

Financial Statements of

**COMMUNITY LIVING TORONTO**

And Independent Auditors' Report thereon

Year ended March 31, 2022



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## INDEPENDENT AUDITORS' REPORT

To the Members of Community Living Toronto

### ***Opinion***

We have audited the financial statements of Community Living Toronto (the Entity), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, 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 Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the 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.



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- 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 28, 2022

# COMMUNITY LIVING TORONTO

Statement of Financial Position  
(Expressed in thousands of dollars)

March 31, 2022, with comparative information for 2021

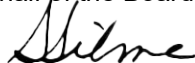
|   | 2022             | 2021             |
|---|------------------|------------------|
| <b>Assets</b>                                 |                  |                  |
| Current assets:                               |                  |                  |
| Cash and cash equivalents                     | \$ 1,725         | \$ 145           |
| Accounts receivable (notes 2 and 21)          | 5,748            | 6,703            |
| Capital funding receivable - current (note 3) | 389              | 467              |
| Prepaid expenses                              | 1,678            | 1,278            |
| Due from related parties (note 5)             | 33               | 249              |
| Short-term investments (note 6)               | 14,763           | 14,597           |
|   | <u>24,336</u>    | <u>23,439</u>    |
| Capital funding receivable (note 3)           | 673              | 1,128            |
| Capital assets (note 7)                       | 25,876           | 25,158           |
| Investment in subsidiary (note 4)             | 46               | 77               |
| Due from related parties (note 5)             | 35               | 67               |
|   | <u>\$ 50,966</u> | <u>\$ 49,869</u> |

## Liabilities and Net Assets

|   |                  |                  |
|---|------------------|------------------|
| Current liabilities:  |                  |                  |
| Bank indebtedness (note 8)                                      | \$ -             | \$ 1,365         |
| Accounts payable and accrued liabilities (note 9)               | 12,323           | 11,241           |
| Mortgages payable - current (note 11)                           | 592              | 467              |
| Deferred revenue  | 1,480            | 1,211            |
| Current portion of long-term debt (note 12)                     | -                | 71               |
| Current portion of due to related party (note 5)                | -                | 120              |
|   | <u>14,395</u>    | <u>14,475</u>    |
| Mortgages payable - long term (note 11)                         | 470              | 1,128            |
| Long-term debt (note 12)  | -                | 823              |
| Due to related party (note 5)                                   | -                | 901              |
| Deferred contributions - expense of future periods (note 13(a)) | 9,254            | 8,431            |
| Deferred contributions - capital assets (note 13(b))            | 1,837            | 1,291            |
|   | <u>25,956</u>    | <u>27,049</u>    |
| Net assets:   |                  |                  |
| Invested in capital assets (note 14)                            | 24,039           | 23,867           |
| Endowments (note 16)  | 84               | 83               |
| Internally restricted funds (note 17)                           | -                | 5,562            |
| Unrestricted  | 887              | (6,692)          |
|   | <u>25,010</u>    | <u>22,820</u>    |
| Subsequent events (note 11)                                     |                  |                  |
| Commitments (note 18)   |                  |                  |
| Guarantee (note 19)   |                  |                  |
|   | <u>\$ 50,966</u> | <u>\$ 49,869</u> |

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

# COMMUNITY LIVING TORONTO

Statement of Operations  
(Expressed in thousands of dollars)

Year ended March 31, 2022, with comparative information for 2021

|  | 2022            | 2021            |
|--|-----------------|-----------------|
| Revenue:   |                 |                 |
| Ministry of Children, Community and Social Services<br>(note 10) | \$ 85,437       | \$ 85,072       |
| Other revenue (note 21)  | 8,935           | 9,794           |
| User fees  | 4,326           | 4,153           |
| City of Toronto  | 3,007           | 3,004           |
| Amortization of deferred contributions (note 13(a))              | 1,030           | 783             |
| Entrepreneurial ventures   | 920             | 1,621           |
| United Way   | 907             | 1,014           |
| Realized gain on short-term investments                          | 734             | 390             |
| Interest   | 5               | 2               |
| Equity income (loss) from investment in subsidiary<br>(note 4)   | (31)            | 77              |
| Unrealized gain (loss) on short-term investments                 | (567)           | 644             |
|  | <u>104,703</u>  | <u>106,554</u>  |
| Expenses:  |                 |                 |
| Salaries and benefits (note 15)                                  | 65,306          | 65,533          |
| Purchased services   | 17,784          | 15,302          |
| Supplies   | 9,508           | 9,643           |
| Occupancy costs  | 8,509           | 8,235           |
| Other program costs  | 1,280           | 1,402           |
| Travel and transportation  | 1,022           | 829             |
|  | <u>103,409</u>  | <u>100,944</u>  |
| Excess of revenue over expenses before the<br>undernoted items   | 1,294           | 5,610           |
| Gain on sale of capital assets (note 7)                          | 1,540           | 6               |
| Amortization of deferred capital contributions (note 13(b))      | 91              | 92              |
| Amortization of capital assets                                   | (736)           | (645)           |
|  | <u>895</u>      | <u>(547)</u>    |
| Excess of revenue over expenses                                  | <u>\$ 2,189</u> | <u>\$ 5,063</u> |

