

Community Living Tillsonburg

Financial Statements

March 31, 2022

Community Living Tillsonburg
Financial Statements
For The Year Ended March 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Members of **Community Living Tillsonburg**:

Opinion

We have audited the financial statements of **Community Living Tillsonburg**, which comprise the statement of financial position as at March 31, 2022, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Organization's financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, 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 *Auditors' 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.

Auditors' 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.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

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.

St. Thomas, Ontario

June 22, 2022

Graham Scott Enns LLP

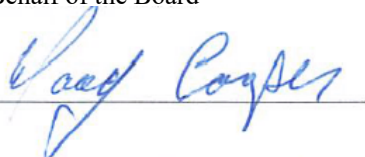
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

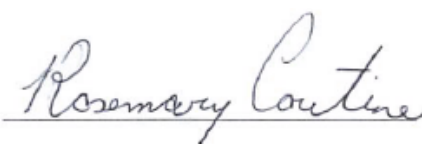
Community Living Tillsonburg

Statement of Financial Position As At March 31, 2022

	Operating Fund \$	Capital Asset Fund \$	2022 \$	2021 \$
<u>ASSETS</u>				
CURRENT ASSETS				
Cash	1,440,118	-	1,440,118	746,746
Interfund receivables (payables)	(18,996)	18,996	-	-
Accounts receivable	184,401	-	184,401	121,258
Net government remittances recoverable	56,038	-	56,038	61,372
Prepays	11,907	-	11,907	8,940
Inventory	<u>28,428</u>	<u>-</u>	<u>28,428</u>	<u>35,794</u>
	1,701,896	18,996	1,720,892	974,110
INVESTMENT IN TILLSONBURG COMMUNITY SERVICES INITIATIVES (NOTE 3)				
	861,000	-	861,000	861,000
ADVANCES TO TILLSONBURG PROPERTIES FOR COMMUNITY LIVING (NOTE 12)				
	-	-	-	199,514
TANGIBLE CAPITAL ASSETS (NOTE 2, 14)	<u>-</u>	<u>1,295,056</u>	<u>1,295,056</u>	<u>1,056,691</u>
TOTAL ASSETS	<u>2,562,896</u>	<u>1,314,052</u>	<u>3,876,948</u>	<u>3,091,315</u>
<u>LIABILITIES</u>				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	769,053	-	769,053	817,508
Payroll payable	177,222	-	177,222	34,141
Funding repayable	169,711	-	169,711	65,822
Deferred revenue (Note 4)	792,116	-	792,116	611,564
Current portion of long-term debt (Note 6)	<u>-</u>	<u>6,838</u>	<u>6,838</u>	<u>16,462</u>
	1,908,102	6,838	1,914,940	1,545,497
LONG-TERM DEBT (NOTE 6)				
	-	73,487	73,487	80,470
DEFERRED CAPITAL				
CONTRIBUTIONS (NOTE 5, 14)	<u>-</u>	<u>454,677</u>	<u>454,677</u>	<u>182,905</u>
TOTAL LIABILITIES	<u>1,908,102</u>	<u>535,002</u>	<u>2,443,104</u>	<u>1,808,872</u>
<u>NET ASSETS</u>				
NET ASSETS	<u>654,794</u>	<u>779,050</u>	<u>1,433,844</u>	<u>1,282,443</u>
TOTAL LIABILITIES AND NET ASSETS	<u>2,562,896</u>	<u>1,314,052</u>	<u>3,876,948</u>	<u>3,091,315</u>

On Behalf of the Board





See accompanying notes to the financial statements

Community Living Tillsonburg

Statement of Changes in Net Assets For The Year Ended March 31, 2022

	Operating Fund <u>\$</u>	Capital Asset Fund <u>\$</u>	2022 <u>\$</u>	2021 <u>\$</u>
NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY STATED	522,437	760,006	1,282,443	1,122,250
Prior period adjustment (Note 14)	-	-	-	(31,787)
NET ASSETS, BEGINNING OF YEAR, RESTATED	522,437	760,006	1,282,443	1,090,463
Excess of revenues over expenditures	<u>132,357</u>	<u>19,044</u>	<u>151,401</u>	<u>191,980</u>
NET ASSETS, END OF YEAR	<u><u>654,794</u></u>	<u><u>779,050</u></u>	<u><u>1,433,844</u></u>	<u><u>1,282,443</u></u>

