

COMMUNITY LIVING TRENT HIGHLANDS

FINANCIAL STATEMENTS

MARCH 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Community Living Trent Highlands

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Opinion

We have audited the financial statements of Community Living Trent Highlands (the Organization), which comprise the statement of financial position as at March 31, 2020, the statements of operations, changes in fund balances 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, 2020, and the results of its 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 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.

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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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 25, 2020

COMMUNITY LIVING TRENT HIGHLANDS

STATEMENT OF FINANCIAL POSITION

As at March 31, 2020

| | Operating fund 2020 \$ | Capital asset fund 2020 \$ | Internally restricted fund 2020 \$ | Total 2020 \$ | Total 2019 \$ |
|---|---------------------------------|-------------------------------------|--|---------------------|---------------------|
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash | 2,420,735 | - | 1,289,542 | 3,710,277 | 3,603,426 |
| Investments (note 3) | 132,860 | - | - | 132,860 | 51,610 |
| Accounts receivable | 1,523,214 | - | - | 1,523,214 | 1,128,444 |
| Prepaid expenses | 41,301 | - | - | 41,301 | 26,298 |
| Due from (to) other funds | (1,152,011) | - | 1,152,011 | - | - |
| | 2,966,099 | - | 2,441,553 | 5,407,652 | 4,809,778 |
| Other assets | | | | | |
| Long term receivable | 43,539 | - | - | 43,539 | 62,631 |
| Investments (note 3) | 21,222 | - | - | 21,222 | 21,222 |
| Tangible capital assets (note 4) | - | 5,756,684 | - | 5,756,684 | 5,736,002 |
| | 64,761 | 5,756,684 | - | 5,821,445 | 5,819,855 |
| | 3,030,860 | 5,756,684 | 2,441,553 | 11,229,097 | 10,629,633 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Current liabilities | | | | | |
| Accounts payable and accrued liabilities (note 5) | 2,191,681 | - | - | 2,191,681 | 2,407,533 |
| Deferred revenue (note 8) | 769,226 | - | - | 769,226 | 803,155 |
| Current portion of long-term debt (note 12) | - | 48,242 | - | 48,242 | 640,517 |
| | 2,960,907 | 48,242 | - | 3,009,149 | 3,851,205 |
| Long term liabilities | | | | | |
| Long term debt (note 12) | - | 1,130,153 | - | 1,130,153 | 606,329 |
| Deferred capital contributions (note 7) | - | 2,126,941 | - | 2,126,941 | 1,978,604 |
| | - | 3,257,094 | - | 3,257,094 | 2,584,933 |
| | 2,960,907 | 3,305,336 | - | 6,266,243 | 6,436,138 |
| Fund balances | | | | | |
| Internally restricted | - | - | 2,441,553 | 2,441,553 | 1,535,659 |
| Invested in capital assets | - | 2,451,348 | - | 2,451,348 | 2,510,552 |
| Unrestricted | 69,953 | - | - | 69,953 | 147,284 |
| | 69,953 | 2,451,348 | 2,441,553 | 4,962,854 | 4,193,495 |
| | 3,030,860 | 5,756,684 | 2,441,553 | 11,229,097 | 10,629,633 |

The accompanying notes are an integral part of these financial statements

COMMUNITY LIVING TRENT HIGHLANDS

STATEMENT OF CHANGES IN FUND BALANCES For the Year Ended March 31, 2020

| | Operating fund 2020 \$ | Capital asset fund 2020 \$ | Internally restricted fund 2020 \$ | Total 2020 \$ | Total 2019 \$ |
|--|---------------------------------|-------------------------------------|--|---------------------|---------------------|
| Fund balances - beginning of year | 147,284 | 2,510,552 | 1,535,659 | 4,193,495 | 3,921,362 |
| Excess of revenue over expenditure for the year | 893,771 | (124,412) | - | 769,359 | 272,133 |
| Transfer for long term debt repayments | (68,451) | 68,451 | - | - | - |
| Transfer for disposal of tangible capital assets | 3,243 | (3,243) | - | - | - |
| Transfer to internally restricted fund | (905,894) | - | 905,894 | - | - |
| Fund balances - end of year | 69,953 | 2,451,348 | 2,441,553 | 4,962,854 | 4,193,495 |

