

**NEW LEAF: LIVING AND LEARNING**

**TOGETHER INC**

**FINANCIAL STATEMENTS**

**MARCH 31, 2025**

**SMITH, SYKES, LEEPER & TUNSTALL LLP**

**CHARTERED PROFESSIONAL ACCOUNTANTS**

**LICENSED PUBLIC ACCOUNTANTS**



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**NEW LEAF: LIVING AND LEARNING  
TOGETHER INC  
FINANCIAL STATEMENTS  
MARCH 31, 2025**

**CONTENTS**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 14
<b>INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION</b>	15
Segmented Financial Information	16

## **INDEPENDENT AUDITORS' REPORT**

To the Directors of,  
New Leaf: Living and Learning Together Inc

### **Qualified Opinion**

We have audited the accompanying financial statements of New Leaf: Living and Learning Together Inc, which comprise the statement of financial position as at **March 31, 2025** and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of New Leaf: Living and Learning Together Inc as at **March 31, 2025** and its financial performance and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit organizations.

### **Basis for Qualified Opinion**

The accounting policies presently in use, as disclosed in Note 2 to the financial statements, have not been altered retroactively to comply with the Canadian Accounting Standards for Not-for-Profit organizations as they are considered appropriate for the purpose of the subsidizing Ministry of the Province of Ontario who is the primary user of the financial statements.

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 New Leaf: Living and Learning Together Inc 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 New Leaf: Living and Learning Together Inc'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 New Leaf: Living and Learning Together Inc or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing New Leaf: Living and Learning Together Inc'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 New Leaf: Living and Learning Together Inc'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 New Leaf: Living and Learning Together Inc'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 New Leaf: Living and Learning Together Inc 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.

***Smith, Sykes, Leeper & Tunstall LLP***

**CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants**

Newmarket, Ontario  
July 31, 2025.

**NEW LEAF: LIVING AND LEARNING TOGETHER INC**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2025**

	2025	2024
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash (Note 4)	\$ 950,638	\$ 1,070,644
Short-term investments (Note 5)	1,116,522	925,010
Accounts receivable	146,659	156,374
Prepaid expenses	109,703	63,571
HST receivable	<u>183,367</u>	<u>155,639</u>
	<b>2,506,889</b>	<b>2,371,238</b>
Restricted cash (Note 4)	7,005	175,576
Restricted short-term/ long-term investments (Note 5)	740,939	691,098
Capital assets (Note 6)	<u>2,518,984</u>	<u>2,831,151</u>
	<b>\$ 5,773,817</b>	<b>\$ 6,069,063</b>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,221,647	\$ 1,129,313
Government remittances payable	134,418	133,296
Current portion of mortgages payable (Note 7)	<u>145,794</u>	<u>299,867</u>
	<b>1,501,859</b>	<b>1,562,476</b>
Mortgages payable (Note 7)	24,309	114,591
Deferred revenue (Note 8)	365,247	519,240
Deferred contributions related to capital assets (Note 9)	<u>1,671,610</u>	<u>1,674,564</u>
	<b>3,563,025</b>	<b>3,870,871</b>
<b><u>NET ASSETS (Note 10)</u></b>		
Future capital replacement fund	390,896	355,632
Net investment in capital assets	677,209	742,067
Accumulated surplus	<u>1,142,687</u>	<u>1,100,493</u>
	<b>2,210,792</b>	<b>2,198,192</b>
	<b>\$ 5,773,817</b>	<b>\$ 6,069,063</b>

Approved on Behalf of the Board of Directors,  
*Michael Szul*  
\_\_\_\_\_, Director.  
*Aubrey Basdeo*  
\_\_\_\_\_, Director.

