

**Community Living  
Dryden-Sioux Lookout  
Financial Statements  
For the year ended March 31, 2023**

**Community Living Dryden-Sioux Lookout**  
**Financial Statements**  
For the year ended March 31, 2023

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## Independent Auditor's Report

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**To the Board of Directors of  
Community Living Dryden-Sioux Lookout**

### Qualified Opinion

We have audited the accompanying financial statements of Community Living Dryden-Sioux Lookout (the Organization), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets (deficiency) 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 effects of the matters 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 Community Living Dryden-Sioux Lookout as at March 31, 2023, and its results of operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

Accumulated vacation pay is not accrued as a liability in the financial statements of the Organization as it is not an eligible expense for purposes of the Ministry of Children, Community and Social Services. Under Canadian accounting standards for not-for-profit organizations, the liability with respect to vacation pay should be accrued and recorded as it is earned. If the accumulated vacation pay had been recorded, it would have resulted in an increase to the excess of revenue over expenses for the year ended March 31, 2023 of \$29,764, an increase to the excess of revenue over expenses for the year ended March 31, 2022 of \$573, an increase to liabilities as at March 31, 2023 of \$363,751, an increase to liabilities as at March 31, 2022 of \$333,987, a decrease to net assets (debt) as at March 31, 2023 of \$363,751 and a decrease to net assets (debt) as at March 31, 2022 of \$333,987. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the effects of this departure from Canadian accounting standards for not-for-profit organizations.

In common with many charitable organizations, the Organization derives revenue from donation and fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets (debt) as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022, was modified accordingly because of the possible effects of this limitation in scope.

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 audit opinion.

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## Independent Auditor's Report (cont'd)

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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 these 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.

### Auditors' 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.

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## Independent Auditor's Report (cont'd)

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- 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario  
July 27, 2023

## Community Living Dryden-Sioux Lookout Statement of Financial Position

March 31	Operating Fund	Board Fund	2023	2022
<b>Assets</b>				
<b>Current</b>				
Cash (Note 2)	\$ 630,786	\$ 17,347	\$ 648,133	\$ 901,305
Accounts receivable (Note 3)	461,504	25,241	486,745	267,041
Prepaid expenses	55,685	2,083	57,768	42,376
	<u>1,147,975</u>	<u>44,671</u>	<u>1,192,646</u>	<u>1,210,722</u>
Due from Operating Fund	-	42,947	42,947	-
Due from Board Fund	-	-	-	2,036
Tangible capital assets (Note 4)	2,236,698	292,061	2,528,759	2,359,422
	<u>\$ 3,384,673</u>	<u>\$ 379,679</u>	<u>\$ 3,764,352</u>	<u>\$ 3,572,180</u>
<b>Liabilities and Net Assets (Deficiency)</b>				
<b>Current</b>				
Accounts payable and accrued liabilities (Note 5)	\$ 1,023,704	\$ 38,097	\$ 1,061,801	\$ 949,241
Current portion of long-term	-	-	-	309
Deferred revenue (Note 6)	105,621	-	105,621	100,000
Funds in trust	301	-	301	527
	<u>1,129,626</u>	<u>38,097</u>	<u>1,167,723</u>	<u>1,050,077</u>
Due to Board Fund	42,947	-	42,947	-
Due to Operating Fund	-	-	-	2,036
Deferred capital contributions (Note 7)	273,168	35,098	308,266	357,406
	<u>1,445,741</u>	<u>73,195</u>	<u>1,518,936</u>	<u>1,409,519</u>
<b>Net Assets (Deficiency)</b>				
Unrestricted	(24,598)	49,521	24,923	160,954
Investment in tangible capital assets	1,963,530	256,963	2,220,493	2,001,707
	<u>1,938,932</u>	<u>306,484</u>	<u>2,245,416</u>	<u>2,162,661</u>
	<u>\$ 3,384,673</u>	<u>\$ 379,679</u>	<u>\$ 3,764,352</u>	<u>\$ 3,572,180</u>

On behalf of the Board:

 \_\_\_\_\_ Director

 \_\_\_\_\_ Director

## Community Living Dryden-Sioux Lookout Statement of Operations

For the year ended March 31	Operating	Board	2023	2022
<b>Revenue</b>				
Ministry of Children, Community and Social Services				
Operating	\$ 10,168,708	\$ -	\$ 10,168,708	\$ 8,869,935
One-time funding	2,082,779	-	2,082,779	1,637,776
Ontario Disability Supports Program	8,393	-	8,393	78,211
Rental revenue	162,941	152,948	315,889	300,434
Family Services Toronto	640,912	-	640,912	473,129
Public Health Agency of Canada	112,996	-	112,996	112,996
Surrey Place Centre	213,596	-	213,596	213,596
Algonquin Child & Family Services	50,000	-	50,000	50,000
Health Nexus Santé	4,500	-	4,500	-
Donations	1,000	2,262	3,262	1,630
Miscellaneous	109,085	28,185	137,270	45,630
Amortization of deferred capital contributions	45,798	3,342	49,140	51,193
	<b>13,600,708</b>	<b>186,737</b>	<b>13,787,445</b>	<b>11,834,530</b>
<b>Expenses</b>				
Staff salaries, wages, and benefits	10,201,748	-	10,201,748	8,939,035
Staff training	161,803	-	161,803	142,676
Supplies and equipment	105,792	-	105,792	109,277
Building occupancy	1,053,278	128,682	1,181,960	791,188
Travel and communication	523,785	1,414	525,199	402,240
Other program service expenditure	1,104,856	7,276	1,112,132	1,014,844
Amortization	312,976	7,313	320,289	305,183
	<b>13,464,238</b>	<b>144,685</b>	<b>13,608,923</b>	<b>11,704,443</b>
Excess of revenue over expenses before other items	136,470	42,052	178,522	130,087
Loss on disposal of tangible capital assets	-	(95,767)	(95,767)	(1,419)
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ 136,470</b>	<b>\$ (53,715)</b>	<b>\$ 82,755</b>	<b>\$ 128,668</b>

**Community Living Dryden-Sioux Lookout  
Statement of Changes in Net Assets (Deficiency)**

For the year ended March 31, 2023

	Operating Investment in Tangible Capital Assets	Operating Unrestricted	Operating Total	Board Investment in Tangible Capital Assets	Board Unrestricted	Board Total	Total 2023	Total 2022
<b>Balance, beginning of year</b>	\$ 1,826,751	\$ (24,289)	\$ 1,802,462	\$ 174,956	\$ 185,243	\$ 360,199	\$ 2,162,661	\$ 2,033,993
Excess of revenue over expenses for the year	-	136,470	136,470	(95,767)	42,052	(53,715)	82,755	128,668
Amortization	(312,976)	312,976	-	(7,313)	7,313	-	-	-
Amortization of deferred capital contributions	45,798	(45,798)	-	3,342	(3,342)	-	-	-
Purchase of tangible capital assets	403,648	(403,648)	-	181,745	(181,745)	-	-	-
Repayment of long-term debt	309	(309)	-	-	-	-	-	-
<b>Balance, end of year</b>	<b>\$ 1,963,530</b>	<b>\$ (24,598)</b>	<b>\$ 1,938,932</b>	<b>\$ 256,963</b>	<b>\$ 49,521</b>	<b>\$ 306,484</b>	<b>\$ 2,245,416</b>	<b>\$ 2,162,661</b>



## Community Living Dryden-Sioux Lookout Statement of Cash Flows

For the year ended March 31	2023	2022
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	\$ 82,755	\$ 128,668
Items not involving cash		
Amortization of deferred capital contributions	(49,140)	(51,193)
Amortization of tangible capital assets	320,289	305,183
Loss on disposal of tangible capital assets	95,767	1,419
	<u>449,671</u>	<u>384,077</u>
Changes in non-cash working capital balances		
Accounts receivable	(219,704)	43,188
Prepaid expenses	(15,392)	(1,197)
Accounts payable and accrued liabilities	112,560	303,966
Deferred revenue	5,621	97,460
Funds in trust	(226)	(1,633)
	<u>332,530</u>	<u>825,861</u>
<b>Investing activities</b>		
Purchase of tangible capital assets	<u>(585,393)</u>	<u>(309,485)</u>
<b>Financing activities</b>		
Repayment of long-term debt	<u>(309)</u>	<u>(7,225)</u>
<b>Increase (decrease) in cash during the year</b>	<b>(253,172)</b>	<b>509,151</b>
Cash, beginning of year	<u>901,305</u>	<u>392,154</u>
<b>Cash, end of year</b>	<b>\$ 648,133</b>	<b>\$ 901,305</b>