The accompanying notes are an integral part of these financial statements

COMMUNITY LIVING TRENT HIGHLANDS

STATEMENT OF OPERATIONS For the Year Ended March 31, 2020

| | Operating Fund 2020 \$ | Capital Fund 2020 \$ | Internally Restricted Fund 2020 \$ | Total 2020 \$ | Total 2019 \$ |
|--|---------------------------------|-------------------------------|--|---------------------|---------------------|
| Revenue | | | | | |
| Province of Ontario (note 13) | 21,999,428 | - | - | 21,999,428 | 21,047,680 |
| City of Kawartha Lakes | 1,391,657 | - | - | 1,391,657 | 1,376,858 |
| Program revenue | 3,463,638 | - | - | 3,463,638 | 2,827,847 |
| Rentals | 1,371,524 | - | - | 1,371,524 | 1,343,029 |
| Amortization of deferred capital contributions (note 7) | - | 213,636 | - | 213,636 | 150,255 |
| Donations and fundraising | 143,084 | - | - | 143,084 | 71,147 |
| Interest and other | 77,414 | - | - | 77,414 | 33,953 |
| Gain on sale of tangible capital assets | - | 25,260 | - | 25,260 | 2,732 |
| Total revenue | 28,446,745 | 238,896 | - | 28,685,641 | 26,853,501 |
| Expenses | | | | | |
| Salaries and benefits | 17,029,054 | - | - | 17,029,054 | 15,996,893 |
| Purchased services | 7,943,706 | - | - | 7,943,706 | 7,377,739 |
| Occupancy costs | 1,002,428 | - | - | 1,002,428 | 1,039,035 |
| Amortization | - | 363,308 | - | 363,308 | 337,666 |
| Advertising and promotion | 938 | - | - | 938 | 801 |
| Training costs | 179,340 | - | - | 179,340 | 135,552 |
| Insurance | 96,545 | - | - | 96,545 | 114,181 |
| Interest | 50,209 | - | - | 50,209 | 42,747 |
| Office | 494,370 | - | - | 494,370 | 457,231 |
| Repairs and maintenance | 602,236 | - | - | 602,236 | 927,495 |
| Travel | 114,768 | - | - | 114,768 | 123,040 |
| Donations | 39,380 | - | - | 39,380 | 28,988 |
| Total expenses | 27,552,974 | 363,308 | - | 27,916,282 | 26,581,368 |
| Excess (deficiency) of revenue over expenses for the year | 893,771 | (124,412) | - | 769,359 | 272,133 |

The accompanying notes are an integral part of these financial statements

COMMUNITY LIVING TRENT HIGHLANDS

STATEMENT OF CASH FLOWS For the Year Ended March 31, 2020

| | 2020 | 2019 |
|--|------------------|------------------|
| | \$ | \$ |
| CASH PROVIDED FROM (USED FOR): | | |
| Operating activities | | |
| Excess of revenue over expenses for the year | 769,359 | 272,133 |
| Non-cash charges to operations | | |
| Amortization of tangible capital assets | 363,308 | 337,666 |
| Amortization of deferred capital contributions | (213,636) | (150,255) |
| Gain on disposal of tangible capital assets | (25,260) | (2,732) |
| | <u>893,771</u> | <u>456,812</u> |
| Changes in non-cash working capital items | | |
| Accounts receivable | (394,770) | (302,358) |
| Long-term receivable | 19,092 | 18,819 |
| Prepaid expenses | (15,003) | 2,191 |
| Accounts payable | (215,852) | 723,186 |
| Deferred revenue | (33,929) | 339,550 |
| | <u>(640,462)</u> | <u>781,388</u> |
| Net change in cash from operating activities | <u>253,309</u> | <u>1,238,200</u> |
| Investing activities | | |
| Purchase of tangible capital assets | (434,652) | (819,795) |
| Disposal of investments | 11,191 | 11,134 |
| Purchase of investments | (92,441) | (32,951) |
| Net decrease in cash from investing activities | <u>(515,902)</u> | <u>(841,612)</u> |
| Financing activities | | |
| Proceeds on disposition of tangible capital assets | 75,922 | 20,850 |
| Deferred capital contributions received | 361,973 | 421,748 |
| Repayment of long-term debt | (68,451) | (42,631) |
| Proceeds of long-term debt | - | 300,000 |
| Net Increase in cash from financing activities | <u>369,444</u> | <u>699,967</u> |
| Increase in cash | 106,851 | 1,096,555 |
| Cash - beginning of year | <u>3,603,426</u> | <u>2,506,871</u> |
| Cash - end of year | <u>3,710,277</u> | <u>3,603,426</u> |

