

Community Living Essex County  
Financial Statements  
For the Year Ended March 31, 2024

---

Contents

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Operations and Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 18



Tel: 519-944-6993  
Fax: 519-944-6116  
www.bdo.ca

69 Talbot St North,  
Essex, Ontario  
Canada  
N8M 1A2

---

## Independent Auditor's Report

---

To the Board of Directors of Community Living Essex County

### Opinion

We have audited the financial statements of Community Living Essex County (the Organization), which comprise the statement of financial position as at March 31, 2024, the statements of operations and net assets, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, and its financial performance and 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 report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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



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

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

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

Chartered Professional Accountants, Licensed Public Accountants

Essex, Ontario  
June 5, 2024

**Community Living Essex County  
Statement of Financial Position**

March 31	General Fund	Restricted Funds	2024 Total	2023 Total
<b>Assets</b>				
<b>Current</b>				
Cash and bank (Note 2)	\$ 5,827,718	\$ 7,401,003	\$13,228,721	\$ 12,204,022
Accounts receivable (Note 3)	887,830	-	887,830	1,173,884
Prepaid expenses	204,736	-	204,736	539,891
Interfund receivable	54,275	-	54,275	406,689
	<u>6,974,559</u>	<u>7,401,003</u>	<u>14,375,562</u>	<u>14,324,486</u>
Capital Assets (Note 4)	-	16,035,075	16,035,075	15,732,904
	<u>\$ 6,974,559</u>	<u>\$23,436,078</u>	<u>\$30,410,637</u>	<u>\$ 30,057,390</u>
<b>Liabilities and Net Assets</b>				
<b>Current</b>				
Accounts payable and accruals (Note 7)	\$ 6,559,786	\$ -	\$ 6,559,786	\$ 6,275,086
Deferred contributions (Note 8)	198,027	-	198,027	469,411
Current portion of long-term debt (Note 6)	-	163,990	163,990	175,790
Inferfund payable	-	54,275	54,275	406,689
	<u>6,757,813</u>	<u>218,265</u>	<u>6,976,078</u>	<u>7,326,976</u>
Long-term debt (Note 6)	-	1,645,010	1,645,010	1,806,903
	<u>6,757,813</u>	<u>1,863,275</u>	<u>8,621,088</u>	<u>9,133,879</u>
<b>Net Assets (Note 12)</b>				
Invested in capital assets	-	14,226,077	14,226,077	13,750,211
Internally restricted	-	7,236,085	7,236,085	7,115,565
Externally restricted	-	110,641	110,641	100,914
Unrestricted	216,746	-	216,746	(43,179)
	<u>216,746</u>	<u>21,572,803</u>	<u>21,789,549</u>	<u>20,923,511</u>
	<u>\$ 6,974,559</u>	<u>\$23,436,078</u>	<u>\$30,410,637</u>	<u>\$ 30,057,390</u>

On behalf of the Board:

*Sue Desjardais*

\_\_\_\_\_  
President



\_\_\_\_\_  
Treasurer

## Community Living Essex County Statement of Operations and Net Assets

For the year ended March 31,	General Fund	Restricted Funds	2024 Total	2023 Total
<b>Revenue (Note 9)</b>				
Provincial subsidies	\$39,557,174	\$ -	\$39,557,174	\$ 37,544,184
Fees for services	6,451,601	87,152	6,538,753	6,242,153
Investment income	201,890	577,777	779,667	428,825
Donations and fund raising	407,691	-	407,691	379,295
Tax rebates and sundry	338,624	32,735	371,359	485,458
Federal subsidies	34,930	-	34,930	71,780
Other grants	26,168	-	26,168	55,332
Miscellaneous income	-	-	-	2,323
	<u>47,018,078</u>	<u>697,664</u>	<u>47,715,742</u>	<u>45,209,350</u>
<b>Expenses</b>				
Salaries	30,974,784	-	30,974,784	28,825,240
Staff benefits	5,048,749	-	5,048,749	4,293,358
Purchased services	3,416,515	-	3,416,515	3,617,726
Repairs and maintenance	1,686,286	-	1,686,286	2,132,886
Pension expense	1,180,496	-	1,180,496	1,240,588
Food	905,995	-	905,995	933,264
Supplies	750,532	-	750,532	1,054,242
Vehicle operation	530,129	-	530,129	468,582
Utilities and taxes	368,217	-	368,217	378,575
Insurance	322,443	-	322,443	289,149
Staff travel and training	288,780	-	288,780	210,262
Advertising and fundraising	136,790	-	136,790	92,198
Rent premises and other	133,551	-	133,551	136,583
Bank charges and other	32,016	-	32,016	27,174
Personal needs	10,281	-	10,281	14,111
Amortization	-	983,287	983,287	919,185
Interest on long-term debt	-	80,853	80,853	77,801
Loss on disposal of assets	-	-	-	28,862
	<u>45,785,564</u>	<u>1,064,140</u>	<u>46,849,704</u>	<u>44,739,786</u>
Excess of revenues over expenses before fund transfer	\$ 1,232,514	\$ (366,476)	\$ 866,038	\$ 469,564
Fund transfers	(972,589)	972,589	-	-
Excess of revenues over expenses in fund	259,925	606,113	866,038	469,564
Net Assets, beginning of the year	(43,179)	20,966,690	20,923,511	20,453,947
<b>Net Assets, end of the year</b>	<b>\$ 216,746</b>	<b>\$21,572,803</b>	<b>\$21,789,549</b>	<b>\$ 20,923,511</b>

