

**CENTRE FOR DEVELOPING  
RELATIONSHIPS FOR  
EXCEPTIONAL ADULTS IN  
MARKHAM INC.**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**CENTRE FOR DEVELOPING RELATIONSHIPS FOR  
EXCEPTIONAL ADULTS IN MARKHAM INC.**

**DECEMBER 31, 2022**

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To the Members of  
**Centre For Developing Relationships For Exceptional Adults In Markham Inc.**

**Qualified Opinion**

We have audited the financial statements of Centre For Developing Relationships For Exceptional Adults In Markham Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2022, and 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Centre For Developing Relationships For Exceptional Adults In Markham Inc. as at December 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 Qualified Opinion**

In common with many non-profit organizations, the Organization derives revenue from contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and the fund balances as at January 1 and December 31 for both the 2022 and 2021 years.

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 qualified 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 Centre'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 Centre or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 it 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Kreston GTA*

**August 1, 2023**  
**Markham, Ontario**

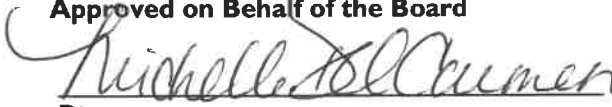
**Kreston GTA LLP**  
**Licensed Public Accountants**

**CENTRE FOR DEVELOPING RELATIONSHIPS FOR  
EXCEPTIONAL ADULTS IN MARKHAM INC.  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2022**

	Note	2022	2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 99,069	\$ 122,579
Accounts receivable	3	35,505	40,498
Prepaid expenses		2,449	7,645
		137,023	170,722
<b>Long Term Assets</b>			
Capital assets	4	24,610	33,759
		\$ 161,633	\$ 204,481
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 18,192	\$ 23,286
<b>Long Term Liabilities</b>			
Deferred contributions	5	7,072	16,821
<b>NET ASSETS</b>			
Unrestricted net assets		118,832	147,437
Invested in capital assets	6	17,537	16,937
		136,369	164,374
		\$ 161,633	\$ 204,481

**COMMITMENTS (See Note 8)**

Approved on Behalf of the Board

  
Director

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

**CENTRE FOR DEVELOPING RELATIONSHIPS FOR  
EXCEPTIONAL ADULTS IN MARKHAM INC.  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Unrestricted Net Assets	Invested in Capital Assets	2022	2021
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 147,437	\$ 16,937	\$164,374	\$ 133,880
(Deficiency) Excess of revenues over expenses	(21,571)	(6,434)	(28,005)	30,494
Interfund transfers (See Note 9)	(7,034)	7,034		
<b>BALANCE, END OF YEAR</b>	\$ 118,832	\$ 17,537	\$ 136,369	\$ 164,374

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

**CENTRE FOR DEVELOPING RELATIONSHIPS FOR  
EXCEPTIONAL ADULTS IN MARKHAM INC.  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Note	2022	2021
<b>REVENUES</b>			
Program fees	\$	437,827	\$ 283,030
Government grants		80,163	132,101
Contributions		24,290	48,418
Other grants and income		29,778	26,148
Fundraising events		14,426	15,670
Amortization of deferred contributions		9,749	10,020
		596,233	515,387
<b>EXPENSES</b>			
Salaries and benefits		346,494	231,005
Rent and occupancy costs		94,832	77,948
Program costs		50,919	23,709
Office and general		41,057	43,413
Utilities		16,728	17,232
Insurance		16,597	14,800
Professional fees		15,750	33,250
Fundraising events		10,063	5,144
Vehicle and travel		6,516	7,578
Telecommunications		6,072	5,640
Advertising and promotion		1,693	3,574
Interest and bank charges		1,334	1,617
Amortization		16,183	19,983
		624,238	484,893
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$</b>	<b>(28,005)</b>	<b>\$ 30,494</b>

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

**CENTRE FOR DEVELOPING RELATIONSHIPS FOR  
EXCEPTIONAL ADULTS IN MARKHAM INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Deficiency) Excess of revenues over expenses	\$ (28,005)	\$ 30,494
<b>Item not requiring an outlay of cash:</b>		
Amortization	16,183	19,983
	(11,822)	50,477
<b>CHANGES IN NON-CASH WORKING CAPITAL</b>		
Accounts receivable	4,993	26,632
Prepaid expenses	5,197	(1,569)
Accounts payable and accrued liabilities	(5,094)	9,291
Deferred revenue	(1)	(34,647)
Deferred contributions	(9,749)	(10,020)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	(16,476)	40,164
<b>CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Repayment of bank loan	-	(40,000)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Acquisition of capital assets	(7,034)	(17,634)
<b>NET DECREASE IN CASH</b>	(23,510)	(17,470)
<b>CASH, BEGINNING OF YEAR</b>	122,579	140,049
<b>CASH, END OF YEAR</b>	\$ 99,069	\$ 122,579

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



**CENTRE FOR DEVELOPING RELATIONSHIPS FOR  
EXCEPTIONAL ADULTS IN MARKHAM INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**I. PURPOSE OF THE ORGANIZATION**

The Centre For Developing Relationships For Exceptional Adults In Markham Inc., operating as The Centre For DREAMS (the "Organization") is an Ontario corporation without share capital and for Canadian income tax purposes, qualifies as a not-for-profit organization which is exempt from income tax and is a registered charity under the Income Tax Act.

