

ACCESS COMMUNITY SERVICES INCORPORATED
Financial Statements
March 31, 2023

ACCESS COMMUNITY SERVICES INCORPORATED
Index to Financial Statements
Year Ended March 31, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
 FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 16
Supported Group Living Residences (<i>Schedule 1</i>)	17
Supported Independent Living (<i>Schedule 2</i>)	18
Specialized Accommodations (<i>Schedule 3</i>)	19
Community Participation Services and Supports (<i>Schedule 4</i>)	20
Allocation of Administrative Expenditures (<i>Schedule 5</i>)	21



LYNCH
RUTHERFORD
TOZER

CHARTERED
PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of Access Community Services Incorporated

Qualified Opinion

We have audited the financial statements of Access Community Services Incorporated (the organization), which comprise the statement of financial position as at March 31, 2023, and the statement of 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 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 the organization as at March 31, 2023, and the results of its operations and 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, the organization derives revenue from 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. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022 and net assets as at April 1 and March 31 for both the 2023 and 2022 years. 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 of 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 our report. We are independent of the organization in accordance with 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 audit 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.

Independent Auditor's Report to the Directors of Access Community Services Incorporated *(continued)*

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Port Hope, Ontario
July 20, 2023



Chartered Professional Accountants
Licensed Public Accountants

ACCESS COMMUNITY SERVICES INCORPORATED
Statement of Financial Position
As at March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash (<i>Note 3</i>)	\$ 321,054	\$ 275,477
Other receivables (<i>Note 4</i>)	62,559	66,632
Future Ministry obligation	276,106	230,141
Prepaid expenditures	47,756	46,927
	<u>707,475</u>	<u>619,177</u>
PROPERTY, PLANT AND EQUIPMENT (<i>Note 5</i>)	347,335	426,249
BOARD FUNDS (<i>Note 6</i>)	275,052	253,028
	<u>622,387</u>	<u>679,277</u>
	<u>\$ 1,329,862</u>	<u>\$ 1,298,454</u>
LIABILITIES		
CURRENT		
Accounts payable (<i>Note 7</i>)	\$ 666,644	\$ 618,346
Pay equity payable (<i>Note 8</i>)	831	831
Current portion of mortgage payable (<i>Note 9</i>)	-	14,687
	<u>667,475</u>	<u>633,864</u>
MORTGAGE PAYABLE (<i>Note 9</i>)	-	32,147
DEFERRED CAPITAL CONTRIBUTIONS (<i>Note 11</i>)	74,600	134,460
	<u>74,600</u>	<u>166,607</u>
	<u>742,075</u>	<u>800,471</u>
NET ASSETS		
GENERAL FUND (<i>Note 10</i>)	40,000	-
BOARD FUND (<i>Note 6</i>)	275,052	253,028
CAPITAL FUND	272,735	244,955
	<u>587,787</u>	<u>497,983</u>
	<u>\$ 1,329,862</u>	<u>\$ 1,298,454</u>

ON BEHALF OF THE BOARD

Director

Director

The accompanying notes form an integral part of these financial statements

ACCESS COMMUNITY SERVICES INCORPORATED
Statement of Revenues and Expenditures
Year Ended March 31, 2023

	GENERAL FUND	BOARD FUND	CAPITAL FUND	TOTAL 2023	Total 2022
REVENUES					
Government subsidies	\$ 5,106,313	-	48,767	\$ 5,155,080	\$ 4,681,993
Covid-19 subsidies (Note 12)	(25,720)	-	-	(25,720)	566,030
Residents' fees	501,123	-	-	501,123	485,378
Other	134,432	-	-	134,432	166,867
Investment income	-	5,945	-	5,945	1,023
Donations	-	22,699	-	22,699	18,848
Special events	-	-	-	-	-
Amortization of deferred capital contributions	-	-	59,860	59,860	59,860
	5,716,148	28,644	108,627	5,853,419	5,979,999
EXPENDITURES					
Salaries	3,669,339	-	-	3,669,339	3,891,908
Employee benefits	627,189	-	-	627,189	675,603
Staff travel and training	41,402	-	-	41,402	27,195
Purchased services	10,353	-	-	10,353	13,643
Food and supplies	216,805	-	-	216,805	201,858
Communications	34,087	-	-	34,087	33,941
Occupancy	245,629	-	-	245,629	228,884
Repairs and maintenance	63,900	-	-	63,900	38,892
Replacements	121,049	-	-	121,049	77,218
Personal needs	36,599	-	-	36,599	38,681
Vehicle - operating	45,523	-	-	45,523	65,520
Advertising and promotion	855	-	-	855	-
Professional and contract services	57,441	-	-	57,441	28,627
Administrative per schedule 5	455,027	-	-	455,027	423,956
Donations	-	5,016	-	5,016	4,504
Focus accreditation	-	1,540	-	1,540	5,760
Special events	-	64	-	64	1,151
Term debt interest	-	-	1,933	1,933	2,426
Amortization	-	-	134,306	134,306	125,282
	5,625,198	6,620	136,239	5,768,057	5,885,049
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	\$ 90,950	\$ 22,024	\$ (27,612)	\$ 85,362	\$ 94,950

