

Closer to Home Community Services Society

Financial Statements
March 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Directors of **Closer to Home Community Services Society**

Opinion

We have audited the financial statements of **Closer to Home Community Services Society** (the Society), which comprise the balance sheet as at March 31, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2023, 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.

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 Society 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.

Other Matter

The financial statements for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 28, 2022.

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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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.

Ernst & Young LLP

Ernst & Young LLP
Chartered Professional Accountants

Calgary, Alberta
June 29, 2023

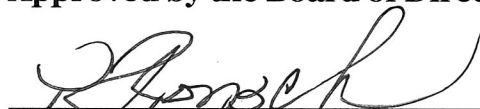
Closer to Home Community Services Society

Balance Sheet


As at March 31, 2023

| | 2023 \$ | 2022 \$ |
|--|------------------|-------------------|
| Assets | | |
| Current assets | | |
| Cash | 2,565,788 | 2,024,106 |
| Short term investments | - | 1,046,573 |
| Accounts receivable | 390,939 | 83,793 |
| Prepaid expenses | 129,684 | 92,994 |
| | <u>3,086,411</u> | <u>3,247,466</u> |
| Capital assets (note 3) | <u>5,250,189</u> | <u>6,965,735</u> |
| | <u>8,336,600</u> | <u>10,213,201</u> |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (note 12) | 871,521 | 986,066 |
| Deferred donation contributions (note 6) | 857,511 | 632,447 |
| Current portion of mortgages payable (note 5) | - | 70,026 |
| | <u>1,729,032</u> | <u>1,688,539</u> |
| Mortgages payable (note 5) | - | 1,253,827 |
| Deferred lease inducements (note 8) | 16,806 | 22,886 |
| Deferred capital contributions (note 7) | <u>3,514,576</u> | <u>4,014,043</u> |
| | <u>5,260,414</u> | <u>6,979,295</u> |
| Net assets | | |
| Unrestricted | 1,001,387 | 1,159,107 |
| Internally restricted (note 13) | <u>2,074,799</u> | <u>2,074,799</u> |
| | <u>3,076,186</u> | <u>3,233,906</u> |
| | <u>8,336,600</u> | <u>10,213,201</u> |
| Commitments (note 10) | | |

Approved by the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements.

Closer to Home Community Services Society

Statement of Operations

For the year ended March 31, 2023

| | 2023 \$ | 2022 \$ |
|---|------------------------|----------------------|
| Revenue | | |
| Contracts (note 9) | 9,816,137 | 8,678,704 |
| Canada Emergency Wage Subsidy (note 14) | - | 1,196,217 |
| Grants | 1,844,936 | 1,514,783 |
| Donations and donations in kind (notes 2 and 6) | 473,357 | 422,437 |
| Service fees (note 9) | 313,555 | 152,392 |
| Investment income | 83,385 | 24,259 |
| | <hr/> 12,531,370 | <hr/> 11,988,792 |
| Program expenses | | |
| Salaries and benefits | 7,751,096 | 7,323,184 |
| Service delivery | 1,404,072 | 1,425,826 |
| Facility (notes 5 and 11) | 557,027 | 551,866 |
| Counsellor per diems | 392,563 | 406,311 |
| Vehicle | 102,176 | 53,177 |
| | <hr/> 10,206,934 | <hr/> 9,760,364 |
| Administrative expenses | | |
| Salaries and benefits | 815,486 | 779,871 |
| Office expenses | 231,775 | 186,445 |
| Other administration | 229,100 | 216,806 |
| | <hr/> 1,276,361 | <hr/> 1,183,122 |
| Other expenses (income) | | |
| Amortization of capital assets | 137,504 | 174,478 |
| Amortization of deferred capital contributions (note 7) | (100,283) | (121,835) |
| Campaign expenditures | 435,634 | 104,970 |
| Loss on disposal of capital assets (note 15) | 732,940 | 494 |
| | <hr/> 1,205,795 | <hr/> 158,107 |
| | <hr/> 12,689,090 | <hr/> 11,101,593 |
| (Deficiency) / excess of revenue over expenses | <hr/> (157,720) | <hr/> 887,199 |

The accompanying notes are an integral part of these financial statements.

