

**Catulpa Community  
Support Services Inc.  
Financial Statements**  
For the year ended March 31, 2023

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Tel: 705 726 6331  
Fax: 705 722 6588  
www.bdo.ca

BDO Canada LLP  
300 Lakeshore Drive, Suite 300  
Barrie, ON, Canada, L4N 0B4

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## Independent Auditor's Report

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**To the Members and Board of Directors of Catulpa Community Support Services Inc.**

### **Opinion**

We have audited the financial statements of Catulpa Community Support Services Inc. (the organization), which comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenses, changes in net assets 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with the financial reporting provisions in the Transfer Payment Operating Funds - Basis of Accounting established by the Ministry of Children, Community and Social Services.

### **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.

### **Emphasis of Matter - Basis of Accounting**

We draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Catulpa Community Support Services Inc. to comply with the financial reporting provisions in the Transfer Payment Operating Funds - Basis of Accounting established by the Ministry of Children, Community and Social Services. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Unaudited Information**

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 14 and 15 of the organization's financial statements.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions in the Transfer Payment Operating Funds - Basis of Accounting established by the Ministry of Children, Community and Social Services as described in note 1; this includes the determination that the basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

Barrie, Ontario  
May 29, 2023

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## Catulpa Community Support Services Inc. Statement of Financial Position

March 31	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash and short-term investments - operating fund (note 2)	\$ 4,167,994	\$ 3,999,683
- reserve fund (note 2)	240,213	231,973
Due from Province of Ontario - MCCSS	30,854	282,737
Accounts receivable	106,379	49,963
HST receivable	243,928	168,344
Prepaid expenses	35,542	33,223
	4,824,910	4,765,923
<b>Restricted Asset</b>		
Cash (note 4)	50,000	50,000
	\$ 4,874,910	\$ 4,815,923
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 2,899,591	\$ 3,134,699
Government remittances payable	86,521	155,654
Deferred revenue (note 3)	1,131,183	871,581
	4,117,295	4,161,934
<b>Commitments (note 8)</b>		
<b>Net Assets</b>		
Endowment fund (note 6)	50,000	50,000
Internally restricted discretionary capital fund (note 5)	240,213	231,973
Unrestricted	467,402	372,016
	757,615	653,989
	\$ 4,874,910	\$ 4,815,923

On behalf of the Board:

*Karen Hirstwood*

Director

*N. Spudis*

Director

The accompanying notes are an integral part of these financial statements

## Catulpa Community Support Services Inc. Statement of Revenues and Expenses

For the year ended March 31	2023	2022
<b>Revenues</b>		
Province of Ontario - MCCSS	\$48,294,093	\$ 45,024,110
Children's Treatment Network	1,116,561	617,613
Expenditure recoveries	781,423	388,794
Government of Canada	637,245	662,210
Kinark Child & Family Services	460,774	294,518
County of Simcoe	298,750	325,000
Other revenue	95,523	24,942
	<u>51,684,369</u>	<u>47,337,187</u>
<b>Expenses</b>		
Purchased services	43,003,125	39,693,877
Salaries	5,741,327	4,971,381
Benefits	1,207,867	1,025,030
Building occupancy	522,475	491,319
Equipment, furniture and technology	410,222	516,111
Supplies, telephone and equipment rental	241,573	262,372
Program expenses	221,685	218,009
Travel	117,209	28,596
Insurance	52,551	49,381
Staff training	44,337	56,567
Promotion	15,771	858
Bank charges	2,601	4,192
	<u>51,580,743</u>	<u>47,317,693</u>
<b>Excess of revenues over expenses for the year</b>	<b>\$ 103,626</b>	<b>\$ 19,494</b>

The accompanying notes are an integral part of these financial statements

**Catulpa Community Support Services Inc.  
Statement of Changes in Net Assets**

<b>For the year ended March 31</b>				<b>2023</b>	<b>2022</b>
	<b>Endowment Fund</b>	<b>Internally Restricted - Discretionary Capital Fund</b>	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
	(note 6)	(note 5)			
Balance, beginning of year	\$ 50,000	\$ 231,973	\$ 372,016	\$ 653,989	\$ 634,495
Excess of revenues over expenses for the year	-	-	103,626	103,626	19,494
Interfund transfer	-	8,240	(8,240)	-	-
Balance, end of year	\$ 50,000	\$ 240,213	\$ 467,402	\$ 757,615	\$ 653,989