See accompanying notes to the financial statements

Community Living Tillsonburg

Statement of Operations For The Year Ended March 31, 2022

	Operating Fund \$	Capital Asset Fund \$	2022 \$	2021 \$
REVENUES				
Ministry subsidy - annualized (Note 14)	6,004,841	-	6,004,841	5,835,269
Ministry subsidy - fiscal	299,833	-	299,833	214,834
Other government (Note 11)	1,427,866	-	1,427,866	1,390,137
Sales	1,095,455	-	1,095,455	729,776
Fees from people supported	220,062	92,360	312,422	294,302
Other	80,020	-	80,020	73,739
Deferred capital contributions (Note 5, 14)	-	60,201	60,201	21,326
Investment	6,719	-	6,719	4,137
Donations	6,575	-	6,575	8,580
Events	-	-	-	5,676
	<u>9,141,371</u>	<u>152,561</u>	<u>9,293,932</u>	<u>8,577,776</u>
EXPENDITURES				
Wages and benefits	7,260,511	-	7,260,511	6,782,559
Occupancy	827,549	30,807	858,356	809,406
Program	522,309	-	522,309	334,057
Transportation (Note 14)	123,557	-	123,557	111,046
Professional fees	97,820	-	97,820	99,676
Amortization (Note 14)	-	93,608	93,608	54,733
IT & computer	41,992	-	41,992	39,145
Staff developmental	37,513	-	37,513	17,695
Insurance	24,894	7,233	32,127	37,462
Interest & finance charges	26,842	1,869	28,711	23,428
Communication	17,961	-	17,961	14,750
Office	14,047	-	14,047	15,408
Other	14,019	-	14,019	46,431
	<u>9,009,014</u>	<u>133,517</u>	<u>9,142,531</u>	<u>8,385,796</u>
EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR				
	<u>132,357</u>	<u>19,044</u>	<u>151,401</u>	<u>191,980</u>

See accompanying notes to the financial statements

Community Living Tillsonburg

Statement of Cash Flows For The Year Ended March 31, 2022

	2022	2021
	<u>\$</u>	<u>\$</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenditures	151,401	191,980
Adjustments for non-cash items:		
Amortization of tangible capital assets	93,608	54,733
Amortization of deferred capital contributions	<u>(60,201)</u>	<u>(21,326)</u>
	<u>184,808</u>	<u>225,387</u>
Changes in non-cash working capital:		
Accounts receivable	(63,142)	(33,528)
Government remittances recoverable	5,334	(48,439)
Prepays	(2,967)	2,180
Inventory	7,366	8,640
Accounts payable and accrued liabilities	(48,455)	(116,050)
Payroll payable	143,081	(11,623)
Funding repayable	103,889	43,213
Deferred revenue	<u>180,552</u>	<u>225,036</u>
	<u>325,658</u>	<u>69,429</u>
Cash flows from (used in) operating activities	<u>510,466</u>	<u>294,816</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Additions to tangible capital assets	<u>(331,973)</u>	<u>(172,444)</u>
Cash flows used in investing activities	<u>(331,973)</u>	<u>(172,444)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Advances from Tillsonburg Properties for Community Living	199,514	71,415
Repayment of long-term debt	(16,607)	(16,239)
Deferred capital contributions received	<u>331,973</u>	<u>172,444</u>
Cash flows from (used in) financing activities	<u>514,880</u>	<u>227,620</u>
NET CHANGE IN CASH	693,373	349,992
CASH, BEGINNING OF YEAR	<u>746,745</u>	<u>396,753</u>
CASH, END OF YEAR	<u>1,440,118</u>	<u>746,745</u>

See accompanying notes to the financial statements

Community Living Tillsonburg
Notes to the Financial Statements
For The Year Ended March 31, 2022