The accompanying notes form an integral part of these financial statements

ACCESS COMMUNITY SERVICES INCORPORATED
Statement of Changes in Net Assets
Year Ended March 31, 2023

	GENERAL FUND	BOARD FUND	CAPITAL FUND	TOTAL 2023	TOTAL 2022
BALANCE AT BEGINNING OF YEAR	\$ -	\$ 253,028	\$ 244,955	\$ 497,983	\$ 440,047
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	90,950	22,024	(27,612)	85,362	94,950
TRANSFER	(55,392)	-	55,392	-	-
FUTURE MINISTRY OBLIGATION	<u>4,442</u>	<u>-</u>	<u>-</u>	<u>4,442</u>	<u>(37,014)</u>
BALANCE AT END OF YEAR	\$ 40,000	\$ 275,052	\$ 272,735	\$ 587,787	\$ 497,983

ACCESS COMMUNITY SERVICES INCORPORATED
Statement of Cash Flows
Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of general revenues over expenditures	\$ 90,950	\$ 116,024
Excess of board revenues over expenditures	22,024	8,456
Excess (deficiency) of capital revenues over expenditures	(27,612)	(29,530)
Items not affecting cash:		
Amortization	<u>134,306</u>	<u>125,282</u>
	<u>219,668</u>	<u>220,232</u>
Changes in non-cash working capital:		
Other receivables	4,073	48,135
Prepaid expenditures	(829)	(33,873)
Accounts payable	<u>48,298</u>	<u>158,544</u>
	<u>51,542</u>	<u>172,806</u>
Cash flow from operating activities	<u>271,210</u>	<u>393,038</u>
INVESTING ACTIVITY		
Purchase of equipment	<u>(55,392)</u>	<u>(79,010)</u>
FINANCING ACTIVITIES		
Deferred capital contributions	(59,860)	(59,860)
Repayment of mortgage payable	(46,834)	(35,892)
Future Ministry obligation change	<u>(41,523)</u>	<u>(7,062)</u>
Cash flow used by financing activities	<u>(148,217)</u>	<u>(102,814)</u>
INCREASE IN CASH FLOW	67,601	211,214
CASH - BEGINNING OF YEAR	528,505	317,291
CASH - END OF YEAR	\$ 596,106	\$ 528,505
CASH CONSISTS OF:		
Cash	\$ 321,054	\$ 275,477
Board funds	<u>275,052</u>	<u>253,028</u>
	<u>\$ 596,106</u>	<u>\$ 528,505</u>

The accompanying notes form an integral part of these financial statements

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2023

1. DESCRIPTION OF BUSINESS

Access Community Services Incorporated (the "organization") is a corporation without share capital incorporated under the Ontario Corporations Act and is a registered charity exempt from income taxes. The organization provides group home support services for individuals with a developmental handicap and provides support services to enable people with developmental handicaps to live independently in the community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO) and are in accordance with Canadian generally accepted accounting principles.

Property, plant and equipment

Property, plant and equipment are recorded at cost and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Building	5%
Equipment	20%
Vehicles	20%
Computers	20%
Leasehold improvements	20%

Fund accounting

The general fund accounts for current operations and programs as well as the organization's general operations. Unrestricted contributions (donations and grants) and restricted contributions for the purpose of operating the organization are reported in this fund.

The board fund accounts for income from fundraising, donations, bequests and investments with expenditures being approved by the current board of directors.

The capital fund accounts for the grants, contributions and donations less any expenditures including amortization relating to the plant and equipment of the organization.

