

**COMMUNITY LIVING PRINCE EDWARD
FINANCIAL STATEMENTS
AS AT MARCH 31, 2024**

**COMMUNITY LIVING PRINCE EDWARD
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AS AT MARCH 31, 2024**

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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, 2024, 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, 2024, 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, 2024 and March 31, 2023, any adjustments might be necessary to donations revenue, excess of revenue over expenditures, assets and fund balances.

Note 2(f) describes the tangible capital asset 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 \$30,177 (2023 - \$29,119), accumulated amortization would have increased to \$844,351 (2023 - \$816,206) and excess of expenditures over revenue and net assets would have increased for the year by \$30,177 (2023 - \$29,119).

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.

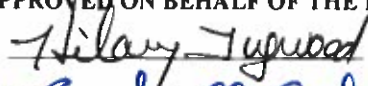

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Wilkinson & Company LLP

BELLEVILLE, Canada
June 21, 2024

Chartered Professional Accountants
Licensed Public Accountants

**COMMUNITY LIVING PRINCE EDWARD
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024**

	2024		Total \$	2023 Total \$
	Operating Fund \$	Capital Fund \$		
ASSETS				
CURRENT				
Cash	969,479		969,479	765,051
Short-term investments - Note 3		412,696	412,696	396,136
Accounts receivable - Other	360,436		360,436	633,858
Prepaid expenses and deposits	145,655		145,655	3,745
Due from (to) other funds - Note 14	1,481,093	(1,481,093)		
Assets held for sale - Note 5		134,647	134,647	
	2,956,663	(933,750)	2,022,913	1,798,790
TANGIBLE CAPITAL ASSETS - Note 6	49,060	3,161,515	3,210,575	3,510,365
OTHER				
Restricted cash	199,568		199,568	262,418
	3,205,291	2,227,765	5,433,056	5,571,573
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	1,052,626		1,052,626	1,151,565
Government remittances payable	204,188		204,188	227,875
Accrued vacation/overtime pay	550,879		550,879	559,900
Deferred revenue	46,540		46,540	102,458
Due to Ministry - Note 4	28,927		28,927	16,545
Current portion of long-term debt		51,037	51,037	154,519
	1,883,160	51,037	1,934,197	2,212,862
DEFERRED CAPITAL CONTRIBUTIONS - Note 8				
	NIL	899,127	899,127	922,166
LONG-TERM DEBT - Note 9				
	NIL	272,220	272,220	230,532
	1,883,160	1,222,384	3,105,544	3,365,560
NET ASSETS				
Invested in tangible capital assets - Note 15	49,060	2,073,778	2,122,838	2,203,148
Internally restricted	1,489,890		1,489,890	1,315,744
Externally restricted		1,581,066	1,581,066	1,558,928
Unrestricted	(216,819)	(2,649,463)	(2,866,282)	(2,871,807)
	1,322,131	1,005,381	2,327,512	2,206,013
COMMITMENTS - Note 11				
APPROVED ON BEHALF OF THE BOARD				
	 Director			
	 Director			
	3,205,291	2,227,765	5,433,056	5,571,573

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, 2024**

	2024								2023 Total \$	
	Operating Fund				Capital Fund					
	Invested Tangible Capital Assets \$	Internally Restricted \$	Unrestricted \$	Subtotal \$	Invested Tangible Capital Assets \$	Externally Restricted \$	Unrestricted \$	Subtotal \$	Total \$	
BALANCE - BEGINNING OF YEAR	91,630	1,315,744	(318,696)	1,088,678	2,111,517	1,558,928	(2,553,111)	1,117,334	2,206,012	2,355,283
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	(99,372)	174,146	164,257	239,031	(134,091)	16,560		(117,531)	121,500	(149,271)
TRANSFER TO MINISTRY OF HOUSING - CAPITAL RESERVE			(5,578)	(5,578)		5,578		5,578	NIL	NIL
NET CHANGE IN INVESTMENT IN TANGIBLE CAPITAL ASSETS - Note 15(b)	56,802		(56,802)	NIL	96,352		(96,352)	NIL	NIL	NIL
BALANCE - END OF YEAR	49,060	1,489,890	(216,819)	1,322,131	2,073,778	1,581,066	(2,649,463)	1,005,381	2,327,512	2,206,012