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## Community Living Dryden-Sioux Lookout Notes to Financial Statements

March 31, 2023

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### 1. Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	Community Living Dryden-Sioux Lookout is a registered charity, incorporated under the Province of Ontario Corporations Act without share capital and a registered charity under the Income Tax Act. The Organization is governed by a voluntary elected Board of Directors whose mission is to serve the needs of adults who have a developmental disability in Dryden, Sioux Lookout and the surrounding area.
<b>Basis of Accounting</b>	These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.
<b>Description of Funds</b>	<p><b>Operating Fund</b></p> <p>The Operating Fund consists of the ongoing operations and one-time funding programs funded by various agencies for specific projects required to be completed within a designated time frame.</p> <p><b>Board Fund</b></p> <p>The Board Fund consists of money available for use at the specific direction of the Board of Directors and is not available to fund the general operations of Community Living Dryden-Sioux Lookout without specific board approval.</p>
<b>Revenue Recognition</b>	<p>The Organization 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.</p> <p>Revenue from general donations is recorded on a cash basis as received. All other revenue, including rental income, is recorded on an accrual basis as earned.</p> <p>Restricted contributions for the purchase of tangible capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital asset.</p>

## Community Living Dryden-Sioux Lookout Notes to Financial Statements

March 31, 2023

### 1. Significant Accounting Policies (cont'd)

#### Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Expenses for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of tangible capital assets are capitalized.

Amortization is calculated on a straight-line basis over the estimated useful life of the asset. Estimated useful lives are as follows:

Computer software	-	1	year
Computers	-	3	years
Furniture and equipment	-	5	years
Office equipment	-	5	years
Leasehold improvements	-	5	years
Automotive equipment	-	7	years
Paving and sheds	-	10	years
Buildings	-	20	years

When tangible capital assets no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

When a tangible capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset disposed of is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

#### Deferred Revenue

The Organization is the recipient of certain approved program grants which specify project purpose, maximum allowable contributions and are for specific time periods. Unexpended funds are included on the statement of financial position as cash and deferred revenue until the programs are completed. At the completion of the program, unexpended funds are returned to the funding agency. Funds expended in excess of allowable grants must be provided from general funds.

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## Community Living Dryden-Sioux Lookout Notes to Financial Statements

March 31, 2023

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### 1. Significant Accounting Policies (cont'd)

<b>Financial Instruments</b>	Financial instruments are recorded at fair value when acquired or issued. All financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.
<b>Use of Estimates</b>	The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates in these financial statements include the estimated useful lives of tangible capital assets and accruals.

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### 2. Credit Facility

The Organization has an authorized line of credit in the amount of \$100,000 that bears interest at prime plus 2.0% (8.7% at year-end). As at March 31, 2023, the unused portion of the line was \$100,000 (2022- \$100,000).

## Community Living Dryden-Sioux Lookout Notes to Financial Statements

March 31, 2023

### 3. Accounts Receivable

	2023	2022
<b>Operating Fund</b>		
Government remittances receivable		
Public service bodies' rebate	\$ 187,146	\$ 131,381
Family Services Toronto	185,576	62,369
Ministry of Children, Community and Social Services	-	47,906
Miscellaneous	32,369	19,661
Sioux Hudson Literacy Council	56,413	-
	461,504	261,317
<b>Board Fund</b>		
Government remittances receivable		
Public service bodies' rebate	25,241	5,724
	\$ 486,745	\$ 267,041

### 4. Tangible Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
<b>Operating Fund</b>				
Land	\$ 75,000	\$ -	\$ 75,000	\$ -
Computer software	35,399	35,399	35,399	35,399
Computers	177,133	144,190	150,965	129,363
Furniture and equipment	299,225	235,181	290,157	204,082
Office equipment	422,070	247,191	351,006	193,273
Leasehold improvements	120,261	103,404	101,531	101,531
Automotive equipment	528,909	278,328	440,913	217,660
Paving and sheds	59,238	49,741	59,238	44,727
Buildings	3,409,303	1,796,406	3,218,681	1,650,829
	\$ 5,126,538	\$ 2,889,840	\$ 4,722,890	\$ 2,576,864
Operating Fund net book value		\$ 2,236,698		\$ 2,146,026