(continues)

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating expenditures

The majority of the net operating expenditures of the organization are subsidized by the Ministry of Community and Social Services (Formerly the Ministry of Community, Family and Children's Services) (The Ministry). The organization is economically dependant on the continued subsidizing by the Ministry. Accordingly, the accounting system is arranged to accommodate the filing of reports and claims with the Ministry.

As a result, the following policies were in effect:

- a) Expenditures are recorded when actually paid and operating payables are recorded using a modified accrual basis to match the revenues and expenditures. The Ministry recognizes certain expenditures only when paid and as a result certain of these expenditures are only eligible for funding when paid. The Ministry funds capital expenditures at the time of purchase except for those that are financed in which case funding occurs at the time the principal payments are made.
- b) Government subsidies are funded on net operating expenditures as reported on the aforementioned cash basis. The amounts receivable at the year end represent claims filed for periods prior to the year end and paid by the Ministry subsequent to the year end.
- c) Purchased property, plant and equipment are recorded at cost. Repairs and maintenance costs are charged to expenditures. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the organization's ability to provide services, the carrying amount is written down to its residual value.
- d) Since incorporation, the Ministry has funded major capital grants in the amount of \$893,212 for the acquisition of five group homes. The organization has signed agreements with the Ministry with regards to these assets.
- e) Canadian accounting standards for not-for-profit organizations stipulate that capital assets should be recorded as assets in the financial statements and amortized over their useful lives. It is management's position, on the basis of the agreements between Her Majesty The Queen in Right of Ontario, represented by the Ministry and Access Community Services Incorporated, that Access Community Services Incorporated has no title or residual interest in the assets and that the Ministry is the beneficial owner of four of the five group homes. The organization can not sell, change the use or otherwise dispose of any item, furnishing or equipment purchased with Ontario funds without written consent of Ontario. The home acquired in 2007 has been recorded as an asset with the corresponding term debt and deferred capital contributions being recorded as liabilities. The property purchased in 2007, at the sole discretion of and directed by Her Majesty The Queen in Right of Ontario, can be transferred or sold.
- f) The organization has chosen to not consolidate the operations of St. Hugh's House into these financial statements.

(continues)

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

Under various Province of Ontario Acts and Regulations thereto, the organization is funded primarily in accordance with budget arrangements established by the Ministry. Operating grants are recorded as revenues 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 the subsequent period. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31.

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.

Externally restricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenditures are recognized. Unrestricted investment income is recognized as revenue when earned.

Allocation of expenditures

The budget is developed each year outlining anticipated expenditures for each program. Administrative and program expenditures are allocated to the various programs in accordance with the Ministry approved contract guidelines and the annual budget as approved by the Board of Directors and are detailed in Schedule 5.

Contributed services

The organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

Financial instruments policy

Financial instruments are recorded at its fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, financing fees and transaction costs that are directly attributable to the instrument. These costs on the acquisition, sale or issue of financial instruments are expensed when incurred if the financial instrument will be subsequently measured at fair market value. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date when there are indications of impairment.

Financial assets measured at amortized cost on a straight-line basis include cash, other receivables, Future Ministry obligation and board funds.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable, pay equity payable and mortgage payable.

(continues)

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. In particular, estimates are used in accounting for certain items such as deferred revenues, allowance for doubtful accounts, useful lives of capital assets. Actual results could differ from these estimates.

Presentation of the controlled not-for-profit organization

St. Hugh's House, which is controlled by Access Community Services Incorporated, is not consolidated in the organization's financial statements. Details are provided in Note 14.

3. CASH

	2023	2022
Unrestricted assets	\$ 321,054	\$ 275,477

The balance is detailed as follows:

Unrestricted assets	\$ 321,054	\$ 275,477
---------------------	-------------------	-------------------

The organization has an approved line of credit to a maximum of \$100,000 with interest at prime plus 1.5%, secured by a general security agreement. As well, there is a corporate visa to a maximum of \$25,000.

4. OTHER RECEIVABLES

The other receivables consists of the following:

	2023	2022
Government receivables	\$ 39,417	\$ 33,404
Clients and other receivables	18,063	20,175
Related party receivables	5,079	13,053
	\$ 62,559	\$ 66,632

Government receivables consists of the goods and services tax/harmonized sales tax (GST/HST) public service bodies' rebate.

The related party receivables are due from St. Hugh's House. The transactions are 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.

