

ACCESS COMMUNITY SERVICES INCORPORATED
Financial Statements
March 31, 2024

ACCESS COMMUNITY SERVICES INCORPORATED
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Year Ended March 31, 2024

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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, 2024, and the statements of revenues and expenditures, changes in net assets and 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, 2024, 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 (deficiency) of revenues over expenditures, and cash flows from operations for the year ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023 and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 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 19, 2024



Chartered Professional Accountants
Licensed Public Accountants

ACCESS COMMUNITY SERVICES INCORPORATED
Statement of Financial Position
As at March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash (Note 3)	\$ 189,076	\$ 321,054
Other receivables (Note 4)	116,856	62,559
Future Ministry obligation	287,369	276,106
Prepaid expenditures	63,498	47,756
	<u>656,799</u>	<u>707,475</u>
 PROPERTY, PLANT AND EQUIPMENT (Note 5)	 374,713	 347,335
BOARD FUNDS (Note 6)	<u>335,870</u>	<u>275,052</u>
	<u>710,583</u>	<u>622,387</u>
	<u>\$ 1,367,382</u>	<u>\$ 1,329,862</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 7)	\$ 656,326	\$ 666,644
Pay equity payable (Note 8)	473	831
	<u>656,799</u>	<u>667,475</u>
 DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	 124,103	 74,600
	<u>780,902</u>	<u>742,075</u>
NET ASSETS		
GENERAL FUND (Note 9)	-	40,000
BOARD FUND (Note 6)	335,870	275,052
CAPITAL FUND	<u>250,610</u>	<u>272,735</u>
	<u>586,480</u>	<u>587,787</u>
	<u>\$ 1,367,382</u>	<u>\$ 1,329,862</u>

ON BEHALF OF THE BOARD

Wendy Capp Director
C. Beaud 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, 2024

	GENERAL FUND	BOARD FUND	CAPITAL FUND	TOTAL 2024	TOTAL 2023
REVENUES					
Government subsidies	\$ 5,113,553	-	-	\$ 5,113,553	\$ 5,155,080
Covid-19 subsidies (Note 12)	-	-	-	-	(25,720)
Residents' fees	551,291	-	-	551,291	501,123
Other	220,866	-	-	220,866	134,432
Investment income	-	11,970	-	11,970	5,945
Donations	-	55,940	-	55,940	22,699
Amortization of deferred capital contributions	-	-	35,688	35,688	59,860
	5,885,710	67,910	35,688	5,989,308	5,853,419
EXPENDITURES					
Salaries	3,786,671	-	-	3,786,671	3,669,339
Employee benefits	699,217	-	-	699,217	627,189
Staff travel and training	20,971	-	-	20,971	41,402
Purchased services	73,973	-	-	73,973	10,353
Food and supplies	229,474	-	-	229,474	216,805
Communications	35,722	-	-	35,722	34,087
Occupancy	234,532	-	-	234,532	245,629
Repairs and maintenance	77,808	-	-	77,808	63,900
Replacements	54,217	-	-	54,217	121,049
Personal needs	41,039	-	-	41,039	36,599
Vehicle - operating	64,997	-	-	64,997	45,523
Advertising and promotion	955	-	-	955	855
Service charges	7	-	-	7	-
Professional and contract services	53,807	-	-	53,807	57,441
Administrative per schedule 6	507,735	-	-	507,735	455,027
Donations	-	4,477	-	4,477	5,016
Focus accreditation	-	2,544	-	2,544	1,540
Special events	-	71	-	71	64
Term debt interest	-	-	-	-	1,933
Amortization	-	-	113,661	113,661	134,306
	5,881,125	7,092	113,661	6,001,878	5,768,057
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 4,585	\$ 60,818	\$ (77,973)	\$ (12,570)	\$ 85,362

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, 2024

	GENERAL FUND		BOARD FUND		CAPITAL FUND		TOTAL 2024	TOTAL 2023
BALANCE AT BEGINNING OF YEAR	\$	40,000	\$	275,052	\$	272,735	\$ 587,787	\$ 497,983
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		4,585		60,818		(77,973)	(12,570)	85,362
TRANSFER		(55,848)		-		55,848	-	-
FUTURE MINISTRY OBLIGATION		11,263		-		-	11,263	4,442
BALANCE AT END OF YEAR	\$	-	\$	335,870	\$	250,610	\$ 586,480	\$ 587,787

