

**COMMUNITY LIVING ELGIN**

**Consolidated Financial Statements**

**March 31, 2023**

**COMMUNITY LIVING ELGIN**  
**Consolidated Financial Statements**  
**For The Year Ended March 31, 2023**

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of **Community Living Elgin**:

### **Opinion**

We have audited the consolidated financial statements of **Community Living Elgin**, which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statement of operations, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the organization's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the organization as at March 31, 2023, and the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated 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 consolidated financial statements.



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**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

St. Thomas, Ontario

June 21, 2023

*Graham Scott Enns LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants

# COMMUNITY LIVING ELGIN

## Consolidated Statement of Financial Position As At March 31, 2023

	Operating Fund \$	Capital Fund (Note 1) \$	Community Living Elgin \$	STEAMR Housing \$	Elgin Community Resource Services \$	2023 \$	2022 \$
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash (Note 2)	925,504	1,848,601	2,774,105	57,716	27,906	2,859,727	3,314,394
Replacement reserve fund cash	-	21,329	21,329	-	-	21,329	16,127
Accounts receivable	116,001	-	116,001	-	-	116,001	118,717
Government remittances recoverable	142,517	5,389	147,906	-	-	147,906	188,121
Interfund receivables (payables)	119,877	(27,574)	92,303	(2,488)	(89,815)	-	-
Prepaid expenses	59,712	-	59,712	-	-	59,712	45,692
	1,363,611	1,847,745	3,211,356	55,228	(61,909)	3,204,675	3,683,051
<b>TANGIBLE CAPITAL ASSETS (NOTE 3)</b>	-	2,187,927	2,187,927	56,010	191,594	2,435,531	2,721,927
<b>TOTAL ASSETS</b>	1,363,611	4,035,672	5,399,283	111,238	129,685	5,640,206	6,404,978
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable and accrued liabilities (Note 2)	1,090,282	97,919	1,188,201	1,110	1,116	1,190,427	1,483,591
Payroll payable	10,839	-	10,839	-	-	10,839	45,305
Government remittances payable	35,695	-	35,695	-	-	35,695	23,419
Deferred revenue (Note 4)	40,630	-	40,630	-	-	40,630	26,145
Funding payable	51,266	-	51,266	-	-	51,266	186,863
Current portion of long-term debt (Note 8)	-	45,246	45,246	-	43,333	88,579	271,478
	1,228,712	143,165	1,371,877	1,110	44,449	1,417,436	2,036,801
<b>LONG-TERM DEBT (NOTE 8)</b>	-	7,662	7,662	-	-	7,662	95,299
<b>DEFERRED CAPITAL CONTRIBUTIONS (NOTE 5)</b>	-	1,112,055	1,112,055	-	-	1,112,055	1,338,738
<b>TOTAL LIABILITIES</b>	1,228,712	1,262,882	2,491,594	1,110	44,449	2,537,153	3,470,838
<b>NET ASSETS</b>							
<b>REPLACEMENT RESERVE - EXTERNALLY RESTRICTED</b>	-	-	-	4,503	-	4,503	4,503
<b>REPLACEMENT RESERVE - INTERNALLY RESTRICTED</b>	-	20,600	20,600	-	-	20,600	79,305
<b>CAPITAL FUND</b>	-	2,752,190	2,752,190	-	-	2,752,190	2,585,408
<b>UNRESTRICTED NET ASSETS</b>	134,899	-	134,899	105,625	85,236	325,760	264,924
	134,899	2,772,790	2,907,689	110,128	85,236	3,103,053	2,934,140
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	1,363,611	4,035,672	5,399,283	111,238	129,685	5,640,206	6,404,978

