

**Community Living
Mississauga**

Non-consolidated Financial Statements
March 31, 2020

DRAFT

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Community Living Mississauga
 Non-consolidated Statement of Financial Position
 As at March 31, 2020

	2020 \$	2019 \$
Assets		
Current assets		
Cash	4,225,077	4,097,798
Accounts receivable	464,640	154,845
Prepaid expenses and other assets	403,860	525,111
Amounts receivable from Community Living Mississauga Foundation (note 8)	-	156,940
Mortgage receivable (note 4)	14,504	14,504
	<u>5,108,081</u>	<u>4,949,198</u>
Mortgage receivable (note 4)	79,819	94,323
Capital assets (notes 3 and 5)	<u>15,121,614</u>	<u>14,112,173</u>
	<u>20,309,514</u>	<u>19,155,694</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 13)	2,232,133	2,458,281
Government grants and subsidies repayable – net (note 7)	234,749	87,524
Amounts payable to Community Living Mississauga Foundation (note 8)	174,560	-
Mortgages payable (note 6)	100,043	20,224
Deferred funding (note 10)	447,263	252,605
	<u>3,188,748</u>	<u>2,818,634</u>
Mortgages payable (note 6)	<u>43,488</u>	<u>143,530</u>
	<u>3,232,236</u>	<u>2,962,164</u>
Fund Balances		
Invested in capital assets	15,072,404	14,057,243
Internally restricted	6,932,350	6,038,579
Unrestricted	(4,960,441)	(3,932,100)
Externally restricted		
Capital reserve	32,965	29,808
	<u>17,077,278</u>	<u>16,193,530</u>
	<u>20,309,514</u>	<u>19,155,694</u>

Commitments and contingencies (note 11)

Approved by the Board of Directors

 Director

 Director

FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT

The accompanying notes are an integral part of these financial statements.
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Community Living Mississauga

Non-consolidated Statement of Changes in Net Assets

For the year ended March 31, 2020

	2020				
	<u>Externally restricted</u>		<u>Internally restricted</u>	<u>Unrestricted</u>	
	Capital reserve	Invested in capital assets	Specified projects reserve	Operating reserve	Total
	\$	\$	\$	\$	\$
Fund balances – Beginning of year	29,808	14,057,243	6,038,579	(3,932,100)	16,193,530
Excess of revenues over expenditures for the year	-	-	-	883,748	883,748
Amortization of capital assets	-	(636,642)	-	636,642	-
Additions to capital assets	-	1,646,083	-	(1,646,083)	-
Transfer between funds (note 12)	3,157	-	893,771	(896,928)	-
Change in long-term debt	-	5,720	-	(5,720)	-
Fund balances – End of year	32,965	15,072,404	6,932,350	(4,960,441)	17,077,278
	2019				
	<u>Externally restricted</u>		<u>Internally restricted</u>	<u>Unrestricted</u>	
	Capital reserve	Invested in capital assets	Specified projects reserve	Operating reserve	Total
	\$	\$	\$	\$	\$
Fund balances – Beginning of year	24,916	13,731,670	5,070,172	(3,926,379)	14,900,379
Excess of revenues over expenditures for the year	-	-	-	1,293,151	1,293,151
Amortization of capital assets	-	(609,773)	-	609,773	-
Additions to capital assets	-	929,626	-	(929,626)	-
Transfer between funds (note 12)	4,892	-	968,407	(973,299)	-
Change in long-term debt	-	5,720	-	(5,720)	-
Fund balances – End of year	29,808	14,057,243	6,038,579	(3,932,100)	16,193,530

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FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT

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Community Living Mississauga

Non-consolidated Statement of Revenues and Expenditures

For the year ended March 31, 2020

	2020 \$	2019 \$
Revenues		
Provincial government	33,075,948	30,470,514
Regional government	1,737,005	1,691,957
Federal government	74,480	97,440
Fees	102,717	99,740
Other revenue	979,638	1,408,494
Interest income	65,923	74,518
Donations	229,534	160,538
Grants (notes 8 and 9)	616,159	688,889
Recoveries	4,188,351	6,315,415
	<u>41,069,755</u>	<u>41,007,505</u>
Expenditures		
Salaries (note 8)	21,857,710	21,543,290
Benefits	3,898,358	3,718,338
Staff travel	186,247	193,318
Staff training	141,416	131,084
Communication	160,792	166,303
Occupancy	2,013,913	2,143,234
Professional services	429,271	661,115
Purchased services	9,044,631	9,213,190
Other services	305,664	374,679
Supplies and equipment (note 8)	1,511,363	960,030
Amortization	636,642	609,773
	<u>40,186,007</u>	<u>39,714,354</u>
Excess of revenues over expenditures for the year	<u>883,748</u>	<u>1,293,151</u>

