

COMMUNITY DEVELOPMENT COUNCIL DURHAM
Financial Statements
Year Ended March 31, 2026

COMMUNITY DEVELOPMENT COUNCIL DURHAM

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For The Year Ended March 31, 2026

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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 (the "Organization"), which comprise the statement of financial position as at March 31, 2026, 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, 2026, 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 ("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:

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.

Murphy & Chung

Murphy & Chung

Professional Corporation

Chartered Professional Accountants

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

Toronto, Ontario
September 10, 2026

COMMUNITY DEVELOPMENT COUNCIL DURHAM

Statement of Financial Position

As at March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash	\$ 4,992,378	\$ 3,128,635
Short term investments (note 3)	1,950,912	629,205
Accounts receivable (note 4)	466,078	1,014,734
Prepaid expenses	84,773	82,412
	<u>7,494,141</u>	4,854,986
PROPERTY AND EQUIPMENT (note 5)	<u>481,606</u>	512,381
	<u>\$ 7,975,747</u>	<u>\$ 5,367,367</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 380,534	\$ 899,263
Government remittances payable	961	92,142
Deferred contributions (note 6)	4,775,907	1,879,313
	<u>5,157,402</u>	2,870,718
DEFERRED CAPITAL CONTRIBUTIONS (note 7)	<u>474,133</u>	500,440
	<u>5,631,535</u>	<u>3,371,158</u>
NET ASSETS		
PROPERTY AND EQUIPMENT FUND (note 9)	7,473	11,941
GENERAL FUND	<u>2,336,739</u>	1,984,268
	<u>2,344,212</u>	1,996,209
	<u>\$ 7,975,747</u>	<u>\$ 5,367,367</u>

ON BEHALF OF THE BOARD

Roger Ramkissoo Director

Ruop Director

See notes to financial statements

COMMUNITY DEVELOPMENT COUNCIL DURHAM

Statement of Changes in Net Assets

For the year ended March 31, 2026

	Property and Equipment Fund	General fund	Total 2026	Total 2025
BALANCE - BEGINNING OF YEAR	\$ 11,941	\$ 1,984,268	\$ 1,996,209	\$ 1,047,476
Excess (deficiency) of revenues over expenditures	(57,856)	405,859	348,003	948,733
Additions to capital assets	136,662	(136,662)	-	-
Capital contributions	(83,274)	83,274	-	-
BALANCE - END OF YEAR	\$ 7,473	\$ 2,336,739	\$ 2,344,212	\$ 1,996,209

See notes to financial statements

COMMUNITY DEVELOPMENT COUNCIL DURHAM**Statement of Operations****For the year ended March 31, 2026**

	2026	2025
REVENUES		
Region of Durham	\$ 15,061,290	\$ 16,216,872
Immigration, Refugees and Citizenship Canada	5,257,357	4,052,824
Universal Basic Income Works (note 8)	-	250,417
Interest income	189,555	247,157
Low-Income Energy Assistance Program	147,336	136,543
Asylum Seekers Income (NSP)	-	131,514
Newcomer Settlement Program (NSP) (schedule 1)	112,875	112,875
Amortization of deferred capital contributions	109,581	105,609
Other revenue	88,580	30,275
Other program revenue	50,465	21,758
United Way - all streams	10,000	10,000
	21,027,039	21,315,844
EXPENDITURES		
Amortization	167,437	119,015
Settlement services	16,005,867	16,645,982
Housing support	1,848,055	1,684,109
Administration	1,634,735	1,117,479
Community development	1,022,942	800,526
	20,679,036	20,367,111
EXCESS OF REVENUES OVER EXPENDITURES	\$ 348,003	\$ 948,733

COMMUNITY DEVELOPMENT COUNCIL DURHAM**Statement of Cash Flows****For the year ended March 31, 2026**

	2026	2025
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 348,003	\$ 948,733
Items not involving cash		
Amortization of capital assets	167,437	119,015
Amortization of deferred capital contributions	(109,581)	(105,609)
	405,859	962,139
Change in non-cash working capital items		
Accounts receivable	548,769	(550,495)
Prepaid expenses	(2,361)	23,608
Accounts payable and accrued liabilities	(518,729)	335,628
Government remittances	(91,294)	55,998
Deferred contributions	2,979,868	(385,116)
	2,916,253	(520,377)
Cash flows provided by operating activities	3,322,112	441,762
INVESTING ACTIVITIES		
Purchase of investments	(1,321,707)	30,795
Purchase of property and equipment	(136,662)	(146,345)
Cash flows used in investing activities	(1,458,369)	(115,550)
INCREASE IN CASH	1,863,743	326,212
CASH - BEGINNING OF YEAR	3,128,635	2,802,423
CASH - END OF YEAR	\$ 4,992,378	\$ 3,128,635

See notes to financial statements

COMMUNITY DEVELOPMENT COUNCIL DURHAM

Notes to Financial Statements

For the year ended March 31, 2026

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 uses fund accounting.

