

**COMMUNITY LIVING PRINCE EDWARD
FINANCIAL STATEMENTS
AS AT MARCH 31, 2023**

**COMMUNITY LIVING PRINCE EDWARD
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AS AT MARCH 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Living Prince Edward

Qualified Opinion

We have audited the financial statements of Community Living Prince Edward (the Organization), which comprise the statement of financial position as at March 31, 2023, and the statements of fund balances, operations 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 Organization as at March 31, 2023, and its results of 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 charitable organizations, the Organization derives revenue from the general public in the form of donations, 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 and we were not able to determine whether, as at and for the years ended March 31, 2023 and March 31, 2022, any adjustments might be necessary to donations revenue, excess of revenue over expenditures, assets and fund balances.

Note 2(f) describes the tangible capital assets amortization policy with respect to the Organization's Dedicated Supportive Housing projects. The Organization has not provided for the amortization of these tangible capital assets in accordance with Canadian accounting standards for not-for-profit organizations. Had these projects been amortized, in keeping with the Organization's amortization policy for other tangible capital assets, amortization expense would have decreased by \$29,119 (2022 - \$28,602), accumulated amortization would have increased to \$816,206 (2022 - \$788,061) and excess of expenditures over revenue and net assets would have increased for the year by \$29,119 (2022 - \$28,602).

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 these 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.

**INDEPENDENT AUDITOR'S REPORT
(CONT'D)**

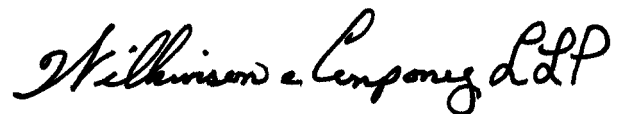
Auditor's Responsibilities for the Audit of the Financial Statements

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.



BELLEVILLE, Canada
June 22, 2023

Chartered Professional Accountants
Licensed Public Accountants

COMMUNITY LIVING PRINCE EDWARD
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	Operating Fund \$	2023 Capital Fund \$	Total \$	2022 Total \$
ASSETS				
CURRENT				
Cash	764,684		764,684	1,368,781
Petty cash	367		367	550
Short-term investments - Note 3		396,136	396,136	394,160
Accounts receivable - Other	633,858		633,858	485,887
Due from Ministry - Note 4				7,272
Prepaid expenses and deposits	3,745		3,745	6,124
Due from (to) other funds - Note 12	1,390,319	(1,390,319)		
	2,792,973	(994,183)	1,798,790	2,262,774
TANGIBLE CAPITAL ASSETS - Note 5	91,630	3,418,735	3,510,365	3,727,234
OTHER				
Restricted cash	262,418		262,418	271,628
	3,147,021	2,424,552	5,571,573	6,261,636
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	1,151,565		1,151,565	1,537,023
Government remittances payable	227,875		227,875	232,313
Accrued vacation/overtime pay	559,900		559,900	488,040
Deferred revenue	102,458		102,458	143,171
Due to Ministry - Note 4	16,545		16,545	175,532
Current portion of long-term debt		154,519	154,519	68,569
	2,058,343	154,519	2,212,862	2,644,648
DEFERRED CAPITAL				
CONTRIBUTIONS - Note 6	NIL	922,166	922,166	881,362
LONG-TERM DEBT - Note 7				
	NIL	230,532	230,532	380,341
	2,058,343	1,307,217	3,365,560	3,906,351
NET ASSETS				
Invested in tangible capital assets - Note 13	91,630	2,111,518	2,203,148	2,396,962
Internally restricted	1,315,744		1,315,744	1,239,812
Externally restricted		1,558,928	1,558,928	1,549,974
Unrestricted	(318,696)	(2,553,111)	(2,871,807)	(2,831,463)
	1,088,678	1,117,335	2,206,013	2,355,285
COMMITMENTS - Note 9				
APPROVED ON BEHALF OF THE BOARD				
_____ Director				
_____ Director				
	3,147,021	2,424,552	5,571,573	6,261,636

