

Financial Statements of

Community Development Council Durham

For the period from January 1, 2022 to March 31, 2022

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Independent Auditor's Report

To the Board of Directors of Community Development Council Durham

Opinion

We have audited the financial statements of Community Development Council Durham, which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, operations and cash flows for the period from January 1, 2022 to March 31, 2022, 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, 2022, and its results of operations and its cash flows for the period from January 1, 2022 to March 31, 2022 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:

Independent Auditor's Report — continued

- ◆ 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.

Inclusive Accounting - Oshawa

Authorized to practise public accounting by the Chartered Professional Accountants of Ontario

Oshawa, Ontario



June 20, 2022

Community Development Council Durham

Statement of Financial Position

As at March 31	2022	December 31, 2021
Assets		
Current assets		
Cash	\$ 1,088,096	\$ 1,646,297
Short term investment (note 3)	153,319	153,319
Accounts receivable	218,955	145,287
Prepaid expenses	73,770	68,491
Government remittances receivable	35,397	42,792
	<u>1,569,537</u>	<u>2,056,186</u>
Property and equipment (note 4)	<u>236,267</u>	<u>161,091</u>
	<u>\$ 1,805,804</u>	<u>\$ 2,217,277</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 173,288	\$ 147,566
Deferred contributions (note 5)	912,602	1,445,700
	<u>1,085,890</u>	<u>1,593,266</u>
Deferred capital contributions (note 6)	<u>231,705</u>	<u>155,932</u>
	<u>1,317,595</u>	<u>1,749,198</u>
Net Assets		
Property and Equipment Fund (note 7)	4,562	5,158
General fund	<u>483,647</u>	<u>462,921</u>
	<u>488,209</u>	<u>468,079</u>
	<u>\$ 1,805,804</u>	<u>\$ 2,217,277</u>

On behalf of the Board

Director

Director

COMMUNITY DEVELOPMENT COUNCIL DURHAM
458 FAIRALL STREET, UNIT 4
AJAX, ONTARIO L1S 1R6

Community Development Council Durham

Statement of Changes in Net Assets

For the period from January 1, 2022 to March 31, 2022

	Property and Equipment Fund	General fund	Total 2022	Total December 31 2021
Balance, beginning of period	\$ 5,158	\$ 462,921	\$ 468,079	\$ 461,960
Excess (deficiency) of revenue over expenditures for the period	(596)	20,726	20,130	6,119
Additions to capital assets	(88,414)	88,414	-	-
Capital contributions	88,414	(88,414)	-	-
Balance, end of period	\$ 4,562	\$ 483,647	\$ 488,209	\$ 468,079

Community Development Council Durham

Statement of Operations

		January 1 - December 31
For the period from January 1, 2022 to March 31	2022	2021
Revenue		
Immigration, Refugees and Citizenship Canada	\$ 1,004,718	\$ 3,023,462
Region of Durham	657,665	3,086,900
Universal Basic Income Works (note 7)	102,681	513,178
Other program revenue	80,791	20,949
The Ontario Trillium Foundation	59,257	168,815
Low-Income Energy Assistance Program - United Way of Toronto	46,834	110,927
Ministry of Labour, Training and Skills Development	27,276	115,249
Amortization of deferred capital contributions	12,642	159,382
United Way - all streams	2,500	40,594
	<u>1,994,364</u>	<u>7,239,456</u>
Expenditures		
Amortization	13,238	166,847
Settlement services	996,792	2,966,860
Housing Support	646,351	2,668,035
Administration	123,824	623,757
Community development	194,029	807,838
	<u>1,974,234</u>	<u>7,233,337</u>
Excess of revenue over expenditures for the period	<u>\$ 20,130</u>	<u>\$ 6,119</u>

Community Development Council Durham

Statement of Cash Flows

		January 1 - December 31
For the period from January 1, 2022 to March 31	2022	2021
Cash provided from (used for)		
Operating activities		
Excess of revenue over expenditures	\$ 20,130	\$ 6,119
Items not involving cash		
Amortization of capital assets	13,238	166,847
Amortization of deferred capital contributions	(12,642)	(159,382)
	<u>20,726</u>	<u>13,584</u>
Changes in non-cash working capital items:		
Accounts receivable	(73,668)	18,623
Prepaid expenses	(5,279)	37,046
Government remittances receivable	7,395	146,104
Accounts payable and accrued liabilities	25,722	(33,602)
Deferred rent	-	(13,785)
Deferred contributions	(444,683)	752,489
	<u>(490,513)</u>	<u>906,875</u>
Cash flows from operating activities	<u>(469,787)</u>	<u>920,459</u>
Investing activities		
Purchase of investments	-	(2,306)
Purchase of property and equipment	(88,414)	(129,933)
Cash flows from investing activities	<u>(88,414)</u>	<u>(132,239)</u>
Net increase (decrease) in cash position	(558,201)	788,220
Cash position, beginning of period	<u>1,646,297</u>	<u>858,077</u>
Cash position, end of period	<u>\$ 1,088,096</u>	<u>\$ 1,646,297</u>

Community Development Council Durham

Notes to Financial Statements

For the period from January 1, 2022 to March 31, 2022

1. Nature of operations

Community Development Council Durham ("CDCD") is an independent, not-for-profit social planning and community development organization offering services in the areas of research and community development, program and service planning, and the delivery of social service programs in the areas of immigration settlement and housing support.

