

**Community Living - Grimsby, Lincoln and West Lincoln**  
**Financial Statements**  
*For the year ended March 31, 2023*

# Community Living - Grimsby, Lincoln and West Lincoln Contents

*For the year ended March 31, 2023*

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## Independent Auditor's Report

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To the Board of Directors of Community Living - Grimsby, Lincoln and West Lincoln:

### Qualified Opinion

We have audited the financial statements of Community Living - Grimsby, Lincoln and West Lincoln (the "Organization"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets 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 matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization, derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these receipts from these sources was limited to a comparison of bank deposits with the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenditures, assets and net assets.

Note 2 describes the capital assets and amortization accounting policies of the Organization. Land, buildings and vehicles are recorded as assets on the statement of financial position. Amortization on the buildings and vehicles is recorded annually to the extent that the principal portion of the debt financing the acquisition is repaid.

All expenditures which are eligible for subsidy including vehicles, furniture and equipment and building renovations are expensed in the year of purchase. Canadian accounting standards for not-for-profit organizations require that capital assets should be capitalized and amortized over their estimated useful lives. Furthermore, the policy should be applied on a retroactive basis. The effects of not following Canadian accounting standards for not-for-profit organizations could not be reasonably determined and as a result we are unable to determine the effect on expenditure, excess of revenue over expenditures, assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

St. Catharines, Ontario

June 19, 2023

*MNP* LLP

Chartered Professional Accountants

Licensed Public Accountants

# Community Living - Grimsby, Lincoln and West Lincoln Statement of Financial Position

As at March 31, 2023

	Program Funds	Capital Fund	2023	2022
<b>Assets</b>				
<b>Current</b>				
Cash and cash equivalents	436,856	21,068	457,924	263,884
Accounts receivable	440,738	-	440,738	609,982
Prepaid expenses and deposits	35,621	-	35,621	50,046
HST recoverable	198,561	-	198,561	207,550
	<b>1,111,776</b>	<b>21,068</b>	<b>1,132,844</b>	1,131,462
<b>Capital assets (Note 3) (Note 4)</b>	-	5,384,926	<b>5,384,926</b>	5,582,652
	<b>1,111,776</b>	<b>5,405,994</b>	<b>6,517,770</b>	6,714,114
<b>Liabilities</b>				
<b>Current</b>				
Accounts payable and accrued liabilities	1,048,965	-	1,048,965	1,222,891
Deferred revenue	132,588	159,227	291,815	259,228
Government remittances payable	100,343	-	100,343	168,706
Current portion of mortgages payable (Note 5)	-	52,527	52,527	50,252
Current portion of long-term debt (Note 6)	-	322,909	322,909	921,794
	<b>1,281,896</b>	<b>534,663</b>	<b>1,816,559</b>	2,622,871
<b>Long-term debt (Note 6)</b>	-	745,992	<b>745,992</b>	264,582
<b>Mortgages payable (Note 5)</b>	-	139,389	<b>139,389</b>	192,108
<b>Due to the Ministry of Children, Community and Social Services (Note 7)</b>	-	2,192,101	<b>2,192,101</b>	2,192,101
	<b>1,281,896</b>	<b>3,612,145</b>	<b>4,894,041</b>	5,271,662
<b>Contingency and commitments (Note 10)</b>				
<b>Net Assets</b>				
Unrestricted	(434,174)	1,793,849	1,359,675	1,288,627
Internally Restricted Children's Residential Program reserve	264,054	-	264,054	153,825
	<b>(170,120)</b>	<b>1,793,849</b>	<b>1,623,729</b>	1,442,452
	<b>1,111,776</b>	<b>5,405,994</b>	<b>6,517,770</b>	6,714,114