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2023

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 102,395	\$ -	\$ 102,395	\$ 102,395
Building	494,105	392,800	101,305	125,937
Vehicles	238,784	154,913	83,871	89,876
Leasehold improvements	863,831	804,067	59,764	100,698
Equipment	61,411	61,411	-	-
Computers	70,072	70,072	-	7,343
	\$ 1,830,598	\$ 1,483,263	\$ 347,335	\$ 426,249

6. BOARD FUND

The board fund represents an accumulation of donations, fundraising and interest earned by the board of directors for the benefit of the organization. These monies can be spent as directed by the governing board of directors. Segregated funds for specific donations represent donated monies to be spent on dental and health needs at the board of directors' approval. The Catherine Liddy trust fund was established by the Liddy family to be used for clients' personal needs at the board of directors' discretion. The Tessa Daw trust fund is to be used for clients' of the Adult Individual Living Supports program personal needs at the board of directors' discretion.

	2023	2022
Internally restricted Endowment funds	\$ 274,575 477	\$ 252,509 519
	\$ 275,052	\$ 253,028

Detailed are as follows:

Cash	\$ 24,828	\$ 8,531
Guaranteed investment certificate, matured December 15, 2022, interest at 1.33%	-	88,097
Guaranteed investment certificate, maturing December 15, 2023, interest at 5.06%	90,232	-
High interest savings account	159,992	156,400
	\$ 275,052	\$ 253,028

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2023

7. ACCOUNTS PAYABLE

The accounts payable consists of the following:

	2023	2022
Government remittances	\$ 83,452	\$ 58,321
Trade payables and other	280,873	221,090
Vacation pay payable	232,035	200,315
Statutory pay payable	70,284	75,166
Related party payables	-	63,454
	\$ 666,644	\$ 618,346

Government remittances consists of payroll and Workplace Safety and Insurance Board (WSIB) remittances.

The related party payables are due to St. Hugh's House. The transactions are 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.

8. PAY EQUITY PAYABLE

	2023	2022
1998	\$ 335	\$ 335
2001	15	15
2002	8	8
2012	473	473
	\$ 831	\$ 831

9. MORTGAGE PAYABLE

	2023	2022
First mortgage bearing interest at 3.19% per annum, repayable in monthly blended payments of \$1,331. The mortgage matures on December 1, 2023 and is secured by property which has a carrying value of \$203,700. The mortgage was paid off early on March 6, 2023.	\$ -	\$ 46,834
Amounts payable within one year	-	(14,687)
	\$ -	\$ 32,147

10. GENERAL FUND

The Ministry has approved a one-time carryover of \$40,000 from the 2022-2023 Ministry funding to 2023-2024 expenditures for the purpose of fee for service behaviour technician support at the organization's treatment bed location.

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2023

11. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions related to property, plant and equipment acquisitions represent the unamortized amount of grants and donations received for the purchase of these assets. The amortization of deferred capital contributions is recorded as revenue in the capital fund on the statement of revenues and expenditures based on the life of the asset purchased.

	2023	2022
Balance, beginning of year	\$ 134,460	\$ 194,320
Revenue recognized in the year	<u>(59,860)</u>	<u>(59,860)</u>
Balance, end of year	\$ 74,600	\$ 134,460

12. COVID-19 SUBSIDIES

	2023	2022
Provincial temporary wage enhancement	\$ (41,527)	\$ 437,229
Covid residential relief fund	<u>15,807</u>	<u>128,801</u>
	\$ (25,720)	\$ 566,030

During the year ended March 31, 2023, the organization received \$0 (2022 - \$437,229) in government assistance from the Provincial Temporary Wage Enhancement program. During the year ended March 31, 2023, the organization repaid \$41,527 (2022 - \$0) in government assistance for the Provincial Temporary Wage Enhancement program.

During the year ended March 31, 2023, the organization received \$15,807 (2022 - \$128,801) in government assistance from the Covid Residential Relief Fund.

13. CONTRACTS WITH MINISTRY OF CHILDREN COMMUNITY AND SOCIAL SERVICES

The organization has a number of contracts with the Ministry of Children, Community and Social Services. The former requirement of the Ministry has been the production by Management of an Annual Reconciliation Report which shows a summary of all revenues and expenditures and any resulting surplus or deficit that relate to the contracts as detailed below for 2022. The current requirements directed by letter from the Ministry is the production of a Final Report by Management which shows a summary of all revenues and expenditures and any resulting surplus or deficit that relate to the contracts. Thus, there is no comparative detail on a program by program basis for 2023.

