

**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2024**



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**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
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**MARCH 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Community Living - Kincardine & District**:

### **Qualified Opinion**

We have audited the financial statements of **Community Living - Kincardine & District** (the Organization), which comprise the statement of financial position as at March 31, 2024 and the statements of changes in fund balances, operations, and cash flow 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 Organization as at March 31, 2024, and 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**

**Community Living - Kincardine & District** derives revenue from charitable donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Consequently, we were unable to determine whether any adjustments were necessary to revenues, excess of revenues over expenditures, and cash flows for the years ended March 31, 2024 and March 31, 2023 and assets and fund balances as at March 31, 2024 and March 31, 2023. Our audit opinion for both years was modified accordingly because of the possible effect of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants  
Licensed Public Accountants  
Owen Sound, Ontario  
June 18, 2024

**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31**

	Operating Fund \$	Capital Asset Fund \$	Board Fund \$	2024 \$	2023 \$
<b>Assets</b>					
<b>Current</b>					
Cash	371,202	-	483,378	<b>854,580</b>	663,113
Accounts receivable	83,198	-	-	<b>83,198</b>	102,511
HST recoverable	2,861	-	1,221	<b>4,082</b>	25,367
Due from Province of Ontario	200	-	-	<b>200</b>	200
Due to/from other funds (Note 6)	(44,070)	-	44,070	-	-
Prepaid expense	-	-	5,197	<b>5,197</b>	5,818
	413,391	-	533,866	<b>947,257</b>	797,009
Property and equipment (Note 2)	-	1,460,768	-	<b>1,460,768</b>	1,497,140
	413,391	1,460,768	533,866	<b>2,408,025</b>	2,294,149
<b>Liabilities and fund balances</b>					
<b>Current</b>					
Accounts payable	198,131	-	239	<b>198,370</b>	174,522
Government remittances payable	40,362	-	-	<b>40,362</b>	21,852
Deferred revenue (Note 4)	169,855	-	91,947	<b>261,802</b>	180,108
Current portion of long- term debt (Note 9)	-	507,299	-	<b>507,299</b>	555,301
	408,348	507,299	92,186	<b>1,007,833</b>	931,783
Deferred contributions (Note 5)	-	840,133	-	<b>840,133</b>	855,150
	408,348	1,347,432	92,186	<b>1,847,966</b>	1,786,933
<b>Fund Balances</b>					
Invested in property and equipment	-	113,336	-	<b>113,336</b>	86,690
Unrestricted	-	-	441,680	<b>441,680</b>	415,483
Externally restricted	5,043	-	-	<b>5,043</b>	5,043
	5,043	113,336	441,680	<b>560,059</b>	507,216
	413,391	1,460,768	533,866	<b>2,408,025</b>	2,294,149

Approved on behalf of the board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED MARCH 31**

	Operating Fund \$	Capital Asset Fund \$	Board Fund \$	2024 \$	2023 \$
<b>Fund balances, beginning of year</b>	5,043	86,690	415,483	<b>507,216</b>	425,776
Excess (deficiency) of revenue over expenditures	-	(21,356)	74,199	<b>52,843</b>	81,440
Interfund transfers (Note 7)	-	48,002	(48,002)	-	-
<b>Fund balances, end of year</b>	<b>5,043</b>	<b>113,336</b>	<b>441,680</b>	<b>560,059</b>	<b>507,216</b>

