

LIVEWORKPLAY
FINANCIAL STATEMENTS
MARCH 31, 2023

Independent Auditor's Report
Statement of Financial Position
Statement of Operations
Statement of Changes in Net Assets
Cash Flow Statement
Notes to the Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
LiveWorkPlay:

Qualified Opinion

We have audited the financial statements of LiveWorkPlay, which comprise the statement of financial position as at March 31, 2023, and the statement of operations, statement of changes in net assets, and cash flow statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, except for the possible 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 LiveWorkPlay as at March 31, 2023, 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 not-for-profit organizations, LiveWorkPlay derives part of its revenue from donations and other fundraising sources 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 LiveWorkPlay. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and March 31, 2022 and accumulated net assets as at the beginning and the end of the years ended March 31, 2023 and 2022. Our audit opinion on the financial statements for the year end March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 the report. We are independent of LiveWorkPlay 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 these 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 these financial statements, management is responsible for assessing LiveWorkPlay's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of

accounting unless management either intends to liquidate LiveWorkPlay or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing LiveWorkPlay'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 judgement 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 LiveWorkPlay'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, whether a material uncertainty exists related to events or conditions that may cast significant doubt on LiveWorkPlay'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 LiveWorkPlay to cease to continue as a going concern.

MITCHELL & HOLMES
CHARTERED PROFESSIONAL ACCOUNTANTS

B.N. Mitchell, B.A., CPA, CA
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- 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 the audit.

MITCHELL & HOLMES
Chartered Professional Accountants, Licensed Public Accountants

June 1, 2023
Ottawa, Ontario

LIVEWORKPLAY
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 540,256	\$ 275,169
Temporary investments (Notes 2, 11)	1,012,836	1,003,058
Receivables (Note 6)	32,049	143,006
Prepaid expenses (Note 9)	<u>22,121</u>	<u>12,709</u>
	<u>1,607,262</u>	<u>1,433,942</u>
PROPERTY AND EQUIPMENT (Notes 2, 4)		
Computer equipment	208,649	193,333
Furniture	90,276	90,276
Leasehold improvements	<u>89,353</u>	<u>89,353</u>
	388,278	372,962
Less accumulated amortization	<u>360,179</u>	<u>353,849</u>
	<u>28,099</u>	<u>19,113</u>
	<u>\$1,635,361</u>	<u>\$1,453,055</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 96,154	\$ 65,161
Deferred contributions (Note 5)	<u>240,892</u>	<u>59,355</u>
	337,046	124,516
DEFERRED CAPITAL CONTRIBUTIONS (Note 14)	<u>4,755</u>	<u>6,657</u>
	<u>341,801</u>	<u>131,173</u>
<u>ACCUMULATED NET ASSETS</u>		
NET ASSETS		
Invested in capital assets (Note 7)	23,344	12,456
Net assets internally restricted (Note 12)	1,270,216	1,309,426
Unrestricted	<u>-</u>	<u>-</u>
	<u>1,293,560</u>	<u>1,321,882</u>
	<u>\$1,635,361</u>	<u>\$1,453,055</u>

On behalf of the board:

.....Director

.....Director

See accompanying notes to the financial statements

LIVEWORKPLAY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUE		
Ministry of Children, Community and Social Services (Note 3)	\$2,383,576	\$2,146,337
Fee for service	296,489	216,896
Grants (Note 3)	218,372	113,310
Donations	48,331	61,671
Investment income	19,448	5,963
Events	10,368	4,097
Amortization of deferred capital contributions	1,902	1,902
Other	<u>-</u>	<u>55,817</u>
	<u>2,978,486</u>	<u>2,605,993</u>
EXPENSES		
Wages and benefits	2,343,102	2,052,119
Program supplies	197,488	131,294
Professional fees	128,883	119,200
Strategic direction	82,969	-
Vehicle	82,583	55,882
Training	42,135	87,123
Telephone and internet	39,356	29,895
Events	37,690	551
Office rent	17,863	21,668
Meetings	12,217	4,555
Advertising and promotion	7,946	4,702
Amortization	6,331	8,433
Bank charges and interest	3,612	2,653
Insurance	3,249	2,500
Office supplies	<u>1,384</u>	<u>6,771</u>
	<u>3,006,808</u>	<u>2,527,346</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ (28,322)</u>	<u>\$ 78,647</u>

See accompanying notes to the financial statements

LIVEWORKPLAY

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2023

	<u>Invested In Capital Assets</u>	<u>Unrestricted</u>	<u>Internally Restricted (Note 11)</u>	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 12,456	\$ -	\$1,309,426	\$1,321,882	\$1,243,235
Excess of revenue over expenditures	-	(28,322)	-	(28,322)	78,647
Interfund transfer (Note 12)	-	39,210	(39,210)	-	-
Net change in investment in capital assets (Note 7)	<u>10,888</u>	<u>(10,888)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 23,344</u>	<u>\$ -</u>	<u>\$1,270,216</u>	<u>\$1,293,560</u>	<u>\$1,321,882</u>