See accompanying notes to financial statements.

# COMMUNITY LIVING TORONTO

Statement of Changes in Net Assets  
(Expressed in thousands of dollars)

Year ended March 31, 2022, with comparative information for 2021

|  |                               |              |                                   |               | 2022             | 2021             |
|--|-------------------------------|--------------|-----------------------------------|---------------|------------------|------------------|
|  | Invested in<br>capital assets | Endowments   | Internally<br>restricted<br>funds | Unrestricted  | Total            | Total            |
| Net assets, beginning of year                            | \$ 23,867                     | \$ 83        | \$ 5,562                          | \$ (6,692)    | \$ 22,820        | \$ 17,225        |
| Excess of revenue over expenses<br>(note 14)             | 895                           | –            | –                                 | 1,294         | 2,189            | 5,063            |
| Net change in investments in<br>capital assets (note 14) | (723)                         | –            | –                                 | 723           | –                | –                |
| Addition to endowment (note 16)                          | –                             | 1            | –                                 | –             | 1                | –                |
| Transfer from internally restricted<br>funds (note 17)   | –                             | –            | (5,562)                           | 5,562         | –                | –                |
| Pension remeasurements and<br>other items (note 15)      | –                             | –            | –                                 | –             | –                | 532              |
| <b>Net assets, end of year</b>                           | <b>\$ 24,039</b>              | <b>\$ 84</b> | <b>\$ –</b>                       | <b>\$ 887</b> | <b>\$ 25,010</b> | <b>\$ 22,820</b> |

See accompanying notes to financial statements.

# COMMUNITY LIVING TORONTO

Statement of Cash Flows  
(Expressed in thousands of dollars)

Year ended March 31, 2022, with comparative information for 2021

|  | 2022     | 2021     |
|--|----------|----------|
| Cash flows from operating activities:  |          |          |
| Excess of revenue over expenses  | \$ 2,189 | \$ 5,063 |
| Adjusted for the following non-cash items:   |          |          |
| Unrealized loss (gain) on short-term investments                                   | 567      | (644)    |
| Amortization of deferred contributions -<br>expense of future periods (note 13(a)) | (1,030)  | (783)    |
| Amortization of deferred capital contributions<br>(note 13(b))                     | (91)     | (92)     |
| Amortization of capital assets   | 736      | 645      |
| Gain on disposal of capital assets   | (1,540)  | (6)      |
| Pension benefit expense (note 15)  | -        | 532      |
| Pension transfer expense financed by long-term debt                                | -        | 894      |
| Change in non-cash operating working capital (note 20)                             | 1,906    | (3,367)  |
| Deferred contributions received related to future periods<br>(note 13(a))          | 1,853    | 1,609    |
| Equity loss (income) from investment in subsidiary (note 4)                        | 31       | (77)     |
| Cash flows from operating activities   | 4,621    | 3,774    |
| Cash flows from financing activities:  |          |          |
| Capital funding receivable   | 533      | 455      |
| Increase (decrease) in bank indebtedness   | (1,365)  | 1,365    |
| Payment of mortgages payable   | (533)    | (455)    |
| Payment of long-term debt  | (894)    | (5,091)  |
| Deferred capital contributions   | 637      | -        |
| Due to related party   | (1,021)  | 1,021    |
| Cash flows used in financing activities  | (2,643)  | (2,705)  |
| Cash flows from investing activities:  |          |          |
| Due from related parties (note 5)  | 248      | (123)    |
| Purchase of short-term investments   | (733)    | (391)    |
| Purchase of capital assets   | (1,731)  | (1,944)  |
| Proceeds on sale of capital assets   | 1,817    | 13       |
| Receipt of endowments - externally restricted                                      | 1        | -        |
| Cash flows used in investing activities  | (398)    | (2,445)  |
| Increase (decrease) in cash and cash equivalents                                   | 1,580    | (1,376)  |
| Cash and cash equivalents, beginning of year                                       | 145      | 1,521    |
| Cash and cash equivalents, end of year   | \$ 1,725 | \$ 145   |

See accompanying notes to financial statements.