On Behalf of the Board

*Susan Bird*

Director

*Dawn*

Director

See accompanying notes to the consolidated financial statements

# COMMUNITY LIVING ELGIN

## Consolidated Statement of Changes In Net Assets For The Year Ended March 31, 2023

	Unrestricted Net Assets			Replacement Reserve Funds		Capital Fund	2023
	Operating	STEAMR Housing	Elgin Community Resource Services	STEAMR Housing	Capital		Total
	\$	\$	\$	\$	\$	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	102,162	86,653	76,109	4,503	79,305	2,585,408	<b>2,934,140</b>
Excess of revenues							
over expenditures for the year	32,737	18,972	9,127	-	-	166,782	<b>227,618</b>
Interfund transactions	-	-	-	-	(58,705)	-	<b>(58,705)</b>
<b>NET ASSETS, END OF YEAR</b>	<u>134,899</u>	<u>105,625</u>	<u>85,236</u>	<u>4,503</u>	<u>20,600</u>	<u>2,752,190</u>	<u><b>3,103,053</b></u>

  

	Unrestricted Net Assets			Replacement Reserve Funds		Capital Fund	2022
	Operating	STEAMR Housing	Elgin Community Resource Services	STEAMR Housing	Capital		Total
	\$	\$	\$	\$	\$	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	87,740	70,790	64,155	4,500	141,653	2,489,156	2,857,994
Excess of revenues							
over expenditures for the year	14,422	15,863	11,954	-	-	96,252	138,491
Interfund transactions	-	-	-	3	(62,348)	-	<b>(62,345)</b>
<b>NET ASSETS, END OF YEAR</b>	<u>102,162</u>	<u>86,653</u>	<u>76,109</u>	<u>4,503</u>	<u>79,305</u>	<u>2,585,408</u>	<u>2,934,140</u>

See accompanying notes to the consolidated financial statements

# COMMUNITY LIVING ELGIN

## Consolidated Statement of Operations For The Year Ended March 31, 2023

	Operating Fund	Capital Fund (Note 1)	Community Living Elgin	STEAMR Housing	Elgin Community Resource Services	Interfund transactions	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUES</b>								
Ministry of Children, Community and Social Services (Note 12)	14,351,590	-	<b>14,351,590</b>	-	-	-	<b>14,351,590</b>	12,234,933
Other government (Note 12)	387,160	92,738	<b>479,898</b>	-	-	(4,210)	<b>475,688</b>	1,449,551
Fees from people supported	61,649	384,559	<b>446,208</b>	54,577	42,000	(145,452)	<b>397,333</b>	426,089
Sales	375,213	-	<b>375,213</b>	-	-	-	<b>375,213</b>	238,714
Amortization of deferred capital contributions	-	261,447	<b>261,447</b>	-	-	-	<b>261,447</b>	236,969
CSCN and other funding	6,060	109,348	<b>115,408</b>	-	-	-	<b>115,408</b>	4,895
Investment	28,412	59,446	<b>87,858</b>	1,300	-	-	<b>89,158</b>	18,373
Gain on sale of tangible capital assets	-	21,350	<b>21,350</b>	-	-	-	<b>21,350</b>	102,210
Donations	-	7,392	<b>7,392</b>	-	-	-	<b>7,392</b>	12,321
	<u>15,210,084</u>	<u>936,280</u>	<u><b>16,146,364</b></u>	<u>55,877</u>	<u>42,000</u>	<u>(149,662)</u>	<u><b>16,094,579</b></u>	<u>14,724,055</u>