The accompanying notes form an integral part of these financial statements

**COMMUNITY LIVING PRINCE EDWARD
STATEMENT OF FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2023**

	2023									2022 Total \$
	Operating Fund				Capital Fund				Total \$	
	Invested Tangible Capital Assets \$	Internally Restricted \$	Unrestricted \$	Subtotal \$	Invested Tangible Capital Assets \$	Externally Restricted \$	Unrestricted \$	Subtotal \$		
BALANCE - BEGINNING OF YEAR	190,700	1,239,812	(309,311)	1,121,201	2,206,262	1,549,974	(2,522,152)	1,234,084	2,355,285	2,432,228
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	(99,070)	75,932	(3,607)	(26,745)	(125,702)	3,176		(122,526)	(149,271)	68,459
MINISTRY RECOVERY				NIL				NIL	NIL	(145,402)
TRANSFER TO MINISTRY OF HOUSING - CAPITAL RESERVE			(5,778)	(5,778)		5,778		5,778	NIL	NIL
NET CHANGE IN INVESTMENT IN TANGIBLE CAPITAL ASSETS - Note 13(b)				NIL	30,959		(30,959)	NIL	NIL	NIL
BALANCE - END OF YEAR	91,630	1,315,744	(318,696)	1,088,678	2,111,519	1,558,928	(2,553,111)	1,117,336	2,206,014	2,355,285

The accompanying notes form an integral part of these financial statements

**COMMUNITY LIVING PRINCE EDWARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2023**

	Operating Fund \$	2023 Capital Fund \$	Total \$	2022 Total \$
REVENUE				
Provincial grants (MCCSS)	12,695,795		12,695,795	12,487,995
Municipal grants	256,839		256,839	279,154
Rents collected	545,175		545,175	577,512
Amortization of deferred capital contributions		116,302	116,302	70,273
Gain on disposal of tangible capital assets	2,500	1,200	3,700	6,704
Interest	69,536	1,976	71,512	14,598
Miscellaneous	454,090		454,090	437,521
	14,023,935	119,478	14,143,413	13,873,757
EXPENDITURES				
Salaries	8,187,229		8,187,229	8,337,738
Benefits	1,578,876		1,578,876	1,506,470
Other direct operating expenditures	4,174,699		4,174,699	3,631,308
Interest on long-term debt	10,805		10,805	11,563
Amortization of tangible capital assets	99,069	242,006	341,075	318,219
	14,050,678	242,006	14,292,684	13,805,298
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	(26,743)	(122,528)	(149,271)	68,459

The accompanying notes form an integral part of these financial statements

**COMMUNITY LIVING PRINCE EDWARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023**

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenditures (expenditures over revenue)	(149,271)	68,459
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	341,075	318,219
Gain on disposal of tangible capital assets	(3,700)	(6,704)
Amortization of deferred capital contributions	(116,302)	(70,273)
	71,802	309,701
Net change in non-cash working capital balances related to operations - Note 16	(656,057)	740,303
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(584,255)	1,050,004
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(124,206)	(157,549)
Proceeds on disposal of tangible capital assets	3,700	10,500
Redemption of short-term investments	396,136	394,160
Purchase of short-term investments	(396,136)	(394,160)
Change in accrued interest on short-term investments	(1,976)	(1,961)
CASH FLOWS USED IN INVESTING ACTIVITIES	(122,482)	(149,010)
FINANCING ACTIVITIES		
Repayment of long-term debt	(63,859)	(67,211)
Deferred capital contributions	157,106	
Ministry recovery		(145,402)
CASH FLOWS PROVIDED FROM (USED IN) FINANCING ACTIVITIES	93,247	(212,613)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR YEAR	(613,490)	688,381
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,640,959	952,578
CASH AND CASH EQUIVALENTS - END OF YEAR	1,027,469	1,640,959
REPRESENTED BY:		
Cash	764,684	1,368,781
Petty cash	367	550
Restricted Cash	262,418	271,628
	1,027,469	1,640,959

The accompanying notes form an integral part of these financial statements

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

1. PURPOSE OF THE ORGANIZATION

Community Living Prince Edward is a non-profit organization incorporated under the Ontario Corporations Act without share capital and is engaged in the provision of comprehensive community-based care and support to individuals in the area of Prince Edward County who are identified as having an intellectual disability.

The Organization is a registered charity, and accordingly, is not subject to income tax.

2. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Organization considered to be particularly significant:

(a) Basis of Accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations except as outlined in the Basis for Qualified Opinion on the Auditor's Report.

(b) Accounting 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include valuation of accounts receivable, deferred revenue and the estimated useful life of buildings and equipment. Actual results could differ from those estimates.

(c) Financial Instruments

(i) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized costs.

