

Non-Consolidated Financial Statements of

**COMMUNITY LIVING TORONTO**

And Independent Auditor's Report thereon

Year ended March 31, 2024



**KPMG LLP**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Community Living Toronto

### ***Opinion***

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

- the statement of non-consolidated financial position as at March 31, 2024
- the statement of non-consolidated operations for the year then ended
- the statement of non-consolidated changes in net assets for the year then ended
- the statement of non-consolidated cash flows for the year then ended
- and notes to the non-consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

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 auditor's 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.

## ***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 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.

- 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.



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- 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 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 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*

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 20, 2024

# COMMUNITY LIVING TORONTO

Non-Consolidated Statement of Financial Position  
(Expressed in thousands of dollars)

March 31, 2024, with comparative information for 2023

|                                                  | 2024      | 2023      |
|--------------------------------------------------|-----------|-----------|
| <b>Assets</b>                                    |           |           |
| Current assets:                                  |           |           |
| Cash and cash equivalents                        | \$ 94     | \$ 144    |
| Accounts receivable (note 2)                     | 3,961     | 4,027     |
| Capital funding receivable (note 3)              | 141       | 299       |
| Prepaid expenses                                 | 1,683     | 2,101     |
| Due from related parties (note 5(b))             | 84        | 38        |
| Short-term investments (note 6)                  | 13,127    | 14,858    |
|                                                  | 19,090    | 21,467    |
| Capital funding receivable - long term (note 3)  | 232       | 375       |
| Capital assets (note 7)                          | 30,816    | 29,939    |
| Due from related parties - long term (note 5(b)) | 2,306     | 271       |
|                                                  | \$ 52,444 | \$ 52,052 |

## Liabilities and Net Assets

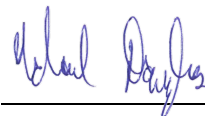
|                                                                  |           |           |
|------------------------------------------------------------------|-----------|-----------|
| Current liabilities:                                             |           |           |
| Bank indebtedness (note 8)                                       | \$ 4,190  | \$ 1,915  |
| Accounts payable and accrued liabilities (note 9)                | 14,452    | 14,590    |
| Mortgages payable - current (note 11)                            | 141       | 299       |
| Deferred revenue                                                 | 1,778     | 1,690     |
|                                                                  | 20,561    | 18,494    |
| Deficiency in subsidiary (note 4)                                | 353       | 231       |
| Mortgages payable - long term (note 11)                          | 232       | 375       |
| Deferred contributions - expenses of future periods (note 12(a)) | 7,462     | 8,000     |
| Deferred contributions - capital assets (note 12(b))             | 2,083     | 1,651     |
|                                                                  | 30,691    | 28,751    |
| Net assets:                                                      |           |           |
| Invested in capital assets (note 13)                             | 28,733    | 28,288    |
| Endowments (note 15)                                             | 84        | 84        |
| Unrestricted                                                     | (7,064)   | (5,071)   |
|                                                                  | 21,753    | 23,301    |
| Subsequent events (notes 6, 8 and 11)                            |           |           |
| Commitments (note 16)                                            |           |           |
|                                                                  | \$ 52,444 | \$ 52,052 |

See accompanying notes to non-consolidated financial statements.

On behalf of the Board:



Director



Director

# COMMUNITY LIVING TORONTO

Non-Consolidated Statement of Operations  
(Expressed in thousands of dollars)