CDCD is a registered charity under the *Income Tax Act (Canada)* and is therefore exempt from income tax.

2. Summary of significant accounting policies

The Organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Fund accounting deferred

The Organization follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Unrestricted revenue and contributions are included in the general fund when received, or deemed receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The General Fund accounts for the Organization's current operations. The Contingency Reserve Fund was established by the Organization to fund future operating costs. The Property and Equipment Fund is used for non funded equipment purchases. Transfers in and out of the Contingency Reserve and Property and Equipment Funds require Board approval.

(b) Property and equipment

Property and equipment are recorded at cost. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the property and equipment over their estimated useful lives. The annual amortization rates are as follows:

Furniture and fixtures	10 years
Leasehold improvements	10 years
Computer equipment	4 years

(c) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Community Development Council Durham
Notes to Financial Statements
For the period from January 1, 2022 to March 31, 2022

2. Summary of significant accounting policies — continued

(d) *Financial instruments*

The Organization's financial instruments consist of cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks.

3. Term deposits

The term deposit bears interest of 0.50% and matures December 6, 2022.

4. Property and equipment

			December 31,
			2022
			2021
	Cost	Accumulated amortization	Net
Furniture and fixtures	\$ 380,546	\$ 268,557	\$ 111,989
Leasehold improvements	1,382,865	1,364,563	18,302
Computer equipment	586,819	480,843	105,976
	<u>\$ 2,350,230</u>	<u>\$ 2,113,963</u>	<u>\$ 236,267</u>
			<u>\$ 161,091</u>

Community Development Council Durham
Notes to Financial Statements
For the period from January 1, 2022 to March 31, 2022

5. Deferred contributions

Deferred contributions from various funders are restricted for use depending on the terms of the contribution agreement:

	Balance, beginning of period	Received	Recognized	Other - Receivable	Balance, end of period
Region of Durham	\$ 958,990	\$ 347,900	\$ (575,395)	\$ -	\$ 731,495
Immigration, Refugees, and Citizenship Canada	300,550	355,857	210,406	(428,659)	17,343
Universal Basic Income	21,725	107,105	(94,849)	-	33,981
LEAP	119,072	58,707	(45,457)	(18,102)	114,220
Other program funding	45,363	-	(29,800)	-	15,563
	<u>\$ 1,445,700</u>	<u>\$ 869,569</u>	<u>\$ (535,095)</u>	<u>\$ (446,761)</u>	<u>\$ 912,602</u>

6. Deferred capital contributions

Deferred capital contributions from various funders are restricted for the purchase of property and equipment.

	2022	December 31, 2021
Balance, beginning of period	\$ 155,932	\$ 186,939
Amounts recognized as revenue during the year	(12,642)	(159,382)
Additions to capital contributions	88,415	128,375
Balance, end of period	<u>\$ 231,705</u>	<u>\$ 155,932</u>

7. Universal Basic Income (UBI)

Universal Basic Income (UBI) Works is a collaborative partnership between UBI Works (a non-profit voluntary association) and the Organization to support research, marketing and community development projects focused on socio-economic analysis for a universal basic income in Canada. The Organization receives a fee for administrative activities, including processing donations and charitable tax receipts, invoices, employment support and financial reporting.

Community Development Council Durham
Notes to Financial Statements
For the period from January 1, 2022 to March 31, 2022

8. Change in year-end

The Organization changed its fiscal year-end from December 31 to March 31. The fiscal period ending March 31, 2022 represents three months of operations.

9. Property and equipment fund

	<u>2022</u>	<u>2021</u>
Property and equipment (note 4)	\$ 236,267	\$ 161,090
Deferred capital contributions (note 6)	(231,705)	(155,932)
	<u>\$ 4,562</u>	<u>\$ 5,158</u>

10. Commitments

Future minimum rental payments required under operating leases that have remaining terms in excess of one year are:

2023	\$ 510,950
2024	518,258
2025	525,031
2026	483,511
Subsequent years	<u>670,240</u>
	<u>\$ 2,707,990</u>

11. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. It is management's opinion that the Organization has no significant financial instrument risks.

12. Economic dependence

The Organization receives the majority of its revenue through funding agreements from the Federal, Provincial, Regional, and Municipal governments. The Organization's continued operations are dependent on these funding agreements and on satisfying the terms of the agreements.

Community Development Council Durham
Notes to Financial Statements
For the period from January 1, 2022 to March 31, 2022

13. Subsequent events

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Organization's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Organization's operations.

The extent of the impact of this outbreak and related containment measures on the Organization's operations cannot be reliably estimated at this time.