Closer to Home Community Services Society

Statement of Changes in Net Assets

For the year ended March 31, 2023

| | 2023 | 2022 |
|--|-------------|-------------|
| | \$ | \$ |
| Total net assets – Beginning of year | 3,233,906 | 2,346,707 |
| Unrestricted net assets – Beginning of year | 1,159,107 | 1,071,908 |
| Current year surplus (deficit) | (157,720) | 887,199 |
| Transferred to restricted net assets | - | (800,000) |
| | <hr/> | <hr/> |
| Unrestricted net assets – End of year | 1,001,387 | 1,159,107 |
| | <hr/> | <hr/> |
| Internally restricted net assets – Beginning of year (note 13) | 2,074,799 | 1,274,799 |
| Transferred from unrestricted net assets | - | 800,000 |
| | <hr/> | <hr/> |
| Internally restricted net assets – End of year | 2,074,799 | 2,074,799 |
| | <hr/> | <hr/> |
| Total net assets – End of year | 3,076,186 | 3,233,906 |
| | <hr/> | <hr/> |

The accompanying notes are an integral part of these financial statements.

Closer to Home Community Services Society

Statement of Cash Flows

For the year ended March 31, 2023

| | 2023 \$ | 2022 \$ |
|--|------------------|--------------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Excess (deficiency) of revenue over expenses | (157,720) | 887,199 |
| Adjustments for | | |
| Loss on disposal of capital assets | 732,940 | - |
| Amortization of capital assets | 137,504 | 174,477 |
| Amortization of deferred capital contributions | (100,283) | (121,835) |
| Amortization of deferred lease inducements | (6,080) | (6,080) |
| Disposition of deferred capital contributions | (859,184) | - |
| | <u>(252,823)</u> | <u>933,761</u> |
| Changes in non-cash working capital | | |
| Accounts receivable | (307,146) | 581,687 |
| Prepaid expenses | (36,690) | 482 |
| Accounts payable and accrued liabilities | (114,545) | 85,514 |
| Deferred donation contributions | 225,064 | 87,279 |
| | <u>(486,140)</u> | <u>1,688,723</u> |
| Investing activities | | |
| Purchase of capital assets | (78,827) | (1,405,376) |
| Bow Trail property development costs | (388,274) | (980,878) |
| Sale of short-term investments | 1,046,573 | 414,742 |
| Refundable deposits | - | 216,251 |
| | <u>579,472</u> | <u>(1,755,261)</u> |
| Financing activities | | |
| Repayment of secured loan | - | (2,600,000) |
| Receipt of deferred capital campaign contributions | 460,000 | 2,200,000 |
| Receipt of deferred capital contributions | - | 1,409,200 |
| Mortgage proceeds | - | 451,500 |
| Mortgage repayments | (11,650) | (66,849) |
| | <u>448,350</u> | <u>1,393,851</u> |
| Increase in cash for the year | 541,682 | 1,327,313 |
| Cash – Beginning of year | 2,024,106 | 696,793 |
| Cash – End of year | 2,565,788 | 2,024,106 |

The accompanying notes are an integral part of these financial statements.

Closer to Home Community Services Society

Notes to Financial Statements

March 31, 2023

1 Purpose of organization

Closer to Home Community Services Society (the Society or CTH) is a not-for-profit organization incorporated under the Societies Act of the Province of Alberta. The Society is also a registered charity under the Income Tax Act (Canada) and therefore is not subject to income taxes. The Society provides social services for at-risk children and families, including counselling, support and education. The Society is also registered under the Charitable Fundraising Act of Alberta (the Act) and has considered all required disclosures under Section 7(2) of the regulation under the Act in preparing these financial statements.

2 Summary of significant accounting policies

Basis of presentation

The Society prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board.

Measurement uncertainty

The preparation of the financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates, and differences could be material. Significant estimates include the estimated useful lives of capital assets, the collectability of accounts receivable and measurement of accrued liabilities.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for capital asset expenditures are deferred and recognized as revenue as the related capital assets are amortized. 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.

Contract revenue is recorded as contract requirements and obligations are completed. Any amounts received in advance of contractual requirements being met are recorded as deferred revenue. Service fee revenues are recorded when the related services are rendered, collection of any receivable is probable and the amount to be recorded is determinable.

Investment income is recognized as revenue when earned.

Closer to Home Community Services Society

Notes to Financial Statements

March 31, 2023

Donated goods and services

Donations in kind are recorded at fair market value only when fair market value can be reasonably estimated and when the donated goods and services would normally otherwise be purchased and paid for by the Society. The value of donations in kind recorded during the year was \$31,434 (2022 – \$56,066) including donations of household items, furniture, and program supplies.