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

## Community Living Essex County Statement of Cash Flows

For the year ended March 31,	2024	2023
Cash flows from operating activities		
Excess of revenues over expenses	\$ 866,038	\$ 469,564
Items not affecting cash:		
Amortization	983,287	919,185
Loss on disposal of capital assets	-	28,862
	1,849,325	1,417,611
Changes in non-cash working capital:		
Accounts receivable	286,054	80,350
Prepaid expenses	335,155	(412,809)
Accounts payable and accrued liabilities	284,700	813,096
Deferred contributions	(271,384)	190,440
	2,483,850	2,088,688
Cash flows from financing activities		
Mortgage principal repayments	(173,693)	(171,336)
Purchase of capital assets	(1,285,458)	(770,551)
Proceeds on disposals	-	1,585,825
	(1,459,151)	643,938
Net increase in cash	1,024,699	2,732,626
Cash, beginning of the year	12,204,022	9,471,396
Cash, end of the year	\$13,228,721	\$ 12,204,022

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

---

# Community Living Essex County Notes to Financial Statements

March 31, 2024

---

## 1. Significant Accounting Policies

**Nature and Purpose of Organization** Community Living Essex County (the "Organization") is a social service organization providing support to individuals with an intellectual disability and their families who reside in Essex County. It is incorporated under the Corporations Act of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act.

**Basis of Accounting** These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**Capital Assets** Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided over the assets' estimated useful lives on a straight line basis as follows:

	Rate
Building	40 years
Vehicles	7 years
Equipment	10 years
Computer software	4 years
Computer equipment	3 years
Leaseholds	5 years

Amortization expense is reported in the Capital Asset Fund.

**Fund Accounting** The Organization follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the organization's capital assets. The Capital Fund is comprised of the net amount invested in capital assets.

The Internally Restricted Fund reports the amount for renewable energy initiative, property maintenance and capital asset purchases.

The Externally Restricted Fund reports the activity from the Ministry of Children, Community and Social Services for capital items at two specific locations.

---

# Community Living Essex County Notes to Financial Statements

March 31, 2024

---

## 1. Significant Accounting Policies (continued)

Revenue Recognition	<p>Restricted contributions related to general operations, including provincial subsidies, fees for services and capital grants, are recognized as revenue of the General in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Investment income is accrued in the appropriate fund when earned. Any unrestricted investment income earned is recognized in the general fund.</p> <p>Resident fees are earned on a monthly basis and recorded in the appropriate funds.</p>
Pension Plan	<p>The Organization maintains a defined contribution pension plan for qualified personnel that are non-unionized employees. Expense for this plan is equal to the Organization's required contribution for the year.</p> <p>The Organization is a participating employer in a multi-employer pension plan for qualified personnel that are unionized employees. Expense for this plan is equal to the Organization's required contribution for the year.</p>
Financial Instruments	<p>Financial instruments are recorded at fair value when acquired or issued.</p> <p>In subsequent periods, all investments have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.</p>
Contributed Services	<p>Volunteers contribute many hours per year to assist the Organization in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.</p>

---

## Community Living Essex County Notes to Financial Statements

March 31, 2024

---

### 1. Significant Accounting Policies (continued)

**Administrative Expenses** Administrative expenses are segregated and allocated to the various programs primarily on the basis of negotiated budgets.

