrying amount is written down to its residual value. Amortization expense is recorded in the Capital Asset Fund.

Capital assets are amortized using the following methods and annual rates:

Assets	Basis	Rate
Buildings	Straight-line	2.5%
Furniture and equipment	Declining balance	20%
Automobiles	Declining balance	30%

No amortization is taken on construction in progress capital assets until they are placed in use. Proceeds from the disposal of capital assets which were funded by capital grants are allocated to the Ministry of Children, Community and Social Services (the "Ministry") and the Agency in proportion to the funding provided. The Ministry's allocation is limited to the net proceeds on disposition.

### (f) Allocated expenses:

The Agency incurs expenditures related to administration that are not directly attributable to one aspect of the Agency's operations. These expenditures are allocated to each program based on the program's total funding and other related expenditures.

# COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (g) Use of estimates:

The preparation of the financial statements in conformity 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 and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for accounts receivable. Actual results could differ from those estimates.

### (h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Agency has elected to carry financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Agency determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Agency expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 2. Capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 899,130	\$ —	\$ 899,130	\$ 899,130
Buildings	9,572,634	3,176,232	6,396,402	4,868,854
Furniture and equipment	454,582	231,364	223,218	230,241
Automobiles	1,821,267	1,082,480	738,787	788,531
Construction in progress	—	—	—	1,059,433
	<u>\$12,747,613</u>	<u>\$ 4,490,076</u>	<u>\$ 8,257,537</u>	<u>\$ 7,846,189</u>

## 3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$126,232 (2023 - \$590,796), which includes amounts payable for payroll related taxes.

## 4. Amounts repayable to funding provider:

As at March 31, 2024, the Agency has recorded an amount repayable to the Ministry for unspent funding of \$nil (2023 - \$126,232).

## 5. Long-term debt:

	2024	2023
(i) Sass Road non-revolving term facility	\$ 48,725	\$ 75,201
(ii) Baxter Street fixed rate term loan	8,916	27,677
(iii) Llydican non-revolving term facility	489,732	500,000
	<u>547,373</u>	<u>602,878</u>
Less principal due within one year	526,382	545,248
	<u>\$ 20,991</u>	<u>\$ 57,630</u>

- (i) The Sass Road non-revolving term facility was established to provide funding to cover the cost of construction of the Sass Road property. The four-year term loan is payable \$2,450 per month including interest at 4.61%, and is payable in full April 6, 2026.

# COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 5. Long-term debt (continued):

- (ii) The Baxter Street fixed rate term loan was established to provide funding to cover the cost of construction of the Baxter Street property. The three-year term loan is payable \$1,610 per month including interest at 2.93%, and is payable in full January 25, 2025.
- (iii) The Llydican Avenue fixed rate mortgage was established to provide funding to cover the cost of the building on the Llydican Avenue property. The facility is payable \$3,500 per month including interest at 6.80%.

The minimum principal payments required over the next two years is as follows:

2025	526,382
2026	20,991

## 6. Deferred contributions:

The deferred contributions in the General Fund represent restricted operating funding received in the current period that is related to the subsequent period. Deferred contributions in the Capital Asset Fund represent contributions from funders to support the cost of a residential home currently showing as construction in progress. Changes in the deferred contributions balance is as follows:

	2024	2023
Balance, beginning of year	\$ 474,882	\$ 22,454
Less: amount recognized as revenue in the year	(29,713)	—
Add: amount received related to future periods	186,455	452,428
<b>Balance, end of year</b>	<b>\$ 631,624</b>	<b>\$ 474,882</b>

# COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 7. Externally restricted fund balances:

	2024	2023
(i) D. Barichello Memorial Fund	\$ 30,792	\$ 30,792
(ii) R. McLandress Make a Dream Come True Fund	70,566	65,194
(iii) J. Daniel Stone Memorial Fund	65,419	63,959
	<u>\$ 166,777</u>	<u>\$ 159,945</u>

(i) D. Barichello Memorial Fund:

During 2024, the Agency received contributions in the amount of \$nil (2023 - \$nil) to the Dina Barichello Memorial Fund. Investment income on the fund is included as a deferred contribution in the General Fund until such time as it is used in accordance with the Memorial Fund agreement. The use of the investment income is restricted by the Agreement to the fulfilling of a service or support need for a client of the Agency.

(ii) R. McLandress Make a Dream Come True Fund:

During 2024, the Agency received contributions in the amount of \$4,400 (2023 - \$3,139) to the Rob McLandress Make a Dream Come True Fund, and distributed grants in the amount of \$2,212. Investment income on the fund is included as revenue in the Endowment Fund. The use of the investment income is restricted by the Agreement to help candidates, who reside in Chatham-Kent and have diverse intellectual abilities, achieve their dreams.

(iii) J. Daniel Stone Memorial Fund:

During 2024, the Agency received contributions in the amount of \$2,804 (2023 - \$5,149) to the Jonathan Daniel Stone Memorial Fund, and distributed grants in the amount of \$3,536. Investment income on the fund is included as revenue in the Endowment Fund. The use of the investment income is restricted by the Agreement to fund initiatives to benefit individuals who have, and/or assist families who have children, as being diagnosed with autism or a developmental disability.

# COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 8. Inter-fund transfers and balances:

In 2024, \$793,955 (2023 - \$1,324,745) was transferred from the General Fund to the Capital Asset Fund in order to fund the cash outlays for capital asset acquisitions and the mortgage principal payments.

## 9. Long-term leases:

The Agency rents office space under a two-year lease which expired on March 31, 2024, as well as six housing units under ten-year leases which will expire on July 31, 2024, May 1, 2025, October 19, 2025, February 28, 2028 and October 31, 2029. The Agency also has a five-year lease for office equipment which will expire in October 2027. The total future minimum annual lease payments for the next five years are as follows:

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2025	\$	249,630
2026		212,547
2027		195,484
2028		83,850
2029		80,869

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## 10. Financial risks and concentration of credit risk:

### (a) Liquidity risk:

Liquidity risk is the risk that the Agency will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Agency manages its liquidity risk by monitoring its operating requirements. The Agency prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2023.



# COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 10. Financial risks and concentration of credit risk (continued):

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Agency is exposed to credit risk with respect to the accounts receivable. The Agency assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(c) Interest rate risk:

The Agency is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the long-term debt are included in note 5.