See accompanying notes to the consolidated financial statements

# COMMUNITY LIVING ELGIN

## Consolidated Statement of Operations (Continued) For The Year Ended March 31, 2023

	Operating Fund	Capital Fund (Note 1)	Community Living Elgin	STEAMR Housing	Elgin Community Resource Services	Interfund transactions	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
<b>EXPENDITURES</b>								
Wages and benefits	12,849,275	26,897	<b>12,876,172</b>	-	-	-	<b>12,876,172</b>	11,803,823
Program	887,616	3,519	<b>891,135</b>	-	-	-	<b>891,135</b>	694,529
Professional fees	664,159	2,250	<b>666,409</b>	1,140	1,140	-	<b>668,689</b>	644,360
Occupancy	392,101	280,256	<b>672,357</b>	31,711	17,882	(145,452)	<b>576,498</b>	678,722
Amortization	-	312,360	<b>312,360</b>	-	8,801	-	<b>321,161</b>	314,899
Transportation	116,255	85,019	<b>201,274</b>	-	-	-	<b>201,274</b>	126,051
Technology	96,783	-	<b>96,783</b>	-	-	-	<b>96,783</b>	132,413
Insurance	38,997	39,297	<b>78,294</b>	4,024	2,593	-	<b>84,911</b>	74,521
Staff developmental	42,428	4,190	<b>46,618</b>	-	-	-	<b>46,618</b>	22,771
Other	35,426	5,560	<b>40,986</b>	-	-	(4,210)	<b>36,776</b>	28,642
Office	30,837	-	<b>30,837</b>	-	-	-	<b>30,837</b>	26,037
Communication	17,960	1,000	<b>18,960</b>	-	-	-	<b>18,960</b>	15,137
Interest and finance charges	<u>5,510</u>	<u>9,150</u>	<u><b>14,660</b></u>	<u>30</u>	<u>2,457</u>	<u>-</u>	<u><b>17,147</b></u>	<u>23,659</u>
	<u>15,177,347</u>	<u>769,498</u>	<u><b>15,946,845</b></u>	<u>36,905</u>	<u>32,873</u>	<u>(149,662)</u>	<u><b>15,866,961</b></u>	<u>14,585,564</u>
<b>EXCESS OF REVENUES OVER</b>								
<b>EXPENDITURES FOR THE YEAR</b>	<u><u>32,737</u></u>	<u><u>166,782</u></u>	<u><u><b>199,519</b></u></u>	<u><u>18,972</u></u>	<u><u>9,127</u></u>	<u><u>-</u></u>	<u><u><b>227,618</b></u></u>	<u><u>138,491</u></u>

See Note 13 for MCCSS reconciliation purposes.

See accompanying notes to the consolidated financial statements



# COMMUNITY LIVING ELGIN

## Consolidated Statement of Cash Flow For The Year Ended March 31, 2023

	2023 \$	2022 \$
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures for the year	227,618	138,491
Amortization of tangible capital assets	321,161	314,899
Amortization of deferred capital contributions	(261,447)	(236,969)
Gain on sale of tangible capital assets	<u>(21,350)</u>	<u>(102,210)</u>
	265,982	114,211
Changes in non-cash working capital:		
Accounts receivable	2,716	(27,690)
Government remittances recoverable	40,215	5,412
Prepaid expenses	(14,020)	(45,389)
Accounts payable and accrued liabilities	(293,164)	(128,958)
Government remittances payable	12,276	(106,032)
Payroll payable	(34,466)	(131,657)
Funding payable	(135,597)	(10,444)
Deferred revenue	<u>14,485</u>	<u>(20,899)</u>
Cash flows used in operating activities	<u>(141,573)</u>	<u>(351,446)</u>
<b>CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES</b>		
Additions to tangible capital assets	(34,765)	(277,718)
Net proceeds on disposal of tangible capital assets	21,350	940,747
Change in Replacement Reserve Fund - Cash	(5,202)	130,459
Change in Replacement Reserve Fund - Fund Balance	<u>(58,705)</u>	<u>(62,345)</u>
Cash flows (used in) from investing activities	<u>(77,322)</u>	<u>731,143</u>
<b>CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES</b>		
Repayments of long-term debt	(270,536)	(97,049)
Change in deferred capital contributions net of capital asset additions	<u>34,764</u>	<u>242,992</u>
Cash flows (used in) from financing activities	<u>(235,772)</u>	<u>145,943</u>
<b>NET CHANGE IN CASH DURING THE YEAR</b>	(454,667)	525,640
<b>CASH, BEGINNING OF YEAR</b>	<u>3,314,394</u>	<u>2,788,754</u>
<b>CASH, END OF YEAR</b>	<u><u>2,859,727</u></u>	<u><u>3,314,394</u></u>

See accompanying notes to the consolidated financial statements

# COMMUNITY LIVING ELGIN

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2023

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### NATURE OF THE ORGANIZATION

Community Living Elgin (the "organization") is incorporated, without share capital, under the Ontario Corporations Act. The organization is a registered charity and as such, is exempt from income tax pursuant to Section 149(1)(f) of the Income Tax Act, Canada. The organization provides supports and services, primarily to people with developmental disabilities and their families to enable them to participate in our community. The organization also educates the public on the values of an inclusive community. The organization envisions an inclusive community where all people can achieve their full potential.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### Consolidation

The organization's consolidated financial statements include the Operating and Capital Funds of Community Living Elgin, as well as STEAMR Housing Corporation ("STEAMR") and Elgin Community Resource Services ("ECRS"), which are both not-for-profit organizations that are controlled by the organization.