# COMMUNITY LIVING TORONTO

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2022

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Community Living Toronto ("CLTO") is a not for profit organization, incorporated without share capital under the Ontario Not-For-Profit Corporations Act. CLTO is principally involved in serving people with developmental disabilities. CLTO is a registered charity under the Income Tax Act (Canada) and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

## 1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

### (a) Revenue recognition:

CLTO follows the deferral method of accounting for contributions.

- (i) Restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets. Purchases of land from restricted contributions are accounted for as direct increases to net assets.
- (ii) Endowment contributions are recognized as direct increases in endowment net assets. Restricted income from endowments is shown as deferred contribution and recognized as revenue in the year in which related expenses are incurred. Unrestricted income from endowments is recognized as revenue in the year earned.
- (iii) Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (iv) Other revenue consists primarily of residential user fees, user fee per diems and miscellaneous services provided to customers through agencies. Revenue related to these services are recognized when received or receivable if the amount to be received can be reasonably estimated, collection is reasonably assured, and amounts have been earned.

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

### (b) Cash and cash equivalents:

Cash and cash equivalents include operating accounts and guaranteed investment certificates which are highly liquid with original maturities of less than three months.

### (c) Financial instruments:

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. These costs are amortized using the straight-line method.

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, CLTO determines if 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 CLTO 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.

### (d) Contributed materials and services:

During the year CLTO received contributions of materials and services. Because of the difficulty in determining their fair value, contributed materials and services are not recognized in the financial statements.

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

### (e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to CLTO's ability to provide services, its carrying amount is written down to its residual value. Capital assets are amortized on a straight-line basis based on the following useful life:

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|   |               |
|---|---------------|
| Buildings                                 | 15 - 25 years |
| Equipment, computer hardware and software | 5 - 10 years  |

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### (f) Pension:

In prior years, CLTO sponsored defined benefit pension plans, which covered substantially all of its employees. These plans were both contributory and non-contributory plans.

On June 14, 2019, CLTO entered into a Memorandum of Agreement ("MOA") to become a participating employer in the Colleges of Applied Arts and Technology Pension Plan ("CAAT Plan"). As a result, CLTO's defined benefit pension plans ("Employee and Executive Pension Plans") have been amended to cease member contributions and freeze credited service, effective September 30, 2019. Effective October 1, 2019, CLTO agreed to remit all required employer contributions to the CAAT Plan in accordance with the terms of the plan. CLTO expenses its cash contributions to the CAAT Plan under the accounting requirements for a multi-employer plan.

### (g) Use of estimates:

The preparation of the financial statements 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 year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and employee related obligations. Actual results could differ from those estimates.

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

### (h) Controlled profit-oriented enterprise:

These financial statements include CLTO's interest in a wholly owned profit-oriented enterprise using the equity method.

### (i) Controlled not-for-profit organizations:

CLTO does not consolidate investments in controlled not-for-profit organizations. CLTO reports controlled not-for-profit organizations by disclosing summarized financial information.

## 2. Accounts receivable:

|                                      | 2022            | 2021            |
|--------------------------------------|-----------------|-----------------|
| Accounts receivable                  | \$ 5,832        | \$ 6,801        |
| Less allowance for doubtful accounts | 84              | 98              |
|                                      | <u>\$ 5,748</u> | <u>\$ 6,703</u> |

## 3. Capital funding receivable:

This balance represents amounts due from the Ministry of Children, Community and Social Services ("MCCSS") to fund the purchases of various buildings and houses. These amounts are received annually when related mortgage payments are made.

## 4. Investment in subsidiary:

GroundWorks Solutions Toronto Inc. ("GWS"), a wholly owned, profit-oriented subsidiary, was incorporated on May 25, 2020 for the purpose of generating profit through various initiatives.

On July 15, 2020, GWS and a third party created a partnership called StockABLE as a social purpose enterprise project to meet personal protective equipment and infection prevention and control needs, and to direct proceeds towards supporting people with an intellectual or developmental disability.

