COMMUNITY DEVELOPMENT COUNCIL DURHAM

Financial Statements

Year Ended March 31, 2024

COMMUNITY DEVELOPMENT COUNCIL DURHAM

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For The Year Ended March 31, 2024

Murphy & Chung PROFESSIONAL CORPORATION
Chartered Professional Accountants, Licensed Public Accountants

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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, 2024, and the statements of changes in net assets, operations 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 results of operations and its cash flows for the year then ended in accordance with ASNPO.

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 ASNPO, 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.

Murphy & Chung

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

Toronto, Ontario
Date to be determined

COMMUNITY DEVELOPMENT COUNCIL DURHAM

Statement of Financial Position

As at March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	**$ 2,802,423**	$ 82,445
Short term investment (note 3)	**660,000**	216,224
Accounts receivable (note 4)	**464,239**	948,026
Prepaid expenses	**106,020**	87,726
	4,032,682	1,334,421
PROPERTY AND EQUIPMENT (note 5)	**485,050**	285,133
	$ 4,517,732	$ 1,619,554
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 599,779**	$ 327,142
Deferred contributions (note 6)	**2,414,317**	332,162
	3,014,096	659,304
DEFERRED CAPITAL CONTRIBUTIONS (note 7)	**456,160**	282,956
	3,470,256	942,260
NET ASSETS		
PROPERTY AND EQUIPMENT FUND (note 9)	**28,891**	2,177
GENERAL FUND	**1,018,585**	675,117
	1,047,476	677,294
	$ 4,517,732	$ 1,619,554

ON BEHALF OF THE BOARD

_______________ *Director*

Hillary Smith _______________ *Director*

See notes to financial statements

COMMUNITY DEVELOPMENT COUNCIL DURHAM

Statement of Changes in Net Assets

For the year ended March 31, 2024

	Property and Equipment Fund	General fund	**Total 2024**	Total 2023
BALANCE - BEGINNING OF YEAR	$ 2,177	$ 675,117	**$ 677,294**	$ 488,209
Excess (deficiency) of revenue over expenditures	(15,157)	385,339	**370,182**	189,085
Additions to capital assets	305,963	(305,963)	**-**	-
Capital contributions	(264,092)	264,092	**-**	-
BALANCE - END OF YEAR	**$ 28,891**	**$ 1,018,585**	**$ 1,047,476**	$ 677,294

See notes to financial statements

COMMUNITY DEVELOPMENT COUNCIL DURHAM

Statement of Operations

For the year ended March 31, 2024

	2024	2023
REVENUE		
Region of Durham	**$ 9,220,352**	$ 4,875,380
Immigration, Refugees and Citizenship Canada	**3,774,890**	3,291,358
Universal Basic Income Works (note 8)	**263,024**	364,417
Other program revenue	**189,453**	109,861
Ministry of Labour, Training and Skills Development (schedule 1)	**141,361**	112,875
Low-Income Energy Assistance Program	**88,437**	81,590
Amortization of deferred capital contributions	**84,910**	50,567
United Way - all streams	**10,000**	10,000
The Ontario Trillium Foundation	**-**	18,651
	13,772,427	8,914,699
EXPENDITURES		
Amortization	**106,046**	52,951
Settlement services	**9,710,530**	3,413,374
Housing support	**3,556,076**	4,960,999
Administration expense (recovery)	**(578,898)**	(224,208)
Community development	**608,491**	522,498
	13,402,245	8,725,614
EXCESS OF REVENUE OVER EXPENDITURES	**$ 370,182**	$ 189,085

See notes to financial statements

COMMUNITY DEVELOPMENT COUNCIL DURHAM

Statement of Cash Flows

For the year ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenue over expenditures	$ 370,182	$ 189,085
Items not involving cash		
Amortization of capital assets	106,046	52,951
Amortization of deferred capital contributions	(84,910)	(50,567)
	391,318	191,469
Change in non-cash working capital items		
Accounts receivable	483,787	(693,674)
Prepaid expenses	(18,294)	(13,956)
Accounts payable and accrued liabilities	272,638	153,855
Deferred contributions	2,340,268	(478,622)
	3,078,399	(1,032,397)
Cash flows from operating activities provided by (used in) operating activities	3,469,717	(840,928)
INVESTING ACTIVITIES		
Purchase of investments	(443,776)	(216,224)
Proceeds on sale of investments	-	153,319
Purchase of property and equipment	(305,963)	(101,818)
Cash flows from investing activities used in investing activities	(749,739)	(164,723)
INCREASE (DECREASE) IN CASH	2,719,978	(1,005,651)
CASH - BEGINNING OF YEAR	82,445	1,088,096
CASH - END OF YEAR	$ 2,802,423	$ 82,445