	2023	2022
Supported Group Living Residences	\$ -	\$ 39,124
Supported Independent Living	-	(749)
Specialized Accommodations	-	3,209
Community Participation Services and Supports	-	20

Any surplus (deficit) amounts are reflected in the Future Ministry obligation account on the statement of financial position and are subject to audit and repayment to the Ministry with possible recovery from the Ministry.

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2023

14. RELATED PARTIES

Access Community Services Incorporated is the only member of St. Hugh's House and has the ability to appoint the directors of St. Hugh's House and control it. The organization has chosen not to provide consolidated financial statements but has elected to provide information as detailed in paragraph 4450.22 of the accounting standards for not-for-profit organizations.

St. Hugh's House was incorporated without share capital under the laws of Ontario on March 23, 1955 for the purpose of providing residential accommodation for the care, training, education and general benefit of developmentally handicapped persons.

St. Hugh's House is a registered Canadian Charity, with charitable registration number 88968 5863 RR 0001, and under the Income Tax Act (Canada), it is exempt from income tax and may issue charitable donation income tax receipts to donors.

The organization rents the properties and equipment presently owned by St. Hugh's House. The occupancy charges and retrofits are in the normal course of operations and are measured at the exchange amount which represents the amount of consideration established and agreed to by the related parties.

Details of St. Hugh's House operations are as follows:

	2023	2022
Assets	\$ 1,809,375	\$ 1,848,955
Liabilities	(5,717)	(10,850)
Net Assets	\$ 1,803,658	\$ 1,838,105
Revenues	\$ 116,217	\$ 127,766
Expenditures	(148,432)	(78,427)
Gain (loss) on disposal of equipment	(2,232)	51
Excess (deficiency) of revenues over expenditures	\$ (34,447)	\$ 49,390
Cash flows from (to):		
Operations	\$ 62,381	\$ 19,261
Investing	(63,827)	(103,642)
Change in cash	\$ (1,446)	\$ (84,381)

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2023

15. LEASE COMMITMENTS

The organization has entered into various leases on real property and equipment with St. Hugh's House requiring minimal annual payments as follows:

2024	\$ 170,719
2025	71,556
2026	73,345
2027	49,704
	<hr/> <u>\$ 365,324</u>

16. CONTINGENCIES

From time to time the organization is subject to claims and legal actions arising in the normal course of operations. In the opinion of management, the ultimate resolution of such pending legal proceedings will not have a material adverse effect on the financial position of the organization.

17. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2023.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from residents. In order to reduce its credit risk, the organization conducts regular reviews of its existing residents' credit performance and provides statements to remind them of the balance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of residents which minimizes concentration of credit risk.

(b) 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 receipt of funds from its residents and other related sources, long-term debt and accounts payable.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk.

(continues)

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2023

17. FINANCIAL INSTRUMENTS (continued)

(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its mortgage payable and credit facilities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

18. OTHER ISSUES

The global COVID-19 pandemic has severely impacted economic activities around the world and it continues to evolve. The duration and impact of the pandemic remains uncertain at this time. The organization has determined that these events are non-adjusting subsequent events. Hence, the financial position and results of operations as of and for the year ended March 31, 2023 have not been adjusted to reflect their impact, if any. As well, the organization is not able to reliably estimate the effects of the pandemic on the results of its future operations and financial position.

ACCESS COMMUNITY SERVICES INCORPORATED
Supported Group Living Residences
Year Ended March 31, 2023

(Schedule 1)

	2023	2022
REVENUES		
Government subsidies	\$ 4,296,918	\$ 4,430,551
Residents' fees	475,891	460,874
Other	<u>113,181</u>	<u>149,187</u>
	<u>4,885,990</u>	<u>5,040,612</u>
EXPENDITURES		
Salaries	3,139,071	3,328,946
Employee benefits	524,396	566,362
Staff travel and training	34,059	19,792
Purchased services	5,101	6,056
Food and supplies	203,472	191,873
Communications	32,729	31,764
Occupancy	238,440	218,351
Repairs and maintenance	62,190	34,722
Replacements	116,602	73,293
Personal needs	34,842	37,069
Vehicle - operating	37,668	49,691
Advertising and promotion	630	-
Professional and contract services	56,158	28,627
Administrative per schedule 5	<u>382,223</u>	<u>356,124</u>
	<u>4,867,581</u>	<u>4,942,670</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>18,409</u>	<u>97,942</u>
FUTURE MINISTRY OBLIGATION	<u>(18,409)</u>	<u>(97,942)</u>
SURPLUS (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes form an integral part of these financial statements