**Use of Estimates** The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

---

### 2. Cash and Bank

Included in cash and bank are the following:

	<u>2023</u>	<u>2022</u>
Cash - General fund	\$ 4,430,363	\$ 3,749,602
Cash - Externally restricted fund	133,352	207,929
Cash - Trustee (Note 3)	<u>1,264,003</u>	<u>1,235,701</u>
	<u>\$ 5,827,718</u>	<u>\$ 5,193,232</u>
Cash - Capital asset fund	<u>\$ 7,401,003</u>	<u>\$ 7,010,790</u>

Included in the General Fund are lottery and bingo accounts. The use of these funds is externally restricted by regulatory bodies. Cash in the Trustee account are monies held in trust for people supported by the organization.

Included in the General Fund are monies allocated to the externally restricted fund of \$110,641 (2023 - \$100,914).

---

### 3. Funds Held in Trust

The Organization maintains and holds trust accounts for the residents. These monies belong to the residents and the Organization helps to administrate these funds. At year end, the trust funds owed the Organization \$54,086 (2023 - \$1,567). These amounts were repaid subsequent to the year end.

---

---

Community Living Essex County  
Notes to Financial Statements

March 31, 2024

---

4. Capital Assets

Capital asset fund

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 2,830,229	\$ -	\$ 2,830,229	\$ -
Building	17,610,311	7,164,243	17,303,981	6,733,073
Vehicles	3,681,379	1,792,105	3,062,372	1,350,199
Equipment	2,771,568	1,902,064	2,411,446	1,793,828
Computer software	330,092	330,092	330,092	330,092
Leaseholds	30,823	30,823	30,823	30,823
Computer hardware	950,115	950,115	950,115	948,139
	<u>\$28,204,517</u>	<u>\$12,169,442</u>	<u>\$ 26,919,058</u>	<u>\$ 11,186,154</u>
		<u>\$16,035,075</u>		<u>\$ 15,732,904</u>

Included in property, plant and equipment are the final capital costs for the following projects originally funded by the Ministry of Municipal Affairs and Housing:

	2024	2023
48 Heritage, Kingsville	\$ 519,653	\$ 519,653
647/649 Centre St., Belle River	516,195	516,195
	<u>\$ 1,035,848</u>	<u>\$ 1,035,848</u>

---

5. Security for Bank Line of Credit

Libro Credit Union has a general security agreement and an assignment of business insurance to cover any overdraft in the operating accounts up to a maximum of \$250,000 (2023 - \$250,000). The full amount of the overdraft coverage was available at the year end date. The line of credit bears interest at prime plus 1.00%.

---

Community Living Essex County  
Notes to Financial Statements

March 31, 2024

6. Long-term debt

The carrying amounts of investments are comprised of the following:

	2024	2023
Mortgage payable - Libro Credit Union (Libro) 5.19% (2023 - 3.79%) first mortgage, repayable in monthly instalments of \$2,209 (2023 - \$1,959) including principal and interest due October 31, 2028. The mortgage is secured by land and building at County Road 18, Essex. The carrying value is \$445,291.	\$ 269,727	\$ 282,103
Mortgage payable - Libro 5.19% (2023 - 8.70%) first mortgage, repayable in monthly instalments of \$2,332 (2023 - \$2,849), including principal and interest due June 2, 2028. The mortgage is secured by the land and buildings at 1312 Deer Run Trail, Belle River. The carrying value is \$467,104.	243,988	258,138
Mortgage payable - Libro 5.19% (2023 - 3.54%) first mortgage, repayable in monthly instalments of \$2,561 (2023 - \$2,237), including principal and interest due June 27, 2028. The mortgage was secured by land and building at 5400 Lakeshore Road 305, Lakeshore. The carrying value is \$693,976.	225,896	244,490
Mortgage payable - Libro 5.19% (2023 - 3.79%) first mortgage, repayable in monthly instalments of \$1,637 (2023 - \$1,350) including principal and interest due November 23, 2028. The mortgage is secured by land and building at 160 County Road 34 East, Cottam. The carrying value is \$316,159.	225,170	232,161
Mortgage payable - Libro 3.49% first mortgage, repayable in monthly instalments of \$1,718 including principal and interest due June 9, 2024. The mortgage is secured by land and building at 280 Golfview, Amherstburg. The carrying value is \$374,716.	177,558	191,740
Balance to carry forward	\$ 1,142,339	\$ 1,208,632

