

COMMUNITY LIVING DURHAM NORTH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025



Smith
Chappell
Marsh
Vilander LLP

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
COMMUNITY LIVING DURHAM NORTH
PORT PERRY, ONTARIO

Qualified Opinion

We have audited the financial statements of Community Living Durham North (the Entity), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, 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 Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations and fundraising the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years.

We conducted our audits 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 Entity in accordance with the ethical requirements that are relevant to our audits 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 qualified 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.

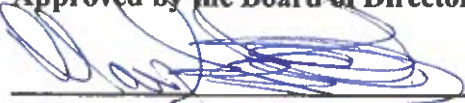
In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to 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.

COMMUNITY LIVING DURHAM NORTH**(INCORPORATED WITHOUT SHARE CAPITAL UNDER THE LAWS OF THE PROVINCE OF ONTARIO)****STATEMENT OF FINANCIAL POSITION****AS AT MARCH 31, 2025**

			<u>2025</u>	<u>2024</u>
<u>ASSETS</u>				
Current				
Cash and short term investments			\$ 3,239,606	\$ 1,560,632
Accounts receivable (Note 3)			559,436	440,432
Prepaid expenses and deposits			150,991	49,395
			<u>3,950,033</u>	<u>2,050,459</u>
Capital Assets (Note 2(e))				
	<u>Cost</u>	<u>Accumulated Amortization</u>		
Land	\$ 3,952,757	\$ -	3,952,757	3,959,103
Buildings	6,925,478	4,209,681	2,715,797	3,220,434
Equipment and computers	410,948	353,653	57,295	10,966
Furniture and fixtures	229,778	188,975	40,803	49,907
Leasehold improvements	58,657	58,657	-	-
Vehicles	571,035	394,837	176,198	128,373
	<u>\$12,148,653</u>	<u>\$ 5,205,803</u>	<u>6,942,850</u>	<u>7,368,783</u>
			<u>\$10,892,883</u>	<u>\$ 9,419,242</u>

Approved by the Board of Directors:


_____, Director
_____, Director

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 Entity'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 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 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 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Smith Chappell Marsh Velante LLP

June 25, 2025
Oshawa, Ontario

Chartered Professional Accountants
Licensed Public Accountants

COMMUNITY LIVING DURHAM NORTH**(INCORPORATED WITHOUT SHARE CAPITAL UNDER THE LAWS OF THE PROVINCE OF ONTARIO)****STATEMENT OF FINANCIAL POSITION****AS AT MARCH 31, 2025**

	<u>2025</u>	<u>2024</u>
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued charges	\$ 2,411,996	\$ 2,114,162
Deferred revenue (Note 4)	11,288	8,613
Current portion of long term debt	155,704	1,521,425
	<u>2,578,988</u>	<u>3,644,200</u>
Long Term		
Mortgages payable (Note 5)	4,020,865	4,185,710
Less: Current portion	(155,704)	(1,521,425)
	<u>3,865,161</u>	<u>2,664,285</u>
Deferred Contributions Related to Capital Assets (Note 7)	<u>624,941</u>	<u>686,193</u>
Net Assets		
Invested in capital assets (Note 8)	2,297,044	2,496,880
Unrestricted	1,526,749	(72,316)
	<u>3,823,793</u>	<u>2,424,564</u>
	<u><u>\$10,892,883</u></u>	<u><u>\$ 9,419,242</u></u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2025

	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	<u>2025 Total</u>	<u>2024 Total</u>
Opening balance	\$ 2,496,880	\$ (72,316)	\$ 2,424,564	\$ 2,370,775
Excess of revenues over expenses (expenses over revenues) (Note 8(b))	1,012,365	386,864	1,399,229	53,789
Net change in invested in capital assets (Note 8(b))	(1,212,201)	1,212,201	-	-
Closing Balance	\$ 2,297,044	\$ 1,526,749	\$ 3,823,793	\$ 2,424,564