Approved on behalf of the Board

  
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Director

  
\_\_\_\_\_  
Director

The accompanying notes are an integral part of these financial statements

## Community Living - Grimsby, Lincoln and West Lincoln Statement of Operations

For the year ended March 31, 2023

	Ministry Funded Programs	Non-Ministry Funded Programs	Capital Fund	2023	2022
<b>Revenue</b>					
Province of Ontario grants					
Ministry of Children, Community and Social Services (Note 11)	10,307,774	-	-	<b>10,307,774</b>	9,700,524
Third party fee for service					
Children's Housing Program	-	831,070	-	<b>831,070</b>	728,902
Passport flow-through funding (Note 8)	-	822,825	-	<b>822,825</b>	612,718
United Way grants	15,500	2,000	-	<b>17,500</b>	20,833
Program revenues (Note 9)	1,663,981	614,451	-	<b>2,278,432</b>	1,709,901
Program revenues - internal transfers	(35,000)	(165,000)	200,000	-	-
Other grants, donations and membership fees	279,639	50,043	7,702	<b>337,384</b>	301,921
	<b>12,231,894</b>	<b>2,155,389</b>	<b>207,702</b>	<b>14,594,985</b>	13,074,799
<b>Expenses</b>					
Amortization	-	-	197,726	<b>197,726</b>	218,425
Homeshare and support fees	287,864	10,421	-	<b>298,285</b>	345,242
Insurance	138,877	4,800	-	<b>143,677</b>	126,135
Interest	58,101	6,949	-	<b>65,050</b>	50,916
Occupancy costs, repairs and maintenance	1,578,591	256,621	-	<b>1,835,212</b>	977,129
Program costs	548,397	74,584	-	<b>622,981</b>	644,057
Purchased services	2,076,654	1,146,355	-	<b>3,223,009</b>	2,439,074
Respite fees	148,998	-	-	<b>148,998</b>	189,059
Salaries and benefits	7,032,029	453,090	-	<b>7,485,119</b>	7,597,902
Staff training	21,639	-	-	<b>21,639</b>	27,851
Vehicle operation and travel	339,256	32,756	-	<b>372,012</b>	325,405
	<b>12,230,406</b>	<b>1,985,576</b>	<b>197,726</b>	<b>14,413,708</b>	12,941,195
<b>Excess of revenue over expenses</b>	<b>1,488</b>	<b>169,813</b>	<b>9,976</b>	<b>181,277</b>	133,604

The accompanying notes are an integral part of these financial statements

## Community Living - Grimsby, Lincoln and West Lincoln Statement of Changes in Net Assets

*For the year ended March 31, 2023*

	<i>Program Funds</i>	<i>Capital Fund</i>	<b>2023</b>	2022
<b>Net assets, beginning of year</b>	(337,017)	1,779,469	<b>1,442,452</b>	1,318,183
<b>Excess of revenue over expenditures</b>	171,301	9,976	<b>181,277</b>	133,604
<b>Transfer between funds</b>	(4,404)	4,404	-	-
<b>Amount to be repaid to the Ministry</b>	-	-	-	(9,335)
<b>Net assets, end of year</b>	<b>(170,120)</b>	<b>1,793,849</b>	<b>1,623,729</b>	1,442,452

*The accompanying notes are an integral part of these financial statements*

# Community Living - Grimsby, Lincoln and West Lincoln

## Statement of Cash Flows

*For the year ended March 31, 2023*

	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	<b>181,277</b>	133,604
Amortization	<b>197,726</b>	218,425
	<b>379,003</b>	352,029
Changes in working capital accounts		
Accounts receivable	<b>169,244</b>	(61,350)
Prepaid expenses and deposits	<b>14,425</b>	(3,035)
HST recoverable	<b>8,989</b>	(85,561)
Accounts payable and accrued liabilities	<b>(173,926)</b>	107,968
Deferred revenue	<b>32,587</b>	115,975
Government remittances payable	<b>(68,362)</b>	(14,401)
	<b>361,960</b>	411,625
<b>Financing activities</b>		
Repayment of mortgages and long-term debt	<b>(167,920)</b>	(173,776)
Advances of long term debt	<b>-</b>	56,682
	<b>(167,920)</b>	(117,094)
<b>Investing activity</b>		
Purchase of capital assets	<b>-</b>	(80,942)
<b>Increase in cash</b>	<b>194,040</b>	213,589
<b>Cash and cash equivalents, beginning of year</b>	<b>263,884</b>	50,295
<b>Cash and cash equivalents, end of year</b>	<b>457,924</b>	263,884

*The accompanying notes are an integral part of these financial statements*



# Community Living - Grimsby, Lincoln and West Lincoln

## Notes to the Financial Statements

For the year ended March 31, 2023

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### 1. Incorporation and nature of the organization

Community Living - Grimsby, Lincoln and West Lincoln (the "Organization") is a non-profit registered charity, incorporated under the Province of Ontario without share capital on February 21, 1968. The Organization provides educational, rehabilitation, residential and support services to children and adults with intellectual disabilities.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

#### ***Fund accounting***

The Organization follows the deferral method of accounting for contributions and reports using fund accounting, and maintains three funds: the Ministry and Non-Ministry Program Fund, Capital Fund and Children's Residential Program Reserve.