Volunteers contribute their services to assist the Society in carrying out its activities, but because of the difficulty of determining their fair value, these contributed services are not recognized in these financial statements.

Capital assets

Capital assets are stated at historical cost less accumulated amortization. The cost of a capital asset made up of significant separable component parts is allocated to component parts when practicable and when estimates can be made of the lives of the separate components. Amortization is recorded using a straight-line basis over their estimated useful lives at the following rates:

| | |
|------------------------|----------------------------|
| Buildings | 10 – 20 years |
| Furniture and fixtures | 5 years |
| Computer equipment | 3 years |
| Vehicles | 5 years |
| Leasehold improvements | over the term of the lease |

Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to the Society's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. Write-downs of capital assets are recognized as expenses in the statement of operations and changes in net assets. Write-downs are not subsequently reversed.

Interest capitalized

Interest on directly attributable debt incurred to finance the construction of capital assets is capitalized and included in the cost of the capital assets. Capitalization of interest ceases once the asset is substantially complete and available for use.

Financial instruments

The Society initially measures financial assets and financial liabilities at their fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, it is subsequently measured at amortized cost. The financial assets subsequently measured at amortized cost include cash and accounts receivable. Investments are carried at fair value on a trade date basis with realized and unrealized gains or losses recognized directly in the statement of operations and changes in net assets along with transaction costs being expensed as incurred. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities and mortgages payable.

Closer to Home Community Services Society

Notes to Financial Statements

March 31, 2023

Financial risks

i) Credit risk

The Society does not have a concentration of credit exposure with any one donor or member. The Society does not consider that it is exposed to undue credit risk. The Society's main credit risk relates to its cash and accounts receivable.

ii) Liquidity risk

Liquidity risk is the risk that the Society is not able to meet its financial obligations as they become due. The Society is able to sufficiently maintain appropriate levels of liquidity by monitoring operating cash flow requirements, following a detailed program and administrative budget and using short-term and long-term borrowings where and when necessary. The Society is exposed to liquidity risk on its accounts payable and accrued liabilities.

iii) Interest rate risk

The Society is exposed to interest rate risks on its cash.

3 Capital assets

| | 2023 | | |
|----------------------------|------------------|-----------------------------------|------------------|
| | Cost \$ | Accumulated amortization \$ | Net \$ |
| Furniture and fixtures | 103,788 | 76,578 | 27,210 |
| Computer equipment | 248,531 | 223,431 | 25,100 |
| Vehicles | 45,485 | 15,160 | 30,325 |
| Leasehold improvements | 242,687 | 184,373 | 58,314 |
| Land held for development | 3,228,750 | - | 3,228,750 |
| Property development costs | 1,880,490 | - | 1,880,490 |
| | <u>5,749,731</u> | <u>499,542</u> | <u>5,250,189</u> |

Closer to Home Community Services Society

Notes to Financial Statements

March 31, 2023

| | 2022 | | |
|----------------------------|------------------|-----------------------------------|------------------|
| | Cost \$ | Accumulated amortization \$ | Net \$ |
| Buildings | 2,425,827 | 1,119,472 | 1,306,355 |
| Furniture and fixtures | 95,046 | 68,010 | 27,036 |
| Computer equipment | 248,531 | 177,561 | 70,970 |
| Vehicles | 45,485 | 6,065 | 39,420 |
| Leasehold improvements | 242,687 | 159,494 | 83,193 |
| Land | 717,795 | - | 717,795 |
| Land held for development | 3,228,750 | - | 3,228,750 |
| Property development costs | 1,492,216 | - | 1,492,216 |
| | <u>8,496,337</u> | <u>1,530,602</u> | <u>6,965,735</u> |

On November 1, 2019, the Society purchased the Bow Trail land from the City of Calgary for \$3,150,000. The City of Calgary has an option to repurchase the land in the event that the building commitment is not 25% complete by the building commitment date of November 1, 2022. This deadline has been granted an extension up to November 1, 2023. CTH does not expect to meet this 25% completion target by November 1, 2023. However, through continuing discussions with the City of Calgary, CTH does not believe there is a likelihood of the City repurchasing the land. The repurchase price if required will be the purchase price above, less the \$68,000 finder's fee that was paid to CTH's real estate agent on the original purchase transaction.

Included in land held for development is non-refundable GST on the purchase of \$78,750. During the year ended March 31, 2023, the Society capitalized interest of \$nil (2022 - \$109,894) as property development costs.