The accompanying notes are an integral part of these financial statements

## Catulpa Community Support Services Inc. Statement of Cash Flows

For the year ended March 31	2023	2022
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses for the year	\$ 103,626	\$ 19,494
Net change in non-cash working capital balances related to operations		
Accounts receivable	(56,416)	26,809
Due from Province of Ontario - MCCSS	251,883	348,808
HST receivable	(75,583)	(39,294)
Prepaid expenses	(2,320)	568,797
Accounts payable and accrued liabilities	(304,241)	(755,658)
Deferred revenue	259,602	758,259
<b>Increase in cash during the year</b>	<b>176,551</b>	<b>927,215</b>
<b>Cash, beginning of year</b>	<b>4,281,656</b>	<b>3,354,441</b>
<b>Cash, end of year</b>	<b>\$ 4,458,207</b>	<b>\$ 4,281,656</b>
<b>Represented by</b>		
Cash - operating fund	\$ 4,167,994	\$ 3,999,683
- reserve fund	240,213	231,973
Restricted cash	50,000	50,000
	<b>\$ 4,458,207</b>	<b>\$ 4,281,656</b>

The accompanying notes are an integral part of these financial statements



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## Catulpa Community Support Services Inc. Notes to the Financial Statements

For the year ended March 31, 2023

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### 1. Significant Accounting Policies

**Nature of Organization** Catulpa Community Support Services Inc. (the "organization") is incorporated by letters patent without share capital under the laws of Ontario to provide a diverse range of social services within Simcoe County.

**Basis of Accounting** These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with guidance issued by the Ministry of Children, Community and Social Services (MCCSS). The basis of accounting used in these financial statements materially differs from accounting standards for not-for-profit organizations because:

(a) capital expenses are charged to the statement of revenues and expenses in the year of expense rather than being capitalized on the balance sheet and amortized over their estimated useful lives on the basis that the Ministry of Children, Community and Social Services fund the purchase of capital assets on a cash basis; and

(b) accrued vacation pay is not recorded on the basis that the Ministry of Children, Community and Social Services funds vacation pay on a cash basis.

Except as noted above, the organization's accounting policies are in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), which is one of the financial reporting frameworks in Canadian generally accepted accounting principles.

**Use of Estimates** The preparation of financial statements in accordance with the accounting principles required by the Ministry of Children, Community and Social Services requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimate used in the preparation of these financial statements is the fair value of financial instruments. Actual results could differ from management's best estimates as additional information becomes available in the future.

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## Catulpa Community Support Services Inc. Notes to the Financial Statements

For the year ended March 31, 2023

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### 1. Significant Accounting Policies (continued)

<b>Revenue Recognition</b>	<p>The organization follows the deferral method of accounting for contributions which includes grants and government subsidies.</p> <p>Operating revenue, including grants and subsidies, are recorded as revenue in the period to which they relate. Revenue earned but not received at the end of an accounting period is accrued. Where a portion of revenue relates to a future period, it is deferred and recognized in that future period.</p> <p>Unrestricted and internally restricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Endowment contributions are recognized as direct increases in net assets.</p> <p>Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.</p>
<b>Income Taxes</b>	<p>The organization is not subject to federal or provincial income taxes pursuant to exemptions accorded to registered charities in the Income Tax Act.</p>
<b>Financial Instruments</b>	<p>Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations, other than financial instruments related to endowment funds. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations, other than financial instruments related to endowment funds. Changes in fair value of financial instruments related to the endowment fund are recorded directly in net assets. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.</p>

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## Catulpa Community Support Services Inc. Notes to the Financial Statements

**For the year ended March 31, 2023**

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### **2. Cash and Short-Term Investments**

#### **a) Operating fund**

The organization's bank account is held at a chartered bank. The bank account earns interest at the bank's prime rate less 1.90% for daily balances less than \$10 million and 0% on balances over \$10 million.

#### **b) Reserve fund**

The organization's reserve fund bank account is held at a chartered bank. The bank account earns interest at a variable rate dependent on the monthly minimum balances.