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

## 4. Investment in subsidiary (continued):

GWS has been recognized in CLTO's financial statements using the equity method. A summary of the financial information for GWS as at and for the year ended March 31, 2022 is as follows:

|                                  | 2022   | 2021   |
|----------------------------------|--------|--------|
| Statement of financial position: |        |        |
| Total assets                     | \$ 93  | \$ 258 |
| Total liabilities                | 96     | 181    |
|                                  | \$ (3) | \$ 77  |

|                          | 2022    | 2021   |
|--------------------------|---------|--------|
| Statement of operations: |         |        |
| Total revenue            | \$ 39   | \$ 201 |
| Total expenses           | 70      | 124    |
|                          | \$ (31) | \$ 77  |

|  |          |       |
|--|----------|-------|
| Statement of cash flows:                       |          |       |
| Cash flows from (used in) operating activities | \$ (105) | \$ 16 |
| Cash flows from (used in) financing activities | (7)      | 100   |

Included in other revenue on the statement of operations of CLTO is nil (2021 - \$80) received from GWS as charitable donations.

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

## 5. Related party balances and transactions:

### (a) GroundUp Toronto ("GUT"):

During fiscal 2020, GUT was incorporated for the purpose of providing and operating supportive, inclusive and accessible housing with or without any public space, recreational facilities, and commercial space or buildings appropriate thereto, primarily for persons with disabilities. GUT is incorporated under the Canada Not-for-Profit Corporations Act. CLTO has the ability to control GUT by virtue of CLTO's right to appoint the majority of GUT's Board of Directors.

GUT has not been consolidated in CLTO's financial statements. A summary of the financial information for GUT as at March 31, 2022 and for the year ended March 31, 2021 is as follows:

|   | 2022     | 2021     |
|---|----------|----------|
| Statement of financial position:        |          |          |
| Total assets                            | \$ 4,883 | \$ 6,017 |
| Total liabilities                       | 4,891    | 6,027    |
|   | \$ (8)   | \$ (10)  |
| Statement of operations:                |          |          |
| Total revenue                           | \$ 340   | \$ 377   |
| Total expenses                          | 338      | 377      |
| Statement of cash flows:                |          |          |
| Cash flows from operating activities    | \$ (115) | \$ 158   |
| Cash flows used in financing activities | 118      | (1,221)  |

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

## 5. Related party balances and transactions (continued):

(b) Related party balances and transactions:

Due from related parties includes the following balances as at March 31:

|                      | 2022  | 2021   |
|----------------------|-------|--------|
| Due from GUT (i)     | \$ –  | \$ 216 |
| Due from GWS (ii)    | 68    | 100    |
|                      | 68    | 316    |
| Less current portion | 33    | 249    |
|                      | \$ 35 | \$ 67  |

(i) The balance relates to the payment of various invoices by CLTO on behalf of GUT. The balance is non-interest bearing with no fixed terms of repayment.

(ii) The balance relates to the payment of various invoices by CLTO on behalf of GWS. The amount due from GWS bears interest at a rate of 5% per annum with a term of three years. Interest revenue of \$5 (2021 - \$2) in relation to this loan has been included in the statement of operations.

Due to related parties includes the following balances as at March 31:

|                      | 2022 | 2021     |
|----------------------|------|----------|
| Due to GUT           | \$ – | \$ 1,021 |
| Less current portion | –    | 120      |
|                      | \$ – | \$ 901   |

(iii) CLTO obtained a loan from GUT to perform various renovations. The loan bears interest at a rate of 4.45% per annum with a term of 10 years. Interest expense of \$16 (2021 - \$53) has been included in the statement of operations.

During the year, CLTO repaid the loan.

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

## 6. Short-term investments:

|                           | 2022             |                  | 2021             |                  |
|---------------------------|------------------|------------------|------------------|------------------|
|                           | Cost             | Fair value       | Cost             | Fair value       |
| Cash and cash equivalents | \$ 1,413         | \$ 1,397         | \$ 1,344         | \$ 1,360         |
| Equities                  | 5,232            | 5,340            | 4,021            | 4,301            |
| Fixed income              | 7,372            | 7,112            | 7,918            | 8,021            |
| Other funds               | 914              | 914              | 915              | 915              |
|                           | <u>\$ 14,931</u> | <u>\$ 14,763</u> | <u>\$ 14,198</u> | <u>\$ 14,597</u> |

## 7. Capital assets:

|   | 2022             |                          | 2021             |                  |
|---|------------------|--------------------------|------------------|------------------|
|   | Cost             | Accumulated amortization | Net book value   | Net book value   |
| Land                                      | \$ 17,522        | \$ –                     | \$ 17,522        | \$ 17,792        |
| Buildings                                 | 21,394           | 14,004                   | 7,390            | 6,153            |
| Equipment, computer hardware and software | 6,462            | 5,498                    | 964              | 1,213            |
|   | <u>\$ 45,378</u> | <u>\$ 19,502</u>         | <u>\$ 25,876</u> | <u>\$ 25,158</u> |

On April 8, 2021, CLTO sold a property located at 66 Simpson Avenue, Toronto, Ontario for net proceeds of \$1,817. A gain of \$1,540 was recorded in connection with the transaction.