During the year ended March 31, 2023, the Society disposed of capital assets in a transaction described in note 15.

4 Available demand loan

The Society has a revolving line of credit of \$50,000 (2022 - \$50,000) of which \$nil (2022 - \$nil) was drawn as at March 31, 2023 therefore no interest was paid. The loan revolves in increments of \$5,000, bears interest at 1.50% per annum over the bank's prime lending rate, is payable monthly, and is secured by all of the Society's capital assets.

Closer to Home Community Services Society

Notes to Financial Statements

March 31, 2023

5 Mortgages payable

| | 2023 \$ | 2022 \$ |
|---|------------|------------|
| Royal Bank of Canada loan bearing interest at 3.09% per annum, monthly blended payments were \$1,391. The loan was secured by a collateral mortgage covering land and a building with a carrying value of \$nil (2022 - \$234,102). | - | 212,672 |
| Royal Bank of Canada loan bearing interest at 4.26% per annum, monthly blended payments were \$2,467. The loan was secured by a collateral mortgage covering land and a building with a carrying value of \$nil (2022 - \$306,302). | - | 424,362 |
| Royal Bank of Canada loan bearing interest at 3.09% per annum, monthly blended payments were \$1,785. The loan was secured by a collateral mortgage covering land and a building with a carrying value of \$nil (2022 - \$82,348). | - | 123,106 |
| Royal Bank of Canada loan bearing interest at 3.09% per annum, monthly blended payments were \$1,785. The loan was secured by a collateral mortgage covering land and a building with a carrying value of \$nil (2022 - \$136,605). | - | 123,106 |
| Royal Bank of Canada loan bearing interest at 3.24% per annum, monthly blended payments were \$2,198. The loan was secured by a collateral mortgage covering land and a building with a carrying value of \$nil (2022 - \$1,264,243). | - | 440,607 |
| | - | 1,323,853 |
| Current portion | - | (70,026) |
| | - | 1,253,827 |

During the year ended March 31, 2023, the Society settled its mortgages payable in a transaction described in note 15.

Mortgage interest paid

Included in the facility expenses is the interest paid on mortgages, detailed below.

| | 2023 \$ | 2022 \$ |
|---|------------|------------|
| Airdrie Teaching Home – 1547 Meadowbrook Dr SE, Airdrie, AB | 1,215 | 4,070 |
| AP1 – 59 Sierra Vista Circle SW, Calgary, AB | 2,035 | 6,697 |
| AP2 – 458 Sierra Madre Court SW, Calgary, AB | 1,215 | 4,070 |
| PCC – 9504 2 Street SE, Calgary, AB | 4,522 | 13,281 |
| Pekewe House – 1633 7A Street NW, Calgary, AB | 5,235 | 18,344 |
| | 14,222 | 46,462 |

Closer to Home Community Services Society

Notes to Financial Statements

March 31, 2023

6 Deferred donation contributions

| | 2023 \$ | 2022 \$ |
|---|--------------------------|--------------------------|
| Balance – Beginning of year | 632,447 | 545,169 |
| Contributions received during the year | 1,330,480 | 2,313,342 |
| | <hr/> | <hr/> |
| Amounts recognized as revenue in the year | 1,962,927 (1,105,416) | 2,858,511 (2,226,064) |
| | <hr/> | <hr/> |
| Balance – End of year | 857,511 | 632,447 |

Contributions are deferred when a donor restricts the usage of the contribution to a specific purpose. The majority relates to amounts received for programs run by the Society.

7 Deferred capital contributions

| | 2023 \$ | 2022 \$ |
|--|------------|------------|
| Balance – Beginning of year | 4,014,043 | 526,677 |
| Contributions received during the year* | 460,000 | 2,950,000* |
| Deferred contract revenue allocated to capital in the year | - | 659,200 |
| | <hr/> | <hr/> |
| Amounts recognized as revenue in the year | 4,474,043 | 4,135,877 |
| Amortized to revenue | (100,283) | (121,834) |
| Related to asset transfer (note 15) | (859,184) | - |
| | <hr/> | <hr/> |
| Balance – End of year | 3,514,576 | 4,014,043 |

*\$2,200,000 of this amount was received from the Calgary Homeless Foundation as a grant towards the Bow Trail project. The full amount of this grant was used within the fiscal year ended March 31, 2022 towards pre-development of the Bow Trail project.