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

**NEW LEAF: LIVING AND LEARNING TOGETHER INC**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2025**

	2025			
	Future Capital Replacement Fund	Invested in Capital Assets	Accumulated Surplus from Operations	Total
Balance, beginning of the year	\$ 355,632	\$ 742,067	\$ 1,100,493	\$ 2,198,192
Appropriation from operations	10,533	0	0	10,533
Interest earned	24,731	0	0	24,731
Excess of (expenses over revenue) revenue over expenses (Note 11)	0	(64,858)	42,194	(22,664)
<b>BALANCE, END OF THE YEAR</b>	<b>\$ 390,896</b>	<b>\$ 677,209</b>	<b>\$ 1,142,687</b>	<b>\$ 2,210,792</b>

	2024			
	Future Capital Replacement Fund	Invested in Capital Assets	Accumulated Surplus from Operations	Total
Balance, beginning of the year	\$ 336,910	\$ 895,850	\$ 1,031,581	\$ 2,264,341
Appropriation from operations	10,534	0	0	10,534
Interest earned	8,188	0	0	8,188
Excess of (expenses over revenue) revenue over expenses	0	(153,783)	68,912	(84,871)
<b>BALANCE, END OF THE YEAR</b>	<b>\$ 355,632</b>	<b>\$ 742,067</b>	<b>\$ 1,100,493</b>	<b>\$ 2,198,192</b>

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

**NEW LEAF: LIVING AND LEARNING TOGETHER INC**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2025**

	2025	2024
<b>REVENUE</b>		
Government subsidies	\$14,799,412	\$14,185,376
Client contributions	1,204,604	1,195,527
Other revenue (Note 12)	699,361	632,691
Fundraising activities	222,826	56,848
Amortization of deferred capital contributions	92,456	87,944
Grant revenue	68,978	171,972
	<b>17,087,637</b>	<b>16,330,358</b>
<b>OPERATING EXPENSES</b>		
Wages, employees' benefits and staff related costs	14,584,983	13,671,041
Amortization	499,697	497,760
Repairs and maintenance	469,575	714,986
Groceries and household supplies	315,367	315,943
Insurance	259,301	245,292
Occupancy costs	230,507	217,889
Professional fees	221,133	133,536
Vehicle	199,424	180,800
Office and general	111,592	137,096
Day program costs	62,853	63,951
Telephone	61,855	59,833
Equipment, furniture and fixtures	43,253	125,855
Purchased services - client	29,508	26,114
Appropriation of future capital replacements fund	10,533	10,534
Interest on mortgages payable	6,703	9,909
Residents personal needs	4,017	4,690
	<b>17,110,301</b>	<b>16,415,229</b>
<b>EXCESS OF (EXPENSES OVER REVENUE) FOR THE YEAR</b>	<b>\$ (22,664)</b>	<b>\$ (84,871)</b>

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

**NEW LEAF: LIVING AND LEARNING TOGETHER INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2025**

	2025	2024
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATIONS</b>		
Excess of (expenses over revenue) for the year	\$ (22,664)	\$ (84,871)
Items not requiring an outlay of cash:		
Amortization	499,697	497,760
Amortization of deferred capital contributions	<u>(92,456)</u>	<u>(87,944)</u>
	<b>384,577</b>	<b>324,945</b>
<b>Changes in operating working capital</b>		
Short-term investments	(191,512)	(421,934)
Accounts receivable	9,715	(70,201)
Accounts payable and accrued liabilities	92,333	(141,459)
Government remittances payable	1,123	(119,974)
Prepaid expenses	(46,132)	(18,208)
Future capital replacement fund	35,264	18,722
HST receivable	<u>(27,728)</u>	<u>26,740</u>
	<u><b>(126,937)</b></u>	<u><b>(726,314)</b></u>
<b>CASH PROVIDED BY (USED FOR) OPERATIONS</b>	<b>257,640</b>	<b>(401,369)</b>
<b>FINANCING</b>		
Decrease in deferred revenue	(153,993)	(106,266)
(Repayment of) mortgages payable	(244,355)	(240,768)
Increase in deferred capital contributions	<u>89,502</u>	<u>68,420</u>
<b>CASH (USED FOR) FINANCING</b>	<b>(308,846)</b>	<b>(278,614)</b>
<b>INVESTING</b>		
Decrease in Restricted cash	168,571	120,282
(Increase) in Restricted short-term/ long-term investments	(49,841)	(32,736)
Additions to capital assets	(193,963)	(92,950)
Unamortized portion of assets disposed of during the year	<u>6,433</u>	<u>9,265</u>
<b>CASH (USED FOR) PROVIDED BY INVESTING</b>	<b>(68,800)</b>	<b>3,861</b>
<b>NET CHANGE IN CASH POSITION</b>	<b>(120,006)</b>	<b>(676,122)</b>
Cash position, beginning of the year	1,070,644	1,746,766
<b>CASH POSITION, END OF THE YEAR</b>	<b>\$ 950,638</b>	<b>\$ 1,070,644</b>