The Ministry and Non-Ministry Program Fund includes the Organization's direct programs and administration.

The Capital Fund includes assets, liabilities, revenue and expenses related to the Organization's capital assets and third-party activities. Funding from third party organizations, fundraising events, and other income and expenses are reflected in the Capital Fund.

The Children's Residential Program Reserve was established in the 2014 year to provide for minor capital expenditures not fully funded by Ministry of Children, Community and Social Services revenue.

#### ***Revenue recognition***

Government funding is recognized in the year to which the approved budget relates. Program revenues that are reasonably assured are recorded on an accrual basis and primarily relate to flow-through funding and rental income. Other program revenues that can not be estimated by management, such as travel recoveries, are recognized when they are collected.

Donation and fundraising revenues are recorded as revenue when received. Pledges, bequests and post-dated cheques are recorded as revenue when realized.

#### ***Capital assets***

Capital assets are recorded in the Capital Fund at acquisition cost. Additions to furniture, equipment, vehicles and building renovation costs that are funded through subsidies are recorded in the statement of operations in the various operating fund programs as an expenditure in the year purchased. Capital asset additions that are not funded through subsidies are recorded as assets of the Capital Fund at cost. Amortization is recorded annually to the extent that the principal portion of the debt financing the acquisition is repaid.

Costs of a capital nature incurred on several properties owned and eligible for subsidies are recorded through operations as opposed to being capitalized and amortized. During the year capital items totalling \$571,318 (2022 - \$643,619) have been expensed to the operations.

Capital assets acquired during the year but not placed into use during this time are not amortized in the year of acquisition.

# Community Living - Grimsby, Lincoln and West Lincoln

## Notes to the Financial Statements

*For the year ended March 31, 2023*

### 2. Significant accounting policies *(Continued from previous page)*

#### ***Impairment of long-lived assets***

In the event that facts and circumstances indicate that the Organization's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The Organization considers that no circumstances exist that would require such evaluation.

#### ***Due to the Ministry of Children, Community and Social Services***

Funding has been received from the Province of Ontario specifically to assist with the purchase of certain land and buildings and require the Organization to follow certain restrictions on the future use and disposition of the related properties. No provision for the amortization of this funding has been recorded since the amounts due to the Ministry are to be repaid when the properties are sold.

#### ***Cash and cash equivalents***

The Organization considers all cash and cash equivalents to have a maturity of three months or less.

#### ***Contributed services***

Volunteers contribute their time during the year to assist the Organization in carrying out its objectives. Due to the difficulty in determining their fair market value, contributed services are not recognized in the financial statements.

#### ***Measurement uncertainty***

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates in these financial statements include accounts payable and accrued liabilities and deferred revenue.

#### ***Deferred revenue***

Deferred revenue relates to funding and donations that have been received which relate to programs and expenses for the next fiscal year.

#### ***Financial instruments***

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Subsequently all financial instruments are measured at amortized cost.

### 3. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2023 Net book value</i>	<i>2022 Net book value</i>
Land	252,171	-	252,171	252,171
Buildings	6,286,993	1,257,766	5,029,227	5,197,146
Vehicles	279,924	200,656	79,268	109,075
Building under construction	24,260	-	24,260	24,260
	6,843,348	1,458,422	5,384,926	5,582,652

## Community Living - Grimsby, Lincoln and West Lincoln Notes to the Financial Statements

*For the year ended March 31, 2023*

#### 4. Capital assets, cost

	2023	2022
Aspen Drive Grimsby	228,886	228,886
Beam Street, Beamsville	454,979	454,979
Bedford Park, Grimsby	353,587	353,587
Cherry Heights, Beamsville	229,969	229,969
Crimson Way, Beamsville	255,370	255,370
Douglas Street, Beamsville	249,875	249,875
John Street, Vineland	533,686	533,686
Lincoln Avenue, Beamsville	137,492	137,492
Main Street, Grimsby	75,461	75,461
Rose Avenue, Beamsville	228,285	228,285
Tufford Road, Beamsville	451,682	451,682
Victoria Avenue North, Vineland	559,432	559,432
Victoria Avenue South, Vineland	190,571	190,571
Livingston Avenue, Grimsby	237,500	237,500
C.D. Hopkins Centre, Beamsville	217,975	217,975
South Service Road, Grimsby	2,271,574	2,271,574
Ontario Trillium Grant	(112,900)	(112,900)
Vehicles	279,924	279,924
	6,843,348	6,843,348