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Community Living Mississauga
 Non-consolidated Statement of Cash Flows
 For the year ended March 31, 2020

	2020 \$	2019 \$
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenditures for the year	883,748	1,293,151
Item not affecting cash		
Amortization	636,642	609,773
	<u>1,520,390</u>	<u>1,902,924</u>
Changes in non-cash working capital items		
Accounts receivable	(309,795)	103,354
Prepaid expenses and other assets	121,251	(126,971)
Accounts payable and accrued liabilities	(226,149)	474,003
Amounts receivable from Community Living Mississauga Foundation	156,940	(156,940)
Amounts payable to Community Living Mississauga Foundation	174,560	(6,783)
Provincial government grants and subsidies repayable – net	147,225	(236,441)
Deferred funding	194,658	(271,579)
	<u>1,779,080</u>	<u>1,681,567</u>
Investing activities		
Purchase of capital assets	<u>(1,646,083)</u>	<u>(929,626)</u>
Financing activities		
Mortgage receivable	14,504	14,236
Mortgages payable	<u>(20,222)</u>	<u>(19,957)</u>
	<u>(5,718)</u>	<u>(5,721)</u>
Change in cash during the year	127,279	746,220
Cash – Beginning of year	<u>4,097,798</u>	<u>3,351,578</u>
Cash – End of year	<u>4,225,077</u>	<u>4,097,798</u>

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Community Living Mississauga

Notes to Non-consolidated Financial Statements

March 31, 2020

1 The organization

Founded in 1955 and incorporated under the laws of the Province of Ontario as a non-share capital corporation in July of 1959, Community Living Mississauga (the Association) provides support to individuals who have an intellectual disability by helping them identify and achieve their goals and interests and to fully participate in the life of the community. The Association is governed by a volunteer Board of Directors consisting of people the Association supports, family members and concerned members of the community.

The Association provides support and services in various areas, including residential living (group homes/family home/supported independent living), respite, day supports, employment supports, early childhood services, service co-ordination and other community programs.

2 Summary of significant accounting policies

Basis of accounting

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board, except for the following:

- Capital funding received from the Ministry of Children and Youth Services or the Ministry of Community and Social Services to be used for the purposes of purchasing capital assets has been recognized in the non-consolidated statement of revenues and expenditures in the period it relates to, rather than being deferred as a capital contribution and amortized over the same term and on the same basis of the related capital asset. As a result, the invested in capital assets fund balance also includes the funding that was received and used for the purchase of capital assets.

Revenue recognition

The Association follows the deferral method of accounting for contributions, which includes government and other types of grants, fees, donations and other income, which includes rental income, service resolutions and agency income. Restricted funding is included in the non-consolidated statement of revenues and expenditures in the year in which the related expenditures are incurred. Unrestricted funding is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred funding on the non-consolidated statement of financial position represents restricted operating funding received or receivable in the current year that is related to a subsequent year for which the related expenditures have not yet been incurred.

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Community Living Mississauga
 Notes to Non-consolidated Financial Statements
 March 31, 2020

Recoveries

The Association receives funds from the individuals who are supported by the Association for various services. The individuals usually receive funds from the Ontario Disability Support Program, which are then given to the Association to help offset the costs to provide lodging, food, personal needs, other support costs and specific personal/medical costs. In addition, recoveries also include payments from supported individuals to attend programs and participate in activities provided by the Association, such as the Base Site Program.

Capital assets

Capital assets are recorded at cost. Amortization is recorded using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	40 years
Furniture and equipment	8 years
Vehicles	5 years
Computer hardware	3 years

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

Impairment of long-lived assets

The Association reviews the carrying amount of its long-lived assets regularly. If the long-lived assets no longer have any long-term service potential for the Association, the excess of the net carrying amount over any residual value is recognized as an expense in the non-consolidated statement of revenues and expenditures.

Contributed services

Volunteers contribute time each year to assist the Association in carrying out its service delivery activities. Due to the difficulty in determining the fair value, contributed services are not recognized in the non-consolidated financial statements.

Funds

The Association maintains the following funds:

- Externally restricted fund

The externally restricted fund is a capital reserve for the Ontario not-for-profit housing project, Community Living P-3000, in respect of the Schomberg Avenue property. The Association has to adhere to policies set by the Ontario Ministry of Community and Social Services (the Ministry) to make use of the capital reserve.

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Community Living Mississauga
Notes to Non-consolidated Financial Statements
March 31, 2020

- Investment in capital assets

The investment in capital assets includes amounts used for the purchase of capital assets net of accumulated amortization expense and financing costs for the year.