#### Fund Accounting

The accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. The organization uses the following funds:

##### *Operating Fund*

The Operating Fund represents the excess revenue over expenditures that are related to ongoing programs and activities on of the organization.

##### *Capital Fund*

The capital fund includes the fundraising activities of the organization, the operation of Project 3000 homes and holds all tangible capital assets of the organization.

#### Donations-In-Kind and Contributed Services

Volunteers contribute an indeterminable number of hours-per-year. Because of the difficulty in determining their fair value, contributed services and donations in kind are not recognized in the consolidated financial statements.

# COMMUNITY LIVING ELGIN

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Use of Estimates

The preparation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amount of revenues and expenditures during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in excess of revenues over expenditures in the period in which they become known.

In particular, the organization uses estimates when accounting for certain items, including:

- Useful lives of tangible capital assets
- Asset impairments

#### STEAMR Housing

STEAMR Housing operates assisted housing projects. STEAMR is incorporated without share capital and is exempt from income tax under the Canadian Income Tax Act under section 149(1)(f) as a not-for-profit organization.

#### Elgin Community Resource Services

ECRS represents the operations of Elgin Community Resource Services, which include leasing of property used by Community Living Elgin. ECRS is incorporated without share capital and is exempt from income tax under the Canadian Income Tax Act under section 149(1)(f) as a not for profit organization.

#### Tangible Capital Assets and Amortization

Tangible capital assets are recorded at cost. The costs of repairs and replacements are charged to the Operating Fund when incurred. When an asset is sold or otherwise disposed of, the original cost and related accumulated amortization are removed from the accounts and the gain or loss is recognized in revenues over expenditures. Amortization is calculated using the straight-line method over the estimated useful lives of the assets. The annual amortization rates are as follows:

Buildings	30 years
Vehicles	5 years
Computers	3 years
Infrastructure	10 to 30 years
Furniture and equipment	5 years
Solar panels	20 years

# COMMUNITY LIVING ELGIN

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Replacement Reserves

Funds for replacements have been included in the fund from which allocations are made, rather than in a separate replacement reserve fund.

#### Revenue Recognition

The organization follows the deferral method of accounting for contributions.

Restricted contributions, including government and other funding, are deferred and recognized as revenue in the period in which the related expenses are incurred. Externally restricted contributions for tangible capital assets are deferred and recognized as revenue on the same basis as amortization is recorded.

Unrestricted contributions are recognized as revenue when received since pledges are not legally enforceable claims.

Rental revenues are recognized as revenue at the time that the properties are rented to the tenant.

Interest and other revenues are accrued and recognized as revenue at the time that they are earned.

#### Financial Instruments

##### *Measurement of financial instruments*

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash, which are measured at fair value.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and current and long-term portions of debt.

##### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures.

# COMMUNITY LIVING ELGIN

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2023

### 2. TRUST FUNDS

The organization holds funds for an individual. These funds are included in cash and accounts payable and accrued liabilities. The amount held in trust as of March 31, 2023 was \$92,936 (2022 - \$90,591).