The accompanying notes are an integral part of these financial statements

COMMUNITY LIVING TRENT HIGHLANDS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2020

1. NATURE OF OPERATIONS

Community Living Trent Highlands ("the Organization") is a not-for-profit organization that was established on April 1, 2017 through the amalgamation of Community Living Central Highlands and Community Living Peterborough. The Organization is incorporated without share capital, to provide support and services which promote the personal growth, community participation of people with intellectual disabilities and their families. The Organization serves the communities of Haliburton, City of Kawartha Lakes, and Peterborough.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Significant aspects of the accounting policies are as follows:

(a) *Recognition of revenues and expenses*

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

The organization follows the deferral method of accounting for contributions, which includes donations and government grants. Restricted contributions other than capital 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. Program revenue and rental revenue are recognized as revenue when the related service is provided.

Capital contributions are deferred and amortized on the same basis and rate as the amortization of the related tangible capital assets.

Investment income is recognized as revenue when earned in the appropriate fund.

(b) *Government grants*

The various programs are eligible for operating subsidies from the Ontario Ministry of Children, Community and Social Services. The Ministry will pay the organization for admissible expenditures incurred up to the funding contracts. While the revenue from these funding contracts is recorded in the current period, the reimbursement of these amounts is ultimately dependent upon their acceptance by the Ministry of Children, Community and Social Services.

(c) *Fund accounting*

Community Living Trent Highlands uses the deferral method of accounting and reports on a fund accounting basis. The three funds maintained are the operating fund, capital asset fund and the internally restricted fund. The funds are classified as follows:

- (i) Operating fund - includes results of day-to-day operating transactions and all unrestricted contributions;
- (ii) Capital asset fund - includes the organization's assets, liabilities, revenue and expenses related to the tangible capital assets; and
- (iii) Internally restricted fund - includes revenues and expenses related to funds internally restricted by the Board for various projects.

COMMUNITY LIVING TRENT HIGHLANDS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) *Tangible capital assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized, over the expected useful life of the asset, as follows:

| | |
|------------------------------------|---------------|
| Building and building improvements | 40 years |
| Equipment and furnishings | 5 years |
| Computer equipment | 4 years |
| Vehicles | 5 years |
| Leasehold improvements | Term of lease |

Tangible capital assets are reviewed for impairment whenever events or conditions indicate that the assets no longer contribute to the organization's ability to provide services or that the service potential of the assets are less than their net carrying amount. When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the asset is written down to the asset's fair value or replacement cost.

(e) *Income taxes*

The Organization qualifies as a not-for-profit organization which is exempt from income taxes under the Income Tax Act.

(f) *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 date of the financial statements and the reported amounts of revenues and expenses during the year.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, revenue recognition, accounts payable and accrued liabilities and useful lives of tangible capital assets and amortization. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

COMMUNITY LIVING TRENT HIGHLANDS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) *Measurement of financial instruments*

(i) Measurement

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for those instruments that are quoted in an active market. Financial assets measured at amortized cost include cash, investments, accounts receivable, and long term receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and long term debt. The Organization has no financial instruments measured at fair value.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations.

(h) *Volunteer services*

Volunteers contribute a significant amount of time to assist in the organization's activities. While these services benefit the organization considerably, a reasonable estimate of their amounts and fair value cannot be made and, accordingly, these volunteer services are not recognized in the financial statements.