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



**NEW LEAF: LIVING AND LEARNING TOGETHER INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

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**1. THE ORGANIZATION**

New Leaf: Living and Learning Together Inc (the Organization) is a non-profit corporation without share capital incorporated under the laws of Ontario. It is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes. It was formed to provide residential, social and vocational services for dual diagnosed developmentally disabled adults, to co-operate with social service agencies engaged in related work and to promote further study, research and development in the field of care for this segment of the society. The Organization's operations are funded by the Ministry of Children, Community and Social Services of the Province of Ontario under agreement, by donations from the public and by its own fundraising activities.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO) and include the following significant accounting policies:

**Estimates and assumptions -**

The preparation of financial statements in accordance with Canadian Accounting Standards for Non-For-Profit Organizations requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of contributions and expenses during the year. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets; and the valuation of accruals. Actual results could differ from those estimates.

**Cash -**

Cash is defined as cash on hand, cash on deposit, net of cheques issued and outstanding at the reporting date.

**Financial instruments -**

The Organization recognizes and measures financial assets and financial liabilities on the statement of financial position when they become a party to the contractual provisions of a financial instrument. All financial instruments are measured at fair value on initial recognition. In subsequent periods, financial assets including cash on hand, short-term investments, and accounts receivable are measured at amortized cost. In subsequent periods financial liabilities measured at amortized cost include the accounts payable and accrued liabilities, current portion of mortgages payable and mortgages payable.

**Revenues recognition -**

Revenues and expenses are accounted for under the accrual basis. Operating and minor capital subsidies and related expenditures are recognized in the period received in accordance with subsidizing ministry approvals.

Donations and fundraising activities are recorded on a cash basis, and when donated materials or services are received. Revenue from donations and fundraising activities which are appropriated to specific capital projects are deferred until the related capital costs are incurred.

The Organization follows the deferral method of accounting for contributions and capital subsidies. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and pledges are recognized as revenue when received. Deferred contribution revenue is amortized on a straight line basis at the same rate as the capital assets to which it relates.

Revenue from fees, grants and other contracts are recognized when the services are provided.

**NEW LEAF: LIVING AND LEARNING TOGETHER INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

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

**Capital assets -**

Land and buildings which have been financed are recorded at cost, which includes carrying, development and construction costs incurred to the statement of financial position date which are capitalized until construction is completed and the operations of the property are funded by the Ministry. Land and buildings which are financed are amortized annually in an equal amount to the repayment of principal on their related mortgages payable, as required by the subsidizing Ministry.

Land and buildings which have been fully subsidized by the Ministry of Children, Community and Social Services during the year are recorded at cost, which includes carrying, development and construction costs incurred to the statement of financial position date which are capitalized until construction is completed and the operations of the property are funded by the Ministry. Land and buildings are amortized over a 35-year period, on a straight line basis.

Land and buildings which were fully subsidized in 1997 and prior years have been written off fully in the year the subsidy was received.

Land and buildings which are purchased with restricted contributions are recorded at cost and are amortized over a 35-year period, on a straight line basis.