#### **c) Line of credit**

The organization has an unsecured line of credit with the Bank of Montreal. Interest is charged on outstanding amounts at the bank's prime rate plus 1.125%. The maximum authorized amount is \$200,000. The balance outstanding on this credit facility at March 31, 2023 is \$NIL (2022 - \$NIL).

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### **3. Deferred Revenue**

This amount represents funding received from various government agencies and other not-for-profit organizations for programs administered by the organization. The funds are to be used to offset expenses incurred by the organization on behalf of these programs. On March 31, 2023, as a result of COVID related pressures, MCCSS approved the deferral of current year funding in the amount of \$1,062,906 (2022 - \$800,459) to be used in the next fiscal year. This amount is included in deferred revenues at March 31, 2023.

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### **4. Restricted Asset**

The organization's restricted cash is held at a chartered bank. The bank account earns interest at the bank's prime rate less 1.90% for daily balances less than \$10 million and 0% on balances over \$10 million.

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### **5. Internally Restricted Net Assets**

The board of directors has established a discretionary capital reserve fund to provide funds for capital purchases. This internally restricted amount is not available for other purposes without the approval of the board of directors.

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## Catulpa Community Support Services Inc. Notes to the Financial Statements

**For the year ended March 31, 2023**

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### 6. Endowment Fund

	2023	2022
Post Bursary fund	\$ 50,000	\$ 50,000

The Post Bursary fund was established from the proceeds of a life insurance policy from a former employee. The principal is to be maintained permanently and the income earned on these funds is to be used for educational expenses for employees of the corporation.

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### 7. Funding Adjustments

Several of the organization's programs are funded by external agencies, including the Ministry of Children, Community and Social Services (MCCSS); the County of Simcoe and the Government of Canada. Any adjustments to prior years' funding resulting from a review of the programs by these agencies are recorded in the period in which written confirmation is received.

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### 8. Commitments

The organization operates from leased office space in Alliston, Barrie, Collingwood, Lindsay, Newmarket, Orillia, Peterborough and Whitby. These leases have varying expiry dates ranging from 2024 to 2029.

The minimum annual lease payments required under the terms of the leases for the next five fiscal years and thereafter are as follows:

2024	\$ 472,916
2025	360,467
2026	307,055
2027	156,070
2028	48,224
Thereafter	79,567

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### 9. Pension Plan

The organization contributes funds to a defined contribution pension plan administered by Standard Life on behalf of its employees. Contributions made by the organization in the current fiscal year amounted to \$217,658 (2021 - \$198,058) which has been included in benefits expense in the statement of revenues and expenses.

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## Catulpa Community Support Services Inc. Notes to the Financial Statements

**For the year ended March 31, 2023**

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### **10. Economic Dependence**

The organization received 93% (2022 - 95%) of its revenue from the Ministry of Children, Community and Social Services.

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### **11. Financial Instrument Risk**

#### **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 is also exposed to credit risk arising from its non-collection of its accounts receivable. The majority of the corporation's receivables are from government sources and the organization works to ensure they meet all eligibility criteria in order to qualify to receive the funding. In addition, the organization is also exposed to credit risk arising from its bank accounts being held at financial institutions in excess of the amount insured by agencies of the federal government in the amount of \$100,000.

#### **Liquidity Risk**

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities and government remittances payable.

There have been no changes to the organization's financial instrument exposure from the prior year.

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**Catulpa Community Support Services Inc.**  
**Schedule of Program Revenues and Expenses**  
**(Unaudited)**