Financial assets measured at amortized cost include cash, short-term investments, accounts receivable and due from Ministry.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, government remittances payable, accrued vacation/overtime pay, and due to Ministry.

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

2. ACCOUNTING POLICIES (Cont'd)

(c) Financial Instruments (Cont'd)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is reflected in excess (deficiency) of revenue over expenditures. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in excess (deficiency) of revenue over expenditures, up to the amount previously recognized as impaired.

(d) Fund Accounting

The Organization uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. Details of the operations of each fund are set out in the supplementary schedules. The Organization maintains the following funds:

The Operating Fund reports the general activities of the Organization's Administration.

The Capital Fund reports the tangible capital assets of the Organization together with their related financing.

(e) Short-Term Investments

Short-term investments are acquired substantially for their income earning potential and are initially recorded at their acquisition cost. Short-term investments are subsequently adjusted to fair value as at the date of the Statement of Financial Position, and the corresponding unrealized gains and losses are recorded in income.

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

2. ACCOUNTING POLICIES (Cont'd)

(f) Tangible Capital Assets and Amortization

Tangible capital assets not financed by operating budgets are recorded at cost within the capital fund. Provision for amortization depends upon whether the assets were originally purchased with Ministry of Municipal Affairs and Housing Funds or Ministry of Children, Community and Social Services.

The buildings at Maple Street and Richmond Street, originally financed by the Ministry of Municipal Affairs and Housing, are now financed by the Ministry of Children, Community and Social Services (Dedicated Supportive Housing). The buildings at Johnson Street and Upper Lake Street are also financed by the Ministry of Children, Community and Social Services (Dedicated Supportive Housing). Amortization is equal to the principal reduction on the mortgage payable each year for these four buildings and is shown as an operating expense.

Tangible capital assets are stated at acquisition cost. Gains or losses on the disposal of individual assets are recognized in earnings in the year of disposal. Amortization of tangible capital assets, which is based on estimated useful life, is calculated on the following bases and at the rates set out below:

Asset	Basis	Rate
Buildings	Straight-line	30 years
Furniture and equipment	Straight-line	5 years
Vans and specialized equipment	Straight-line	3 years
Computer hardware	Straight-line	3 years
Parking area	Straight-line	5 years

(g) Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incident to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease.

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

2. ACCOUNTING POLICIES (Cont'd)

(h) Revenue Recognition

The Organization follows the deferral method of accounting for contributions which consist mainly of government grants.

Under various Province of Ontario Acts and Regulations thereto, the Organization is funded primarily in accordance with budget arrangements established by the Ministry of Children, Community and Social Services. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related tangible capital asset.

Rental income from tangible capital assets is recognized on an earned basis. The aggregate cost of incentives provided to lessees is recognized as a reduction of rental income over the lease term on a straight-line basis.

(i) Client Monies

Client monies are maintained in client bank accounts over which Organization staff may exercise some level of custodial or agency responsibilities. Such funds are not reported in these financial statements.

(j) Allocation of Certain Revenues

Interest income and HST recoveries have been allocated to Organization activities and a portion of interest income has been allocated to Central Administration by the Board of Directors.

(k) Contributed Services

Directors and committee members volunteer their time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made, and accordingly, these contributed services are not recognized in the financial statements.

(l) Cash and Cash Equivalents

Cash and equivalents consist of cash on deposit and bank term deposits in money market instruments with maturity dates of less than three months from the date they are acquired.

(m) Restricted Cash

Restricted cash consists of monies that have been received on behalf of clients. Clients may request these funds at their discretion.

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

3. SHORT-TERM INVESTMENTS

As disclosed in Note 2(e) to these financial statements, short-term investments are recorded at amortized cost.

The short-term investments consist of two GICs as follows:

	\$
Guaranteed investment certificate bearing interest at 3.35%, maturing December 2023	191,935
Guaranteed investment certificate bearing interest at 2.50%, maturing December 2023	202,225
Accrued interest as at March 31, 2023	1,976
<hr/>	
	396,136
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4. DUE FROM (TO) MINISTRY

Amounts due from (to) Ministry generated from year to year on programs funded by the Ministry of Children, Community and Social Services may be repayable to (funded by) the Ministry at their discretion. The balances due to the Ministry are payable on demand.