Year ended March 31, 2024, with comparative information for 2023

|                                                                    | 2024              | 2023              |
|--------------------------------------------------------------------|-------------------|-------------------|
| Revenue:                                                           |                   |                   |
| Ministry of Children, Community and Social Services<br>(note 10)   | \$ 88,671         | \$ 87,149         |
| Other revenue                                                      | 9,326             | 8,366             |
| User fees                                                          | 5,116             | 4,691             |
| City of Toronto                                                    | 3,070             | 3,054             |
| Ministry of Labour, Training and Skills Development                | 1,809             | 1,461             |
| Amortization of deferred contributions (note 12(a))                | 1,545             | 1,076             |
| Realized gain (loss) on short-term investments                     | 988               | (163)             |
| United Way                                                         | 890               | 888               |
| Entrepreneurial ventures                                           | 601               | 726               |
| Equity loss from investment in subsidiary (note 4)                 | (122)             | (277)             |
| Unrealized gain (loss) on short-term investments                   | (529)             | 257               |
| Interest                                                           | —                 | 13                |
|                                                                    | <u>111,365</u>    | <u>107,241</u>    |
| Expenses:                                                          |                   |                   |
| Salaries and benefits (note 14)                                    | 69,800            | 64,496            |
| Purchased services                                                 | 24,036            | 22,273            |
| Supplies                                                           | 8,720             | 10,936            |
| Occupancy costs                                                    | 8,239             | 7,511             |
| Other program costs                                                | 2,418             | 1,795             |
| Travel and transportation                                          | 1,464             | 1,357             |
|                                                                    | <u>114,677</u>    | <u>108,368</u>    |
| Deficiency of revenue over expenses before the<br>undernoted items | (3,312)           | (1,127)           |
| Amortization of deferred capital contributions (note 12(b))        | 94                | 186               |
| Gain on sale of capital assets                                     | 2,538             | 3                 |
| Amortization of capital assets                                     | (868)             | (771)             |
|                                                                    | <u>1,764</u>      | <u>(582)</u>      |
| Deficiency of revenue over expenses                                | <u>\$ (1,548)</u> | <u>\$ (1,709)</u> |

See accompanying notes to non-consolidated financial statements.

# COMMUNITY LIVING TORONTO

Non-Consolidated Statement of Changes in Net Assets  
(Expressed in thousands of dollars)

Year ended March 31, 2024, with comparative information for 2023

|                                                           |                               |            |              | 2024      | 2023      |
|-----------------------------------------------------------|-------------------------------|------------|--------------|-----------|-----------|
|                                                           | Invested in<br>capital assets | Endowments | Unrestricted | Total     | Total     |
| Net assets, beginning of year                             | \$ 28,288                     | \$ 84      | \$ (5,071)   | \$ 23,301 | \$ 25,010 |
| Excess (deficiency) of revenue<br>over expenses (note 13) | 1,764                         | –          | (3,312)      | (1,548)   | (1,709)   |
| Net change in invested in<br>capital assets (note 13)     | (1,319)                       | –          | 1,319        | –         | –         |
| Net assets, end of year                                   | \$ 28,733                     | \$ 84      | \$ (7,064)   | \$ 21,753 | \$ 23,301 |

See accompanying notes to non-consolidated financial statements.

# COMMUNITY LIVING TORONTO

Non-consolidated Statement of Cash Flows  
(Expressed in thousands of dollars)

Year ended March 31, 2024, with comparative information for 2023

|                                                                                    | 2024       | 2023       |
|------------------------------------------------------------------------------------|------------|------------|
| Cash flows from operating activities:                                              |            |            |
| Deficiency of revenue over expenses                                                | \$ (1,548) | \$ (1,709) |
| Adjusted for the following non-cash items:                                         |            |            |
| Unrealized loss (gain) on short-term investments                                   | 529        | (257)      |
| Amortization of deferred contributions -<br>expense of future periods (note 12(a)) | (1,545)    | (1,076)    |
| Amortization of deferred capital contributions<br>(note 12(b))                     | (94)       | (186)      |
| Amortization of capital assets                                                     | 868        | 771        |
| Gain on sale of capital assets                                                     | (2,538)    | (3)        |
| Change in non-cash operating working capital (note 17)                             | 434        | 2,746      |
| Deferred contributions received related to future periods<br>(note 12(a))          | 1,007      | 851        |
| Equity loss from investment in subsidiary (note 4)                                 | 122        | 277        |
| Cash flows from (used in) operating activities                                     | (2,765)    | 1,414      |
| Cash flows from financing activities:                                              |            |            |
| Capital funding receivable                                                         | (301)      | (388)      |
| Increase in bank indebtedness                                                      | 2,275      | 1,915      |
| Payment of mortgages payable                                                       | 301        | 388        |
| Deferred capital contributions                                                     | 526        | -          |
| Cash flows from financing activities                                               | 2,801      | 1,915      |
| Cash flows from investing activities:                                              |            |            |
| Due from related parties (note 5)                                                  | (2,081)    | (241)      |
| Proceeds from disposition of short-term investments                                | -          | 162        |
| Purchase of capital assets                                                         | (1,745)    | (4,834)    |
| Proceeds on sale of capital assets                                                 | 2,538      | 3          |
| Redemption of short-term investment                                                | 1,202      | -          |
| Cash flows used in investing activities                                            | (86)       | (4,910)    |
| Decrease in cash and cash equivalents                                              | (50)       | (1,581)    |
| Cash and cash equivalents, beginning of year                                       | 144        | 1,725      |
| Cash and cash equivalents, end of year                                             | \$ 94      | \$ 144     |