For the year ended March 31, 2023

	Revenues	Other Revenues	Total Revenues	Salaries and Benefits	Purchased Services	Other Expenses	Allocated Central Admin	Total Expenses	Surplus (Deficit)
<b>MCCSS Programs</b>									
Childrens DS Community Support Service	\$ 814,207	\$ -	\$ 814,207	\$ 502,258	\$ 225,298	\$ 46,281	\$ 40,370	\$ 814,207	\$ -
CSN-Complex Special Needs	13,147,606	-	13,147,606	493,106	12,123,418	279,593	251,489	13,147,606	-
Child Welfare-Community and Prevention Supports	410,283	-	410,283	283,061	46,186	40,910	40,126	410,283	-
Respite Service	59,000	-	59,000	-	58,971	29	-	59,000	-
Autism	7,500	-	7,500	7,500	-	-	-	7,500	-
Community Supports - Adult	6,354,911	-	6,354,911	1,430,528	4,501,324	156,306	266,753	6,354,911	-
Direct Self-Managed Supports Department	342,310	-	342,310	288,823	2,566	22,774	28,147	342,310	-
Complex Special Needs - East Region	11,414,298	-	11,414,298	536,023	10,473,369	124,353	280,553	11,414,298	-
Support Group Living Department	14,842,014	-	14,842,014	261,372	14,067,107	5,707	507,828	14,842,014	-
Central Administration - Central	1,415,262	725,198	2,140,460	1,107,551	469,936	746,990	(184,017)	2,140,460	-
<b>Total MCCSS Programs</b>	<b>\$48,807,391</b>	<b>\$ 725,198</b>	<b>\$49,532,589</b>	<b>\$ 4,910,222</b>	<b>\$ 41,968,175</b>	<b>\$ 1,422,943</b>	<b>\$ 1,231,249</b>	<b>\$49,532,589</b>	<b>\$ -</b>

**Catulpa Community Support Services Inc.**  
**Schedule of Program Revenues and Expenses (Continued)**  
**(Unaudited)**

For the year ended March 31, 2023

	Revenues	Other Revenues	Total Revenues	Salaries and Benefits	Purchased Services	Other Expenses	Allocated Central Admin	Total Expenses	Surplus (Deficit)
<b>Other Programs</b>									
Other Funding	\$ 929,774	\$ 11,269	\$ 941,043	\$ 19,601	\$ 901,964	\$ 19,478	\$ -	\$ 941,043	\$ -
Children's Treatment Network	1,116,561	-	1,116,561	994,886	-	24,546	97,129	1,116,561	-
Kinark Child & Family Services	460,774	-	460,774	402,006	231	12,537	46,000	460,774	-
Social Assistance Restructuring									
Reinvestment Fund	298,750	-	298,750	237,043	22,634	18,573	20,500	298,750	-
Health Canada CAPC Programs	637,245	-	637,245	469,298	16,361	131,198	20,388	637,245	-
FASD Program Department	9,000	-	9,000	2,351	5,854	795	-	9,000	-
Fundraising and Other Grants	85,533	18,136	103,669	-	-	43	-	43	103,626
<b>Total Other Programs</b>	<b>\$ 3,537,637</b>	<b>\$ 29,405</b>	<b>\$ 3,567,042</b>	<b>\$ 2,125,185</b>	<b>\$ 947,044</b>	<b>\$ 207,170</b>	<b>\$ 184,017</b>	<b>\$ 3,463,416</b>	<b>\$ 103,626</b>
<b>Total Programs</b>	<b>\$52,345,028</b>	<b>\$ 754,603</b>	<b>\$53,099,631</b>	<b>\$ 7,035,407</b>	<b>\$42,915,219</b>	<b>\$ 1,630,113</b>	<b>\$ 1,415,266</b>	<b>\$52,996,005</b>	<b>\$ 103,626</b>










# 1\_Catulpa - Financial Statement - Mar2023

Final Audit Report

2023-06-08

Created:	2023-06-07
By:	Louise Lemieux (llemieux@catulpa.on.ca)
Status:	Signed
Transaction ID:	CBJCHBCAABAAhWm8SihQHWOGm9sb1hoHhQ6CtRWwVwm9

## "1\_Catulpa - Financial Statement - Mar2023" History

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Signature Date: 2023-06-08 - 6:34:42 PM GMT - Time Source: server- IP address: 72.138.35.170
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2023-06-08 - 8:11:16 PM GMT- IP address: 70.31.168.172
-  Signer heather.sperdakos@sympatico.ca entered name at signing as Heather Sperdakos  
2023-06-08 - 8:17:38 PM GMT- IP address: 70.31.168.172
-  Document e-signed by Heather Sperdakos (heather.sperdakos@sympatico.ca)  
Signature Date: 2023-06-08 - 8:17:40 PM GMT - Time Source: server- IP address: 70.31.168.172
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2023-06-08 - 8:17:40 PM GMT