ACCESS COMMUNITY SERVICES INCORPORATED

Statement of Cash Flows Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of general revenues over expenditures	\$ 4,585	\$ 90,950
Excess of board revenues over expenditures	60,818	22,024
Excess (deficiency) of capital revenues over expenditures	(77,973)	(27,612)
Items not affecting cash:		
Amortization	113,661	134,306
	<u>101,091</u>	<u>219,668</u>
Changes in non-cash working capital:		
Other receivables	(54,297)	4,073
Prepaid expenditures	(15,742)	(829)
Accounts payable	(10,318)	48,298
Pay equity payable	(358)	-
	<u>(80,715)</u>	<u>51,542</u>
Cash flow from operating activities	<u>20,376</u>	<u>271,210</u>
INVESTING ACTIVITY		
Purchase of equipment	(141,039)	(55,392)
FINANCING ACTIVITIES		
Deferred capital contributions	49,503	(59,860)
Repayment of mortgage payable	-	(46,834)
Future Ministry obligation change	-	(41,523)
Cash flow from (used by) financing activities	<u>49,503</u>	<u>(148,217)</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(71,160)</u>	<u>67,601</u>
CASH - BEGINNING OF YEAR	<u>596,106</u>	<u>528,505</u>
CASH - END OF YEAR	<u>\$ 524,946</u>	<u>\$ 596,106</u>
CASH CONSISTS OF:		
Cash	\$ 189,076	\$ 321,054
Board funds	335,870	275,052
	<u>\$ 524,946</u>	<u>\$ 596,106</u>

The accompanying notes form an integral part of these financial statements

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2024

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 disability and provides support services to enable people with developmental disabilities 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 (ASNFPO) 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.

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ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2024

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 Children, Community and Social 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.

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ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2024

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 6.

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 and pay equity payable.

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ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2024

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 11.

3. CASH

	<u>2024</u>	<u>2023</u>
The balance is detailed as follows:		
Unrestricted assets	<u>\$ 189,076</u>	<u>\$ 321,054</u>

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:

	<u>2024</u>	<u>2023</u>
Government receivables	\$ 39,473	\$ 39,417
Clients and other receivables	14,527	18,063
Canopy Support Services	60,000	-
Related party receivables	<u>2,856</u>	<u>5,079</u>
	<u>\$ 116,856</u>	<u>\$ 62,559</u>

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

Canopy Support Services relates to approved one-time funding in the amount of \$60,000 to accomodate training and equipment and client related expense pressures for the period April 2, 2023 to March 31, 2024.

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, 2024

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 102,395	\$ -	\$ 102,395	\$ 102,395
Building	494,105	417,431	76,674	101,305
Vehicles	238,784	189,176	49,608	83,871
Leasehold improvements	1,004,871	858,835	146,036	59,764
Equipment	61,411	61,411	-	-
Computers	70,072	70,072	-	-
	<u>\$ 1,971,638</u>	<u>\$ 1,596,925</u>	<u>\$ 374,713</u>	<u>\$ 347,335</u>

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.

	2024	2023
Internally restricted	\$ 335,464	\$ 274,575
Endowment funds	406	477
	<u>\$ 335,870</u>	<u>\$ 275,052</u>

Detailed are as follows:

Cash	\$ 41,955	\$ 24,828
Guaranteed investment certificate, matured December 15, 2023, interest at 5.06%	-	90,232
Guaranteed investment certificate, maturing December 18, 2024, interest at 5.25%	101,453	-
High interest savings account	192,462	159,992
	<u>\$ 335,870</u>	<u>\$ 275,052</u>

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2024

7. ACCOUNTS PAYABLE

The accounts payable consists of the following:

	2024	2023
Government remittances	\$ 73,039	\$ 83,452
Trade payables and other	271,309	280,873
Vacation pay payable	210,993	232,035
Statutory pay payable	81,439	70,284
Related party payables	19,546	-
	\$ 656,326	\$ 666,644

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

	2024	2023
1998	\$ -	\$ 335
2001	-	15
2002	-	8
2012	473	473
	\$ 473	\$ 831

9. GENERAL FUND

The Ministry had 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.