See notes to financial statements

COMMUNITY DEVELOPMENT COUNCIL DURHAM

Notes to Financial Statements

For the year ended March 31, 2024

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 AND GENERAL INFORMATION

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

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 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.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of property and equipment that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired property and equipment. Externally restricted contributions for the purchase of property and equipment that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

Property and equipment

Property and equipment are stated at cost or deemed cost less accumulated amortization and are amortized over its estimated useful life on a straight-line basis at the following rates:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION — continued

Property and equipment — continued

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

Donated material and services

Donated capital and investments are recorded in the financial statements at fair value on the date of the donation. Donated materials and services are not recorded because the fair market value is not readily determinable. With the exception of volunteer time, such material and services are not significant.

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.

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. SHORT TERM INVESTMENT

Investments consists of:

	2024	2023
CIBC GIC, maturing on December 18, 2024, interest of 5.25%	**$ 600,000**	$ 216,224
CIBC GIC, maturing on April 1, 2024, interest of 4.15%	**60,000**	-
	$ 660,000	$ 216,224

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of:

	2024	2023
HST receivable	$ 330,703	$ 110,502
Program revenue receivable	133,163	819,982
Interest receivable	373	373
Other receivables	-	17,169
	$ 464,239	$ 948,026

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2024			2023
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	$ 380,546	$ 292,765	$ 87,781	$ 102,288
Leasehold improvements	1,735,405	1,405,408	329,997	116,936
Computer equipment	642,060	574,788	67,272	65,909
	$ 2,758,011	$ 2,272,961	$ 485,050	$ 285,133

6. DEFERRED CONTRIBUTIONS

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

	2024	2023
Region of Durham	$ 2,203,674	$ 178,178
NSP - Asylum Seekers	83,513	-
LEAP/Winter Warmth	114,180	61,867
Other grants'	12,950	58,872
Universal Basic Income	-	33,245
	$ 2,414,317	$ 332,162

7. DEFERRED CAPITAL CONTRIBUTIONS

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

7. DEFERRED CAPITAL CONTRIBUTIONS — continued

	2024	2023
Balance, beginning of year	**$ 282,956**	$ 231,705
Amounts recognized as revenue during the year	**(90,888)**	(50,567)
Additions to capital contributions	**264,092**	101,818
Balance, end of year	**$ 456,160**	$ 282,956

8. 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.

9. PROPERTY AND EQUIPMENT FUND

	2024	2023
Property and equipment (note 5)	$ 485,051	$ 285,133
Deferred capital contributions (note 7)	(456,160)	(282,956)
	$ 28,891	$ 2,177

10. COMMITMENTS

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

2025	$ 467,068
2026	471,945
2027	423,250
2028	663,239
2029	663,239
Thereafter	670,240
	$ 3,358,981

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

11. FINANCIAL INSTRUMENTS — continued

financial instruments. It is managements opinion that the Organization has no significant financial instrument risks.

Liquidity risk

The Organization does have a liquidity risk in the accounts payable and accrued liabilities of $599,779 (2023 - $327,142). Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Organization is low and is not material.

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

Schedule to Financial Statements

For the year ended March 31, 2024

Ministry of Labour, Training and Skills Development — **Schedule 1**

		2024
REVENUE		
Newcomer Settlement Program (NSP)	$	112,875
Asylum Seekers Program		28,486
		141,361
EXPENDITURES		
Salaries and benefits - NSP		101,211
Program delivery - NSP		600
Admin cost allocation - NSP		11,064
Salaries and benefits - Asylum Seekers		22,508
Program delivery - Asylum Seekers		2,500
Admin cost allocation - Asylum Seekers		3,478
		141,361
EXCESS OF REVENUE OVER EXPENDITURES	$	-