#### 5. Mortgages payable

	2023	2022
Mortgage, due to the Royal Bank of Canada, repayable in blended monthly payments of \$916 including interest at 5.19%, due August 2024, secured by the property on Aspen Drive, Grimsby ON with a net book value of \$18,188.	18,188	27,966
Mortgage, due to the Royal Bank of Canada, repayable in blended monthly payments of \$894 including interest at 5.19%, due August 2024, secured by the property on Bedford Park, Grimsby ON with a net book value of \$59,573.	59,573	67,031
Mortgage, due to the Royal Bank of Canada, repayable in blended monthly payments of \$893 including interest at 5.19%, due August 2024, secured by the property on Tufford Road, Beamsville ON with a net book value of \$60,119.	60,119	67,535
Mortgage, due to the Royal Bank of Canada, repayable in blended monthly payments of \$2,336 including interest at 3.35%, due February 2025, secured by the property on John Street, Vineland ON with a net book value of \$54,036.	54,036	79,828
	191,916	242,360
Less: current portion of mortgages payable	52,527	50,252
	139,389	192,108

# Community Living - Grimsby, Lincoln and West Lincoln

## Notes to the Financial Statements

*For the year ended March 31, 2023*

### 6. Long-term debt

	2023	2022
Due to the Royal Bank of Canada, demand term loan, repayable in annual principal payments of \$20,000 and monthly interest payments at prime, due March 2025.	<b>200,000</b>	220,000
Due to the Royal Bank of Canada, demand term loan, repayable in monthly payments of \$3,334 plus interest at prime, due March 2025.	<b>558,553</b>	598,561
Due to the Royal Bank of Canada, demand term loan, repayable in monthly payments of \$917 plus interest payments at prime, due August 2022.	-	4,583
Due to the Royal Bank of Canada, demand term loan, repayable in monthly payments of \$2,083 plus interest payments at prime, due October 2023.	<b>264,583</b>	289,583
Due to the Royal Bank of Canada, demand term loan, repayable in monthly payments of \$2,233 plus interest at prime, due November 2023.	-	21,496
Due to the Royal Bank of Canada, demand term loan, repayable in blended monthly payments of \$990 including interest at 1.85%, due October 2022.	<b>45,765</b>	52,153
	<b>1,068,901</b>	1,186,376
Less: current portion of long-term debt	<b>322,909</b>	921,794
	<b>745,992</b>	264,582

Subsequent to March 31, 2023, the Organization renewed their banking agreement with the Royal Bank of Canada and extended all of the long-term debt which are reflected above. Additional facilities remained unchanged and are summarized below.

In addition to the demand term loans and mortgages, the Organization has a revolving line of credit available up to \$650,000 with a per annum interest rate of prime. The line of credit is secured as stated below. As at March 31, 2023, \$nil was drawn on the line of credit (2022 - \$nil).

The Organization also has a revolving term facility in the amount of \$150,000 available by way of a series of term loans which include fixed rate and variable rate loans. These are secured as stated below. As at March 31, 2023, \$nil was drawn on these term facilities (2022 - \$nil).

Royal Bank demand loans are secured by a general security agreement, a \$1,700,000 mortgage charge on the property at South Service Road, Grimsby, a \$650,000 mortgage charge on the property at Lincoln Avenue, Beamsville, a \$490,000 mortgage charge on the property at John Street, Vineland and a \$408,750 mortgage charge on the property at 4360 Victoria Avenue, Vineland.

Principal repayments on long-term debt in each of the next four years are estimated as follows:

2024	322,909
2025	727,463
2026	11,636
2027	6,893
	1,068,901

# Community Living - Grimsby, Lincoln and West Lincoln

## Notes to the Financial Statements

*For the year ended March 31, 2023*

### 7. Due to the Ministry of Children, Community and Social Services

The Organization has joint title to several group homes in the Niagara Region, as listed in Note 4, most of which were purchased or renovated with funding from the Ministry of Children, Community and Social Services.

