

COMMUNITY SUPPORT SERVICES OF NIAGARA REGION

Financial Statements
March 31, 2023

COMMUNITY SUPPORT SERVICES OF NIAGARA REGION

Financial Statements

Year ended March 31, 2023

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Independent Auditor's Report

To the Members of Community Support Services of Niagara Region

Qualified Opinion

We have audited the financial statements of Community Support Services of Niagara Region, which comprise the statement of financial position as at March 31, 2023, and the statements of operations and surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, 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 Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Consequently, we were unable to determine whether any adjustments might be necessary to donations and fundraising revenue, excess (deficiency) of revenue over expenses and cash flows from operations for the years ended March 31, 2023 and March 31, 2022, and current assets as at March 31, 2023 and March 31, 2022 and surplus as at March 31, 2023 and March 31, 2022. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

The Organization's policy with respect to the capitalization and depreciation of capital assets is described in Note 3. All capital expenditures of the Organization, including furniture, equipment and vehicles, are expensed in the year purchased and included in the statement of operations. In this respect, the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations. Canadian accounting standards for not-for-profit organizations require the furniture, equipment and vehicles be recorded as capital assets on the statement of financial position and amortized on a rational and systematic basis over their estimated useful lives. The effect of this departure in the accounts of the Organization would result in the recording of assets on the statement of financial position at March 31, 2023 in the amount of \$23,954, opening surplus would be increased by \$30,998 and the excess of revenue over expenses for the year ended March 31, 2023 would be decreased by \$7,044.

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 ASNPO, 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.

Independent Auditor's Report — continued

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.

Root Bissonnette Walker LLP

Root Bissonnette Walker LLP
Licensed Public Accountants
Fonthill, Ontario
June 8, 2023

COMMUNITY SUPPORT SERVICES OF NIAGARA REGION
Statement of Financial Position
As at March 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash	\$ 345,165	\$ 234,398
Short term investments (note 4)	270,092	228,092
Accounts receivable	74,248	91,462
Government remittances receivable	17,493	15,319
Prepaid expenses	9,362	8,597
	<u>\$ 716,360</u>	<u>\$ 577,868</u>
 LIABILITIES AND MEMBERS' SURPLUS		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 179,951	\$ 226,048
Deferred revenue (note 6)	150,686	74,432
Funding repayable (note 7)	131,265	8,442
	<u>461,902</u>	308,922
Commitments (note 8)		
Members' surplus	<u>254,458</u>	268,946
	<u>\$ 716,360</u>	<u>\$ 577,868</u>

On behalf of the Board



Director



Director

COMMUNITY SUPPORT SERVICES OF NIAGARA REGION

Statement of Operations and Surplus

Year ended March 31, 2023

	2023	2022
Revenue		
Ministry of Health and Long-Term Care	\$ 1,778,672	\$ 1,602,712
Client fees	745,872	673,970
Donations and fundraising	37,928	71,974
Other grants	106,570	158,154
Other income	20,708	2,649
	<u>2,689,750</u>	<u>2,509,459</u>
Direct program expenses		
Food costs	326,053	335,817
Program supplies	77,090	49,817
Transportation costs	148,515	155,715
Wages and benefits	1,475,961	1,456,433
	<u>2,027,619</u>	<u>1,997,782</u>
General and administrative expenses		
Board and staff training	3,632	3,130
Building operations	160,174	165,974
Insurance	12,797	12,122
Marketing	14,111	13,994
Office supplies	36,610	28,988
Professional fees	85,224	84,813
Staff travel	38,147	24,059
Subsidies/bad debt	13,296	3,110
Volunteer program	14,610	2,421
Wages and benefits	156,383	124,187
	<u>534,984</u>	<u>462,798</u>
Excess of revenue over expenses from operations	<u>127,147</u>	<u>48,879</u>
Other expenses (income)		
Investment fees	2,361	1,725
Repayment of funding	133,741	1,668
Unrealized loss (gain) on investments	5,533	(3,603)
	<u>141,635</u>	<u>(210)</u>
Excess (deficiency) of revenue over expenses	<u>(14,488)</u>	<u>49,089</u>
Surplus, beginning of year	<u>268,946</u>	<u>219,857</u>
Surplus, end of year	<u>\$ 254,458</u>	<u>\$ 268,946</u>

The accompanying notes are an integral part of these financial statements

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COMMUNITY SUPPORT SERVICES OF NIAGARA REGION

Statement of Cash Flows Year ended March 31, 2023

	2023	2022
Operating activities		
Excess (deficiency) of revenue over expenses	\$ (14,488)	\$ 49,089
Item not involving cash		
Unrealized loss (gain) on investments	<u>5,533</u>	<u>(3,603)</u>
	(8,955)	45,486
Net change in non-cash working capital items		
Accounts receivable	17,214	(26,238)
Government remittances	(2,174)	18,066
Prepaid expenses	(765)	5,529
Accounts payable and accrued liabilities	(46,098)	21,437
Deferred revenue	76,254	(53,168)
Funding repayable	<u>122,823</u>	<u>1,668</u>
	158,299	12,780
Cash flows from operating activities		
Investing activity		
Purchase of short term investments and cash flows from investing activity	<u>(47,532)</u>	<u>(48,634)</u>
	110,767	(35,854)
Net change in cash during the year		
	<u>234,398</u>	<u>270,252</u>
Cash, beginning of year		
	<u>\$ 345,165</u>	<u>\$ 234,398</u>
Cash, end of year		

COMMUNITY SUPPORT SERVICES OF NIAGARA REGION

Notes to Financial Statements
Year ended March 31, 2023

1. Nature of operations

Community Support Services of Niagara Region is a non-profit registered charity incorporated in the Province of Ontario and is exempt from income tax under Section 149(1)(f) of the Canadian Income Tax Act. The Organization provides community support services to seniors and adults with disabilities living in the Niagara Region. These services include Meals on Wheels, congregate dining, grocery delivery, transportation, friendly visiting, home maintenance and repair, homemaking and call and reassurance.