8 Deferred lease inducements

Deferred lease inducements are a result of accounting for initial rent-free periods in the Society's operating lease agreements using the straight-line method.

Closer to Home Community Services Society

Notes to Financial Statements

March 31, 2023

9 Economic dependence

The Society is economically dependent on the Ministry of Children's Services. It receives 70% (2022 – 71%) of its revenue from this source in the form of contracts and fees for services.

10 Commitments

The Society has entered into contracts totalling \$2,344,000 related to development of the Bow Trail project. As at March 31, 2023, \$255,272 (2022 – \$962,500) remains outstanding on these commitments.

The Society has lease commitments under operating leases for two office spaces, five vehicles and one residential home, as well as five residential homes for which the Closer to Home Foundation (CTH Foundation) is the property owner and lessor. Future minimum lease payments due until the end of the contracts are as follows:

| | External Leases \$ | CTH Foundation Leases \$ | Total \$ |
|------|--------------------------|-----------------------------------|------------------|
| 2024 | 310,412 | 130,484 | 440,896 |
| 2025 | 225,037 | 130,484 | 355,521 |
| 2026 | 53,498 | 130,484 | 183,982 |
| 2027 | 26,400 | 130,484 | 156,884 |
| 2028 | 26,400 | 130,483 | 156,883 |
| | <u>641,747</u> | <u>652,419</u> | <u>1,294,166</u> |

11 Related parties

The Society maintains a related party relationship with the CTH Foundation. This relationship arises because the Society and the CTH Foundation have three board members in common.

The CTH Foundation is the owner and lessor of five of the Society's rented properties (note 10). During the year, a total amount of \$95,057 (2022 - \$nil) was paid to the CTH Foundation in lease payments and management fees and was expensed into the facility expense line. These transactions were recorded at the exchange amount.

On July 8, 2022, the Society transferred ownership of these properties to the CTH Foundation for a nominal fee of \$500 which is reflected as an amount receivable on the Society's financial statements (note 15).

Closer to Home Community Services Society

Notes to Financial Statements

March 31, 2023

12 Government remittances

Government remittances consist of payroll withholding taxes required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, \$110,275 (2022 – \$90,237) is included in accounts payable and accrued liabilities.

13 Internally restricted net assets

Internally restricted funds are authorized for use by the Society's Board of Directors and are designated for the following purposes:

- Capital Reserve Fund represents funds internally restricted towards capital campaign expenses and pre-construction costs related to the Bow Trail building.
- Program Reserve Fund represents funds internally restricted towards support of new community-based programs and operational contingencies.

| | 2023 | | |
|-------------------------------------|--|---|-------------------|
| | Program Reserve Fund \$ | Capital Reserve Fund Bow Trail Building \$ | Net \$ |
| Balance – Beginning and end of year | 600,000 | 1,474,799 | 2,074,799 |
| | 2022 | | |
| | Program Reserve Fund \$ | Capital Reserve Fund Bow Trail Building \$ | Net \$ |
| Balance – Beginning of year | 400,000 | 874,799 | 1,274,799 |
| Additions | 200,000 | 600,000 | 800,000 |
| Balance – End of year | 600,000 | 1,474,799 | 2,074,799 |

Closer to Home Community Services Society

Notes to Financial Statements

March 31, 2023

14 Canada Emergency Wage Subsidy

In response to the COVID-19 pandemic, the Government of Canada implemented the COVID-19 Economic Response Plan. Under the plan, the Society was eligible for the Canada Emergency Wage Subsidy (CEWS) in which Canadian businesses impacted by COVID-19 could have been eligible for wage subsidies for any four-week period retroactive to March 15, 2020. CTH was eligible for grant funding in both the 2021 and 2022 fiscal years. For the year ended March 31, 2023, the Society has recognized \$nil (2022 – \$1,200,000) in grants under the CEWS program.

15 Disposal of capital assets

On July 8, 2022, CTH transferred ownership and title of its five (5) properties with a carrying amount of \$2,045,145 to the CTH Foundation, effectively disposing these assets from CTH's financial records along with transferring the related mortgages payable of approximately \$1,309,000. An amount of \$859,184 of deferred contributions was recognised into income (Grants and Unrestricted Donations) upon disposal of the properties. As a nominal value of \$100 per property was set for the sale of the properties, which is included in the accounts receivable balance on the balance sheet, a loss on disposal of capital assets was recognized for \$732,940.

16 Comparative Figures

Certain comparative figures have been reclassified to conform with the presentation used in the current year.