(i) *Measurement uncertainty*

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, 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 entity'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.

As an emerging risk, the duration and full financial effect of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions, and other mitigating measures. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 pandemic may materially and adversely affect the Organization's operations, financial results and condition in future periods are also subject to significant uncertainty. Therefore, uncertainty about judgements, estimates, and assumptions made by management during the preparation of the Organization's financial statements related to potential impacts of the COVID-19 outbreak on revenue, expenses, assets, liabilities, and note disclosures could result in a material adjustment to the carrying value of the asset or liability affected.

COMMUNITY LIVING TRENT HIGHLANDS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2020

3. INVESTMENTS

| | 2020 \$ | 2019 \$ |
|---|----------------|---------------|
| Short term | | |
| Renaissance savings account | 41,128 | 40,475 |
| GIC, maturing September 9, 2020, bearing interest at 0.50% per annum | 11,222 | - |
| GIC, maturing September 19, 2020, bearing interest at 1.20% per annum | 80,510 | - |
| GIC, maturing September 9, 2019, bearing interest at 0.50% per annum | - | 11,135 |
| | 132,860 | 51,610 |
| Long term | | |
| GIC, maturing July 4, 2023, bearing interest at 1.60% per annum | 21,222 | 21,222 |
| | 154,082 | 72,832 |

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

| | Cost \$ | Accumulated Amortization \$ | Net Book Value | |
|------------------------------------|-------------------|-----------------------------------|------------------|------------------|
| | | | 2020 \$ | 2019 \$ |
| Land | 894,839 | - | 894,839 | 894,839 |
| Building and building improvements | 5,624,968 | 2,366,030 | 3,258,938 | 3,448,474 |
| Vehicles | 775,900 | 525,280 | 250,620 | 272,728 |
| Equipment and furnishings | 1,045,675 | 839,270 | 206,405 | 239,481 |
| Leasehold improvements | 1,693,881 | 548,813 | 1,145,068 | 879,608 |
| Computer equipment | 393,899 | 393,085 | 814 | 872 |
| | 10,429,162 | 4,672,478 | 5,756,684 | 5,736,002 |

COMMUNITY LIVING TRENT HIGHLANDS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2020

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

| | 2020 | 2019 |
|--|-----------|-----------|
| | \$ | \$ |
| Accounts payable and accrued liabilities | 1,324,343 | 1,359,793 |
| Accrued vacation | 849,117 | 976,856 |
| Government remittances | 18,221 | 70,884 |
| | 2,191,681 | 2,407,533 |

6. ECONOMIC DEPENDENCE

The Organization's major source of revenue is in the form of subsidies from the Ontario Ministry of Children, Community and Social Services. The nature and extent of this revenue is of such significance as to affect the viability of the Organization and, accordingly, it can be said that the Organization is economically dependent upon the Ontario government.

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to restricted funding received for purchases of tangible capital assets. Changes in deferred capital contribution balances are as follows

| | 2020 | 2019 |
|------------------------------------|-----------|-----------|
| | \$ | \$ |
| Balance, beginning of year | 1,978,604 | 1,707,111 |
| Less: amounts amortized to revenue | (213,636) | (150,255) |
| Add: amounts received | 361,973 | 421,748 |
| Balance, end of year | 2,126,941 | 1,978,604 |

COMMUNITY LIVING TRENT HIGHLANDS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2020

8. DEFERRED REVENUE

The following amounts are included in deferred revenue:

| | 2020 | 2019 |
|------------------------|----------------|----------------|
| | \$ | \$ |
| Province of Ontario | 156,445 | 139,863 |
| City of Kawartha Lakes | 272,193 | 274,283 |
| Other | 340,588 | 389,009 |
| | 769,226 | 803,155 |

The continuity of deferred contributions are as follows:

| | 2020 | 2019 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Balance - beginning of year | 803,155 | 463,605 |
| Add amounts received: | | |
| Province of Ontario | 19,675 | - |
| City of Kawartha Lakes | 272,193 | 272,779 |
| Other revenue | 24,374 | 81,002 |
| | 316,242 | 353,781 |
| Less transfer to operations: | | |
| Province of Ontario | 3,093 | 4,037 |
| City of Kawartha Lakes | 274,283 | - |
| Other revenue | 72,795 | 10,194 |
| | 350,171 | 14,231 |
| Balance - end of year | 769,226 | 803,155 |

COMMUNITY LIVING TRENT HIGHLANDS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2020

9. 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.