The accompanying notes form an integral part of these financial statements

**COMMUNITY LIVING PRINCE EDWARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2024**

	2024		2023 Total \$	
	Operating Fund \$	Capital Fund \$		Total \$
REVENUE				
Provincial grants (MCCSS)	12,819,100		12,819,100	12,695,795
Municipal grants	256,839		256,839	256,839
Rents collected	576,896		576,896	545,175
Amortization of deferred capital contributions		147,918	147,918	116,302
Gain on disposal of tangible capital assets	30,094		30,094	3,700
Interest		16,560	16,560	71,512
Miscellaneous	681,836		681,836	454,090
	14,364,765	164,478	14,529,243	14,143,413
EXPENDITURES				
Salaries	8,928,415		8,928,415	8,187,229
Benefits	1,402,777		1,402,777	1,578,876
Other direct operating expenditures	3,684,940		3,684,940	4,174,699
Interest on long-term debt	10,230		10,230	10,805
Amortization of tangible capital assets	99,372	282,009	381,381	341,075
	14,125,734	282,009	14,407,743	14,292,684
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	239,031	(117,531)	121,500	(149,271)

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, 2024**

	2024 \$	2023 \$
OPERATING ACTIVITIES		
Excess of revenue over expenditures (expenditures over revenue)	121,500	(149,271)
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	381,381	341,075
Gain on disposal of tangible capital assets	(30,094)	(3,700)
Amortization of deferred capital contributions	(147,918)	(116,302)
	<u>324,869</u>	<u>71,802</u>
Net change in non-cash working capital balances related to operations - Note 18	(43,672)	(656,057)
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	<u>281,197</u>	<u>(584,255)</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(220,929)	(124,206)
Proceeds on disposal of tangible capital assets	34,785	3,700
Redemption of short-term investments	407,679	396,136
Purchase of short-term investments	(407,679)	(396,136)
Change in accrued interest on short-term investments	(16,560)	(1,976)
CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(202,704)</u>	<u>(122,482)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(61,794)	(63,859)
Deferred capital contributions	124,879	157,106
CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES	<u>63,085</u>	<u>93,247</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR YEAR	<u>141,578</u>	<u>(613,490)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,027,469</u>	<u>1,640,959</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>1,169,047</u>	<u>1,027,469</u>
REPRESENTED BY:		
Cash	969,479	765,051
Restricted Cash	199,568	262,418
	<u>1,169,047</u>	<u>1,027,469</u>

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, 2024**

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, 2024**

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.

(f) Assets Held for Sale

Assets held for sale consist of land and buildings held for sale by the Organization. Assets held for sale are recorded at the lower of the carrying value at the time in change of use and the fair-value, less selling costs.

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

2. ACCOUNTING POLICIES (Cont'd)

(g) 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 funds.

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

(h) 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, 2024**

2. ACCOUNTING POLICIES (Cont'd)

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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, 2024**

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 as follows:

	2024	2023
	\$	\$
Guaranteed investment certificate bearing interest at 4.25%, maturing December 2024	199,362	
Guaranteed investment certificate bearing interest at 4.25%, maturing December 2024	208,317	
Guaranteed investment certificate bearing interest at 3.35%, matured December 2023		191,935
Guaranteed investment certificate bearing interest at 2.50%, matured December 2023		202,225
Accrued interest as at year-end	5,017	1,976
	412,696	396,136

4. DUE TO MINISTRY

Amounts due to Ministry generated from year to year on programs funded by the Ministry of Children, Community and Social Services may be repayable to 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, 2024**

5. ASSETS HELD FOR SALE

During the year it was determined that the below assets are surplus to the Organization's needs and therefore Ministry approval has been obtained to dispose of them by sale.