See accompanying notes to the financial statements

**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31**

	Operating Fund \$	Capital Asset Fund \$	Board Fund \$	2024 \$	2023 \$
<b>Revenue</b>					
Province of Ontario subsidy					
- Operations	2,515,355	-	-	<b>2,515,355</b>	2,466,433
- ODSPEs	1,890	-	-	<b>1,890</b>	4,862
Ontario Trillium Foundation	32,056	-	-	<b>32,056</b>	-
Federal government grant	-	-	-	-	5,167
Individualized funding	275,241	-	-	<b>275,241</b>	235,783
Rental income	-	-	77,826	<b>77,826</b>	74,124
Resident revenue	140,640	-	-	<b>140,640</b>	140,640
Amortization of deferred contributions (Note 5)	-	34,909	-	<b>34,909</b>	32,623
Interest earned	14,113	-	-	<b>14,113</b>	1,500
Fee for services	83,033	-	-	<b>83,033</b>	38,198
Book Sales	-	-	-	-	834
Donations and fundraising	-	-	72,661	<b>72,661</b>	106,682
Designated Funding	-	-	37,595	<b>37,595</b>	-
	<b>3,062,328</b>	<b>34,909</b>	<b>188,082</b>	<b>3,285,319</b>	<b>3,106,846</b>
<b>Expenditures</b>					
Salaries	1,716,014	-	-	<b>1,716,014</b>	1,658,629
Benefits	304,188	-	-	<b>304,188</b>	297,458
Travel	11,036	-	-	<b>11,036</b>	8,265
Training	8,386	-	-	<b>8,386</b>	3,460
Purchased services	116,799	-	-	<b>116,799</b>	118,307
Supplies	14,948	-	-	<b>14,948</b>	11,680
Premises rent	80,570	-	-	<b>80,570</b>	74,124
Utilities and taxes	25,569	-	-	<b>25,569</b>	25,593
Insurance	11,472	-	-	<b>11,472</b>	10,989
Repairs and maintenance	30,673	-	-	<b>30,673</b>	27,969
Replacements	38,461	-	-	<b>38,461</b>	15,058
Personal needs	478,045	-	-	<b>478,045</b>	438,848
Other	7,176	-	-	<b>7,176</b>	3,345
Allocated administration	218,243	-	-	<b>218,243</b>	211,895
Expenditure recoveries	-	-	-	-	(13,037)
Other - board	-	-	113,883	<b>113,883</b>	75,938
New property and equipment	748	-	-	<b>748</b>	-
Amortization of capital assets	-	56,265	-	<b>56,265</b>	56,885
	<b>3,062,328</b>	<b>56,265</b>	<b>113,883</b>	<b>3,232,476</b>	<b>3,025,406</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>-</b>	<b>(21,356)</b>	<b>74,199</b>	<b>52,843</b>	<b>81,440</b>

See accompanying notes to the financial statements



**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED MARCH 31**

	2024 \$	2023 \$
<b>Cash provided by (used for)</b>		
<b>Operating activities</b>		
Net revenue (Page 5)	52,843	81,440
Amortization of property and equipment	56,265	56,885
Amortization of deferred contributions related to property and equipment	(34,909)	(32,623)
Net change in accounts receivable and payable	165,270	14,288
Net cash generated through operating activities	<u>239,469</u>	<u>119,990</u>
<b>Financing activities</b>		
Repayment of mortgages and loans	(48,002)	(47,289)
Capital contributions	19,893	24,819
	<u>(28,109)</u>	<u>(22,470)</u>
<b>Investing activities</b>		
Acquisition of property and equipment	<u>(19,893)</u>	<u>(24,819)</u>
<b>Change in cash</b>	<b>191,467</b>	<b>72,701</b>
Cash at beginning of year	<u>663,113</u>	<u>590,412</u>
<b>Cash at end of year</b>	<b><u>854,580</u></b>	<b><u>663,113</u></b>
Cash consists of		
Cash	<u>854,580</u>	<u>663,113</u>
	<b><u>854,580</u></b>	<b><u>663,113</u></b>

See accompanying notes to the financial statements

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**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2024**

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**Purpose of the Organization**

Community Living - Kincardine & District operates programs aimed at providing services that meet the needs of developmentally handicapped adults and that develop their independence to the maximum extent possible. Their Mission statement states that they will assist children, adults and families to make informed decisions.

The Organization was incorporated without share capital under the Corporations Act of Ontario and is a registered charity under the Income Tax Act of Canada and, as such, is exempt from income tax.

**1. Summary of significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies applied in accordance with these standards are as follows:

**(a) Financial instruments**

The Organization measures its financial assets and financial liabilities initially at fair value and subsequently at amortized cost.

Financial assets measured at amortized cost include: cash, accounts receivable, and amounts due from the Province of Ontario.

Financial liabilities measured at amortized cost include accounts payable and long-term debt.

**(b) Fund accounting**

Revenue and expenditures related to program delivery and administrative activities are reported in the Operating Fund. Revenues in this fund include funds that are externally restricted by the Ministry of Children, Community, and Social Services and must be administered in accordance with Ministry approved objectives.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the property and equipment owned by Community Living - Kincardine & District.