10. 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.

	2024	2023
Balance, beginning of year	\$ 74,600	\$ 134,460
Revenue recognized in the year	(35,688)	(59,860)
Transfer of minor capital grant	85,191	-
Balance, end of year	\$ 124,103	\$ 74,600

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2024

11. 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 disabled 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:

	<u>2024</u>	<u>2023</u>
Assets	\$ 1,785,251	\$ 1,807,129
Liabilities	(7,118)	(5,717)
Net Assets	<u>\$ 1,778,133</u>	<u>\$ 1,801,412</u>
Revenues	\$ 137,081	\$ 116,217
Expenditures	(160,360)	(148,432)
Gain (loss) on disposal of equipment	-	(4,478)
Excess (deficiency) of revenues over expenditures	<u>\$ (23,279)</u>	<u>\$ (36,693)</u>
Cash flows from (to):		
Operations	\$ (15,525)	\$ 62,381
Investing	(50,868)	(63,827)
Change in cash	<u>\$ (66,393)</u>	<u>\$ (1,446)</u>

The following is a summary of the organization's related party transactions:

	<u>2024</u>	<u>2023</u>
St. Hugh's House (Common control)		
Rental expense - buildings	\$ 100,908	\$ 99,912
Insurance expense	19,476	18,312
Maintenance cost income	22,467	15,894

ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2024

12. COVID-19 SUBSIDIES

	<u>2024</u>	<u>2023</u>
Provincial temporary wage enhancement	\$ -	\$ (41,527)
Covid residential relief fund	-	15,807
	<u>\$ -</u>	<u>\$ (25,720)</u>

During the year ended March 31, 2024, the organization repaid \$0 (2023 - \$41,527) in government assistance for the Provincial Temporary Wage Enhancement program.

During the year ended March 31, 2024, the organization received \$0 (2023 - \$15,807) in government assistance from the Covid Residential Relief Fund.

13. 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:

2025	\$ 173,484
2026	73,345
2027	<u>49,704</u>
	<u>\$ 296,533</u>

14. 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.

15. 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, 2024.

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.

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ACCESS COMMUNITY SERVICES INCORPORATED
Notes to Financial Statements
March 31, 2024

15. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk is the risk that an organization 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 and accounts payable.

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.

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 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.

16. 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, 2024 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****(Schedule 1)****Year Ended March 31, 2024**

	2024	2023
REVENUES		
Government subsidies	\$ 4,309,165	\$ 4,296,918
Residents' fees	524,279	475,891
Other	199,347	113,181
	<u>5,032,791</u>	<u>4,885,990</u>
EXPENDITURES		
Salaries	3,197,344	3,139,071
Employee benefits	574,001	524,396
Staff travel and training	14,367	34,059
Purchased services	23,466	5,101
Food and supplies	213,617	203,472
Communications	33,727	32,729
Occupancy	222,572	238,440
Repairs and maintenance	74,442	62,190
Replacements	51,329	116,602
Personal needs	38,286	34,842
Vehicle - operating	56,436	37,668
Advertising and promotion	955	630
Service charges	7	-
Professional and contract services	51,742	56,158
Administrative per schedule 6	426,497	382,223
	<u>4,978,788</u>	<u>4,867,581</u>
EXCESS OF REVENUES OVER EXPENDITURES	54,003	18,409
FUTURE MINISTRY OBLIGATION	(54,003)	(18,409)
SURPLUS (DEFICIT)	\$ -	\$ -

The accompanying notes form an integral part of these financial statements

ACCESS COMMUNITY SERVICES INCORPORATED**Supported Independent Living****(Schedule 2)****Year Ended March 31, 2024**