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
Operating Activities		
Excess of revenue over expenses	\$ 1,399,229	\$ 53,789
Charges to income not involving cash:		
Amortization	367,390	355,078
(Gain)/Loss on disposal of capital assets	<u>(1,262,554)</u>	<u>-</u>
	<u>504,065</u>	<u>408,867</u>
Net change in non-cash working capital balances related to operations:		
Accounts receivable	(119,004)	(200,047)
Prepaid expenses and deposits	(101,596)	144,097
Accounts payable	297,834	53,697
Deferred revenue	<u>2,675</u>	<u>(18,444)</u>
	<u>79,909</u>	<u>(20,697)</u>
	<u>583,974</u>	<u>388,170</u>
Investing Activities		
Proceeds on disposal of capital assets	1,492,597	-
Additions to capital assets	<u>(171,500)</u>	<u>(1,246,910)</u>
	<u>1,321,097</u>	<u>(1,246,910)</u>
Financing Activities		
Increase (decrease) in long term debt	(164,845)	656,765
Increase (decrease) in deferred contributions related to capital assets net of related amortization	<u>(61,252)</u>	<u>83,394</u>
	<u>(226,097)</u>	<u>740,159</u>
Change in Cash and Cash Equivalents During the Year	1,678,974	(118,581)
Cash and Cash Equivalents, Beginning of Year	<u>1,560,632</u>	<u>1,679,213</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,239,606</u>	<u>\$ 1,560,632</u>

COMMUNITY LIVING DURHAM NORTH**STATEMENT OF OPERATIONS - GENERAL****FOR THE YEAR ENDED MARCH 31, 2025**

	<u>2025</u>	<u>2024</u>
REVENUES:		
Donations and fundraising	\$ 5,599	\$ 6,025
Membership dues	-	40
Miscellaneous	61,489	63,777
Region of Durham (Note 9)	252,625	184,725
Gain on disposal of capital assets	1,262,554	-
	<u>1,582,267</u>	<u>254,567</u>
EXPENDITURES:		
Supplies	18,134	17,838
Volunteer training	2,212	1,952
Advertising and promotion	203	-
Staff training	-	388
Region of Durham (Note 9)	255,402	185,948
Rental	11,059	-
Central administration - general	465	619
	<u>287,475</u>	<u>206,745</u>
EXCESS OF REVENUES OVER EXPENDITURES		
BEFORE AMORTIZATION	<u>1,294,792</u>	<u>47,822</u>
Amortization	-	5,000
EXCESS OF REVENUES OVER EXPENDITURES	<u><u>\$ 1,294,792</u></u>	<u><u>\$ 42,822</u></u>

COMMUNITY LIVING DURHAM NORTH
STATEMENT OF OPERATIONS - CONSOLIDATED PROGRAMS
FOR THE YEAR ENDED MARCH 31, 2025

	<u>BUDGET</u> <u>2025</u>	<u>ACTUAL</u> <u>2025</u>	<u>ACTUAL</u> <u>2024</u>
SUPPORT:			
MCCSS - operating	\$19,468,759	\$19,409,720	\$17,566,445
MCCSS East Region - operating	34,900	34,900	39,900
	<u>19,503,659</u>	<u>19,444,620</u>	<u>17,606,345</u>
REVENUE:			
Rent	1,344,168	1,379,125	1,282,664
Other funding	1,220,108	1,270,071	1,404,039
United Way	30,000	30,000	30,000
Respite	43,000	43,263	42,625
	<u>2,637,276</u>	<u>2,722,459</u>	<u>2,759,328</u>
SUPPORT:			
Amortization of Deferred Contributions (Note 7)	-	117,201	116,606
	<u>22,140,935</u>	<u>22,284,280</u>	<u>20,482,279</u>
EXPENDITURES:			
Wages and salaries	14,859,541	15,149,790	14,250,463
Employee benefits	2,801,209	2,442,258	2,270,028
Staff travel	83,350	74,054	70,978
Supplies	46,650	42,028	55,505
Vehicle operation	225,583	302,284	156,015
Utilities and taxes	245,238	262,919	251,173
Purchased services	374,728	386,636	443,103
Food	459,672	455,702	438,755
Personal needs	487,165	358,423	315,397
New furnishings and equipment	80,999	32,569	36,289
Advertising and promotion	1,200	3,103	713
Repairs and maintenance	358,892	420,002	269,858
Staff training and conferences	84,100	25,890	34,010
Rental	539,342	391,355	311,312
Central administration - general (reallocation)	429,018	422,773	318,727
- staffing	1,064,248	1,042,667	898,908
	<u>22,140,935</u>	<u>21,812,453</u>	<u>20,121,234</u>
EXCESS OF REVENUES OVER			
EXPENDITURES BEFORE AMORTIZATION	-	471,827	361,045
Amortization	-	367,390	350,078
EXCESS OF REVENUES			
OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 104,437</u>	<u>\$ 10,967</u>