NATURE OF THE ORGANIZATION

Community Living Tillsonburg ("the Organization") is a not-for-profit organization dedicated to building supportive communities that meet the needs of individuals and families in Tillsonburg and surrounding areas. The Organization is incorporated under the Ontario Corporations Act without share capital as a not-for-profit organization. The Organization is a registered charity and is thereby exempt from income taxes under the Income Tax Act, Canada under paragraph 149(1)(f).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund Accounting

The accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. The Organization uses the following funds:

Operating Fund

The Operating Fund represents the excess revenue over expenditures that are related to ongoing programs and activities of the Organization.

Capital Asset Fund

The Capital Asset Fund represents the tangible capital assets owned by the Organization, funds that are received from the sale of tangible capital assets and funds that are set aside for capital expenditures. The spending of these funds is restricted due to the manner in which the original funding was received. The Ministry of Children, Community and Social Services Ontario ("MCCSS") must approve, to the extent that they are originally funded by them, the use of any funds realized from the sale of any properties that are owned by the Organization.

Investment in Tillsonburg Community Services Initiatives

The Organization accounts for its proportionate investment in Tillsonburg Community Services Initiatives using the cost method.

Community Living Tillsonburg
Notes to the Financial Statements
For The Year Ended March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in excess of revenues over expenditures in the period in which they become known.

In particular, the Organization uses estimates when accounting for certain items, including:

- Useful lives of tangible capital assets
- Asset impairments

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions for tangible capital assets are deferred and recognized as revenue on the same basis as amortization is recorded.

Specifically, the Organization recognizes:

- Rental and subsidy revenues as they are earned;
- Interest and other revenues, including service and program fees, when earned and the amounts to be received can be reasonably estimated and the collection is reasonably assured;
- Donation revenues when received.

Contributed Services

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty in determining their fair value, contributed services and donations in-kind are not recognized in the financial statements.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Community Living Tillsonburg
Notes to the Financial Statements
For The Year Ended March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible Capital Assets and Amortization

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. When an asset is sold or otherwise disposed of, the original cost and related accumulated amortization is removed from the accounts and the gain or loss is recognized in excess of revenues over expenditures. Amortization is calculated using the straight line method using the following rates:

Building	40 years
Furniture and equipment	5 years
Vehicles	4 years
Computer	5 years
Leasehold improvements	5 years

Financial Instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash, which is measured at fair value.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures.

Community Living Tillsonburg
Notes to the Financial Statements
For The Year Ended March 31, 2022

2. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2022	2021
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Land	106,615	-	106,615	106,615
Building	1,336,280	602,516	733,764	767,171
Furniture and equipment	568,847	568,847	-	-
Vehicles	552,587	396,330	156,257	169,983
Computer	250,319	242,566	7,753	12,922
Leasehold improvements	<u>720,719</u>	<u>430,052</u>	<u>290,667</u>	<u>-</u>
	<u>3,535,367</u>	<u>2,240,311</u>	<u>1,295,056</u>	<u>1,056,691</u>

3. INVESTMENT IN TILLSONBURG COMMUNITY SERVICES INITIATIVES

Community Living Tillsonburg and Tillsonburg & District Multi Service Centre entered into a partnership arrangement to create a new corporation to hold the construction and maintenance of a building (The Livingston Centre) which would house the head offices of Community Living Tillsonburg and the Multi Service Centre. Tillsonburg Community Services Initiatives also accommodates the Tillsonburg branch of Service Canada and incorporate a child day care centre facility. Each of the partners have contributed funds to the corporation's project, which was completed in the summer of 1998. Total funds advanced without interest and no fixed terms of repayment for 2021 are \$861,000 (2021 - \$861,000)

4. DEFERRED REVENUE

Deferred revenue represent the amount of externally restricted funds received for which the related expense will not be recognized until a future year. Changes in the deferred revenue balance are as follows:

	2022	2021
	<u>\$</u>	<u>\$</u>
Beginning balance, related to deferred revenue	611,564	386,528
Add: Additions to deferred revenue	555,862	282,606
Less: Amount recognized as revenue in the year	<u>(375,310)</u>	<u>(57,570)</u>
Ending balance, related to deferred revenue	<u>792,116</u>	<u>611,564</u>

Community Living Tillsonburg

Notes to the Financial Statements For The Year Ended March 31, 2022

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of funds received in prior periods that were externally restricted for the acquisition of tangible capital assets. Changes in the deferred capital contributions balance are as follows:

	2022	2021
	<u>\$</u>	<u>\$</u>
Beginning balance, related to capital funding	182,905	31,787
Add: Additions to deferred capital contributions	331,973	172,444
Less: Amount recognized as revenue in the year	<u>(60,201)</u>	<u>(21,326)</u>
Ending balance, related to capital funding	<u>454,677</u>	<u>182,905</u>

6. LONG-TERM DEBT

	2022	2021
	<u>\$</u>	<u>\$</u>
RBC mortgage, 2.64%, repayable in blended monthly instalments of \$899, repaid during the year	-	9,761
RBC mortgage, 2.02%, repayable in blended monthly instalments of \$700, due November 2025 (secured by land and buildings included in tangible capital assets with a carrying value of \$903,473)	<u>80,325</u>	<u>87,171</u>
	80,325	96,932
Less: Current portion	<u>(6,838)</u>	<u>(16,462)</u>
	<u>73,487</u>	<u>80,470</u>

The aggregate amount of principal payments required in each of the next four years to meet debt retirement provisions is as follows. The organization anticipates that at the maturity date, mortgages will be renewed on terms available at the time.

	<u>\$</u>
2023	6,838
2024	6,975
2025	7,121
2026	59,391

Community Living Tillsonburg
Notes to the Financial Statements
For The Year Ended March 31, 2022

7. COMMITMENTS

The Organization rents premises where terms have expired and are currently monthly rental agreements. The organization is committed to one month of lease obligations totaling approximately \$24,130.

8. ECONOMIC DEPENDENCE

The majority of the Organization's revenues are derived from the MCCSS. These contracts are reviewed annually and the Organization is dependant on this funding to continue operations. The Organization is required to file various reports to ensure compliance with the funding agreements. If the Organization doesn't spend funding according to the agreements or is not in compliance with the agreements the Organization may be required to repay some of the funding. At year end the Organization was in compliance with these agreements. The Organization's management does not foresee any issues that would cause this funding to be discontinued.

9. GUARANTEE

The Organization provided a guarantee for bank loans of Tillsonburg Properties for Community Living, a related company. As at March 31, 2022, the outstanding loan balance was \$479,033 (2021 - \$540,703).

10. RECONCILIATION OF EXCESS OF REVENUES OVER EXPENDITURES FOR MCCSS PURPOSES

Under the financial reporting guidelines of the Ministry of Children, Community and Social Services, certain adjustments are made to excess of revenues over expenditures for purposes of calculating the excess of revenues over expenditures to be reported to the Ministries. See below for a reconciliation of the excess of revenues over expenditures reported for Ministry purposes:

	2022	2021
	<u>\$</u>	<u>\$</u>
Total revenues from the Statement of Operations	9,293,932	8,577,776
Revenue utilized for capital purchases, adjusted to deferred capital contributions	<u>331,973</u>	<u>172,445</u>
Total revenues for MCCSS reporting	<u>9,625,905</u>	<u>8,750,221</u>
Total expenditures from the Statement of Operations	9,142,531	8,385,796
Expenditures capitalized, adjusted to tangible capital assets	<u>331,973</u>	<u>172,445</u>
Total expenditures for MCCSS reporting	<u>9,474,504</u>	<u>8,558,241</u>

Community Living Tillsonburg
Notes to the Financial Statements
For The Year Ended March 31, 2022

11. GOVERNMENT GRANTS

The Organization received one time funding to fund Ministry approved pay increases during the coronavirus pandemic. The Organization received \$391,786 for a temporary wage enhancement. \$391,786 was included in the statement of operations in other government revenue.