(a) Interest rate price risk

Interest rate price risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise. The Organization is subject to interest rate price risk related to its investments and its long term debt.

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization has limited exposure to credit risk as tenant receivables are rare and all other receivables are due from municipal, provincial and federal levels of government.

(c) Additional risk

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments. The risk assessment has been updated from the prior period for the impact of COVID-19.

The Organization is not exposed to any significant liquidity or currency risk.

10. COMMITMENT

The Organization's total commitments, under various operating leases and a property lease agreement, exclusive of occupancy costs, are as follows:

| | |
|------|------------------|
| 2021 | \$351,751 |
| 2022 | 351,778 |
| 2023 | 293,784 |
| 2024 | 274,471 |
| 2025 | <u>274,500</u> |
| | <u>1,546,284</u> |

11. PENSION PLAN

All employees of the Organization are eligible to be members of the Community Living Trent Highlands Pension Plan, which is a registered pension plan in the Province of Ontario. The plan is a defined contribution pension plan. The Organization matches the employee contributions up to 3% of each member's annual earnings. For the year ended March 31, 2020, the Organization contributed \$296,044 (2019 - \$283,146) to the plan on behalf of its employees. As this is a defined contribution pension plan, these contributions are the Organization's pension benefit expenses, and no pension liability for this type of plan is in the Organization's financial statements.

COMMUNITY LIVING TRENT HIGHLANDS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2020

12. LONG TERM DEBT

Long term debt consists of the following:

| | 2020 \$ | 2019 \$ |
|--|------------------|------------------|
| Mortgage payable, 3.96%, repayable \$1,513 per month principal and interest, due April 12, 2023, secured by general security agreement and property. | 184,271 | 194,878 |
| Mortgage payable, 4.40%, repayable \$1,981 per month principal and interest, due October 4, 2023, secured by general security agreement and property. | 301,187 | 311,616 |
| Mortgage payable, 3.95%, repayable \$2,612 per month principal and interest, due June 26, 2023, secured by general security agreement and property. | 405,742 | 420,617 |
| Promissory note payable, interest-free, repayable \$417 per month, due October 22, 2023, secured by general security agreement. | - | 22,916 |
| Mortgage payable, 4.35%, repayable \$1,873 per month principal and interest, due October 31, 2023, secured by general security agreement and property. | 287,197 | 296,819 |
| | <u>1,178,397</u> | <u>1,246,846</u> |
| Less principal payments due within one year | <u>(48,242)</u> | <u>(640,517)</u> |
| Due beyond one year | <u>1,130,155</u> | <u>606,329</u> |

The principal payments due in each of the next four years, based on the current repayment terms, are as follows:

| | \$ |
|------|------------------|
| 2021 | 48,242 |
| 2022 | 50,162 |
| 2023 | 52,159 |
| 2024 | 1,027,834 |
| | <u>1,178,397</u> |

COMMUNITY LIVING TRENT HIGHLANDS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2020

13. PROVINCE OF ONTARIO

Province of Ontario revenue consists of the following:

| | 2020 | 2019 |
|---|------------|------------|
| | \$ | \$ |
| Ministry of Children, Community and Social Services | 21,962,029 | 21,008,177 |
| Special Services at Home | 37,399 | 39,503 |
| | 21,999,428 | 21,047,680 |

14. CHANGE IN ACCOUNTING POLICY

During the year, the Organization adopted section 4433 of the CPA Canada Handbook: Tangible Capital Assets Held by Not-For-Profit Organizations. Section 4433 replaces section 4431 of the same name. The main changes from Section 4431 include: the requirement that tangible capital assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to an organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the tangible capital assets are less than their net carrying amount. The adoption of this standard did not have an impact on the Organization's financial statements.