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

5. TANGIBLE CAPITAL ASSETS

(a) Capital Fund

	Cost \$	2023 Accumulated Amortization \$	Net Book Value \$	2022 Net Book Value \$
Land:				
Maple Street	39,000		39,000	39,000
Richmond Street	42,000		42,000	42,000
Philip Street	50,000		50,000	50,000
Nicholas Street	43,000		43,000	43,000
Lake Street	46,300		46,300	46,300
London Avenue	60,000		60,000	60,000
Spencer Street	135,000		135,000	135,000
Curtis Street	130,000		130,000	130,000
Inkerman Avenue	80,000		80,000	80,000
Rick Hotston Centre	33,000		33,000	33,000
Ontario Street	30,000		30,000	30,000
McKinley	30,000		30,000	30,000
Mowbray	30,000		30,000	30,000
Elizabeth	30,000		30,000	30,000
Johnson Street	30,000		30,000	30,000
Upper Lake	45,000		45,000	45,000
	853,300	NIL	853,300	853,300
Buildings:				
Maple Street	292,288	(232,339)	59,949	84,266
Richmond Street	217,322	(141,539)	75,783	75,783
Philip Street	251,600	(228,082)	23,518	40,746
Nicholas Street	230,890	(199,068)	31,822	31,822
Lake Street	237,919	(206,078)	31,841	31,841
London Avenue	936,001	(136,007)	799,994	831,194
Spencer Street	397,823	(66,173)	331,650	344,911
Curtis Street	358,755	(47,834)	310,921	322,879
Inkerman Avenue	366,343	(61,585)	304,758	316,969
Rick Hotston Centre	154,283	(130,815)	23,468	28,611
Ontario Street	180,123	(115,401)	64,722	70,726
McKinley	240,221	(185,462)	54,759	62,766
Mowbray	167,673	(134,189)	33,484	39,074
Elizabeth	241,417	(160,533)	80,884	88,932
Johnson Street	390,753	(219,271)	171,482	191,591
Upper Lake	358,425	(318,968)	39,457	66,114
	5,021,836	(2,583,344)	2,438,492	2,628,225
	5,875,136	(2,583,344)	3,291,792	3,481,525

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

5. TANGIBLE CAPITAL ASSETS (Cont'd)

(a) Capital Fund (Cont'd)

	2023	2023	2022	2022
	Cost	Accumulated	Net Book	Net Book
	\$	Amortization	Value	Value
	\$	\$	\$	\$
Balance carried forward	5,875,136	(2,583,344)	3,291,792	3,481,525
Furniture and equipment:				
Maple Street	18,007	(14,878)	3,129	6,104
Richmond Street	53,355	(12,345)	41,010	43,483
Philip Street	50,770	(50,770)		
Nicholas Street	64,804	(64,804)		2,806
Lake Street	63,353	(63,353)		
Rick Hotston Centre	53,359	(53,359)		
Ontario Street	78,349	(78,348)		2,616
McKinley	23,724	(23,724)		
Mowbray	22,810	(22,810)		
Johnson Street	40,000	(40,000)		
Upper Lake	114,667	(114,667)		
	583,198	(539,058)	44,139	55,009
Specialized equipment	341,527	(258,723)	82,804	NIL
	6,799,861	(3,381,125)	3,418,735	3,536,534

(b) Operating Fund:

	2023	2023	2022	2022
	Cost	Accumulated	Net Book	Net Book
	\$	Amortization	Value	Value
	\$	\$	\$	\$
Parking area	20,268	20,268		
Specialized equipment	651,340	559,710	91,630	190,700
	671,608	579,978	91,630	190,700

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions related to tangible capital assets represent the unamortized amount of grants received for the purchase of tangible capital assets. The amortization of capital contributions is recorded as revenue in the Statement of Operations.

	<u>Operating</u> \$	<u>2023 Capital</u> \$	<u>Total</u> \$	2022 Total \$
Balance - beginning of year		881,362	881,362	951,635
Additional contributions received		157,106	157,106	
Less amounts amortized to revenue		(116,302)	(116,302)	(70,273)
Balance - end of year	NIL	922,166	922,166	881,362

7. LONG-TERM DEBT

	2023 \$	2022 \$
Mortgages payable		
Mortgage payable, bearing interest at 3.028%, repayable in monthly blended instalments of \$1,820 until maturity in September 2023. The mortgage is secured by land and building (Maple Street and Richmond Street), which as at March 31, 2023 have a net book value of \$216,732.	110,573	128,787
Mortgage payable, bearing interest at 2.27%, repayable in monthly blended instalments of \$1,321 until maturity in April 2027. The mortgage is secured by land and building (Johnson Street), which as at March 31, 2023 has a net book value of \$201,482.	61,765	76,069
Mortgage payable, bearing interest at 2.22%, repayable in monthly blended instalments of \$2,158 until maturity in September 2024. The mortgage is secured by land and building (Upper Lake), which as at March 31, 2023 has a net book value of \$84,457.	38,168	62,920
	210,506	267,776