12. RELATED PARTY TRANSACTIONS AND BALANCES

The Organization rents premises and vehicles from Tillsonburg Properties for Community Living. The Organization is engaged by Tillsonburg Properties for Community Living to perform management functions. The Organization rents premises from Tillsonburg Community Services Initiatives. All transactions are in the normal course of operations and are recorded at the exchange amount:

	2022	2021
	<u>\$</u>	<u>\$</u>
Management services to Tillsonburg Properties for Community Living, included in sales on the Statement of Operations.	<u>24,000</u>	<u>24,000</u>
Management services to Tillsonburg Community Services Initiatives, included in sales on the Statement of Operations.	<u>12,000</u>	<u>12,000</u>
Rental expenses to Tillsonburg Properties for Community Living, included in occupancy expenses on the Statement of Operations.	<u>310,346</u>	<u>299,586</u>
Rental expenses to Tillsonburg Community Services Initiatives, included in occupancy expenses on the Statement of Operations.	<u>87,274</u>	<u>87,274</u>
As at March 31, 2022, the Organization had the following balance due to Tillsonburg Properties for Community Living, representing accounts payable in the normal course of operations.	<u>168</u>	<u>92</u>
As at March 31, 2022, the Organization had the following balance due from Tillsonburg Properties for Community Living, representing accounts receivable in the normal course of operations.	<u>2,000</u>	<u>-</u>
As at March 31, 2022, the Organization had the following balance due from Tillsonburg Properties for Community Living, representing advances to Tillsonburg Properties for Community Living which are interest free and have no fixed terms of repayment.	<u>-</u>	<u>199,514</u>

Community Living Tillsonburg
Notes to the Financial Statements
For The Year Ended March 31, 2022

13. COMPARATIVE FIGURES

Certain comparative figures presented in the financial statements have been reclassified to conform to the presentation adopted in the current year.

14. PRIOR PERIOD ADJUSTMENT

During the year, vehicles paid for in a previous year were capitalized and amortized to reflect the requirements of Canadian Accounting Standards for Non-Profit Organizations. As a result, adjustments have been made to March 31, 2021 as follows:

	2021
	<u>\$</u>
Adjustments to the Statement of Financial Position - Capital Asset Fund:	
Increase in net tangible capital assets	<u>161,765</u>
Increase in net deferred capital contributions	<u>161,765</u>
 Adjustments to the Statement of Operations - Capital Asset Fund:	
Decrease in ministry subsidy - annualized	<u>(172,445)</u>
Decrease in transportation expense	<u>(172,445)</u>
Increase in amortization expense	<u>10,679</u>
Increase in amortization of deferred capital contributions	<u>10,679</u>

Also during the year, vehicles and computers capitalized by the organization but without an accrual for deferred capital contributions was adjusted to reflect the amortized balance of deferred capital contributions in accordance with the requirements of Canadian Accounting Standards for Non-Profit Organizations. As a result, adjustments have been made to March 31, 2021 as follows:

	2021
	<u>\$</u>
Adjustments to the Statement of Financial Position - Capital Asset Fund:	
Increase in net deferred capital contributions	<u>21,140</u>
 Adjustments to the Statement of Operations - Capital Asset Fund:	
Increase in amortization of deferred capital contributions	<u>10,647</u>
 Adjustments to the Statement of Net Assets - Capital Asset Fund:	
Decrease in Net Assets, Beginning of Year	<u>(31,787)</u>

Community Living Tillsonburg
Notes to the Financial Statements
For The Year Ended March 31, 2022

15. FINANCIAL INSTRUMENT RISKS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at the Statement of Financial Position date.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization does not have any significant exposure to any individual funder other than the MCCSS.

Liquidity Risk

Liquidity risk is the risk that an Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, funding payable and current and long-term debt.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk.

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 current and long-term debt subject to fixed interest rates. It is management's opinion that this risk exposure is not significant.

It is management's opinion that the entity is not exposed to any significant foreign currency or other price risk.

No financial liabilities of the Organization were in default during the period.

The Organization was not subject to any covenants during the period.

There were no changes to the Organization's risk exposure from the prior fiscal year.