2. Basis of presentation

The Organization has prepared its financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

3. Summary of significant accounting policies

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue when the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Grant revenue from the Ministry of Health and Long-Term Care is recognized based on actual program expenditures incurred with unspent funds recorded as funding repayable and a corresponding expense in other expenses.

Client fees are recognized after the service is performed.

Short term investments

Short term investments consists of term deposits and mutual funds. Short-term investments are recorded at fair value, with changes to fair value recorded as other income.

Short term investments include an externally restricted amount of \$71,865 (2022 - \$71,865) designated for Meals on Wheels.

Capital assets

Capital assets are expensed in the year purchased. During the year, the Organization purchased furniture and equipment in the amount of \$nil (2022 - \$425). The net outlay has been included in expenses in the financial statements in the current year.

Contributed services

Directors, committee members and staff volunteer their time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

COMMUNITY SUPPORT SERVICES OF NIAGARA REGION

Notes to Financial Statements
Year ended March 31, 2023

3. Summary of significant accounting policies — continued

Accounting estimates

The preparation of financial statements in accordance 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Management estimates and assumptions are used when accounting for items such as revenue recognition, contingent liabilities and allowances for doubtful accounts.

4. Short term investments

	<u>2023</u>	<u>2022</u>
Mutual funds	\$ 209,629	\$ 217,727
Redeemable GIC 15, interest at 3%, maturing May 2023	3,254	-
GIC 16, interest at 4%, maturing July 2023	7,209	-
Redeemable GIC 18, interest at 4.25%, maturing February 2026	50,000	-
GIC 13 - matured	-	3,227
GIC 14 - matured	-	7,138
	<u>\$ 270,092</u>	<u>\$ 228,092</u>

5. Accounts payable and accrued liabilities

	<u>2023</u>	<u>2022</u>
Trade accounts payable	\$ 93,124	\$ 101,112
Accrued charges	11,716	18,573
Accrued wages and vacation	50,857	83,358
Government remittances	24,254	23,005
	<u>\$ 179,951</u>	<u>\$ 226,048</u>

6. Deferred revenue

	<u>2023</u>	<u>2022</u>
Meals on Wheels bequest	\$ 71,865	\$ 71,865
Niagara Community Foundation	15,000	-
Ontario Trillium Foundation	63,608	-
Snow Buddies	213	2,567
	<u>\$ 150,686</u>	<u>\$ 74,432</u>

COMMUNITY SUPPORT SERVICES OF NIAGARA REGION

Notes to Financial Statements

Year ended March 31, 2023

7. Funding repayable

Grant subsidies received from the Ministry of Health and Long-term Care, to be used to support the operations of the Organization, are received during the year based on the operating budget but are repayable if actual expenses incurred are less than budget. The balance repayable for the year ended March 31, 2023 amounted to \$122,823 (2022 - \$1,668). The repayable funding amount is expected to be recovered by the funder through a reduction of payments made to the Organization during the next fiscal year.

8. Commitments

The Organization has entered into various vehicle lease agreements. The leases expire May 2026.

The Organization has entered into various agreements to lease their premises. The leases expire between October 2024 and March 2025.

The Organization has entered into an equipment lease agreement. The lease expires December 2026.

The Organization has entered into an agreement with Pathstone Mental Health as an independent contractor to provide financial services. The agreement expires in August 2024.

In the event the Organization loses its funding from the Ministry of Health and Long-Term Care, both the premises leased and the independent contractor agreement include a clause that allows the Organization to terminate the agreements with minimal notice.

The above leases require the following annual payments:

	Vehicles	Offices	Financial services	Equipment	Total
2024	\$ 19,428	\$ 52,578	\$ 64,200	\$ 4,464	\$ 140,670
2025	19,428	39,090	26,750	4,464	89,732
2026	19,428	-	-	4,464	23,892
2027	3,238	-	-	3,348	6,586
	<u>\$ 61,522</u>	<u>\$ 91,668</u>	<u>\$ 90,950</u>	<u>\$ 16,740</u>	<u>\$ 260,880</u>

9. Economic dependence

The Organization receives the majority of its revenue through a funding agreement from the Ministry of Health and Long-Term Care. The Organization's continued operations are dependent on this funding agreement and on satisfying the terms of the agreement.

COMMUNITY SUPPORT SERVICES OF NIAGARA REGION

Notes to Financial Statements

Year ended March 31, 2023

10. Financial instruments risks and uncertainties

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Organization is subject to market risk as their short-term investments are traded in public markets.

It is management's opinion that the Organization is not exposed to significant interest rate, liquidity, currency or credit risks arising from its financial instruments.