	2024		2023	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Land:				
McKinley Road	30,000			
Mowbray Road	30,000			
Building:				
McKinley Road	240,221	193,469		
Mowbray Road	167,673	139,778		
	467,894	333,247	NIL	NIL
Cost less accumulated amortization	\$	134,647	\$	NIL

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

6. TANGIBLE CAPITAL ASSETS

(a) Capital Fund

	2024		2023	
	Cost \$	Accumulated Amortization \$	Net Book Value \$	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 Road				30,000
Mowbray Road				30,000
Elizabeth Street	30,000		30,000	30,000
Johnson Street	30,000		30,000	30,000
Upper Lake	45,000		45,000	45,000
	793,300	NIL	793,300	853,300
Buildings:				
Maple Street	292,288	(218,334)	73,954	59,949
Richmond Street	217,322	(180,066)	37,256	75,783
Philip Street	251,600	(226,044)	25,556	23,518
Nicholas Street	230,890	(203,352)	27,538	31,822
Lake Street	237,919	(214,304)	23,615	31,841
London Avenue	936,001	(167,207)	768,794	799,994
Spencer Street	397,823	(79,433)	318,390	331,650
Curtis Street	358,755	(59,793)	298,962	310,921
Inkerman Avenue	366,343	(73,797)	292,546	304,758
Rick Hotston Centre	154,283	(135,958)	18,325	23,468
Ontario Street	180,123	(121,405)	58,718	64,722
McKinley Road				54,759
Mowbray Road				33,484
Elizabeth Street	275,975	(169,732)	106,243	80,884
Johnson Street	390,753	(239,677)	151,076	171,482
Upper Lake	358,425	(346,176)	12,249	39,457
	4,648,500	(2,435,278)	2,213,222	2,438,492
	5,441,800	(2,435,278)	3,006,522	3,291,792

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

6. TANGIBLE CAPITAL ASSETS (Cont'd)

(a) Capital Fund (Cont'd)

	2024		2023	
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Net Book Value \$
Balance carried forward	5,441,800	(2,435,278)	3,006,522	3,291,792
Furniture and equipment:				
Maple Street	18,007	(18,007)		3,129
Richmond Street	53,355	(23,016)	30,339	41,010
Philip Street	50,770	(50,770)		
Nicholas Street	64,804	(64,804)		
Lake Street	63,353	(63,353)		
Rick Hotston Centre	53,359	(53,359)		
Ontario Street	78,349	(78,348)		
McKinley Road	23,724	(23,724)		
Mowbray Road	22,810	(22,810)		
Johnson Street	40,000	(40,000)		
Upper Lake	114,667	(114,667)		
	583,198	(552,858)	30,339	44,139
Specialized equipment	466,405	(341,751)	124,654	82,804
	6,491,403	(3,329,887)	3,161,515	3,418,735

(b) Operating Fund:

	2024		2023	
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Net Book Value \$
Parking area	35,703	23,355	12,348	
Specialized equipment	659,064	622,352	36,712	91,630
	694,767	645,707	49,060	91,630

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

7. CREDIT FACILITIES

The Organization has a credit facility agreement with the Bank of Montreal whereby it can draw on a demand operating loan to a maximum of \$550,000. The loan bears interest at prime plus 2% and is secured by a general security agreement. Any unused portion of the \$550,000 operating loan may be cancelled or restricted by the bank without notice. At year-end the balance is \$Nil.

8. 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.

	2024			2023
	Operating Fund \$	Capital Fund \$	Total \$	Total \$
Balance - beginning of year		922,166	922,166	881,362
Additional contributions received		124,879	124,879	157,106
Less: Amounts amortized to revenue		(147,918)	(147,918)	(116,302)
Balance - end of year	NIL	899,127	899,127	922,166

9. LONG-TERM DEBT

	2024 \$	2023 \$
Mortgages payable		
Mortgage payable, bearing interest at 4.69%, repayable in monthly blended instalments of \$1,895 until maturity in September 2028. The mortgage is secured by land and building (Maple Street and Richmond Street), which as at March 31, 2024 have a net book value of \$192,416.	92,153	110,573
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, 2024 has a net book value of \$181,372.	47,164	61,765
	139,317	172,338

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

9. LONG-TERM DEBT (Cont'd)

	2024 \$	2023 \$
Mortgages payable (Cont'd)		
Balance carried forward	139,317	172,338
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, 2024 has a net book value of \$57,798.	12,866	38,168
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, 2024 has a net book value of \$828,794.	171,074	174,545
	323,257	385,051
Less: Current portion of long-term debt	(51,037)	(154,519)
	272,220	230,532

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

	\$
2025	51,037
2026	39,733
2027	41,369
2028	28,392
2029	17,015
Thereafter	145,711
	323,257

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

10. 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.