COMMUNITY LIVING DURHAM NORTH**STATEMENT OF OPERATIONS - ADULT DS COMMUNITY SUPPORT SERVICES****FOR THE YEAR ENDED MARCH 31, 2025**

	<u>BUDGET</u> <u>2025</u>	<u>ACTUAL</u> <u>2025</u>	<u>ACTUAL</u> <u>2024</u>
SUPPORT:			
MCCSS - operating	\$ 2,613,334	\$ 2,748,555	\$ 2,664,415
REVENUE:			
United Way	30,000	30,000	30,000
Other funding	56,631	58,829	47,800
Respite	43,000	43,263	42,625
	<u>129,631</u>	<u>132,092</u>	<u>120,425</u>
Amortization of Deferred Contributions (Note 7)	-	-	5,000
	<u>2,742,965</u>	<u>2,880,647</u>	<u>2,789,840</u>
EXPENDITURES:			
Wages and salaries	1,772,467	1,965,973	1,974,525
Employee benefits	334,616	304,992	280,809
Staff travel	13,050	9,711	9,731
Supplies	7,650	6,394	6,626
Vehicle operation	70,725	78,840	78,578
Utilities and taxes	42,528	36,376	43,289
Purchased services	47,099	47,323	43,187
Food	33,384	32,630	33,507
New furnishings and equipment	4,000	5,960	3,307
Advertising and promotion	150	578	95
Repairs and maintenance	49,759	33,223	13,720
Staff training and conferences	10,481	3,144	4,477
Rental	140,029	127,307	96,583
Personal needs	21,543	28,422	16,080
Central administration - general (reallocation)	62,852	53,057	44,176
- staffing	132,632	129,854	119,555
	<u>2,742,965</u>	<u>2,863,784</u>	<u>2,768,245</u>
EXCESS OF REVENUES OVER			
EXPENDITURES BEFORE AMORTIZATION	-	16,863	21,595
Amortization	-	38,307	45,670
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	\$ -	\$ (21,444)	\$ (24,075)

COMMUNITY LIVING DURHAM NORTH**STATEMENT OF OPERATIONS - ADULT COMMUNITY ACCOMMODATION****FOR THE YEAR ENDED MARCH 31, 2025**

	BUDGET 2025	ACTUAL 2025	ACTUAL 2024
SUPPORT:			
MCCSS - operating	\$16,751,525	\$16,616,305	\$14,845,855
REVENUE:			
Rent	1,344,168	1,379,125	1,282,664
Other funding	1,163,477	1,211,242	1,356,239
	<u>2,507,645</u>	<u>2,590,367</u>	<u>2,638,903</u>
SUPPORT:			
Amortization of Deferred Contributions (Note 7)	-	106,536	106,536
	<u>19,259,170</u>	<u>19,313,208</u>	<u>17,591,294</u>
EXPENDITURES:			
Wages and salaries	13,087,074	13,183,817	12,275,938
Employee benefits	2,466,593	2,137,266	1,989,219
Staff travel	70,300	64,343	61,247
Supplies	39,000	35,634	48,879
Vehicle operation	154,858	223,444	77,437
Utilities and taxes	197,493	221,326	198,848
Purchased services	327,628	339,313	399,916
Food	426,288	423,072	405,248
Personal needs	465,622	330,001	299,317
New furnishings and equipment	20,999	26,609	32,982
Advertising and promotion	1,050	2,525	618
Repairs and maintenance	261,233	341,919	202,136
Staff training and conferences	73,619	22,746	29,533
Rental	369,630	255,606	203,367
Central administration - general (reallocation)	366,167	369,716	274,551
- staffing	931,616	912,813	779,353
	<u>19,259,170</u>	<u>18,890,150</u>	<u>17,278,589</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION	-	423,058	312,705
Amortization	-	310,998	291,918
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 112,060</u>	<u>\$ 20,787</u>

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - CRRF

FOR THE YEAR ENDED MARCH 31, 2025

	BUDGET <u>2025</u>	ACTUAL <u>2025</u>	ACTUAL <u>2024</u>
SUPPORT:			
MCCSS - operating	\$ -	\$ -	\$ 18,475
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Repairs and maintenance	-	-	18,475
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENDITURES	\$ -	\$ -	\$ -
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COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - REPAIRS AND MAINTENANCE