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

7. LONG-TERM DEBT (Cont'd)

	2023	2022
	\$	\$
Mortgages payable (Cont'd)		
Balance carried forward	210,506	267,776
Mortgage payable, bearing interest at prime plus 0.50%, repayable in monthly blended instalments of \$1,376 until maturity in June 2030. The mortgage is secured by land and building (London Avenue), which as at March 31, 2023 has a net book value of \$859,994.	174,545	181,134
	385,051	448,910
Less current portion of long-term debt	(154,519)	(68,569)
	230,532	380,341

Principal payments required in each of the next five years are estimated to be as follows:

	\$	
2024	154,519	
2025	32,183	
2026	19,981	
2027	20,680	
2028	6,721	
Thereafter	150,967	
	385,051	

8. FUND BALANCES

The Organization operates comprehensive community-based care and support to individuals for different branches of the Provincial Government. Included in these financial statements are references to the "Ministry". This reference relates to the Ministry of Children, Community and Social Services. Under the terms of funding, the Organization is required to refund any surplus from its general account in a given year. The Organization records any amounts repayable to the Ministry as due to Ministry. Any adjustments the Ministry may make to this payable are recognized in the current year revenue from the Ministry.

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

9. COMMITMENTS

- (a) The Organization leases office space at an annual rent of \$74,932 under an offer to lease which expires on October 31, 2032. The Organization is responsible for all costs, charges, expenses, and outlays of any nature whatsoever, including realty and business taxes, utilities and proportionate share of common area maintenance charges. These additional costs are included in the annual rent at an amount of \$50,206 (2022 - \$51,640).
- (b) The Organization entered into three agreements to lease office equipment, one at a quarterly amount of \$594 plus HST, expiring September 2025, another at a monthly amount of \$55 plus HST, expiring in April 2027, and the other one at a quarterly amount of \$231 plus HST, expiring in September 2027.
- (c) The Organization entered into agreements to lease vehicles as follows:
- (i) One van leased from November 2020 to October 2023, at an annual lease payment of \$7,231 plus HST.
 - (ii) One van leased from April 2021 to March 2024, at an annual lease payment of \$7,042 plus HST.
 - (iii) One van leased from May 2021 to April 2024, at an annual lease payment of \$7,157 plus HST.

The future payments required in each of the next five years are estimated to be as follows:

	\$
2024	98,187
2025	79,050
2026	76,576
2027	76,576
2028	78,307
	408,696

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

10. RESTRICTIONS ON NET ASSETS

Externally Restricted

Externally restricted net assets consist of contributions that have been donated or grants received from governments specifically for future capital purchases. Any income earned may be used for the advancement of the work of the Organization.

Internally Restricted

These funds have been restricted by the Board of Directors to be expended in the future as the Board sees fit.

11. UNRESTRICTED

The unrestricted net assets reflect funds set aside for future uses.

12. INTER-FUND LOAN

As at March 31, 2023, the Operating Fund had a receivable from the Capital Fund in the amount of \$1,390,319 (2022 - \$1,366,338). There are no conditions or terms of repayment for this inter-fund loan.

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

13. INVESTED IN TANGIBLE CAPITAL ASSETS

(a) Invested in tangible capital assets is calculated as follows:

	<u>Operating</u> \$	<u>2023 Capital</u> \$	<u>Total</u> \$	2022 Total \$
Tangible capital assets	91,630	3,418,735	3,510,365	3,727,234
Amounts financed by:				
Deferred capital contributions		(922,166)	(922,166)	(881,362)
Mortgage payable		(385,051)	(385,051)	(448,910)
	91,630	2,111,518	2,203,148	2,396,962

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

	2023 \$	2022 \$
Excess of revenue over expenses:		
Amortization of deferred capital contributions	116,302	70,273
Amortization of tangible capital assets	(242,006)	(192,362)
	(125,704)	(122,089)
	2023 \$	2022 \$
Net changes in investment in tangible capital assets:		
Purchase of tangible capital assets	124,206	
Proceeds on disposal of tangible capital assets	(1,200)	
Gain on disposal of tangible capital assets	1,200	
Amounts funded by deferred capital contributions	(157,106)	
Repayment of mortgage principal	63,859	67,211
	30,959	67,211