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 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 and other revenue 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:

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

COMMUNITY DEVELOPMENT COUNCIL DURHAM

Notes to Financial Statements

For the year ended March 31, 2026

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

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 statement of financial position date and the reported amounts of revenues and expenditures 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 INVESTMENTS

Investments consists of:

	<u>2026</u>	<u>2025</u>
CIBC GIC, maturing December 21, 2026, interest of 2.45%	\$ 650,912	\$ 629,205
CIBC GIC, maturing December 4, 2026, interest of 2.70%	1,300,000	-
	<u>\$ 1,950,912</u>	<u>\$ 629,205</u>

COMMUNITY DEVELOPMENT COUNCIL DURHAM

Notes to Financial Statements

For the year ended March 31, 2026

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of:

	<u>2026</u>	<u>2025</u>
HST receivable	\$ 397,479	\$ 539,958
Program revenue receivable	<u>68,599</u>	<u>474,776</u>
	<u>\$ 466,078</u>	<u>\$ 1,014,734</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2026</u>		<u>2025</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Furniture and fixtures	\$ 487,938	\$ 334,565	\$ 153,373	\$ 118,153
Leasehold improvements	1,845,080	1,565,073	280,007	327,491
Computer equipment	<u>708,001</u>	<u>659,775</u>	<u>48,226</u>	<u>66,737</u>
	<u>\$ 3,041,019</u>	<u>\$ 2,559,413</u>	<u>\$ 481,606</u>	<u>\$ 512,381</u>

6. DEFERRED CONTRIBUTIONS

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

	<u>2026</u>	<u>2025</u>
Region of Durham	\$ 4,702,215	\$ 1,817,522
LEAP/Winter Warmth	26,983	16,454
Other grants	<u>46,709</u>	<u>45,337</u>
	<u>\$ 4,775,907</u>	<u>\$ 1,879,313</u>

COMMUNITY DEVELOPMENT COUNCIL DURHAM

Notes to Financial Statements

For the year ended March 31, 2026

7. DEFERRED CAPITAL CONTRIBUTIONS

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

	<u>2026</u>	<u>2025</u>
Balance, beginning of year	\$ 500,440	\$ 456,160
Amounts recognized as revenue during the year	(109,581)	(105,609)
Additions to capital contributions	<u>83,274</u>	<u>149,889</u>
Balance, end of year	<u>\$ 474,133</u>	<u>\$ 500,440</u>

8. UNIVERSAL BASIC INCOME (UBI)

In prior years, the Organization participated in a collaborative arrangement with UBI Works to support research, marketing and community development projects related to universal basic income in Canada. The arrangement was discontinued during the current fiscal year. Accordingly, the Organization did not receive any administrative fees or carry out any related activities during the year.

9. PROPERTY AND EQUIPMENT FUND

	<u>2026</u>	<u>2025</u>
Property and equipment (note 5)	\$ 481,606	\$ 512,381
Deferred capital contributions (note 7)	<u>(474,133)</u>	<u>(500,440)</u>
	<u>\$ 7,473</u>	<u>\$ 11,941</u>

10. COMMITMENTS

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

2027	\$ 543,264
2028	96,000
2029 and thereafter	<u>252,482</u>
	<u>\$ 891,746</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

COMMUNITY DEVELOPMENT COUNCIL DURHAM

Notes to Financial Statements

For the year ended March 31, 2026

11. FINANCIAL INSTRUMENTS — continued

financial instruments. It is management's 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 \$380,534 (2025 - \$899,263). 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 cash balance 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. Legal Proceedings

The Corporation is involved in legal proceedings arising from its Opening Doors program. During the year, an amount relating to the claim was paid pursuant to court proceedings and has been recognized in the financial statements.

The legal proceedings remain ongoing as at March 31, 2026. Management expects the matter to be resolved; however, the ultimate outcome and any additional exposure, if any, cannot be reasonably determined at this time. Accordingly, no additional provision has been recorded in these financial statements.

13. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

14. 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, 2026

Ministry of Labour, Immigration, Training and Skills Development		Schedule 1	
	2026		2025
REVENUE			
Newcomer Settlement Program (NSP)	\$ 112,875	\$	112,875
	112,875		112,875
EXPENDITURES			
Salaries and benefits - NSP	103,253		102,239
Program delivery - NSP	600		600
Admin cost allocation - NSP	9,022		10,036
	112,875		112,875
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$	-