See accompanying notes to non-consolidated financial statements.



# COMMUNITY LIVING TORONTO

Notes to Non-Consolidated Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2024

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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 Non-Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2024

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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 Non-Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2024

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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:

CLTO remit all required employer contributions to the College of Applied Arts and Technology Pension Plan ("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 Non-Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended March 31, 2024

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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:

|                                      | 2024            | 2023            |
|--------------------------------------|-----------------|-----------------|
| Accounts receivable                  | \$ 4,032        | \$ 4,109        |
| Less allowance for doubtful accounts | 71              | 82              |
|                                      | <u>\$ 3,961</u> | <u>\$ 4,027</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. Deficiency 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. During the current fiscal year, no transactions incurred under this partnership.

# COMMUNITY LIVING TORONTO

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

Year ended March 31, 2024

## 4. Deficiency in subsidiary (continued):

On April 17, 2023, GWS and a third party created a partnership called 14944569 CANADA INC. as a social purpose enterprise. During the current fiscal year, two initiatives were developed. Social Brew is a coffee importer with distribution channels online and through the establishment of cafes or kiosks to employ people with an intellectual or developmental disability. Athari Global Workforce Solutions is a workforce solutions program developed with local partners in Kenya that will recruit, provide training, and sponsor Kenyan nationals to provide services to the disability sector in Ontario.

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, is as follows:

|                                                | 2024            | 2023            |
|------------------------------------------------|-----------------|-----------------|
| Statement of financial position:               |                 |                 |
| Total assets                                   | \$ 71           | \$ 323          |
| Total liabilities                              | 469             | 598             |
|                                                | <u>\$ (398)</u> | <u>\$ (275)</u> |
| Statement of operations:                       |                 |                 |
| Total revenue                                  | \$ –            | \$ –            |
| Total expenses                                 | 122             | 277             |
|                                                | <u>\$ (122)</u> | <u>\$ (277)</u> |
| Statement of cash flows:                       |                 |                 |
| Cash flows from (used in) operating activities | \$ (96)         | \$ 78           |
| Cash flows from (used in) investing activities | (155)           | 179             |

# COMMUNITY LIVING TORONTO

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

Year ended March 31, 2024

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## 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 and for the year ended March 31, is as follows:

|                                                | 2024            | 2023           |
|------------------------------------------------|-----------------|----------------|
| Statement of financial position:               |                 |                |
| Total assets                                   | \$ 4,682        | \$ 4,771       |
| Total liabilities                              | 4,926           | 4,867          |
|                                                | <u>\$ (244)</u> | <u>\$ (96)</u> |
| Statement of operations:                       |                 |                |
| Total revenue                                  | \$ 324          | \$ 324         |
| Total expenses                                 | 472             | 411            |
|                                                | <u>\$ (148)</u> | <u>\$ (87)</u> |
| Statement of cash flows:                       |                 |                |
| Cash flows from (used in) operating activities | \$ (39)         | \$ 27          |
| Cash flows from (used in) financing activities | 61              | (27)           |