### 3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated	2023	2022
	\$	\$	\$	\$
<u>Capital Fund</u>				
Land	546,616	-	<b>546,616</b>	546,616
Buildings	2,819,682	1,911,796	<b>907,886</b>	980,613
Vehicles	620,977	454,555	<b>166,422</b>	228,250
Computers	288,931	288,931	-	-
Infrastructure	1,465,269	1,004,765	<b>460,504</b>	585,843
Furniture and equipment	101,039	101,039	-	7,051
Solar panels	<u>213,000</u>	<u>106,501</u>	<u><b>106,499</b></u>	<u>117,149</u>
	<u>6,055,514</u>	<u>3,867,587</u>	<u><b>2,187,927</b></u>	<u>2,465,522</u>
<u>STEAMR Housing Corporation</u>				
Land	56,010	-	<b>56,010</b>	56,010
Buildings	<u>236,354</u>	<u>236,354</u>	<u>-</u>	<u>-</u>
	<u>292,364</u>	<u>236,354</u>	<u><b>56,010</b></u>	<u>56,010</u>
<u>Elgin Community Resource Services</u>				
Land	35,000	-	<b>35,000</b>	35,000
Building	<u>264,032</u>	<u>107,438</u>	<u><b>156,594</b></u>	<u>165,395</u>
	<u>299,032</u>	<u>107,438</u>	<u><b>191,594</b></u>	<u>200,395</u>
Total Tangible Capital Assets	<u>6,646,910</u>	<u>4,211,379</u>	<u><b>2,435,531</b></u>	<u>2,721,927</u>

The Ministry of Children, Community and Social Services provided significant funding for the acquisition of certain land and buildings. The organization is therefore not free to dispose of these facilities nor to use the assets for other purposes without the consent of the Ministry.

# COMMUNITY LIVING ELGIN

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2023

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### 4. DEFERRED REVENUE

Deferred revenue represents funding received that is related to a specific project or program. These funds are to be recognized as revenue in the same period as the related expenses are incurred. Changes in the deferred revenue balance are as follows:

	2023	2022
	<u>\$</u>	<u>\$</u>
Beginning balance, related to deferred revenue	26,145	47,044
Add: Additions to deferred revenue	165,816	26,626
Less: Amount recognized as revenue in the year	<u>(151,331)</u>	<u>(47,525)</u>
Ending balance, related to deferred revenue	<u>40,630</u>	<u>26,145</u>

### 5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of funds received in prior periods that were externally restricted for the acquisition of tangible capital assets. Changes in the deferred capital contributions balance are as follows:

	2023	2022
	<u>\$</u>	<u>\$</u>
Beginning balance, related to capital funding	1,338,738	1,332,715
Add: Additions to deferred capital contributions	34,764	276,252
Less: Amount recognized as revenue in the year	(261,447)	(236,969)
Deferred capital contribution on sale of tangible capital asset	<u>-</u>	<u>(33,260)</u>
Ending balance, related to capital funding	<u>1,112,055</u>	<u>1,338,738</u>

### 6. CREDIT FACILITY

The organization has a revolving line of credit to a maximum of \$200,000 that bears interest at the RBC prime rate. The balance drawn on the line of credit at year end was \$nil (2022 - \$nil). The following has been pledged as security for bank advances and other long-term debt with the Royal Bank of Canada:

- General security agreement covering all personal property of the organization;
- Security agreement covering all accounts receivable.

# COMMUNITY LIVING ELGIN

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2023

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### 7. OPERATING LEASES

The organization is committed under its operating leases to lease two vehicles for use in operations. The lease terms end December 2022 and September 2024.

Future minimum lease payments under operating leases are as follows:

	<u>\$</u>
2024	5,976
2025	2,490

### 8. LONG-TERM DEBT

<u>Community Living Elgin</u>	<b>2023</b>	<b>2022</b>
	<u>\$</u>	<u>\$</u>
Mortgage payable, Great West Life Assurance, interest at 5.76%, blended monthly instalments of \$3,924, due May 2024 (secured by land and buildings with a carrying value of \$132,559)	<b>52,908</b>	95,659
Fixed Rate Term Loan, Royal Bank of Canada, interest at 4.37%, blended monthly instalments of \$3,603, repaid during the year (secured by land and buildings with a carrying value of \$446,752)	-	96,960
Fixed Rate Term Loan, Royal Bank of Canada, interest at 3.99%, blended monthly instalments of \$848, repaid during the year (secured by land and buildings with a carrying value of \$252,872)	<u>-</u>	<u>118,802</u>
	<b>52,908</b>	311,421
Less: current portion	<u><b>45,246</b></u>	<u>258,513</u>
	<u><b>7,662</b></u>	<u>52,908</u>

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# COMMUNITY LIVING ELGIN

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2023

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### 8. LONG-TERM DEBT (CONTINUED)

#### Elgin Community Resource Services

Mortgage payable, 4.72%, repayable in blended monthly instalments of \$1,205, due April 2023 (secured by land and building included in capital assets with a carrying value of \$191,594)

43,333 55,356

Less: current portion

43,333 12,965

- 42,391

Subsequent to year end, the mortgage was renewed for a 3 year fixed term at 6.57%, with monthly blended payments of \$1,264, ending April 2026.