FOR THE YEAR ENDED MARCH 31, 2025

	BUDGET <u>2025</u>	ACTUAL <u>2025</u>	ACTUAL <u>2024</u>
SUPPORT:			
OMCSS - operating	\$ 103,900	\$ 44,860	\$ 37,700
SUPPORT:			
Amortization of Deferred Contributions (Note 7)	-	10,665	5,070
	<u>103,900</u>	<u>55,525</u>	<u>42,770</u>
EXPENDITURES:			
Repairs and maintenance	47,900	44,860	35,527
New furnishings and equipment	56,000	-	-
	<u>103,900</u>	<u>44,860</u>	<u>35,527</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION	-	10,665	7,243
Amortization	-	10,665	5,070
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,173</u>

COMMUNITY LIVING DURHAM NORTH**STATEMENT OF OPERATIONS - DEDICATED SUPPORTIVE HOUSING****FOR THE YEAR ENDED MARCH 31, 2025**

	<u>BUDGET</u> <u>2025</u>	<u>ACTUAL</u> <u>2025</u>	<u>ACTUAL</u> <u>2024</u>
SUPPORT:			
MCCSS East Region - operating	\$ 34,900	\$ 34,900	\$ 39,900
EXPENDITURES:			
Utilities	5,217	5,217	9,036
Rental	29,683	8,442	11,362
	<u>34,900</u>	<u>13,659</u>	<u>20,398</u>
EXCESS OF REVENUES OVER EXPENDITURES			
BEFORE AMORTIZATION	-	21,241	19,502
Amortization	-	7,420	7,420
EXCESS OF REVENUES			
OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 13,821</u>	<u>\$ 12,082</u>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

1. Status and Nature of Activities

Community Living Durham North is a registered charity which provides services, accommodation and education to individuals who have intellectual disabilities in the Scugog, Brock and Uxbridge Townships.

2. 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:

(a) Basis of Presentation

These financial statements present the financial position and results of operations of Community Living Durham North.

The statements have been departmentalized in accordance with the funding and budgeting requirements prescribed by the Ontario Ministry of Children, Community and Social Services (MCCSS).

(b) Donated Materials and Services

The organization does not record the value of donated materials and services as it is felt to be impracticable from a record keeping and valuation point of view.

(c) Pledges

The organization does not account for the value of pledges. Accordingly, donations are recorded on a cash basis.

(d) Tax Status

The organization is a registered charity under the provisions of the Income Tax Act.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

2. Summary of Significant Accounting Policies - continued

(e) Capital Assets

Capital assets are stated at cost. Amortization charges are calculated on a straight-line basis at the following rates:

Buildings	5%
Equipment	10%
Computers	15%
Furniture and fixtures	10%
Vehicles	15%

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

(f) Revenue Recognition

Community Living Durham North 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.

(g) Use of Estimates

The preparation of 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 at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

2. Summary of Significant Accounting Policies - continued

(h) Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued charges, mortgages payable and term loans payable.

Impairment

Financial assets measured at cost are reviewed annually to determine whether there are indicators of possible impairment. When there is an indication of impairment the amount of the write-down is recognized in net income. 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 net income.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

2. Summary of Significant Accounting Policies - continued

(i) Allocation of Expenses

The organization provides various programs on behalf of the Ontario Ministry of Children, Community and Social Services (MCCSS). The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The organization also incurs a number of general support expenses that are common to the administration of the organization and each of its programs.

The organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component. The organization allocates these expenses to the departments in accordance with the approved budgets.

3. Accounts Receivable

Accounts receivable are represented by taxes recoverable, community supports, Ontario Ministry of Children, Community and Social Services and rent receivables.

4. Deferred Revenue

Revenues earned are recognized as the expenses relating to these funds are incurred. The unearned portion of these funds are recorded on the Statement of Financial Position as deferred revenue.

	<u>2025</u>	<u>2024</u>
Opening balance	\$ 8,613	\$ 27,056
Earned	(1,138)	(19,348)
Received	3,813	905
	<hr/>	<hr/>
Closing balance	\$ 11,288	\$ 8,613
	<hr/>	<hr/>