Community Living Essex County  
Notes to Financial Statements

March 31, 2024

6. Long Term Debt (continued)	2024	2023
Balance carried forward	\$ 1,142,339	\$ 1,208,632
Mortgage payable - Libro 2.84% first mortgage, repayable in monthly instalments of \$990 including principal and interest due March 12, 2027. The mortgage is secured by land and building at 795 North Talbot Rd., Kingsville. The carrying value is \$295,572.	128,540	136,614
Mortgage payable - Peoples Group 4.69% (2023 - 3.03%) first mortgage, repayable in monthly instalments of \$2,145 (2023 - \$2,060) including principal and interest due September 1, 2028. The mortgage is secured by land and building at 647/649 Centre Street, Belle River. The carrying value is \$169,667.	106,086	125,179
Mortgage payable - Libro 2.99% first mortgage, repayable in monthly instalments of \$891 including principal and interest due February 20, 2025. The mortgage is secured by land and building at 898 Wride Avenue, Kingsville. The carrying value is \$179,597.	99,630	107,235
Mortgage payable - Libro 2.84% (2023 - 2.89%) first mortgage, repayable in monthly instalments of \$920 (2023 - \$922) including principal and interest due March 30, 2027. The mortgage is secured by the land and buildings at 372 Talbot St., Essex. The carrying value is \$235,116.	95,915	104,107
Mortgage payable - Libro 2.09% first mortgage, repayable in monthly instalments of \$662 including principal and interest due February 17, 2026. The mortgage is secured by land and building at 1693 Maplewood, Belle River. The carrying value is \$134,633.	57,765	64,422
Balance to carry forward	\$ 1,630,275	\$ 1,746,189

Community Living Essex County  
Notes to Financial Statements

March 31, 2024

6. Long Term-Debt (continued)	2024	2023
Balance carried forward	\$ 1,630,275	\$ 1,746,189
Mortgage payable - Libro 2.09% first mortgage, repayable in monthly instalments of \$608 including principal and interest due March 30, 2026. The mortgage is secured by land and building at 39 McBride, Amherstburg. The carrying value is \$218,124.	45,421	51,401
Mortgage payable - Libro 5.59% (2023 - 3.79%) first mortgage, repayable in monthly instalments of \$609 (2023 - \$580) including principal and interest due September 10, 2028. The mortgage is secured by land and building at 1950 Suzanne St., Lasalle. The carrying value is \$92,358.	34,119	39,547
Mortgage payable - Libro 3.94% first mortgage, repayable in monthly instalments of \$401 including principal and interest due May 30, 2027. The mortgage is secured by land and building at 920 Mersea Road, Leamington. The carrying value is \$76,894.	33,523	36,951
Mortgage payable - Libro 6.14% (2023 - 3.99%) first mortgage, repayable in monthly instalments of \$533 (2023 - \$503) including principal and interest due December 4, 2028. The mortgage is secured by land and building at 286 St. Jude St., Belle River. The carrying value is \$165,588.	30,552	35,200
Mortgage payable - Libro 5.19% (2023 - 8.7%) first mortgage, repayable in monthly instalments of \$764 (2023 - \$771) including principal and interest due June 23, 2026. The mortgage is secured by land and building at 85 Gosfield Townline Rd E., Essex. The carrying value is \$144,731.	18,777	26,325
Balance to carry forward	\$ 1,792,667	\$ 1,935,613

Community Living Essex County  
Notes to Financial Statements

March 31, 2024

6. Long Term Debt (continued)	2024	2023
Balance carried forward	\$ 1,792,667	\$ 1,935,613
Mortgage payable - Scotiabank 2.31% first mortgage, repayable in monthly instalments of \$1,981 including principal and interest due November 1, 2024. The mortgage is secured by the land and buildings at 48 Heritage Rd., Kingsville. The carrying value is \$103,083.	15,712	38,836
Mortgage payable - Libro 2.74% first mortgage, repayable in monthly instalments of \$650 including principal and interest due April 1, 2024. The mortgage is secured by land and building at 335 Forest Hill, Amherstburg. The carrying value is \$142,261.	621	8,244
Less: current portion of long-term debt	1,809,000 (163,990)	1,982,693 (175,790)
	\$ 1,645,010	\$ 1,806,903

The principal payments due within the next five years and thereafter are as follows:

2024	\$	163,990
2025		154,966
2026		154,170
2027		159,437
2028		155,934
Thereafter		1,020,503
	\$	1,809,000

7. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are net government remittances payable of \$504,190 (2023 - \$368,548).

---

## Community Living Essex County Notes to Financial Statements

March 31, 2024

---

### 8. Deferred Contributions

Deferred contributions reported in the General Fund represent restricted operating funding received in the current period that is related to expenses of a subsequent period.