The aggregate amount of principal payments required in each of the next two years to meet debt retirement provisions is as follows. The organization anticipates that at the maturity date, mortgages will be renewed on terms available at the time.

	<u>\$</u>
2024	88,579
2025	7,662

### 9. EMPLOYEE RETIREMENT BENEFITS

The organization has a defined contribution plan (registered retirement savings plan) where the employer matches employee contributions depending on employment classification and years of service. During the year the organization contributed \$221,696 (2022 - \$211,267). These contributions are included in wages and benefits on the Statement of Operations.

### 10. GOVERNMENT ASSISTANCE

The organization is eligible for yearly Federal Supportive Housing funding towards operating expenditures as long as it continues to satisfy requirements determined in its operating agreement signed with the Canada Mortgage and Housing Corporation. Ministry of Children, Community and Social Services administers the program on behalf of the Canada Mortgage and Housing Corporation.



# COMMUNITY LIVING ELGIN

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2023

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### 11. ECONOMIC DEPENDENCE

The majority of the organization's revenues are derived from Ministry of Children, Community and Social Services (MCCSS). These contracts are reviewed annually and the organization is dependant on this funding to continue operations. The organization is required to file various reports to ensure compliance with the funding agreements. If the organization doesn't spend funding according to the agreements or is not in compliance with the agreements the organization may be required to repay some of the funding. At year end the organization was in compliance with these agreements. The organization's management does not foresee any issues that would cause this funding to be discontinued.

### 12. GOVERNMENT GRANTS

The organization received one time funding for Ministry approved pay increases during the coronavirus pandemic. During the year, the temporary wage enhancement became a permanent wage enhancement. The organization received \$12,422 pandemic pay and \$1,279,387 for a permanent wage enhancement (2022 - \$20,446 pandemic pay and \$952,852 for a temporary wage enhancement), which was included in the statement of operations in Ministry of Children, Community and Social Services revenue (2022 in other government revenue).

### 13. RECONCILIATION OF EXCESS OF REVENUES OVER EXPENDITURES FOR MCCSS PURPOSES

Under the financial reporting guidelines of the Ministry of Children, Community and Social Services, certain adjustments are made to excess of revenues over expenditures for purposes of calculating the excess of revenues over expenditures to be reported to the Ministries. See below for a reconciliation of the excess of revenues over expenditures reported for Ministry purposes:

	2023 <u>\$</u>	2022 <u>\$</u>
Total revenues from the Statement of Operations	16,146,364	14,781,791
Revenue utilized for capital purchases, adjusted to deferred capital contributions	<u>34,764</u>	<u>275,704</u>
Total revenues for MCCSS reporting	<u>16,181,128</u>	<u>15,057,495</u>
Total expenditures from the Statement of Operations	15,946,845	14,671,117
Expenditures capitalized, adjusted to tangible capital assets	<u>34,764</u>	<u>275,704</u>
Total expenditures for MCCSS reporting	<u>15,981,609</u>	<u>14,946,821</u>

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# COMMUNITY LIVING ELGIN

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2023

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### 14. FINANCIAL INSTRUMENT RISKS

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of organization's exposure and concentrations at the Statement of Financial Position date:

#### Liquidity Risk

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, long-term debt and obligations under capital leases.

#### 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 does not have any significant exposure to any individual funder other than the Ministry of Children, Community and Social Services.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk.

#### 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 interest rate risk on its current and long-term debt subject to fixed interest rates. It is management's opinion that this risk exposure is not significant.

It is management's opinion that the entity is not exposed to any significant foreign currency or other price risk.

No financial liabilities of the organization were in default during the period.

The organization was not subject to any covenants during the period.

There were no changes in these assessments from the prior year.