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

13. INVESTED IN TANGIBLE CAPITAL ASSETS (Cont'd)

(c) Change in net assets invested in the tangible capital assets operating fund is calculated as follows:

	2023	2022
	\$	\$
Excess of revenue over expenses:		
Amortization of tangible capital assets	(99,069)	(125,857)
<hr/>		
	2023	2022
	\$	\$
Net changes in investment in tangible capital assets:		
Purchase of tangible capital assets		157,549
Proceeds on disposal of tangible capital assets	(2,500)	(10,500)
Gain on disposal of tangible capital assets	2,500	6,704
<hr/>		
	NIL	153,753
<hr/>		

14. ECONOMIC DEPENDENCE

The Organization relies on the Government of Ontario for substantially all of its income, and accordingly, is economically dependent for the continuation of its operations on funding from this source.

15. FINANCIAL RISKS AND CONCENTRATION OF RISK

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, liquidity risk, and credit risk.

(a) Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Organization is exposed to interest rate risk as it has short-term investments with a carrying value of \$396,136 as discussed in Note 3 to these financial statements. As interest rates change, the market value of the short-term investments will change. The estimated impact of a 1% change on income is \$3,961. The risk is mitigated as the Organization intends to hold these short-term investments to maturity.

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

15. FINANCIAL RISKS AND CONCENTRATION OF RISK (Cont'd)

(a) Interest Rate Risk (Cont'd)

The Organization is exposed to interest rate risk on its long-term debt, as discussed in Note 7 to these financial statements. As interest rates change, the Organization may not be able to renew the mortgages at similar rates. Long-term debt with fixed rates held by the Organization at year end total \$210,506.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure the risk.

(b) Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet all cash outflow obligations as they come due.

The Organization mitigates this risk by monitoring cash activities and expected outflows.

Management is of the opinion that the Organization will be able to meet all of its cash flow obligations as they come due and is not subject to significant liquidity risk.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure the risk.

(c) Credit Risk

Credit risk is the risk of financial loss to the Organization if a debtor fails to make payments of interest and principal when due.

The Organization is exposed to this risk relating to its debt holdings in its investment portfolio. This risk is mitigated through the Organization's investment policy which is risk averse and consists of only fixed income instruments. All fixed income portfolios are monitored by management on a monthly basis and all purchases and sales are reported to the Board of Directors.

Accounts receivable are short term in nature and are not subject to material credit risk. The maximum exposure to credit risk and concentration of this risk is limited to the carrying value of these instruments.

There have been no significant changes from the previous period in the exposure to risk or policies used to measure risk. It is management's opinion that the Organization is not exposed to significant credit risk from these financial statements.

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

16. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS

Cash provided from (used in) non-cash working capital is compiled as follows:

	2023	2022
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable - Other	(147,971)	93,312
Due from Ministry	7,272	10,284
Prepaid expenses	2,379	(1,661)
	(138,320)	101,935
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	(385,458)	369,783
Government remittances payable	(4,438)	24,222
Accrued vacation/overtime pay	71,860	135,232
Deferred revenue	(40,713)	(9,355)
Due to Ministry	(158,988)	118,486
	(517,737)	638,368
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	(656,057)	740,303

COMMUNITY LIVING PRINCE EDWARD
SCHEDULE OF OPERATING FUND REVENUE AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2023