- Internally restricted fund

The internally restricted fund includes amounts that have been restricted by the Board of Directors for the continuation of operations. The internally restricted fund is maintained separately for the purpose of making specific expenditures as approved by the Board of Directors or its designate.

- Unrestricted fund

The unrestricted fund is an operating reserve, which has been established for the general operation of the Association.

Income taxes

The Association is a registered charity under Section 149(1)(f) of the Income Tax Act (Canada) and as such is exempt from income taxes and is able to issue tax deductible receipts to donors.

Use of estimates

The preparation of non-consolidated financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

Financial assets and financial liabilities

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

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Community Living Mississauga

Notes to Non-consolidated Financial Statements

March 31, 2020

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines whether there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value. Impairments are recognized through the use of an allowance account, with a corresponding charge in the non-consolidated statement of revenues and expenditures.

3 Capital assets

	2020			2019
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land	4,360,057	-	4,360,057	4,155,532
Buildings	12,764,223	3,173,157	9,591,066	8,657,370
Furniture and equipment	464,438	368,160	96,278	74,594
Vehicles	1,692,743	1,124,182	568,561	677,753
Computer hardware	91,904	75,715	16,189	26,982
Leasehold improvements	1,058,424	568,961	489,463	519,942
	<u>20,431,789</u>	<u>5,310,175</u>	<u>15,121,614</u>	<u>14,112,173</u>

The Ministry provided major funding for the acquisition of certain land and buildings. The Association is therefore not free to dispose of these facilities nor to use the assets for other purposes without the consent of the Ministry.

During the year, the Association disposed of furniture and equipment and vehicles with a total cost and accumulated amortization of \$217,400 (2019 – \$247,316).

4 Mortgage receivable

The Association has a mortgage receivable in the amount of \$94,323 (2019 – \$108,827) from the Ministry for the Ontario not-for-profit housing project, Community Living P-3000, in respect of the Schomberg Avenue property. The mortgage, secured by the Schomberg Avenue property, and interest payments will be funded by the Ministry (note 6).

5 Line of credit

The Association has a demand operating facility of \$250,000 (2019 – \$250,000), of which \$nil (2019 – \$nil) was drawn at year-end. The demand operating facility is to fund working capital, has no repayment term, is secured by the Antigua Road property in the principal amount of \$143,000, and any amounts drawn are at the prime rate plus 1% per annum.

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Community Living Mississauga
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6 Mortgages payable

Mortgages payable comprise the following:

	2020 \$	2019 \$
First mortgage bearing interest at 1.878%, repayable monthly at \$1,368 including principal and interest, due April 1, 2021, secured by the Schomberg Avenue property (note 4)	94,323	108,827
First mortgage bearing interest at prime plus 1%, repayable monthly at \$477 principal plus interest, due December 28, 2031, secured by the Antigua Road property	49,208	54,927
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	143,531	163,754
Less: Current portion	100,043	20,224
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	43,488	143,530
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Future principal repayments are as follows:

	\$
2021	100,043
2022	5,720
2023	5,720
2024	5,720
2025	5,720
Thereafter	20,608
	<hr/>
	143,531
	<hr/>

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
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Community Living Mississauga
Notes to Non-consolidated Financial Statements
March 31, 2020

7 Government grants and subsidies repayable

The Association has annual service contracts with the Ministry under which the Association receives government funding.

Expenditures not incurred at the year-end date under an annual service contract are repayable and are included in government grants and subsidies repayable – net on the non-consolidated statement of financial position. The payable (receivable) position of the current year and prior year contracts as at March 31, 2020 is as follows:

			2020	2019
	Payable	Accrual	Total	Total
	\$	\$	\$	\$
F660– Accommodation	5,349	168,764	174,113	-
Special Services at Home	28,471	-	28,471	36,596
F240/1 – C&F Non-resident	18,429	-	18,429	38,577
F705 – Coordination Process	1,381	14,964	16,345	14,960
700 – Dedicated Supportive Housing	(2,609)	-	(2,609)	(2,609)
	51,021	183,728	234,749	87,524

Funding and expenditures under these annual service contracts for the current and prior years are subject to review and possible funding adjustment by the Ministry.

8 Community Living Mississauga Foundation

The Association controls Community Living Mississauga Foundation (the Foundation) as all the members of the Foundation's Board of Directors are also directors of the Association. The principal activities of the Foundation are to manage the Foundation's funds, conduct fundraising activities through a fundraising council and to recommend to the Association expenditure proposals for the use of the Foundation's funds. Foundation funding committed to the Association, but not received, is recognized as a receivable from the Foundation, as the amounts to be received are reasonably estimated and ultimate collection is reasonably assured. The Foundation was incorporated on April 9, 1984, by letters patent issued under the Ontario Business Corporations Act, Part III. The Foundation is a registered charity under section 149(1)(f) of the Income Tax Act (Canada) and as such is exempt from income taxes and is able to issue tax deductible receipts to donors.