## 8. Credit facilities:

On August 23, 2019, CLTO entered into an agreement with TD Canada Trust ("TD") for credit facilities. The credit facilities include a \$5,000 operating loan at the bank prime rate plus 0.5% and a committed reducing term facility of \$5,000 at the bank prime rate plus 0.5% or at a fixed rate depending on the form of borrowing. During fiscal 2020, CLTO borrowed an amount of \$5,000 under the committed reducing term facility to finance the purchase of the property at 65 The East Mall Crescent, Etobicoke, Ontario. On March 31, 2020, GUT assumed the outstanding amount under this facility as part of the transfer of this property.



# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

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## 8. Credit facilities (continued):

On March 24, 2020, CLTO obtained a restated credit agreement with TD to include GUT as a borrower under the agreement. The credit facilities are as follows:

- (a) Operating loan available at the borrower's option by way of prime rate based loans in CAD \$ for working capital and general corporate purposes. This is available to GUT and CLTO to a maximum of \$5,000 and bears interest at prime plus 0.5% per annum.
- (b) Committed reducing term facility available to GUT of \$4,916 to finance the purchase of the property located at 65 The East Mall.
- (c) Demand loan available at GUT's option by way of prime rate based loans to a maximum of \$1,200 to finance leasehold improvements at 65 The East Mall and bears interest at prime plus 0.5% per annum.

On March 4, 2021, CLTO obtained an amending agreement with TD to increase the operating loan available to \$9,000. No changes have been made to the borrowing rate. Certain financial covenants have been amended. As at March 31, 2022, CLTO had drawn nil (2021 - \$1,160) and GUT has borrowed \$360 (2021 - \$1,063) under this facility.

The amended credit facilities are secured by the following:

- Continuing collateral mortgage representing a first charge on certain real property beneficially owned by and registered in the name of CLTO and GUT in the principal amount of \$11,200.
- General security agreement.
- Assignment of fire insurance, rents and leases on certain property.
- Unlimited guarantee of advances executed by CLTO in support of GUT or by GUT in support of CLTO.
- General hypothecation of stocks and bonds with a Securities Control Agreement and power of attorney on marketable securities held at TD Waterhouse.

Under the terms of the credit facilities agreement, CLTO is required to comply with certain financial and non-financial covenants. As at March 31, 2022, CLTO was in compliance with the covenants.

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

## 9. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable as follows:

|                                      | 2022          | 2021          |
|--------------------------------------|---------------|---------------|
| Payroll remittances                  | \$ 587        | \$ 668        |
| Workplace safety and insurance board | 29            | 38            |
|                                      | <u>\$ 616</u> | <u>\$ 706</u> |

## 10. Ministry of Children, Community and Social Services:

CLTO's final amount to be received from or repayable to the MCCSS for the year ended March 31, 2022 will not be determined until MCCSS has reviewed CLTO's financial and statistical returns for that period. The management of CLTO considers the amounts receivable from or repayable to MCCSS to include all proper adjustments for non-allowable costs.

## 11. Mortgages payable:

Mortgages payable consists of 23 (2021 - 25) mortgages, which bear interest at varying rates from 0.68 % to 8.00 % (2021 - 1.11% to 8.00%). These mortgages mature at various dates from May 1, 2022 to June 1, 2025 (2021 - April 1, 2021 to June 1, 2025). Total interest expense on mortgages payable is \$43 (2021 - \$40).

Future principal payments required on mortgages for the next five years and thereafter are as follows:

|            |                 |
|------------|-----------------|
| 2023       | \$ 592          |
| 2024       | 225             |
| 2025       | 86              |
| 2026       | 44              |
| 2027       | 44              |
| Thereafter | 71              |
|            | <u>\$ 1,062</u> |