The Board Fund includes all unrestricted donations and reports the revenue and expenditures related to fundraising, membership and board of directors operations.

**(c) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and cash deposited in Canadian financial institutions.

**(d) Property and equipment**

Purchased property and equipment are recorded in the Capital Asset Fund at cost. Contributed property and equipment are recorded in the Capital Asset Fund at fair market value at the date of the contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which are as follows:

Buildings	40 years
Equipment, computers and furnishings	10 years

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**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2024**

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**1. Significant accounting policies (continued)**

**(e) Revenue recognition**

Community Living - Kincardine & District follows the deferral method of accounting for contributions.

Federal and Provincial funding received for program operations are recognized as revenue of the Operating Fund in the year in which the related expenditures are incurred. Individualized Funding is flowed through the agency to the individual, who then decides on who will provide support services.

Restricted contributions received for the purchase of property and equipment are recognized as revenue in the Capital Asset Fund on the same basis as the amortization related to the acquired property or equipment.

Unrestricted donations, fundraising and interest earned on investments are recognized as revenue of the Board Fund, when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Rent is charge monthly and recognized in the period accrued and revenue for services provided is recognized in the time period those services are performed.

Fee for services are recognized in the operating fund as revenue in the period earned and is charged on a cost recovery basis.

Contributed materials and services are recognized in the appropriate fund, when received and at fair value at the date of the contribution, if fair value can be reasonably estimated.

Designated funding is recognized are recognized as revenue of the Board Fund in the year in which the related expenditures are incurred.

**(f) Use of estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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 earnings in the period in which they become known. Actual results could differ from those estimates.

**(g) Allocation of expenses**

The Organization reports costs for its operations by program. Costs that can be identified to a specific program are allocated directly to that program. Shared program costs, with the exception of administration costs, are allocated to programs based on management's estimate of the time, usage, or space that best reflects actual utilization of the cost. Administration costs, reported on page 12, are allocated to programs based on a budget amount approved by the funding Ministry.

**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2024**

**2. Property and equipment**

	2024	2023
	\$	\$
Cost		
Land	157,770	157,770
Buildings	2,104,016	2,104,016
Equipment, computers and furnishings	294,257	274,364
	<b>2,556,043</b>	2,536,150
Accumulated amortization		
Buildings	830,442	777,083
Equipment, computers and furnishings	264,833	261,927
	<b>1,095,275</b>	1,039,010
	<b>1,460,768</b>	1,497,140

**3. Contributed services**

Volunteers contribute a number of hours per year to assist Community Living - Kincardine & District in carrying out its service delivery activities. Because of the difficulty of determining either the amount of contributed time or its fair value, contributed services are not recognized in the financial statements.

**4. Deferred revenue**

Deferred Revenue represents funds received for the Job Work Employment Project, training and development programs and other projects that were not spent at year end. The Board Fund deferred revenue includes funds allocated to projects that couldn't be completed as well as restricted donations available for use in subsequent years.

	2024	2023
	\$	\$
Operations		
Balance at beginning of year	131,072	76,983
Received in the year	61,685	68,510
Recognized in the year	(22,902)	(14,421)
	<b>169,855</b>	131,072
Board fund		
Balance at beginning of year	49,036	61,251
Received in the year	102,210	12,900
Recognized in the year	(59,299)	(25,115)
	<b>91,947</b>	49,036
	<b>91,947</b>	49,036

**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2024**

**5. Deferred contributions related to property and equipment**

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of property and equipment. Provision is made for the amortization of deferred contributions in accordance with the depreciation rate on the property and equipment the contribution purchased. The amortization of capital contributions is recorded as income in the statement of operations. The changes for the year in the deferred capital contributions balance are as follows:

	<b>2024</b>	<b>2023</b>
	\$	\$
Balance at beginning of year	855,150	862,954
Capital contributions received	19,892	24,819
Amounts amortized to revenue	(34,909)	(32,623)
	<b>840,133</b>	<b>855,150</b>

**6. Due to/from funds**

The Board Fund pays expenditures of the operating fund as approved by the Board of Directors. At March 31, 2024, the operating fund owes the board fund \$44,070 for accumulated expenditures net of reimbursements.