ACCESS COMMUNITY SERVICES INCORPORATED

Supported Independent Living

(Schedule 2)

Year Ended March 31, 2023

	2023	2022
REVENUES		
Government subsidies	\$ 235,560	\$ 234,068
Other	<u>11,246</u>	<u>7,117</u>
	246,806	241,185
EXPENDITURES		
Salaries	161,996	169,988
Employee benefits	27,173	32,246
Staff travel and training	4,547	7,035
Purchased services	33	253
Food and supplies	1,363	647
Communications	779	1,582
Occupancy	2,832	4,682
Repairs and maintenance	100	96
Replacements	-	611
Vehicle - operating	2,059	2,614
Advertising and promotion	125	-
Professional and contract services	113	-
Administrative per schedule 5	<u>20,476</u>	<u>19,078</u>
	221,596	238,832
EXCESS OF REVENUES OVER EXPENDITURES	25,210	2,353
FUTURE MINISTRY OBLIGATION	(25,210)	(2,353)
SURPLUS (DEFICIT)	\$ -	\$ -

The accompanying notes form an integral part of these financial statements

ACCESS COMMUNITY SERVICES INCORPORATED

Specialized Accommodations

(Schedule 3)

Year Ended March 31, 2023

	2023	2022
REVENUES		
Government subsidies	\$ 467,296	\$ 471,939
Residents' fees	25,232	24,504
Other	<u>10,005</u>	<u>10,313</u>
	<u>502,533</u>	<u>506,756</u>
EXPENDITURES		
Salaries	315,460	343,054
Employee benefits	66,985	66,248
Staff travel and training	2,522	89
Purchased services	5,208	7,237
Food and supplies	10,965	9,044
Communications	326	337
Occupancy	3,019	4,406
Repairs and maintenance	1,410	3,490
Replacements	4,364	2,649
Personal needs	1,757	1,612
Vehicle - operating	4,149	11,232
Advertising and promotion	100	-
Professional and contract services	1,170	-
Administrative per schedule 5	<u>45,503</u>	<u>42,395</u>
	<u>462,938</u>	<u>491,793</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>39,595</u>	<u>14,963</u>
FUTURE MINISTRY OBLIGATION	<u>(39,595)</u>	<u>(14,963)</u>
SURPLUS (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes form an integral part of these financial statements

ACCESS COMMUNITY SERVICES INCORPORATED
Community Participation Services and Supports
Year Ended March 31, 2023

(Schedule 4)

	2023	2022
REVENUES		
Government subsidies	\$ 80,819	\$ 73,148
Other	- 250	
	<hr/> 80,819	<hr/> 73,398
EXPENDITURES		
Salaries	52,812	49,920
Employee benefits	8,635	10,748
Staff travel and training	274	279
Purchased services	11	96
Food and supplies	1,005	294
Communications	253	258
Occupancy	1,338	1,447
Repairs and maintenance	200	583
Replacements	83	665
Vehicle - operating	1,647	1,982
Administrative per schedule 5	6,825	6,359
	<hr/> 73,083	<hr/> 72,631
EXCESS OF REVENUES OVER EXPENDITURES	7,736	767
FUTURE MINISTRY OBLIGATION	(7,736)	(767)
SURPLUS (DEFICIT)	\$ -	\$ -

The accompanying notes form an integral part of these financial statements

ACCESS COMMUNITY SERVICES INCORPORATED

Allocation of Administrative Expenditures

(Schedule 5)

Year Ended March 31, 2023

	2023	2022
EXPENDITURES		
Salaries	\$ 191,122	\$ 194,327
Employee benefits	32,267	33,740
Staff travel and training	12,201	1,237
Purchased services	62,345	40,715
Supplies	10,641	8,931
Communications	3,839	3,117
Occupancy	103,898	112,397
Repairs and maintenance	-	104
Replacements	3,524	158
Vehicle - operating	460	1,318
Advertising	3,618	2,091
Services charges and interest	1,817	2,129
Professional fees	29,295	23,692
	\$ 455,027	\$ 423,956
ALLOCATED		
Supported Group Living Residences	\$ 382,223	\$ 356,124
Supported Independent Living	20,476	19,078
Specialized Accommodations	45,503	42,395
Community Participation Services and Supports	6,825	6,359
	\$ 455,027	\$ 423,956

The accompanying notes form an integral part of these financial statements