LIVEWORKPLAY
CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
NET INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenses	\$ (28,322)	\$ 78,647
Items not affecting cash:		
Amortization of deferred capital contributions	(1,902)	(1,902)
Amortization	<u>6,331</u>	<u>8,433</u>
	(23,893)	85,178
Change in non-cash operating working capital items:		
Receivables	110,957	(92,725)
Prepaid expenses	(9,412)	(10,025)
Accounts payable and accrued charges	30,993	23,148
Deferred contributions	<u>181,537</u>	<u>38,495</u>
	290,182	44,071
INVESTING		
Additions to capital assets	<u>(15,317)</u>	<u>(8,145)</u>
NET CASH INFLOW	274,865	35,926
CASH, BEGINNING OF YEAR	<u>1,278,227</u>	<u>1,242,301</u>
CASH, END OF YEAR (1)	<u>\$1,553,092</u>	<u>\$1,278,227</u>

1. For the purpose of this statement cash comprises:

Cash	\$ 540,256	\$ 275,169
Short-term investments	<u>1,012,836</u>	<u>1,003,058</u>
	<u>\$1,553,092</u>	<u>\$1,278,227</u>

See accompanying notes to the financial statements

LIVEWORKPLAY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

1. GENERAL

LiveWorkPlay is a registered charity under the Income Tax Act incorporated without share capital. Accordingly, the organization is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The mission statement is, helping the community welcome and include people with intellectual disabilities, autistic persons, and individuals with a dual diagnosis to live, work, and play as valued citizens.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered to be significant.

a) Revenue recognition

The organization follows the deferral method of accounting for contributions which include donations, fundraising and government contributions.

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

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.

b) Capital Assets

Capital assets are recorded at cost. Where a capital asset no longer contributes to the organization's ability to provide services, its carrying amount is written down to its residual value.

Computer equipment and furniture are amortized on a straight-line basis over a five-year period commencing in the year of acquisition at one-half the annual rate.

c) Capital Contributions

Contributions received for capital assets are deferred and amortized over the same term and on the same basis as the related capital asset.

LIVEWORKPLAY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

e) Net Assets Invested in Capital Assets

Net assets invested in capital assets comprises the net book value of capital assets less the unamortized balance of deferred capital contributions used to purchase the capital assets.

f) Contributed Services

Volunteers contribute a significant number of hours per year to assist the organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

g) Financial Instruments

Financial instruments are financial assets or liabilities of LiveWorkPlay, in general, LiveWorkPlay has the right to receive cash or another financial asset from another party or LiveWorkPlay has the obligation to pay another party cash or other financial assets.

Measurement of financial instruments:

LiveWorkPlay initially measures its financial assets and liabilities at fair value.

LiveWorkPlay subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity and other instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost include, cash, certain cash equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

LIVEWORKPLAY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment:

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

Transaction costs:

LiveWorkPlay recognizes its transaction costs in operations in the period incurred. However, the financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

h) Investments

Management has elected to record all investments at fair value, and changes in fair value are recognized in the statement of operations.

3. GRANTS

Directed grant revenue consists of grants for specified expenditures. These grants were received from the following:

	<u>2023</u>	<u>2022</u>
MCCSS - Supported Independent Living	\$1,866,822	\$1,675,337
MCCSS - Ontario Disability Support Program (ODSP) Employment Supports	<u>516,754</u>	<u>471,000</u>
	<u>\$2,383,576</u>	<u>\$2,146,337</u>
Telus	\$ 12,940	\$ -
Ontario Trillium Foundation	9,459	-
Inclusion Canada	93,850	-
United Way East Ontario	22,723	20,000
Employment and Social Development Canada	8,400	11,277
City of Ottawa	71,000	17,500
Ottawa Youth Services	<u>-</u>	<u>64,533</u>
	<u>\$ 218,372</u>	<u>\$ 113,310</u>

LIVEWORKPLAY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

4. PROPERTY AND EQUIPMENT

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 208,649	\$ 180,550	\$ 28,099	\$ 19,113
Furniture	90,276	90,276	-	-
Leasehold Improvements	<u>89,353</u>	<u>89,353</u>	<u>-</u>	<u>-</u>
	<u>\$ 388,278</u>	<u>\$ 360,179</u>	<u>\$ 28,099</u>	<u>\$ 19,113</u>

5. DEFERRED CONTRIBUTIONS

Deferred contributions related to expenses of future periods represent unspent externally restricted grants for specific purposes.