**7. Interfund transfers**

During the year \$48,002 was transferred from the Board Fund to the Capital Fund for cash outlays related to mortgage and loan principal costs.

**8. Pay equity**

Pay Equity has been achieved.

**9. Long-term debt**

	<b>2024</b>	<b>2023</b>
	\$	\$
(a) 7.08%, Meridian Credit Union Limited, Term loan payable, repayable in blended monthly installments of \$5,783, principal and interest, term maturing in September 2024, due on demand.	<b>477,890</b>	515,454
(b) 4.81%, Meridian Credit Union Limited, loan payable, repayable in blended monthly installments of \$1,011, principal and interest, term maturing in March 2024, due on demand.	<b>29,409</b>	39,847
	<b>507,299</b>	555,301
Less: current portion due within one year	<b>507,299</b>	555,301
	<b>-</b>	<b>-</b>

Subsequent to year end the 4.81% mortgage balance was paid in full.

Based on the mortgage and loan repayments continuing on according to the terms above, the projected principal payments due within the next five years are as follows:

2025	\$	66,662
2026		39,933
2027		42,808
2028		45,890
2029		49,133

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**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2024**

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**9. Long-term debt (continued)**

The Organization has an authorized operating line with Meridian Credit Union Limited at prime plus 1.5%, due on demand, with a maximum borrowing of \$100,000. Security held on all Meridian Credit Union Limited credit facilities includes a general security agreement, collateral mortgages on 416 and 418 Kingsway Street, 286 Lambton, 5 Penetangore Row South and 299 Saratoga Road all in Kincardine, and assignment of fire and liability insurance.

**10. Financial instruments**

The Organization's exposure to risks from financial instruments is described as follows:

**(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk in connection with the collection of its accounts receivable. The Organization mitigates this risk by monitoring payments and does not anticipate significant loss for non-collection.

**(b) 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 their loans and mortgages payable. Changes in prime lending rates can cause fluctuations in interest expense and payment obligations. The Organization manages this risk by locking in rates for a term of up to five years and by adjusting related rental income.

**(c) Liquidity risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its long-term debt and accounts payable. The Organization expects to meet these obligations as they come due by cash flow from government subsidies and rental income. The Organization seeks to minimize the exposure to financial leverage maintaining fixed, blended payment, term debt.

**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
**SCHEDULE OF REVENUE AND EXPENDITURES**  
**FOR THE YEAR ENDED MARCH 31**

**ADMINISTRATION**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Recoveries</b>		
Administration cost recoveries	<u>218,243</u>	211,895
<b>Expenditures</b>		
Salaries	162,381	163,944
Benefits	33,577	34,253
Staff training	2,489	88
Purchased services	18,195	15,989
Supplies	1,511	1,575
Other rentals	1,403	1,325
Other	2,807	2,709
Replacements	1,022	230
Expenditure recoveries	<u>(5,142)</u>	<u>(8,218)</u>
	<u>218,243</u>	211,895
<b>Excess of revenue over expenditures for government reporting purposes</b>	<u>-</u>	<u>-</u>

See accompanying notes to the financial statements

**COMMUNITY LIVING - KINCARDINE & DISTRICT**  
**SCHEDULE OF REVENUE AND EXPENDITURES**  
**FOR THE YEAR ENDED MARCH 31**

**BOARD ACCOUNT**

	2024	2023
	\$	\$
<b>Revenue</b>		
Donations and fundraising	39,563	75,738
Golf tournament	33,098	30,945
Book sales	-	834
Rental income	77,826	74,124
Designated funding	37,595	-
	<b>188,082</b>	<b>181,641</b>
<b>Expenditures</b>		
Awards	871	848
Bank interest and charges	54	52
Designated expenses	46,720	32,795
Golf tournament	10,104	9,197
Interest on long-term debt	29,824	26,835
Membership fees	-	1,418
Purchased services	869	586
Repairs and maintenance	24,207	3,849
Other	1,235	359
	<b>113,884</b>	<b>75,939</b>
<b>Excess of revenue over expenditures</b>	<b>74,198</b>	<b>105,702</b>
Mortgage principal repayments	<b>(48,002)</b>	<b>(47,289)</b>
<b>Increase in fund balances</b>	<b>26,196</b>	<b>58,413</b>

See accompanying notes to the financial statements