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# COMMUNITY LIVING TORONTO

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

Year ended March 31, 2024

## 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:

|                      | 2024     | 2023   |
|----------------------|----------|--------|
| Due from GUT (i)     | \$ 2,274 | \$ 38  |
| Due from GWS (ii)    | 116      | 271    |
|                      | 2,390    | 309    |
| Less current portion | 84       | 38     |
|                      | \$ 2,306 | \$ 271 |

(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. During the year, CLTO loaned GUT \$2,190 to help pay down their credit facility.

(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. Interest revenue of nil (2023 - \$13) in relation to this loan has been included in the statement of operations.

## 6. Short-term investments:

|                           | 2024      |            | 2023      |            |
|---------------------------|-----------|------------|-----------|------------|
|                           | Cost      | Fair value | Cost      | Fair value |
| Cash and cash equivalents | \$ 4,217  | \$ 4,217   | \$ 3,050  | \$ 2,998   |
| Equities                  | 3,674     | 3,715      | 4,203     | 4,625      |
| Fixed income              | 5,208     | 5,195      | 7,048     | 6,767      |
| Other funds               | 468       | –          | 468       | 468        |
|                           | \$ 13,567 | \$ 13,127  | \$ 14,769 | \$ 14,858  |

Subsequent to year end, \$3,000 in short-term investments was liquidated to reduce CLTO's operating line on April 1, 2024.

# COMMUNITY LIVING TORONTO

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

Year ended March 31, 2024

## 7. Capital assets:

|                                           |           |                          | 2024           | 2023           |
|-------------------------------------------|-----------|--------------------------|----------------|----------------|
|                                           | Cost      | Accumulated amortization | Net book value | Net book value |
| Land                                      | \$ 17,067 | \$ –                     | \$ 17,067      | \$ 17,522      |
| Buildings                                 | 27,757    | 14,831                   | 12,926         | 11,581         |
| Equipment, computer hardware and software | 6,622     | 5,799                    | 823            | 836            |
|                                           | \$ 51,446 | \$ 20,630                | \$ 30,816      | \$ 29,939      |

## 8. Credit facilities:

On August 23, 2019, CLTO entered into an agreement with TD Canada Trust ("TD") for credit facilities. On March 24, 2020, CLTO obtained a restated credit agreement with TD to include GUT as a borrower under the agreement. The credit agreement was subsequently amended at various times.

The amended credit facilities include a \$9,000 operating loan for CLTO and GUT at the bank prime rate plus 0.5%. As at March 31, 2024, CLTO had drawn \$4,190 (2023 - \$1,915) and GUT has borrowed nil (2023 - \$495) under this facility.

As part of the facility, GUT also has access to a committed reducing term facility up to a maximum of \$4,200 (2023 - \$4,910). As at March 31, 2024, GUT has \$2,637 (2023 - \$4,317) outstanding 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.



# COMMUNITY LIVING TORONTO

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

Year ended March 31, 2024

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## 8. Credit facilities (continued):

- 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 and GUT are required to comply with certain financial and non-financial covenants. As at March 31, 2024, CLTO was in compliance with the covenants.

Subsequent to year end, \$3,000 in short-term investments was liquidated to reduce CLTO's operating line on April 1, 2024. Consequently, the credit agreement was revised on June 10, 2024, resulting in a decrease of the operating loan limit for CLTO and GUT to \$6,000.

## 9. Accounts payable and accrued liabilities:

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

|                                      | 2024            | 2023          |
|--------------------------------------|-----------------|---------------|
| Payroll remittances                  | \$ 1,319        | \$ 650        |
| Workplace Safety and Insurance Board | 61              | 22            |
|                                      | <u>\$ 1,380</u> | <u>\$ 672</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, 2024 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.