The purpose of the Organization is to enhance the knowledge of its clients with developmental disabilities in a variety of settings, within their community, to empower them to become independent, dignified and respected members therein. The Organization is dedicated to providing the opportunities and the means for their youth and adult members to focus their abilities and not their disabilities through educational, social and life skill programs.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

**Revenue Recognition**

The Organization follows the deferral method of accounting for contributions and fundraising. Restricted contributions are recognized as revenue 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.

Government funding is recognized as revenue in the period in which the related expenses are incurred. Amounts received in relation to future expenses are recorded as deferred revenue.

Program fees and fundraising events are recognized as revenue when services are performed.

Other grants and income depends on the nature of the revenues received. Other grants are recognized as revenue according to the conditions of the specific grant. The other income is recognized when received or receivable if the amount can be estimated and collection is reasonably assured.

**Contributed Services**

In its day-to-day operations, the Organization uses the services of many volunteers. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**Cash and Cash Equivalents**

Cash and cash equivalents are made up mostly of unrestricted cash and short-term investments with a maturity period of three months or less from the date of acquisition.

**CENTRE FOR DEVELOPING RELATIONSHIPS FOR  
EXCEPTIONAL ADULTS IN MARKHAM INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets and Amortization**

Capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of the contribution. Amortization, based on the estimated useful lives of the assets, is provided using the under noted annual rates and methods:

Equipment	20% declining balance
Furniture and fixtures	20% declining balance
Automobile	30% declining balance
Computers	45% declining balance
Leasehold improvements	10 year straight line

**Financial Instrument Measurement**

The Organization initially measures its financial assets and liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**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 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 period. Actual results could differ from these estimates. Estimates and assumptions are periodically reviewed, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. The areas requiring significant estimates are the collectability of accounts receivable, accrued liabilities and the estimated useful life of capital assets.

**3. ACCOUNTS RECEIVABLE**

	2022	2021
Program fees receivable	\$ 4,918	\$ 8,243
HST rebate receivable	19,032	20,823
City of Markham	11,555	11,432
	<b>\$ 35,505</b>	<b>\$ 40,498</b>

**CENTRE FOR DEVELOPING RELATIONSHIPS FOR  
EXCEPTIONAL ADULTS IN MARKHAM INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**4. CAPITAL ASSETS**

	Cost	Accumulated Amortization	Net 2022	Net 2021
Computer equipment	\$ 40,531	\$ 32,442	\$ 8,089	\$ 12,956
Furniture and fixtures	44,791	30,743	14,048	12,290
Leasehold improvements	53,695	52,945	750	6,119
Vehicles	27,443	26,098	1,345	1,922
Equipment	2,500	2,122	378	472
	<b>\$ 168,960</b>	<b>\$ 144,350</b>	<b>\$ 24,610</b>	<b>\$ 33,759</b>

**5. DEFERRED CONTRIBUTIONS**

Deferred contributions reported include unamortized portions of contributed capital assets. The changes for the year in the deferred contributions balance are as follows:

	2022	2021
Deferred contributions - Balance, beginning of year	\$ 16,821	\$ 26,841
Amounts amortized to revenue	(9,749)	(10,020)
Deferred contributions - Balance, end of year	\$ 7,072	\$ 16,821

Amortization of the deferred contributions to revenue is provided on the same basis as the amortization of the cost of the capital assets.

**6. NET ASSETS INVESTED IN CAPITAL ASSETS**

	2022	2021
Capital assets	\$ 24,610	\$ 33,759
Deferred capital contributions	(7,073)	(16,821)
Net assets - Balance, end of year	\$ 17,537	\$ 16,938

**CENTRE FOR DEVELOPING RELATIONSHIPS FOR  
EXCEPTIONAL ADULTS IN MARKHAM INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**7. RELATED PARTY TRANSACTIONS**

**Contributions**

During the year, contributions in the amount of \$1,237 (2021 - \$925) were received from members of the board of directors of the Organization.

These above transactions were made in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year, the Organization received \$5,176 (2021 - \$1,160) in contributed services and materials.

**8. COMMITMENTS**

The estimated minimum annual rental payments for the property, photocopier and vehicle leases in effect at December 31, 2022 are approximately as follows:

2023	\$	104,739
2024		99,750
2025		101,850
2026		103,425
	\$	409,764

**9. NET ASSET TRANSFERS**

During the year, the Organization's board of directors agreed to allocate \$7,034 (2021 - \$17,634) from the unrestricted net assets in order to fund the cash outlays for capital asset acquisitions.

**10. FINANCIAL INSTRUMENTS**

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks as at December 31, 2022:

**Credit Risk**

Credit risk is the risk associated with the inability of a third party to fulfill its payment obligations. The Organization is exposed to credit risk on its cash and cash equivalents and its accounts receivable. In order to manage the credit risk associated with cash and cash equivalents, the Organization only transacts with highly rated financial institutions in Canada.

**CENTRE FOR DEVELOPING RELATIONSHIPS FOR  
EXCEPTIONAL ADULTS IN MARKHAM INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**10. FINANCIAL INSTRUMENTS (Continued)**

Credit risk on accounts receivable results from program fees due from clients and fundraising events due from donors. The Organization assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive.

**Liquidity risk**

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they come due. The Organization manages its liquidity risk by monitoring its operating requirements to ensure financial resources are available.

**Other risks**

It is management's opinion that the organization is not exposed to other significant interest rate or price risks arising from the financial instruments.

The extent of the Organization's exposure to all risks did not change during the year.