During the year, the Organization made some capital improvements on one of the properties (Birches). The Organization has elected to expense these expenditures in the amount of \$10,394 (2024 - \$0).

The cost of other capital assets purchased with operating funds are recorded in the Investment in Capital Assets fund.

Land and buildings which have been financed internally are amortized over a 35-year period, on a straight line basis.

Vehicles are amortized over a 5 year period, on a straight line basis.

Equipment is amortized over a 8 year period, on a straight line basis.

Computer software is amortized over a 2 year period, on a straight line basis.

**Contributed services and materials -**

Contributed services and materials are not recognized in the financial statements because of the difficulty of determining their fair value.

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**NEW LEAF: LIVING AND LEARNING TOGETHER INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

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**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Organization is exposed to the following risks related to its financial assets and liabilities:

**Liquidity risk -**

Liquidity risk is the risk that an entity 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 expenses and mortgages payable. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations. There has been no change in the risk assessment from the prior period

**Credit risk -**

Credit risk arises from the possibility that the entities to which the Organization services may experience financial difficulty and be unable to fulfill their contractual obligations. The Organization is mainly exposed to credit risk through other income which is a small portion of overall contributions. Actual exposure to credit losses has been minimal in prior years. There has been no change in the risk assessment from the prior period.

**Interest rate risk -**

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk through it's mortgages which are based on fixed-rate obligations and it's short term investments. The mortgages subject the Organization to a fair value risk with the exposure fluctuating due to the debt changes from year to year. The short-term interest bearing investments held by the Organization have a limited exposure to interest rate risk due to their short-term maturity.

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**NEW LEAF: LIVING AND LEARNING TOGETHER INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

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**4. CASH**

Cash consists of the following:

	<u>2025</u>	<u>2024</u>
General cash balance	\$ 791,348	\$ 847,915
Cash from fundraising activities	<u>159,290</u>	<u>222,729</u>
Total	<u>\$ 950,638</u>	<u>\$ 1,070,644</u>
Restricted cash	<u>\$ 7,005</u>	<u>\$ 175,576</u>

Restricted cash represents the unspent funds of \$7,005 (\$96,508 - 2024) from the Donation of \$1M received for the High Needs Housing Proposal. These funds are to be spent on the Sycamore House or a future project similar in nature.

Last year, restricted cash also included the unspent portion of a grant received from United Way Community Services Recovery Fund of \$67,778, and residential fees for April 2024 received in March 2024 of \$11,290.

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**5. SHORT TERM/ LONG TERM INVESTMENTS**

Short term investments consist of four GICs presented at cost. Two of these GIC's have an interest rate of 2.36% per annum and mature on April 21, 2025 and April 23, 2025. The third and fourth GICs have interest rates of 3.35% and 2.49%, and these mature on May 5, 2025 and March 25, 2026, respectively.

**Restricted Short term/ long term investments**

The restricted short term/long term investments consist of:

Restricted short term investments of a GIC presented at cost \$350,042 (2024 - \$335,465), bears interest at 2.49% per annum and matures March 2, 2026. This amount represents funds dedicated towards future operational expenditures.

Restricted long term investments of a GIC presented at cost \$390,897 (2024 - \$355,633), bears interest at 3.45% per annum and matures on April 2, 2025. This amount represents funding received from the Ministry of Children, Community and Social Services for future capital replacements.