# COMMUNITY LIVING TORONTO

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

Year ended March 31, 2024

## 11. Mortgages payable:

Mortgages payable consists of 11 (2023 - 17) mortgages, which bear interest at varying rates from 0.68% to 8.00% (2023 - 0.68% to 8.00%). These mortgages mature at various dates from April 1, 2024 to July 1, 2028 (2023 - April 1, 2023 to August 1, 2027). Total interest expense on mortgages payable is \$18 (2023 - \$28).

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

|      |               |
|------|---------------|
| 2025 | \$ 141        |
| 2026 | 74            |
| 2027 | 74            |
| 2028 | 58            |
| 2029 | 26            |
|      | <u>\$ 373</u> |

| Property                | Particulars   |                  | Monthly payment inclusive of interest<br>(Actual amount) | Principal Balance, March 31, 2024<br>(000) | Principal balance, March 31, 2023<br>(000) |
|-------------------------|---------------|------------------|----------------------------------------------------------|--------------------------------------------|--------------------------------------------|
|                         | Interest rate | Renewal date     |                                                          |                                            |                                            |
| Annette                 | 4.44%         | July 1, 2028     | \$ 1,834                                                 | \$ 87                                      | \$ 105                                     |
| Mavety                  | 2.70%         | April 1, 2024    | 1,958                                                    | 2                                          | 25                                         |
| Exford                  | 2.31%         | April 1, 2025    | 2,485                                                    | 29                                         | 58                                         |
| Aspenwood               | 2.49%         | December 1, 2024 | 2,061                                                    | 111                                        | 132                                        |
| Wellesworth             | —             | —                | —                                                        | —                                          | 19                                         |
| Fairview                | 0.68%         | April 1, 2024    | 1,868                                                    | 2                                          | 24                                         |
| Lakeshore               | —             | —                | —                                                        | —                                          | 1                                          |
| Quarry                  | —             | —                | —                                                        | —                                          | 2                                          |
| Sheppard                | —             | —                | —                                                        | —                                          | 20                                         |
| Royal York              | 2.97%         | April 1, 2024    | 1,640                                                    | 2                                          | 21                                         |
| Burnview                | —             | —                | —                                                        | —                                          | 2                                          |
| Folcroft                | 4.72%         | July 1, 2024     | 2,108                                                    | 8                                          | 33                                         |
| Roundwood               | 4.09%         | August 1, 2027   | 2,651                                                    | 101                                        | 128                                        |
| Willard                 | 5.12%         | December 1, 2024 | 2,222                                                    | 17                                         | 43                                         |
| Empire                  | —             | —                | —                                                        | —                                          | 14                                         |
| Hobden Place            | 5.76%         | May 1, 2024      | 2,248                                                    | 4                                          | 30                                         |
| Margaret                | 8.00%         | June 1, 2025     | 698                                                      | 10                                         | 17                                         |
| Total                   |               |                  | <u>\$ 21,773</u>                                         | 373                                        | 674                                        |
| Less current portion    |               |                  |                                                          | 141                                        | 299                                        |
| Total long-term portion |               |                  |                                                          | <u>\$ 232</u>                              | <u>\$ 375</u>                              |

# COMMUNITY LIVING TORONTO

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

Year ended March 31, 2024

## 11. Mortgages payable (continued):

During fiscal year 2024, the mortgages relating to Wellesworth, Lakeshore, Quarry, Sheppard, Burnview and Empire were discharged as the accounts were paid in full. CLTO also renewed a mortgage relating to Annette, which was due July 1, 2023 for a further period of 60 months. The interest rate has been changed to 4.44%.

Subsequent to year end, the mortgages related to Royal York, Fairview, Hobden Place, and Mavety were discharged as the accounts were paid in full.