11. 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 \$64,270 (2023 - \$50,206).
- (b) The Organization entered into a technology agreement with a monthly payment of \$5,400 plus HST, expiring October 2026.
- (d) During the year, the Organization entered into an agreement to build a house in the amount of \$1,014,000 plus HST. As at March 31, 2024, an amount of \$147,000 was paid for the construction of the house with the remaining commitment of \$867,000 plus HST to be realized in fiscal 2025.
- (e) 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.
- (f) The Organization entered into agreements to lease vehicles as follows:
 - (i) One van leased from April 2021 to March 2024, at an annual lease payment of \$7,042 plus HST. As of March 31, 2024, payments are continuing under the same terms until renegotiated.
 - (ii) One van leased from May 2021 to April 2024, at an annual lease payment of \$7,157 plus HST.

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

11. COMMITMENTS (Cont'd)

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

	\$
2025	147,450
2026	146,401
2027	118,471
2028	78,307
2029	81,744
<hr/>	
	572,373
<hr/>	

12. 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.

13. UNRESTRICTED

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

14. DUE TO (FROM) OTHER FUNDS

As at March 31, 2024, the Operating Fund had a receivable from the Capital Fund in the amount of \$1,481,093 (2023 - \$1,390,319). 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, 2024**

15. INVESTED IN TANGIBLE CAPITAL ASSETS

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

	2024		2023
	Operating Fund \$	Capital Fund \$	Total \$
Tangible capital assets	49,060	3,161,515	3,210,575
Assets held for sale		134,647	134,647
Amounts financed by:			
Deferred capital contributions		(899,127)	(899,127)
Mortgage payable		(323,257)	(323,257)
	49,060	2,073,778	2,122,838
			2,203,148

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

	2024 \$	2023 \$
Excess of revenue over expenditures:		
Amortization of deferred capital contributions	147,918	116,302
Amortization of tangible capital assets	(282,009)	(242,006)
	(134,091)	(125,704)
	2024 \$	2023 \$
Net changes in investment in tangible capital assets:		
Purchase of tangible capital assets	159,437	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	(124,879)	(157,106)
Repayment of mortgage principal	61,794	63,859
	96,352	30,959

**COMMUNITY LIVING PRINCE EDWARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

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

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

	2024	2023
	\$	\$
Excess of revenue over expenditures:		
Amortization of tangible capital assets	(99,372)	(99,069)
	<hr/>	<hr/>
	2024	2023
	\$	\$
Net changes in investment in tangible capital assets:		
Purchase of tangible capital assets	61,493	
Proceeds on disposal of tangible capital assets	(34,785)	(2,500)
Gain on disposal of tangible capital assets	30,094	2,500
	<hr/>	<hr/>
	56,802	NIL
	<hr/>	<hr/>

16. 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.

17. 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 \$412,696 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 \$4,126. 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, 2024**

17. 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 9 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 \$152,183 (2023 - \$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, 2024**

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

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

	2024	2023
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable - Other	273,422	(147,971)
Due from Ministry		7,272
Prepaid expenses	(141,910)	2,379
	<u>131,512</u>	<u>(138,320)</u>
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	(98,939)	(385,458)
Government remittances payable	(23,687)	(4,438)
Accrued vacation/overtime pay	(9,021)	71,860
Deferred revenue	(55,918)	(40,713)
Due to Ministry	12,381	(158,988)
	<u>(175,184)</u>	<u>(517,737)</u>
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	<u>(43,672)</u>	<u>(656,057)</u>

19. COMPARATIVE FIGURES

In addition, in order to conform with the financial statement presentation adopted for the current year, certain of the comparative figures have been regrouped.