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**NEW LEAF: LIVING AND LEARNING TOGETHER INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**6. CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2025</u>	<u>Net 2024</u>
Financed by subsidy after 1997:				
Part lots 23 and 24, concession 5 Town of East Gwillimbury (Elms)	\$ 855,979	\$ 611,419	\$ 244,560	\$ 269,017
Part lot 14 concession 3, Town of East Gwillimbury (Aspens)	407,009	273,282	133,727	145,356
Part lot 21, concession 6, Town of East Gwillimbury (Tamaracks)	499,995	271,434	228,561	242,847
Part Lot 1, Concession 4, 5639 Smith Blvd., Town of Georgina (Lindens)	480,000	260,566	219,434	233,148
Financed by mortgages payable:				
Lots 14 and 15, concession 3, Town of East Gwillimbury (Drake Will and Farm)	3,130,159	3,055,404	74,733	223,446
Part lot 1, concession 5, Plan 65R- 503 Town of Georgina (Willows)	560,687	527,133	33,554	62,937
Part lot 31, concession 4, Town of Whitchurch-Stouffville (Cedars)	472,631	461,769	10,862	35,966
22289 Warden Ave., Town of East Gwillimbury (Pines)	447,729	403,083	44,646	66,972
Part lot 27, concession 2, Town of East Gwillimbury (Birches)	369,875	363,566	6,309	25,137
Financed internally:				
Pool & Recreation Centre	767,595	372,812	394,783	416,711
Part Lot 5, concession 2, 6627 Frog Street, Town of Pepperlaw (Sycamore)	992,995	147,664	845,331	784,198
Other capital assets:				
Vehicles	968,474	814,057	154,417	156,680
Equipment	344,873	216,806	128,067	168,736
Computer Software	<u>21,412</u>	<u>21,412</u>	<u>0</u>	<u>0</u>
	<u>\$10,319,413</u>	<u>\$ 7,800,407</u>	<u>\$ 2,518,984</u>	<u>\$ 2,831,151</u>

**NEW LEAF: LIVING AND LEARNING TOGETHER INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

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**7. MORTGAGES PAYABLE**

Mortgages payable are secured by some of the Organization's real estate holdings, as follows:

	<u>2025</u>	<u>2024</u>
Lots 14 and 15, Concession 3 Town of East Gwillimbury - 0.68%, with a maturity date of September 1, 2025, repayable in blended monthly payments of \$12,481 secured by the land and building with a carrying value of \$74,736 (Drake Will and Farm)	\$ 74,736	\$ 223,444
Part Lot 1, Concession 5, Plan 65R-503 Town of Georgina - 5.12%, maturing April 1, 2026, repayable in blended monthly payments of \$2,658, secured by the land and building with a carrying value of \$33,554 (Willows)	33,554	62,937
Part Lot 31, Concession 4, Town of Whitchurch - Stouffville - 5.67%, maturing August 1, 2025, repayable in blended monthly payments of \$2,203, secured by the land and building with a carrying value of \$10,863 (Cedars)	10,863	35,966
22289 Warden Ave., Town of East Gwillimbury - 2.68%, due February 1, 2027, repayable in blended monthly payments of \$1,991, secured by the land and building with a carrying value of \$44,644 (Pines)	44,644	66,972
Part Lot 27, Concession 2, Town of East Gwillimbury - 0.68%, with a maturity date of July 1, 2025, repayable in blended monthly payments of \$1,579, secured by the land and building with a carrying value of \$6,306 (Birches)	<u>6,306</u>	<u>25,139</u>
	170,103	414,458
Less: current portion	<u>145,794</u>	<u>299,867</u>
	<u>\$ 24,309</u>	<u>\$ 114,591</u>

The minimum annual payments over the next five years with respect to the mortgage payables are as follows:

2026	\$ 145,794
2027	<u>24,309</u>
	<u>\$ 170,103</u>

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**NEW LEAF: LIVING AND LEARNING TOGETHER INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

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**8. DEFERRED REVENUE**

Deferred revenue represents proceeds from the sale of assets, expenditure recoveries and unspent funds from a restricted donation. These are dedicated towards future operations expenditures and specific housing projects. These will be recorded as revenue when the expenditures have been made. Due to the restrictions placed on these funds, the annual interest earned of \$14,578 (2024 - \$14,015) has been added to the balance.