The Foundation provided a grant of \$349,728 (2019 – \$409,831) to the Association and reimbursed the Association \$28,721 (2019 – \$28,721) for fundraising salaries and benefits. In addition, in the current fiscal year, \$134,006 (2019 – \$27,962) was donated to the Foundation.

During the year, the Association has received and paid certain amounts on behalf of the Foundation. As at year-end, the net amount payable to the Foundation is \$174,560 (2019 – receivable of \$156,940), and this amount includes event expenses and payment processing done by the Association on behalf of the Foundation.

The Foundation's resources are available, at the discretion of the Board of Directors, to be used only to support the Association's activities.

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Community Living Mississauga
Notes to Non-consolidated Financial Statements
March 31, 2020

The above-noted transactions are in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from related parties are unsecured, non-interest bearing and are payable on demand.

The Foundation is not consolidated in these non-consolidated financial statements. The following is a summary of the Foundation's financial position, results of operations and cash flows for the year ended March 31:

	2020	2019
	\$	\$
Financial position		
Cash	547,128	769,652
Investments	2,131,564	2,317,200
Due from Community Living Mississauga	174,560	-
Amounts receivable	16,829	104,545
	<hr/>	<hr/>
Total assets	2,870,081	3,191,397
Liabilities and net assets		
Due to Community Living Mississauga	-	156,940
Deferred revenue	36,202	-
Accounts payable	-	396
Net assets	2,833,879	3,034,061
	<hr/>	<hr/>
Total liabilities and net assets	2,870,081	3,191,397
	2020	2019
	\$	\$
Results of operations		
Revenues and changes in fair value of investments	244,485	1,235,041
Expenditures	444,667	749,120
	<hr/>	<hr/>
(Deficiency) excess of revenues over expenditures for the year	(200,182)	485,921
	<hr/>	<hr/>
Cash flows		
Operating activities	(222,524)	543,045
	<hr/>	<hr/>
Change in cash during the year	(222,524)	543,045
	<hr/>	<hr/>
Cash – Beginning of year	769,652	226,607
	<hr/>	<hr/>
Cash – End of year	547,128	769,652
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Community Living Mississauga
Notes to Non-consolidated Financial Statements
March 31, 2020

9 Grants

Grants are received from the following sources:

	2020 \$	2019 \$
United Way of Peel Region	101,804	101,804
Community Living Mississauga Foundation (note 8)	349,728	409,831
Trillium Foundation	164,627	177,254
	<u>616,159</u>	<u>688,889</u>

10 Deferred funding

	2020 \$	2019 \$
Opening balance	252,605	524,184
Additions to deferred funding	2,640,212	797,398
Recognized as revenue during the year	(2,445,554)	(1,068,977)
Ending balance	<u>447,263</u>	<u>252,605</u>

11 Commitments and contingencies

The Association has entered into operating leases for the head office, base sites, office equipment and automobiles. Future lease commitments are approximately as follows:

	\$
2021	921,915
2022	649,858
2023	172,872
2024	173,950
2025	175,028
Thereafter	264,159
	<u>2,357,782</u>

From time to time, the Association is subject to litigation related to its activities. These claims are at various stages and therefore it is not possible to determine the merits of these claims or to estimate the possible financial liability, if any, to the Association. Accordingly, no provision has been made for loss in these non-consolidated financial statements, but in management's view, these claims should not have a material adverse effect on the financial position of the Association. Gains or losses, if any, sustained on the ultimate resolution of these claims will be accounted for prospectively in the period of settlement in the non-consolidated statement of revenues and expenditures.

The Association sets the amount of net assets in proportion to risk, manages the net assets and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

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Notes to Non-consolidated Financial Statements

March 31, 2020

12 Interfund transfers

All interfund transfers have been approved by the Board of Directors or its designate with the exclusion of the capital reserve, which is approved by the Ministry.

13 Government remittances

Government remittances consist of amounts (such as payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$43,127 (2019 – \$46,646) is included in accounts payable and accrued liabilities.

14 COVID-19

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a global pandemic. The outbreak and continuing spread of COVID-19 and the related disruption to the worldwide economy is affecting regions in which the Association operates. There is minimal uncertainty as to the likely effects of this outbreak, which may, among other things, cause a delay in fundraising as a result of government mandated social distancing measures. Future impacts of the current global situation could affect the Association's revenue recognition. While the impact on the Association is not currently determinable, the Association is continuing to assess the ongoing impacts or potential impacts of the COVID-19 outbreak on revenue, expenses, assets and liabilities.

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