COMMUNITY LIVING PRINCE EDWARD
SCHEDULE OF OPERATING FUND REVENUE AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2024

	2024									2023 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 \$	
REVENUE										
Provincial grants - operating (MCCSS)										
Municipal grants		9,938,824		768,244	1,372,066	641,348	98,618			12,819,100
Rents collected			256,839							256,839
Gain on sale of tangible capital assets		537,302					39,594			576,896
Fundraising initiatives								30,094		30,094
Interest										6,433
Other fees										66,964
Miscellaneous	16,872	158,746						209,853		202,395
				1,101	72,371					222,893
	16,872	10,634,872	256,839	768,244	1,373,167	713,719	138,212	239,947	222,893	14,364,765
										14,021,363
EXPENDITURES										
Salaries	854,771	6,970,159	216,816	141,184	735,546					8,928,415
Benefits	142,875	1,082,208	54,909	32,156	89,685			9,939		8,187,229
Other direct operating expenses	198,686	1,570,680	41,216	555,134	358,012	713,718	63,351	944		1,402,777
Allocation of administration	(1,179,460)	1,003,278		38,975	137,206		61,280	122,863		3,684,940
Interest on long-term debt										4,174,699
Amortization of tangible capital assets		99,372					5,709	4,521		10,230
										99,372
	16,872	10,725,697	312,941	767,449	1,320,449	713,718	69,060	65,801	133,746	14,125,734
										14,050,678
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	NIL	(90,825)	(56,102)	795	52,718	1	69,152	174,146	89,147	239,031
										(29,315)

The accompanying notes form an integral part of these financial statements

SCHEDULE 2

**COMMUNITY LIVING PRINCE EDWARD
SCHEDULE OF MCCSS RESIDENTIAL SERVICES
FOR THE YEAR ENDED MARCH 31, 2024**

	2024			2023 Total \$
	Adults' Community Accommodation F600 \$	BPS - Other Developmental Service F724 \$	Total \$	
REVENUE				
Provincial grants - operating (MCCSS)	9,907,900	30,924	9,938,824	9,909,987
Rents collected	537,302		537,302	505,272
Miscellaneous	158,746		158,746	16,585
	10,603,948	30,924	10,634,872	10,431,844
EXPENDITURES				
Salaries	6,946,332	23,827	6,970,159	6,292,667
Benefits	1,075,111	7,097	1,082,208	1,183,628
Other direct operating expenses	1,570,680		1,570,680	2,213,477
Allocation of administration	1,003,278		1,003,278	814,995
Amortization of tangible capital assets	99,372		99,372	99,069
	10,694,773	30,924	10,725,697	10,603,836
EXCESS OF EXPENDITURES OVER REVENUE	(90,825)	NIL	(90,825)	(171,992)
NET CHANGE	(90,825)	NIL	(90,825)	(171,992)

The accompanying notes form an integral part of these financial statements

SCHEDULE 3

**COMMUNITY LIVING PRINCE EDWARD
SCHEDULE OF CHILDREN'S SERVICES
FOR THE YEAR ENDED MARCH 31, 2024**

	2024			Total \$	2023 Total \$
	MCCSS Children Assessment & Counselling F719 \$	MCCSS Out-of-Home Respite Services F235 \$	MCCSS CSN Individual Placements F240 \$		
REVENUE					
Provincial grants - operating (MCCSS)	164,879	68,987	534,378	768,244	706,807
EXPENDITURES					
Salaries	107,451	33,733		141,184	156,621
Benefits	32,156			32,156	32,576
Other direct operating expenses	8,784	26,504	519,846	555,134	504,682
Allocation of administration	16,489	8,486	14,000	38,975	12,928
	164,880	68,723	533,846	767,449	706,807
EXCESS OF REVENUE OVER EXPENDITURES	(1)	264	532	795	NIL
NET CHANGE	(1)	264	532	795	NIL

The accompanying notes form an integral part of these financial statements

SCHEDULE 4

**COMMUNITY LIVING PRINCE EDWARD
SCHEDULE OF MCCSS NON-RESIDENTIAL SERVICES
FOR THE YEAR ENDED MARCH 31, 2024**

	2024 \$	2023 \$
REVENUE		
Provincial grants - operating (MCCSS)	1,372,066	1,356,095
Miscellaneous	1,101	55,656
	<u>1,373,167</u>	<u>1,411,751</u>
EXPENDITURES		
Salaries	735,546	851,816
Benefits	89,685	165,392
Other direct operating expenses	358,012	319,496
Allocation of administration	137,206	75,047
	<u>1,320,449</u>	<u>1,411,751</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>52,718</u>	NIL

The accompanying notes form an integral part of these financial statements