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

## 11. Mortgages payable (continued):

| Property                | Particulars   |                  | Monthly payment inclusive of interest<br>(Actual amount) | Principal Balance, March 31, 2022<br>(000) | Principal balance, March 31, 2021<br>(000) |
|-------------------------|---------------|------------------|--|--|--|
|                         | Interest rate | Renewal date     |  |  |  |
| Annette                 | 2.96%         | July 1, 2023     | \$ 1,769   | \$ 122                                     | \$ 140                                     |
| Mavety                  | 2.70%         | April 1, 2024    | 1,958  | 48   | 70   |
| Exford                  | 2.31%         | April 1, 2025    | 2,485  | 86   | 114  |
| Aspenwood               | 2.49%         | December 1, 2024 | 2,061  | 154  | 174  |
| Wellesworth             | 0.68%         | March 1, 2024    | 1,560  | 38   | 57   |
| Fairview                | 0.68%         | April 1, 2024    | 1,868  | 46   | 68   |
| Lakeshore               | 4.05%         | April 1, 2023    | 1,230  | 16   | 30   |
| Quarry                  | 4.05%         | April 1, 2023    | 1,940  | 25   | 47   |
| Marydon                 |               |                  | —  | —  | 9  |
| Dale                    | 1.30%         | May 1, 2022      | 1,243  | 2  | 17   |
| Whitehorn               | 1.30%         | May 1, 2022      | 1,338  | 1  | 17   |
| Sheppard                | 2.97%         | March 1, 2024    | 1,738  | 39   | 58   |
| Royal York              | 2.97%         | April 1, 2024    | 1,640  | 40   | 58   |
| Burnview                | 2.77%         | April 1, 2023    | 1,738  | 22   | 43   |
| Kingston                | 1.30%         | June 1, 2022     | 974  | 3  | 15   |
| Folcroft                | 1.92%         | July 1, 2022     | 2,049  | 56   | 79   |
| Roundwood               | 2.82%         | August 1, 2022   | 2,570  | 155  | 179  |
| Hepscott                | 1.84%         | August 1, 2022   | 968  | 5  | 16   |
| Willard                 | 2.62%         | October 1, 2022  | 2,165  | 67   | 91   |
| Resolution              | 1.97%         | December 1, 2022 | 1,143  | 10   | 24   |
| Reidmount               | 1.97%         | December 1, 2022 | 1,801  | 16   | 37   |
| Empire                  | 6.15%         | December 1, 2023 | 1,609  | 32   | 49   |
| Hobden Place            | 5.76%         | May 1, 2024      | 2,248  | 55   | 78   |
| Simpson                 |               |                  | —  | —  | 95   |
| Margaret                | 8.00%         | June 1, 2025     | 698  | 24   | 30   |
| Total                   |               |                  | <u>\$ 38,793</u>   | 1,062                                      | 1,595                                      |
| Less current portion    |               |                  |  | 592  | 467  |
| Total long-term portion |               |                  |  | <u>\$ 470</u>                              | <u>\$ 1,128</u>                            |

Subsequent to year end, the mortgages relating to Dale, Whitehorn and Kingston were discharged as the accounts were paid in full. CLTO has also renewed the mortgages relating to Sheppard, Royal York and Burnview which were due on June 1, 2022, for a further period of 10 months to 22 months. Interest rates have been changed to 2.77% to 2.97%. For financial statement presentation purposes, these mortgages have been reclassified into short-term and long-term components based on the terms of their respective mortgage renewal agreements.

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

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## 12. Long-term debt:

On June 14, 2019, CLTO entered into a MOA to effect the transfer of assets and liabilities from CLTO's Employee and Executive Pension Plans to the CAAT Plan. As part of the MOA, CLTO is required to pay an amount of \$9,210 (the "Transfer Price") to fund the determined CAAT Plan deficiency. On March 6, 2020, CLTO paid \$4,500 of the Transfer Price. On the same day, CLTO entered into a loan agreement with the CAAT Plan to finance an amount of \$5,091 (the "Transfer Price Loan") being the remaining Transfer Price of \$4,710 and additional interest of \$381. The Transfer Price Loan was agreed to be repaid monthly over a term of 10 years, bearing interest at 7%.

During fiscal 2021, the remaining Transfer Price of \$4,710 plus accrued interest was repaid. An additional \$894 was accrued as a true-up expense for additional liabilities incurred during fiscal 2021. The full amount was repaid during fiscal 2022.