	2024	2023
REVENUES		
Government subsidies	\$ 236,244	\$ 235,560
Other	10,411	11,246
	<u>246,655</u>	<u>246,806</u>
EXPENDITURES		
Salaries	190,144	161,996
Employee benefits	32,694	27,173
Staff travel and training	5,813	4,547
Purchased services	450	33
Food and supplies	1,053	1,363
Communications	1,409	779
Occupancy	5,523	2,832
Repairs and maintenance	196	100
Vehicle - operating	2,736	2,059
Advertising and promotion	-	125
Professional and contract services	150	113
Administrative per schedule 6	22,848	20,476
	<u>263,016</u>	<u>221,596</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,361)	25,210
FUTURE MINISTRY OBLIGATION	16,361	(25,210)
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, 2024**

	2024	2023
REVENUES		
Government subsidies	\$ 492,240	\$ 467,296
Residents' fees	27,012	25,232
Other	11,108	10,005
	<u>530,360</u>	<u>502,533</u>
EXPENDITURES		
Salaries	347,569	315,460
Employee benefits	80,382	66,985
Staff travel and training	502	2,522
Purchased services	49,588	5,208
Food and supplies	10,897	10,965
Communications	331	326
Occupancy	5,050	3,019
Repairs and maintenance	3,170	1,410
Replacements	1,224	4,364
Personal needs	2,753	1,757
Vehicle - operating	5,155	4,149
Advertising and promotion	-	100
Professional and contract services	1,877	1,170
Administrative per schedule 6	50,774	45,503
	<u>559,272</u>	<u>462,938</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(28,912)	39,595
FUTURE MINISTRY OBLIGATION	28,912	(39,595)
SURPLUS (DEFICIT)	\$ -	\$ -

The accompanying notes form an integral part of these financial statements

ACCESS COMMUNITY SERVICES INCORPORATED
Community Participation Services and Supports
Year Ended March 31, 2024

(Schedule 4)

	2024	2023
REVENUES		
Government subsidies	\$ 75,904	\$ 80,819
EXPENDITURES		
Salaries	51,614	52,812
Employee benefits	12,140	8,635
Staff travel and training	289	274
Purchased services	469	11
Food and supplies	3,907	1,005
Communications	255	253
Occupancy	1,387	1,338
Repairs and maintenance	-	200
Replacements	1,664	83
Vehicle - operating	670	1,647
Professional and contract services	38	-
Administrative per schedule 6	7,616	6,825
	<u>80,049</u>	<u>73,083</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,145)	7,736
FUTURE MINISTRY OBLIGATION	4,145	(7,736)
SURPLUS (DEFICIT)	\$ -	\$ -

The accompanying notes form an integral part of these financial statements

ACCESS COMMUNITY SERVICES INCORPORATED

Discretionary Revenues and Expenditures

(Schedule 5)

Year Ended March 31, 2024

	2024	2023
REVENUES		
Minor capital grant - repairs and maintenance	\$ 85,191	\$ -
	85,191	-
EXPENDITURES		
Repairs and maintenance	-	-
TRANSFER TO DEFERRED CAPITAL CONTRIBUTIONS	\$ 85,191	\$ -

The accompanying notes form an integral part of these financial statements

ACCESS COMMUNITY SERVICES INCORPORATED**Allocation of Administrative Expenditures****(Schedule 6)****Year Ended March 31, 2024**

	2024	2023
EXPENDITURES		
Salaries	\$ 224,724	\$ 191,122
Employee benefits	35,232	32,267
Staff travel and training	7,820	12,201
Purchased services	77,222	62,345
Supplies	18,053	10,641
Communications	3,351	3,839
Occupancy	112,734	103,898
Replacements	1,345	3,524
Vehicle - operating	46	460
Advertising	4,631	3,618
Services charges and interest	1,777	1,817
Professional fees	20,800	29,295
	\$ 507,735	\$ 455,027
ALLOCATED		
Supported Group Living Residences	\$ 426,497	\$ 382,223
Supported Independent Living	22,848	20,476
Specialized Accommodations	50,774	45,503
Community Participation Services and Supports	7,616	6,825
	\$ 507,735	\$ 455,027

The accompanying notes form an integral part of these financial statements