In the previous year, the Organization received a total grant of \$96,250 from United Way, of which \$28,472 had been spent and \$67,778 was allocated to deferred revenue. In 2025, the \$67,778 was spent and recognized as revenue. The United Way grant came from the United Way Community Services Recovery Fund and the term of the grant was from May 1, 2023 to June 30, 2024. New Leaf used this grant to conduct a feasibility study, create a business model and complete a capabilities assessment for a new social enterprise.

Additionally, in the previous year, the PG&T residential fees for April 2024 of \$11,290 were received early, in March 2024, and were included in deferred revenue. The PG&T residential fees were received in April 2025 so there is no deferral this year.

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**9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

Deferred contributions related to capital assets represent the contributed capital assets and restricted contributions with which four of the Organization's buildings (Elms, Aspens, Tamaracks and Lindens) were originally purchased. The changes in the deferred contributions balance for the year are as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 1,674,564	\$ 1,694,088
Current year additions	89,502	68,420
Amounts amortized to revenue	<u>(92,456)</u>	<u>(87,944)</u>
Ending balance	<u>\$ 1,671,610</u>	<u>\$ 1,674,564</u>

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**10. NET ASSETS**

Future capital replacement fund represents funds received under the terms of the Ministry of Children, Community and Social Services, Dedicated Supportive Housing annual subsidy and are restricted to cover the costs of any major repairs.

Net assets invested in capital assets represents the amount of the Organization's surplus that is not available for other purposes as it has been invested in capital assets described in Note 6.

The accumulated surplus represents the amount by which the accumulated surplus of the Organization exceeds net assets invested in capital assets and future capital replacement fund.

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**NEW LEAF: LIVING AND LEARNING TOGETHER INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**11. INVESTED IN CAPITAL ASSETS**

The excess of expenses over revenue in this fund balance consist of the following:

Amortization expense	\$ 499,697
Less: amount related to capital assets purchased with restricted contributions	(92,456)
Less: amount related to capital asset financing subsidized by the Ministry	(244,355)
Less: additions to capital assets financed by operations	(104,461)
Add: unamortized portion of assets disposed of during the year	<u>6,433</u>
Net decrease in net assets invested in capital assets	<u>\$ 64,858</u>

**12. OTHER REVENUE**

Other revenue consists of the following:

	<u>2025</u>	<u>2024</u>
Cost recovery	\$ 497,258	\$ 436,271
Admin Fee (see note)	58,296	41,212
Rental Revenue - Bell and Rogers	55,695	55,695
Miscellaneous	37,218	61,848
Interest Income	36,748	26,700
Canada Summer Jobs Grant	20,079	0
(Loss)/Gain on Disposal of Assets	<u>(5,933)</u>	<u>10,965</u>
	<u>\$ 699,361</u>	<u>\$ 632,691</u>

Admin fee consists of the 10% MCCSS permitted fee on passports and related programs.

**13. CONTINGENT LIABILITY**

The Organization has been charged with offences under the Ontario Health and Safety Act. The trial has taken place and the Organization was found guilty. Subsequent to year end, sentencing was passed. The Organization's financial liability in regards to this situation is a total of \$225,000 (\$75,000 per charge, and a total of three charges), to be paid within 10 years (due in June 2035). The Organization plans to appeal this decision.

Additionally, there are three other claims against the Organization. At this time, it is undeterminable to estimate the financial liability in regards to these claims.



## **INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION**

To the Ministry of Children, Community and Social Services.

### **Opinion**

We have audited the segmented information (the "Statements") for each program funded by the Ministry of Children, Community and Social Services (MCCSS) for New Leaf: Living and Learning Together Inc. as at March 31, 2025. This financial information was prepared using Canadian accounting standards for Not-for-Profit organizations except that additions to capital assets have been expensed rather than capitalized and amortized, and related funding has not been deferred and amortized. In our opinion, the accompanying statements of the Organization for the year ended March 31, 2025 are prepared, in all material respects, in accordance with the financial reporting requirements of the MCCSS.