## 13. Deferred contributions:

### (a) Expenses of future periods:

Deferred contributions related to expenses of future periods represent unspent externally restricted grants and donations.

|  | 2022     | 2021     |
|--|----------|----------|
| Balance, beginning of year               | \$ 8,431 | \$ 7,605 |
| Amount received related to future period | 1,853    | 1,609    |
| Amount recognized as revenue             | (1,030)  | (783)    |
| Balance, end of year                     | \$ 9,254 | \$ 8,431 |

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

## 13. Deferred contributions (continued):

(b) Capital assets:

Deferred contributions related to capital assets represent the unamortized amount received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

|                                   | 2022     | 2021     |
|-----------------------------------|----------|----------|
| Balance, beginning of year        | \$ 1,291 | \$ 1,383 |
| Additions                         | 637      | –        |
| Less amounts amortized to revenue | 91       | 92       |
| Balance, end of year              | \$ 1,837 | \$ 1,291 |

## 14. Invested in capital assets:

Invested in capital assets is calculated as follows:

|                            | 2022      | 2021      |
|----------------------------|-----------|-----------|
| Capital assets             | \$ 25,876 | \$ 25,158 |
| Amounts financed by:       |           |           |
| Deferred contributions     | (1,837)   | (1,291)   |
| Mortgages payable          | (1,062)   | (1,595)   |
| Capital funding receivable | 1,062     | 1,595     |
|                            | \$ 24,039 | \$ 23,867 |

Change in net assets invested in capital assets is calculated as follows:

|  | 2022   | 2021     |
|--|--------|----------|
| Excess (deficiency) of revenue over expenses:  |        |          |
| Amortization of deferred capital contributions | \$ 91  | \$ 92    |
| Amortization of capital assets                 | (736)  | (645)    |
| Gain on sale of capital assets                 | 1,540  | 6        |
|  | \$ 895 | \$ (547) |

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

## 14. Invested in capital assets (continued):

|   | 2022            | 2021            |
|---|-----------------|-----------------|
| Net change in invested in capital assets: |                 |                 |
| Purchase of capital assets                | \$ 1,731        | \$ 1,944        |
| Deferred capital contributions            | (637)           | —               |
| Proceeds on sale of capital assets        | (1,817)         | (13)            |
| Repayment of mortgage                     | (533)           | (455)           |
| Capital funding received                  | 533             | 455             |
|   | <u>\$ (723)</u> | <u>\$ 1,931</u> |

## 15. Pension plan:

Information about CLTO's Employee and Executive Pension Plans is as follows:

|                            | Employee plan |             | Executive plan |             | Total       |             |
|----------------------------|---------------|-------------|----------------|-------------|-------------|-------------|
|                            | 2022          | 2021        | 2022           | 2021        | 2022        | 2021        |
| Accrued benefit obligation | \$ —          | \$ —        | \$ —           | \$ —        | \$ —        | \$ —        |
| Market value of assets     | —             | 396         | —              | 188         | —           | 584         |
| Valuation allowance        | —             | (396)       | —              | (188)       | —           | (584)       |
| Accrued pension asset      | <u>\$ —</u>   | <u>\$ —</u> | <u>\$ —</u>    | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> |

Continuity of the accrued benefit asset (obligation) as follows:

|                                | Employee plan |             | Executive plan |             | Total       |             |
|--------------------------------|---------------|-------------|----------------|-------------|-------------|-------------|
|                                | 2022          | 2021        | 2022           | 2021        | 2022        | 2021        |
| Balance, beginning of year     | \$ —          | \$ —        | \$ —           | \$ —        | \$ —        | \$ —        |
| Benefit expense                | —             | (497)       | —              | (35)        | —           | (532)       |
| Employer contributions         | —             | —           | —              | —           | —           | —           |
| Remeasurements and other items | —             | 497         | —              | 35          | —           | 532         |
| Balance, end of year           | <u>\$ —</u>   | <u>\$ —</u> | <u>\$ —</u>    | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> |

On June 14, 2019, CLTO entered into a MOA to become a participating employer in the CAAT Plan. As a result, the future benefit accruals and earnings have been frozen for the Employee and Executive Pension Plans and CLTO is not required to make any additional contributions in respect of the plans, effective September 30, 2019.

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

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## 15. Pension plan (continued):

Effective October 1, 2019, CLTO agreed to remit all required employer contributions to the CAAT Plan in accordance with the terms of the plan. As the CAAT Plan is a multi-employer defined benefit pension plan, any pension plan surpluses or deficits are joint responsibility of all eligible organizations and their employees. As a result, CLTO does not recognize any share of the CAAT Plan surplus or deficit, as CLTO's portion of the amount is not determinable.

On October 8, 2020, CLTO completed the transfer of the Employee and Executive Pension Plans assets to the CAAT Plan following receipt of transfer approval from the Financial Services Regulatory Authority. The transfer of assets was the final stage of the transfer process. The liabilities for all past benefits under the Employee and Executive Pension Plans have now been transferred to the CAAT Plan together with the assets of the Employee and Executive Pension Plans, and the CAAT Plan has assumed responsibility for all pension benefit under the Employee and Executive Pension Plans. Small amounts of cash are left in the Employee and Executive Pension Plans to cover final plan expenses. If not used for expenses, they will subsequently be transferred to the CAAT Plan. A valuation allowance of the same amount has been applied to the plan assets. During the year, CLTO made contributions to the CAAT Plan of \$2,740 (2021 - \$2,504) which is included as an expense in the statement of operations (note 1(f)).