## Community Living Dryden-Sioux Lookout Notes to Financial Statements

March 31, 2023

### 4. Tangible Capital Assets (cont'd)

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
<b>Board Fund</b>				
Land	\$ 59,918	\$ -	\$ 59,918	\$ -
Buildings	461,280	229,137	385,943	232,465
Furniture and equipment	27,506	27,506	27,506	27,506
Automotive equipment	57,028	57,028	57,028	57,028
Paving	4,102	4,102	4,102	4,102
	<u>\$ 609,834</u>	<u>\$ 317,773</u>	<u>\$ 534,497</u>	<u>\$ 321,101</u>
Board Fund net book value		<u>\$ 292,061</u>		<u>\$ 213,396</u>
<b>Combined total</b>	<u>\$ 5,736,372</u>	<u>\$ 3,207,613</u>	<u>\$ 5,257,387</u>	<u>\$ 2,897,965</u>
<b>Combined net book value</b>		<u>\$ 2,528,759</u>		<u>\$ 2,359,422</u>

The net book value of tangible capital assets not being amortized as they are construction-in-progress related to Board Fund buildings is \$181,745 (2022 - \$nil).

### 5. Accounts Payable and Accrued Liabilities

	2023	2022
<b>Operating Fund</b>		
Trade accounts payable	\$ 597,445	\$ 425,479
Accrued salaries, wages and benefits	365,955	506,629
Ontario Disability Supports Program	60,304	13,745
	<u>1,023,704</u>	<u>945,853</u>
<b>Board Fund</b>		
Trade accounts payable	<u>38,097</u>	<u>3,388</u>
	<u>\$ 1,061,801</u>	<u>\$ 949,241</u>

## Community Living Dryden-Sioux Lookout Notes to Financial Statements

March 31, 2023

### 6. Deferred Revenue

	2023	2022
<b>Operating Fund</b>		
Employment and Social Development Canada	\$ 100,000	\$ 100,000
Family Services Toronto	4,066	-
Rent	1,555	-
	\$ 105,621	\$ 100,000

The net change during the year in deferred revenue balances is detailed as follows:

Balance, beginning of year	\$ 100,000	\$ 2,540
Transfers from revenue in the current year		
Operating Fund	5,621	100,000
	105,621	102,540
Transfers to revenue / repayments in the current year		
Board Fund	-	2,540
	-	2,540
Balance, end of year	\$ 105,621	\$ 100,000

### 7. Deferred Capital Contributions

	2023	2022
<b>Operating Fund</b>		
Balance, beginning of year	\$ 318,966	\$ 366,817
Less amounts amortized to revenue in the year	(45,798)	(47,851)
Balance, end of year	273,168	318,966
<b>Board Fund</b>		
Balance, beginning of year	38,440	41,782
Less amounts amortized to revenue in the year	(3,342)	(3,342)
Balance, end of year	35,098	38,440
	\$ 308,266	\$ 357,406

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## Community Living Dryden-Sioux Lookout Notes to Financial Statements

March 31, 2023

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### 8. Economic Dependence

The Organization derives a significant portion of its operating revenue from the Ministry of Children, Community and Social Services. The continued operation of the major programs of the Organization is dependent upon this funding.

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### 9. Financial Instrument 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. It is management's opinion that the Organization is not exposed to significant interest rate risk on its financial instruments.

#### Credit Risk

Credit risk is the risk of financial loss to the Organization if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Organization's receivables. The majority of the Organization's receivables are from government sources and the Organization works to ensure they meet all eligibility criteria in order to qualify to receive funding, therefore the Organization does not believe it is subject to any significant concentrations of credit risk related to accounts receivable. The Organization is subject to credit risk on excess deposits over the amount not covered by the Canada Deposit Insurance Corporation (CDIC).

#### Liquidity Risk

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

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### 10. Subsequent Event

The Organization has entered into a construction contract for a building with a cost of \$3.7 million plus HST after year-end.