	2023	2022
Balance, beginning of year	\$ 59,355	\$ 20,860
Less amount recognized as revenue in year	(38,495)	-
Add amount received related to future periods	<u>220,032</u>	<u>38,495</u>
Balance, end of year	<u>\$ 240,892</u>	<u>\$ 59,355</u>

6. RECEIVABLES

Receivables consist of the following:

	2023	2022
Trade receivables	\$ 11,330	\$ 137,456
Government receivable	<u>20,719</u>	<u>5,550</u>
	<u>\$ 32,049</u>	<u>\$ 143,006</u>

LIVEWORKPLAY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

7. INVESTMENT IN CAPITAL ASSETS

The investment in capital assets consists of the following:

	<u>2023</u>	<u>2022</u>
Capital assets	\$ 28,099	\$ 19,113
Less amounts financed by:		
Deferred capital contributions	<u>(4,755)</u>	<u>(6,657)</u>
	<u>\$ 23,344</u>	<u>\$ 12,456</u>

The net change in investment in capital assets is calculated as follows:

	<u>2023</u>	<u>2022</u>
Purchase of capital assets	\$ 15,317	\$ 8,145
Amortization of capital assets	(6,331)	(8,433)
Amortization of deferred capital contributions	<u>1,902</u>	<u>1,902</u>
Net change in investment in capital assets	<u>\$ 10,888</u>	<u>\$ 1,614</u>

8. COMMITMENTS

There is a lease for premises at 402-2197 Riverside Drive, Ottawa, Ontario for a minimum monthly amount of \$589 plus a pro-rated portion of common occupancy costs. The lease expires August 31, 2025. Future minimum lease payments are as follows:

2024	\$ 19,152
2025	19,152
2026	<u>7,980</u>
	<u>\$ 46,284</u>

LIVEWORKPLAY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

9. PREPAID EXPENSES

Prepaid expenses consist of the following:

	2023	2022
Insurance	\$ 2,061	\$ 2,011
Rent	3,225	3,111
Prepaid supplies	16,835	7,587
	\$ 22,121	\$ 12,709

10. ECONOMIC DEPENDENCE

The Ministry of Children, Community and Social Services provides annual funding that sustains the Organization by providing over 80% of the annual operating income (82% - 2022). The organization is economically dependent upon the Ministry of Community and Social Services.

11. CASH AND SHORT-TERM INVESTMENTS

Short-term investments comprise of a guaranteed investment certificate (GIC) maturing prior to January 2024. The GIC earns interest at a rate between 5.40% per annum. Interest is paid at maturity.

12. INTERNALLY RESTRICTED FUND BALANCES

LiveWorkPlay's Board of Directors internally restricted resources in the amount of \$1,270,216 (2022 - \$1,309,426). The following is a list of funds that the Board of Directors internally restricted:

	2023	2022
Strategic planning outcomes	\$ 584,000	\$ 602,000
Wage enhancements	292,000	301,000
Operating	190,000	196,000
Marketing and communications	102,108	105,213
Capital	102,108	105,213
	\$1,270,216	\$1,309,426

These internally restricted funds are not to be used for other purposes without the approval of the Board of Directors.

LIVEWORKPLAY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

13. FINANCIAL INSTRUMENTS RISKS AND CONCENTRATIONS

LiveWorkPlay is exposed to various risks through its financial instruments. The following analysis provides a measure of LiveWorkPlay's risk exposure and concentrations as at March 31, 2023.

Credit risk:

Credit risk arises from the potential that a counter party will fail to perform its obligations. It is management's opinion that LiveWorkPlay is not exposed to significant credit risk as its main credit risk relate to its accounts receivable. The accounts receivable are managed and analyzed on an ongoing basis. LiveWorkPlay is of the opinion that its exposure to bad debts is not significant.

Liquidity risk:

Liquidity risk is the risk that LiveWorkPlay will not be able to meet a demand for cash or fund its obligations as they come due. Sufficient short-term investments are on hand at any given time that can readily be converted to cash to cover any expected and unexpected operating requirements.

Currency risk:

Currency risk is the risk to LiveWorkPlay's revenues and expenses that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. It is management's opinion that LiveWorkPlay is not exposed to any currency risk as it does not have material transactions in foreign currencies.

Fair value market risk:

LiveWorkPlay's investments in cash equivalents and fixed income investments are subject to market risks as the value of these investments will change with market fluctuations. Based on the nature of the investments, it is management's opinion that LiveWorkPlay is not exposed to significant fair value market risk.

Interest rate price risk:

LiveWorkPlay's fixed income investments earn interest at prevailing market rates. It is management's opinion that these investments do not expose LiveWorkPlay to significant interest rate risk.

Changes in risk:

There has been no significant change in the level of risk during the year.

LIVEWORKPLAY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

14. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of grants received for the purchase of capital assets. The amortization of the deferred capital contributions is recorded as revenue in the statement of operations.

The changes in the deferred capital contributions balance are as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 6,657	\$ 8,559
Add contributions received	-	-
Less amortization of deferred capital contributions	<u>(1,902)</u>	<u>(1,902)</u>
Balance, ending of year	\$ <u>4,755</u>	\$ <u>6,657</u>