CLTO true-up expense of \$894 accrued as at March 31, 2021, for additional expenses and any transferred membership liabilities that were beyond the agreed assumptions used to calculate the Transfer Price, was fully paid during the year.

## 16. Endowments:

Endowments consist of the following:

|  | 2022         | 2021         |
|--|--------------|--------------|
| Endowments, the income from which is externally restricted | \$ 56        | \$ 55        |
| Endowments, the income from which is unrestricted          | 28           | 28           |
|  | <u>\$ 84</u> | <u>\$ 83</u> |

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

## 17. Internally restricted funds:

During the year, CLTO's board of directors passed resolutions to transfer all of the organization's internally restricted funds to unrestricted net assets. The board approved a transfer of the prior year's balance of Internally Restricted Funds in the amount of \$5,562 as of March 31, 2021, which was comprised of \$2,628 of capital reserve, \$1,406 of internally restricted income from endowments, \$128 of internally restricted membership revenue, \$600 of management contingency reserve fund and \$800 of general reserve funds.

|   | 2022 | 2021     |
|---|------|----------|
| Capital reserve   | \$ – | \$ 2,628 |
| Endowments, internally restricted, the income<br>from which is unrestricted | –    | 1,406    |
| Membership revenue  | –    | 128      |
| Reserve, management contingency fund  | –    | 600      |
| Reserve, general  | –    | 800      |
|   | \$ – | \$ 5,562 |

## 18. Commitments:

The following is a schedule of future annual minimum lease payments required under operating leases for premises used as day programs and residences that have initial lease terms in excess of one year, as at March 31, 2022:

|            |          |
|------------|----------|
| 2023       | \$ 1,118 |
| 2024       | 972      |
| 2025       | 902      |
| 2026       | 831      |
| 2027       | 737      |
| Thereafter | 2,741    |
|            | \$ 7,301 |



# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

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## 19. Guarantee:

CLTO has provided a guarantee of advances executed by GUT under the restated credit facility agreement, dated March 24, 2020 (note 8).

## 20. Statement of cash flows:

Change in non-cash operating working capital comprise the following items:

|  | 2022            | 2021              |
|--|-----------------|-------------------|
| Accounts receivable                      | \$ 955          | \$ (3,352)        |
| Prepaid expenses                         | (400)           | 596               |
| Accounts payable and accrued liabilities | 1,082           | (644)             |
| Deferred revenue                         | 269             | 33                |
|  | <u>\$ 1,906</u> | <u>\$ (3,367)</u> |

## 21. Government assistance:

The federal government launched the Canada Emergency Wage Subsidy ("CEWS") program and the Canada Recovery Hiring Program ("CRHP") in response to the COVID-19 pandemic. Total CEWS/CRHP recorded as other revenue in the statement of operations amounted to \$1,203 (2021 - \$2,441). Included in accounts receivable is \$255 (2021 - \$2,441) related to CEWS/CRHP.

## 22. Financial risks:

(a) Interest rate risk:

CLTO's credit facilities have a variable interest based on the bank's prime lending rate (note 8). As a result, CLTO is exposed to interest rate risk due to fluctuations in this rate. There has been no significant change to the risk exposure from 2021.

# COMMUNITY LIVING TORONTO

Notes to Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2022

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## 22. Financial risks (continued):

### (b) Liquidity risk:

Liquidity risk is the risk that CLTO will encounter difficulty in meeting obligations associated with financial liabilities. CLTO manages its liquidity risk by monitoring its operating requirements. CLTO prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no significant change to the risk exposure from 2021.

### (c) Economic risk:

On March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Since the first quarter of 2020, the COVID-19 pandemic has impacted the global economy environment due to government-imposed lockdowns and social distancing requirements. The economic conditions and CLTO's response to the COVID-19 pandemic has an operational and financial impact to CLTO. The full extent of the financial impact is currently indeterminable due to the evolving nature of the COVID-19 pandemic.

## 23. Economic dependence:

The future viability of CLTO is dependent upon continued support from the MCCSS.

CLTO receives a substantial amount of funding from the MCCSS, pursuant to a Service Contract entered into by both parties. The funding agreement for 2023 with the MCCSS has not yet been finalized.