---

### 9. Economic Dependence

As is customary in the industry, approximately 85% (2023 - 85%) of revenue reported in the year relates to contracts ultimately with the Ministry of Children, Community and Social Services.

---

### 10. Pension Expense

The Organization contributes to two pension plans on behalf of its employees.

The Organization contributes to a defined contribution pension plan an amount equal to 4.75% of applicable wages for non-unionized employees. The contributions to this plan during the year totaled \$230,671 (2023 - \$226,924).

Effective January 1, 2006, the Organization became a participating employer in a multi-employer pension plan for qualified personnel that are unionized employees. The Organization entered into an agreement with the Canadian Union of Public Employees and its Local 3137 whereby the Organization is required to contribute to the multi-employer pension plan an amount equal to 4.75% of applicable wages for eligible unionized employees. Under the agreement, the pension plan trustees and the union agree and acknowledge that the Organization has no obligation to provide, pay for, or contribute to the cost of the benefits established by the pension plan beyond the obligation to make contributions pursuant to the Collective Agreement and that the Organization assumes no liability whatsoever with respect to the pension plan save and except to make contributions in accordance with the Collective Agreement. The total contributions to this plan during the year totaled \$949,825 (2023 - \$1,013,664).

---

---

## Community Living Essex County Notes to Financial Statements

March 31, 2024

---

### 11. Fair Value of Financial Instruments and Credit Risk

#### Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth.

This risk is reduced due to considerable amount of cash available for use. Trade accounts payable and accrued liabilities are generally repaid within 30 days.

The Organization manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

There have not been any changes in the risk from the prior year.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Organization to a fair value risk while the floating rate instruments subject it to a cash flow risk.

There have not been any changes in the risk from the prior year.

---

Community Living Essex County  
Notes to Financial Statements

March 31, 2024

12. Restricted Funds

The following is a breakdown of the restricted funds activity for the fiscal year:

	2024		
	Capital Asset Fund	Externally Restricted Fund	Internally Restricted Fund
Revenue			
Fees for service	\$ -	\$ 3,661	\$ 83,491
Tax rebates and sundry	-	-	32,735
Investment income	-	6,066	571,711
	-	9,727	687,937
Expenses			
Amortization	983,287	-	-
Interest on long-term debt	80,853	-	-
	1,064,140	-	-
Excess (deficiency) of revenues over expenses before fund transfer	(1,064,140)	9,727	687,937
Fund transfer	1,540,006	-	(567,417)
Excess of revenues over expenses	475,866	9,727	120,520
Net Assets, beginning of year	13,750,211	100,914	7,115,565
Net Assets, end of year	\$14,226,077	\$ 110,641	\$ 7,236,085

Community Living Essex County  
Notes to Financial Statements

March 31, 2024

12. Restricted Funds (continued)

	2023		
	Capital Asset Fund	Externally Restricted Fund	Internally Restricted Fund
Revenue			
Fees for service	\$ -	\$ 3,661	\$ 81,246
Tax rebates and sundry	-	-	38,502
Donation and fund raising	-	-	82,751
Investment income	-	4,062	289,400
Miscellaneous income			2,323
	-	7,723	494,222
Expenses			
Amortization	919,185	-	-
Interest on long-term debt	77,801	-	-
Loss on disposal of assets	28,862	-	-
	1,025,848	-	-
Excess (deficiency) of revenues over expenses before fund transfer	(1,025,848)	7,723	494,222
Fund transfer	(566,132)	-	1,570,000
Excess of revenues over expenses	(1,591,980)	7,723	2,064,222
Net Assets, beginning of year	15,342,191	93,191	5,051,343
Net Assets, end of year	\$13,750,211	\$ 100,914	\$ 7,115,565

Major categories of internally imposed restrictions on net assets are as follows:

	2024	2023
Internally restricted for property maintenance	\$ 1,966,705	\$ 1,883,214
Internally restricted for future priorities	1,572,323	1,572,323
Internally restricted for capital asset purchases	3,552,315	3,552,315
Internally restricted for renewable energy initiative	144,742	107,713
	<u>\$ 7,236,085</u>	<u>\$ 7,115,565</u>

---

## Community Living Essex County Notes to Financial Statements

March 31, 2024

---

### 13. Contingent Liabilities

From time to time, the Organization may be subject to certain legal actions as part of the regular course of operations. In the opinion of management and legal counsel, the outcome of any such actions are not determinable. The Organization has insurance coverage for any applicable claims. Any potential future cost in excess of the insurance coverage available would be charged to operations in the year of resolution.

---