## 12. Deferred contributions:

### (a) Expenses of future periods:

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

|                                          | 2024     | 2023     |
|------------------------------------------|----------|----------|
| Balance, beginning of year               | \$ 8,000 | \$ 8,225 |
| Amount received related to future period | 1,007    | 851      |
| Amount recognized as revenue             | (1,545)  | (1,076)  |
| Balance, end of year                     | \$ 7,462 | \$ 8,000 |

### (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.

|                                   | 2024     | 2023     |
|-----------------------------------|----------|----------|
| Balance, beginning of year        | \$ 1,651 | \$ 1,837 |
| Additions                         | 526      | –        |
| Less amounts amortized to revenue | (94)     | (186)    |
| Balance, end of year              | \$ 2,083 | \$ 1,651 |

# COMMUNITY LIVING TORONTO

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

Year ended March 31, 2024

## 13. Invested in capital assets:

Invested in capital assets is calculated as follows:

|                            | 2024      | 2023      |
|----------------------------|-----------|-----------|
| Capital assets             | \$ 30,816 | \$ 29,939 |
| Amounts financed by:       |           |           |
| Deferred contributions     | (2,083)   | (1,651)   |
| Mortgages payable          | (373)     | (674)     |
| Capital funding receivable | 373       | 674       |
|                            | \$ 28,733 | \$ 28,288 |

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

|                                                | 2024       | 2023     |
|------------------------------------------------|------------|----------|
| Excess (deficiency) of revenue over expenses:  |            |          |
| Amortization of deferred capital contributions | \$ 94      | \$ 186   |
| Amortization of capital assets                 | (868)      | (771)    |
| Gain on sale of capital assets                 | 2,538      | 3        |
|                                                | \$ 1,764   | \$ (582) |
| Net change in invested in capital assets:      |            |          |
| Purchase of capital assets                     | \$ 1,745   | \$ 4,834 |
| Deferred capital contributions                 | (526)      | –        |
| Proceeds on sale of capital assets             | (2,538)    | (3)      |
| Repayment of mortgage                          | (301)      | (388)    |
| Capital funding received                       | 301        | 388      |
|                                                | \$ (1,319) | \$ 4,831 |

# COMMUNITY LIVING TORONTO

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

Year ended March 31, 2024

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## 14. Pension plan:

On June 14, 2019, CLTO entered into a Memorandum of Agreement to become a participating employer in the 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 remits all required employer contributions to the CAAT Plan in accordance with the term 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.

The most recent actuarial valuation filed with pension regulators as at January 1, 2024 indicated an actuarial surplus on a going concern basis of \$5.3 billion. CLTO made contributions to the CAAT Plan of \$3,663 (2023 - \$3,412) which has been included as an expense in the statement of operations.

## 15. Endowments:

Endowments consist of the following:

|                                                            | 2024         | 2023         |
|------------------------------------------------------------|--------------|--------------|
| Endowments, the income from which is externally restricted | \$ 56        | \$ 56        |
| Endowments, the income from which is unrestricted          | 28           | 28           |
|                                                            | <u>\$ 84</u> | <u>\$ 84</u> |

# COMMUNITY LIVING TORONTO

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

Year ended March 31, 2024

## 16. 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, 2024:

|            |    |       |
|------------|----|-------|
| 2025       | \$ | 757   |
| 2026       |    | 782   |
| 2027       |    | 787   |
| 2028       |    | 793   |
| 2029       |    | 810   |
| Thereafter |    | 1,856 |
|            |    |       |
|            | \$ | 5,785 |

## 17. Statement of cash flows:

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

|                                          | 2024   | 2023     |
|------------------------------------------|--------|----------|
| Accounts receivable                      | \$ 66  | \$ 1,721 |
| Prepaid expenses                         | 418    | (423)    |
| Accounts payable and accrued liabilities | (138)  | 1,238    |
| Deferred revenue                         | 88     | 210      |
|                                          |        |          |
|                                          | \$ 434 | \$ 2,746 |

## 18. 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 2023.

# COMMUNITY LIVING TORONTO

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

Year ended March 31, 2024

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## 18. 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 2023.

## 19. 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. For the period ending March 31, 2024, 80% (2023 - 81%) of revenues came from MCCSS. The funding agreement for 2025 with the MCCSS has not yet been finalized.

## 20. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.