When the Ministry funded the purchase or renovation of a home, they obtained a pro-rata ownership share of the building. The Ministry has not been repaid for their funding but will be reimbursed when the building is sold based on their pro-rata share of the proceeds on disposition equivalent to their ownership share of the building.

The following represents the properties and the corresponding funding received from the Ministry for those properties:

	<b>2023</b>	<b>2022</b>
Beam Street, Beamsville	<b>454,979</b>	454,979
Cherry Heights, Beamsville	<b>183,975</b>	183,975
Crimson Way, Beamsville	<b>247,722</b>	247,722
Douglas Street, Beamsville	<b>199,900</b>	199,900
John Street, Vineland	<b>56,313</b>	56,313
Lincoln Avenue, Beamsville	<b>137,492</b>	137,492
Main Street, Grimsby	<b>48,173</b>	48,173
Rose Avenue, Beamsville	<b>40,172</b>	40,172
Tufford Road, Beamsville	<b>121,830</b>	121,830
Victoria Avenue North, Vineland	<b>317,612</b>	317,612
Victoria Avenue South, Vineland	<b>52,753</b>	52,753
C.D. Hopkins Centre, Beamsville	<b>203,716</b>	203,716
South Service Road, Grimsby	<b>127,464</b>	127,464
	<b>2,192,101</b>	2,192,101

### 8. Passport flow-through funding

Passport flow-through funding relates to funding provided by the Ministry to participants that are under the care of the Community Living – Grimsby, Lincoln and West Lincoln that is paid to other organizations or for services not related to the operations of Community Living – Grimsby, Lincoln and West Lincoln.

### 9. Program revenues

Program revenues primarily relate to flow through individual funding, rental income, room and board, fee for services, and travel recoveries.

# Community Living - Grimsby, Lincoln and West Lincoln

## Notes to the Financial Statements

For the year ended March 31, 2023

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### 10. Contingency and commitments

The Organization has established a sick leave policy for all regular full-time employees which allows for the accumulation of sick leave time to meet serious illness situations should they arise. The entitlement is based on the number of years of full-time employment and can accumulate to a maximum of 120 days. Although this benefit can only be used for short term serious illness as it means to bridge to long term disability, the accumulated pooled sick time has no cash surrender value upon termination of employment whether voluntary or involuntary, and as such, no provision has been made in these financial statements for costs which may be incurred should the Organization be required to make these payments.

The Organization has entered into various lease agreements with estimated minimum annual payments as follows:

2024	210,538
2025	80,263
2026	80,328
2027	52,234
	<hr/>
	423,363

### 11. Economic dependence

The Organization receives a significant portion (2023 – 71%, 2022 – 74%) of its revenue for operations pursuant to a service contract with the Ontario Ministry of Children, Community and Social Services. Should these contributions cease, the Organization would need to consider its ability to continue its current operations.

### 12. Economic interest

The Organization has the following economic interest in Community Living - Grimsby, Lincoln and West Lincoln Foundation, which the Organization does not control or have significant influence over.

- In 2013, the Organization established a Foundation entitled Community Living – Grimsby, Lincoln and West Lincoln Foundation to assist in carrying out its fundraising activities and to help solicit donations. The Foundation is a third-party organization with a separate Board of Directors and operates independently from the Organization.

During the year the Foundation transferred \$nil as a donation to the Organization (2022 – \$nil).

# Community Living - Grimsby, Lincoln and West Lincoln

## Notes to the Financial Statements

For the year ended March 31, 2023

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### 13. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

#### ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization has term loans payable bearing interest at variable rates as negotiated by management based on the lender's commercial rates. Management does not expect changes in the prime interest rate to have a significant impact on future cash flows.

#### ***Liquidity risk***

Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. The Organization monitors the collection efforts to ensure sufficient cash flows are generated from operations to meet the current debt obligations. The Organization monitors cash flows on a daily basis and in aggregate through its annual budget process. The Organization expects that cash flow from operations in fiscal 2024 along with the continued support of its lenders will be adequate to fund ongoing investments in working capital and capital expenditures.

### 14. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.