	2023									2022 Total \$	
	Central Administration \$	MCCSS Residential Services \$ (Schedule 2)	Municipal Resource Teacher \$	Children Services \$ (Schedule 3)	MCCSS Non-Residential Services \$ (Schedule 4)	SSAH/ ACSD \$	Dedicated Supportive Housing \$	General Organization \$	Special Program Grants \$		Total \$
REVENUE											
Provincial grants - operating (MCCSS)		9,909,987		706,807	1,356,095	623,565	99,341			12,695,795	12,487,995
Municipal grants			256,839							256,839	279,154
Rents collected		505,272					39,903			545,175	577,512
Gain on sale of tangible capital assets								2,500		2,500	6,704
Fundraising initiatives								6,433		6,433	
Interest	66,964									66,964	12,369
Other fees								202,395		202,395	171,674
Miscellaneous	56,838	16,585			55,656	60,715			55,468	245,262	265,847
	123,802	10,431,844	256,839	706,807	1,411,751	684,280	139,244	211,328	55,468	14,021,363	13,801,255
EXPENDITURES											
Salaries	705,342	6,292,667	180,783	156,621	851,816					8,187,229	8,337,738
Benefits	149,624	1,183,628	47,656	32,576	165,392					1,578,876	1,506,470
Other direct operating expenses	171,807	2,213,477	28,400	504,682	319,496	680,581	69,913	130,875	55,468	4,174,699	3,631,308
Allocation of administration	(902,971)	814,995		12,928	75,047						
Interest on long-term debt							6,284	4,521		10,805	11,563
Amortization of tangible capital assets		99,069								99,069	125,857
	123,802	10,603,836	256,839	706,807	1,411,751	680,581	76,197	135,396	55,468	14,050,678	13,612,936
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)											
	NIL	(171,992)	NIL	NIL	NIL	3,699	63,047	75,932	NIL	(29,315)	188,319

The accompanying notes form an integral part of these financial statements

**COMMUNITY LIVING PRINCE EDWARD
SCHEDULE OF MCCSS RESIDENTIAL SERVICES
FOR THE YEAR ENDED MARCH 31, 2023**

	2023		Total \$	2022 Total \$
	Adults' Community Accommodation F600 \$	BPS - Other Developmental Service F724 \$		
REVENUE				
Provincial grants - operating (MCCSS)	9,879,063	30,924	9,909,987	9,883,956
Rents collected	505,272		505,272	537,609
Miscellaneous	16,585		16,585	35,201
	10,400,920	30,924	10,431,844	10,456,766
EXPENDITURES				
Salaries	6,266,660	26,007	6,292,667	6,654,015
Benefits	1,178,711	4,917	1,183,628	1,130,194
Other direct operating expenses	2,213,477		2,213,477	1,944,426
Allocation of administration	814,995		814,995	721,259
Amortization of tangible capital assets	99,069		99,069	125,857
	10,572,912	30,924	10,603,836	10,575,751
EXCESS OF EXPENDITURES OVER REVENUE	(171,992)	NIL	(171,992)	(118,985)
MINISTRY RECOVERY - TWE	NIL	NIL	NIL	(142,042)
NET CHANGE	(171,992)	NIL	(171,992)	(261,027)

The accompanying notes form an integral part of these financial statements

**COMMUNITY LIVING PRINCE EDWARD
SCHEDULE OF CHILDREN'S SERVICES
FOR THE YEAR ENDED MARCH 31, 2023**

	2023			Total \$	2022 Total \$
	MCCSS Children Assessment & Counselling F719 \$	MCCSS Out-of-Home Respite Services F235 \$	MCCSS CSN Individual Placements F240 \$		
REVENUE					
Provincial grants - operating (MCCSS)	145,642	84,865	476,300	706,807	684,247
Miscellaneous					1,021
	145,642	84,865	476,300	706,807	685,268
EXPENDITURES					
Salaries	109,729	46,892		156,621	138,849
Benefits	23,713	8,863		32,576	31,294
Other direct operating expenses	3,488	24,894	476,300	504,682	495,440
Allocation of administration	8,712	4,216		12,928	16,326
	145,642	84,865	476,300	706,807	681,909
EXCESS OF REVENUE OVER EXPENDITURES	NIL	NIL	NIL	NIL	3,359
MINISTRY RECOVERY	NIL	NIL	NIL	NIL	(3,360)
NET CHANGE	NIL	NIL	NIL	NIL	(1)

The accompanying notes form an integral part of these financial statements

**COMMUNITY LIVING PRINCE EDWARD
SCHEDULE OF MCCSS NON-RESIDENTIAL SERVICES
FOR THE YEAR ENDED MARCH 31, 2023**

	2023	2022
	\$	\$
REVENUE		
Provincial grants - operating (MCCSS)	1,356,095	1,254,728
Miscellaneous	55,656	12,236
	<u>1,411,751</u>	<u>1,266,964</u>
EXPENDITURES		
Salaries	851,816	707,501
Benefits	165,392	150,772
Other direct operating expenses	319,496	166,425
Allocation of administration	75,047	80,910
	<u>1,411,751</u>	<u>1,105,608</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>NIL</u>	<u>161,356</u>

The accompanying notes form an integral part of these financial statements