COMMUNITY LIVING DURHAM NORTH**NOTES TO FINANCIAL STATEMENTS****AS AT MARCH 31, 2025****5. Mortgages Payable**

	<u>2025</u>	<u>2024</u>
Royal Bank of Canada, bearing interest at 6.54%, repayable in monthly payments of principal and interest of \$2,367, due August 15, 2026	\$ 293,656	\$ 302,433
Royal Bank of Canada, bearing interest at 5.59%, repayable in monthly payments of principal and interest of \$3,033, due November 15, 2026	347,680	364,061
Royal Bank of Canada, bearing interest at 6.58%, repayable in monthly payments of principal and interest of \$2,518, due July 15, 2026	266,899	279,016
Royal Bank of Canada, bearing interest at 5.56%, repayable in monthly payments of principal and interest of \$4,569, due September 29, 2027	763,996	791,583
Royal Bank of Canada, bearing interest at 4.74%, repayable in monthly payments of principal and interest of \$1,070, due November 16, 2026	98,671	107,160
Royal Bank of Canada, bearing interest at 6.38%, repayable in monthly payments of principal and interest of \$3,027, due March 1, 2027	395,075	405,678
Royal Bank of Canada, bearing interest at 6.72%, repayable in monthly payments of principal and interest of \$2,279, due October 22, 2026	231,901	243,165
Royal Bank of Canada, bearing interest at 5.56%, repayable in monthly payments of principal and interest of \$3,484, due July 30, 2027	492,801	509,663
Royal Bank of Canada, bearing interest at 3.10%, repayable in monthly payments of principal and interest of \$2,239, due March 31, 2028	414,344	429,243
Royal Bank of Canada, bearing interest at 3.40%, repayable in monthly payments of principal and interest of \$2,964, due December 21, 2026	547,949	564,574

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

5. Mortgages Payable (continued)

	<u>2025</u>	<u>2024</u>
Scotiabank, bearing interest at 4.61% repayable in monthly payments of principal and interest of \$2,465, due May 1, 2029	167,893	189,134
	<u>\$ 4,020,865</u>	<u>\$ 4,185,710</u>

Principal repayments over the next five years are as follows:

2026	\$ 155,704
2027	\$ 2,159,162
2028	\$ 1,608,407
2029	\$ 25,652
2030	\$ 71,941

6. Bank Credit Facility

The organization has entered into an agreement with the Royal Bank of Canada. The agreement is a demand operating loan in the amount of \$750,000. This loan bears interest at the Royal Bank Prime rate. As at March 31, 2025, there was no balance outstanding on this loan.

The organization has added a \$1,000,000 non-revolving term facility by way of fixed term loans to finance owner occupied real estate.

Security pledged with the Royal Bank consists of a general security agreement constituting a first ranking security interest in all the assets of the organization except real property. In addition, the Royal Bank has collateral mortgages on 89 Victoria Drive, Uxbridge, Ontario in the amount of \$245,000, 49 South Balsam Street, Uxbridge, Ontario in the amount of \$261,000, 18500 Island Road, Port Perry, Ontario in the amount of \$200,000, 163 Maple Street, Uxbridge, Ontario for the amount of \$197,229, 3 Low Boulevard, Uxbridge, Ontario for the amount of \$370,000, 1040 Concession Road 13, Cannington, Ontario for the amount of \$395,000, 22351 Lake Ridge Road, Uxbridge, Ontario for the amount of \$423,750, 1355 Highway 7A, Port Perry, Ontario for the amount of \$425,000, 101 Alva Street, Port Perry, Ontario for the amount of \$469,000, 15583 Old Simcoe Road, Port Perry, Ontario for the amount of \$586,000, 14438 Old Simcoe Road, Port Perry, Ontario for the amount of \$537,000 and on 158 Reach Street, Uxbridge, Ontario for the amount of \$600,000.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

7. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represents the unamortized amount of grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations on the same basis as the amortization expense related to capital assets.

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 686,193	\$ 602,799
Additional contributions received - net	55,949	200,000
	<hr/>	<hr/>
	742,142	802,799
Less: Amounts amortized to revenue	117,201	116,606
	<hr/>	<hr/>
Balance, end of year	\$ 624,941	\$ 686,193
	<hr/>	<hr/>

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

8. Investment in Capital Assets

(a) Investment in capital assets is calculated as follows:

	<u>2025</u>	<u>2024</u>
Capital assets	\$ 6,942,850	\$ 7,368,783
Less: Amount financed by deferred contributions	(624,941)	(686,193)
Mortgages payable	(4,020,865)	(4,185,710)
	<u>\$ 2,297,044</u>	<u>\$ 2,496,880</u>

(b) Change in net assets invested in capital assets is calculated as follows:

	<u>2025</u>	<u>2024</u>
Excess of revenue over expenses (expenses over revenue)		
Amortization of deferred contributions	\$ 117,201	\$ 116,606
Gain on sale of capital assets	1,262,554	-
Less: Amortization of capital assets	(367,390)	(355,078)
	<u>1,012,365</u>	<u>(238,472)</u>
Net change in invested in capital assets		
Purchase of capital assets	171,500	1,246,910
Amounts funded by deferred contributions	(55,949)	(200,000)
Mortgages payable	164,845	(656,765)
Proceeds on sale of capital assets	(1,492,597)	-
	<u>(1,212,201)</u>	<u>390,145</u>
	<u>\$ (199,836)</u>	<u>\$ 151,673</u>

COMMUNITY LIVING DURHAM NORTH**NOTES TO FINANCIAL STATEMENTS****AS AT MARCH 31, 2025****9. Region of Durham**

	<u>Affordable Housing</u>	<u>Housing Support</u>	<u>2025 Total</u>
Revenue	\$ -	\$ 252,625	\$ 252,625
Expenses			
Wages and salaries	-	138,483	138,483
Employee Benefits	-	27,206	27,206
Staff travel	-	7,656	7,656
Utilities and taxes	-	4,256	4,256
Purchased services	-	950	950
Staff training	-	874	874
Rental	-	7,200	7,200
Supplies	-	54,639	54,639
Central administration - general	-	14,138	14,138
	-	255,402	255,402
	\$ -	\$ (2,777)	\$ (2,777)
	<u>Affordable Housing</u>	<u>Housing Support</u>	<u>2024 Total</u>
Revenue	\$ 4,725	\$ 180,000	\$ 184,725
Expenses			
Affordable Housing Reimbursements	4,500	-	4,500
Wages and salaries	-	116,917	116,917
Employee Benefits	-	21,587	21,587
New furnishings and equipment	-	452	452
Staff travel	-	8,389	8,389
Utilities and taxes	-	3,749	3,749
Purchased services	-	192	192
Personal needs	-	67	67
Staff training	-	647	647
Rental	-	4,491	4,491
Supplies	-	20,864	20,864
Central administration - general	-	4,093	4,093
	4,500	181,448	185,948
	\$ 225	\$ (1,448)	\$ (1,223)

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

10. Prior Year Adjustment

Each fiscal year, the organization is required to perform a year-end reconciliation to determine any amounts repayable to, or recoverable from, Ministry of Children, Community and Social Services (MCCSS) in accordance with the organization's operating agreements. As at the Auditor's Report date, the fiscal year ending March 31, 2025 have not been reviewed by MCCSS, and as a result, future adjustments may be required as a result of this review. Due to the particular requirements of MCCSS, comparative figures are not restated when these adjustments are made.

11. Budget Figures

The budget figures presented for comparison purposes represent the annual budget approved by the organization's Board of Directors for the year ended March 31, 2025 which have not been audited or reviewed.

12. Economic Dependence

In common with other publicly funded agencies, the organization derives the majority of its revenue from the Province of Ontario. Further, the Province of Ontario through the Ministry of Children, Community and Social Services, have an encumbrance on specific real properties held in the name of the organization.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

13. Commitments

The organization is committed to annual amounts under lease obligations for facilities with respect to several premises. Each location is under a separate lease. The leases expire at various times with varying terms for renewal. Future payments will total \$975,038 plus applicable taxes and include the following payments over the next 5 years:

2026	\$	198,197
2027	\$	180,861
2028	\$	75,680
2029	\$	77,454
2030	\$	79,227

The organization committed to various vehicle leases during the year. The leases are 48 to 60 months each with total monthly commitment of \$11,928 plus applicable taxes. The leases expire at various times from July, 2025 to March, 2029. Future minimum lease payments over the next 4 years are as follows:

2026	\$	141,531
2027	\$	137,436
2028	\$	130,990
2029	\$	50,250

During the year, the organization entered into an agreement to purchase property for \$2,475,000 with a completion date of November 25, 2025.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

14. Financial Instruments

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at March 31, 2025.

Liquidity risk

Liquidity risk is defined as the risk that the organization may not be able to meet or settle its obligations as they become due. The organization has taken steps to ensure that it will have sufficient working capital to meet its obligations.

Credit risk

Credit risk arises from the potential that counterparties including clients will fail to perform their obligations. The organization is subject to credit risk through its receivables. Account monitoring procedures are utilized to minimize risk of loss.

Interest rate risk

Interest rate risk arises because of the fluctuation in interest rates. The organization is subject to interest rate risk through their mortgages payable and term loans payable. The organization monitors the current interest rate to ensure that their interest rates do not vary much from market rate.