### **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 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 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 and Restriction on Distribution and Use**

We draw attention to Paragraph 1, which describes the basis of accounting. The statements are prepared to assist the Organization in complying with the financial reporting requirements referred to above. As a result, the statements may not be suitable for another purpose. Our report is intended solely for the Organization and should not be distributed to or used by parties other than New Leaf: Living and Learning Together Inc. and MCCSS.

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

Management is responsible for the preparation of the statements in accordance with the reporting provision of MCCSS and for such internal control as management determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

In preparing the statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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 Statements**

Our objectives are to obtain reasonable assurance about whether the 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 considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these statements.

***Smith, Sykes, Leeper & Tunstall LLP***

Newmarket, Ontario  
July 31, 2025.

**CHARTERED PROFESSIONAL ACCOUNTANTS**  
**Licensed Public Accountants**

NEW LEAF: LIVING AND LEARNING TOGETHER INC.  
SEGMENTED FINANCIAL INFORMATION  
FOR THE YEAR ENDED MARCH 31, 2025

REVENUE	MCCSS - TORONTO REGION				MCCSS - CENTRAL REGION				DSH	MMAHO	FUNDING AND OTHER ACTIVITIES	TOTAL OF ALL PROGRAMS
	SUPPORTED GROUP LIVING RESIDENCES	COMMUNITY PARTICIPATION SERVICES AND SUPPORTS	MCCSS TORONTO REGION		SUPPORTED GROUP LIVING RESIDENCES	COMMUNITY PARTICIPATION SERVICES AND SUPPORTS	MCCSS CENTRAL REGION		DEDICATED SUPPORTIVE HOUSING	PRF		
Subsidies from MCCSS	10,266,617	1,731,594	11,998,211		1,943,457	288,986	2,232,443		558,362	10,396	-	14,799,412
Client Contribution	1,211,968		1,211,968		129,936		129,936				-	1,341,904
Interest Earned	20,063		20,063		6,488		6,488		705		4,106	31,362
Other Revenues	20,324	66,913	87,237				-				404,076	491,313
ACA Revenues	66,816		66,816		8,916		8,916				-	75,732
Offset Intercompany revenue	(96,192)		(96,192)				-		96,192		-	-
Deferred contribution revenue	50,372		50,372		13,714		13,714				28,370	92,456
Deferred contribution revenue	-		-				-				-	-
Fundraising Revenues											255,459	255,459
	11,539,988	1,798,507	13,338,475		2,102,510	288,986	2,391,496		655,259	10,396	692,011	17,087,637
EXPENDITURES												
Wages and Benefits	9,685,165	1,373,001	11,058,166		1,782,645	244,244	2,026,889		137,519		359,958	13,582,532
Staff Training	35,405	3,389	38,795		6,249	601	6,851		3,229		-	48,874
Building Occupancy	434,656	186,576	621,231		115,233	15,015	130,248		440,397		-	1,191,876
Travel and Communication	252,939	19,646	272,585		95,159	6,727	101,886		35,892		-	410,363
Supplies and Equipment	315,937	54,349	370,285		46,523	5,815	52,338		16,298	10,394	5,150	454,465
Other Program/Service Expenditure	23,690		23,690				-				5,818	29,508
Allocated Admin	915,430	161,546	1,076,976		149,256	16,584	165,840		21,925		-	1,264,741
Amortization-building	50,372		50,372		13,714		13,714				28,370	92,456
Offset Intercompany expenses	(96,192)		(96,192)								(96,192)	(96,192)
Grant expenditures											68,978	68,978
Fundraising expenses											4,275	4,275
	11,617,401	1,798,507	13,415,908		2,208,780	288,986	2,497,766		655,259	10,394	472,548	17,051,875
EXCESS OF REVENUES OVER EXPENDITURES												
(EXPENDITURES OVER REVENUES)	(77,433)	0	(77,433)		(106,270)	-	(106,270)		-	2	219,463	35,762