



ST. ANDREW'S RESIDENCE, CHATHAM

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS**

MARCH 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Directors of
St. Andrew's Residence, Chatham

Opinion

We have audited the financial statements of St. Andrew's Residence, Chatham, which comprise the statement of financial position as at March 31, 2023, and the statement of operations, statement of changes in net assets and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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, 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.

INDEPENDENT AUDITOR'S REPORT, continued

- ♦ 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.

Chatham, Ontario
June 26, 2023

Baker Tilly CK, LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS



ST. ANDREW'S RESIDENCE, CHATHAM

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS**

MARCH 31, 2023

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ST. ANDREW'S RESIDENCE, CHATHAM

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2023

	OPERATING FUND	CAPITAL FUND	2023	2022
REVENUES				
Residence	\$ 2,836,522	\$ -	\$ 2,836,522	\$ 2,835,748
Seniors Day Out program (Schedule 1)	86,376	-	86,376	112,233
Meals on Wheels program (Schedule 2)	585,299	-	585,299	514,730
Donations and grants	38,418	-	38,418	122,763
Terrace (Note 13)	32,665	-	32,665	32,673
Rent	30,396	-	30,396	24,896
Amortization of deferred capital contributions	-	58,807	58,807	52,044
Other income	96,692	-	96,692	57,938
	<u>3,706,368</u>	<u>58,807</u>	<u>3,765,175</u>	<u>3,753,025</u>
EXPENSES				
Seniors Day Out program (Schedule 1)	136,989	-	136,989	51,487
Meals on Wheels program (Schedule 2)	626,015	-	626,015	564,084
Accommodation (Schedule 3)	476,955	-	476,955	380,308
Administration (Schedule 4)	164,800	-	164,800	125,702
Amortization	-	232,299	232,299	208,785
Bank charges and interest	14,212	-	14,212	12,034
Interest on long-term debt	-	-	-	509
Physical and personal needs (Schedule 5)	187,552	-	187,552	185,161
Salaries and wages	1,807,393	-	1,807,393	1,887,402
Uncollectible accounts	11,863	-	11,863	6,017
	<u>3,425,779</u>	<u>232,299</u>	<u>3,658,078</u>	<u>3,421,489</u>
	<u>280,589</u>	<u>(173,492)</u>	<u>107,097</u>	<u>331,536</u>
OTHER EXPENSES/(INCOME)				
Distribution to the St. Andrew's Residence, Chatham Foundation (Note 13)	-	-	-	<u>805,044</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES				
	<u>\$ 280,589</u>	<u>\$ (173,492)</u>	<u>\$ 107,097</u>	<u>\$ (473,508)</u>



ST. ANDREW'S RESIDENCE, CHATHAM

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2023

	INTERNALLY RESTRICTED (Note 10)	INVESTED IN TANGIBLE CAPITAL ASSETS (Note 11)	UNRESTRICTED	2023	2022
Balance, beginning of year	\$ -	\$ 2,241,216	\$ 811,964	\$ 3,053,180	\$ 3,526,688
Excess (deficiency) of revenues over expenses	-	(173,492)	280,589	107,097	(473,508)
Interfund transfers (Note 12)	-	496,675	(496,675)	-	-
Balance, end of year	<u>\$ -</u>	<u>\$ 2,564,399</u>	<u>\$ 595,878</u>	<u>\$ 3,160,277</u>	<u>\$ 3,053,180</u>

ST. ANDREW'S RESIDENCE, CHATHAM


STATEMENT OF FINANCIAL POSITION

MARCH 31, 2023

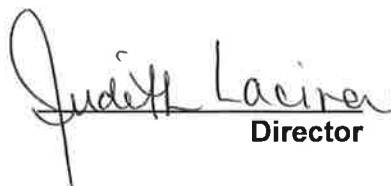
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 405,325	\$ 700,449
Accounts receivable (Notes 3 & 13)	256,778	191,048
Prepaid expenses	28,753	27,657
Inventories (Note 4)	<u>37,908</u>	<u>37,908</u>
	728,764	957,062
RESTRICTED ASSETS		
Restricted cash	23,565	23,573
TANGIBLE CAPITAL ASSETS (Note 5)		
	<u>3,885,121</u>	<u>3,356,039</u>
	<u>\$ 4,637,450</u>	<u>\$ 4,336,674</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 7 & 13)	\$ 149,596	\$ 105,386
Deferred contributions (Note 8)	<u>6,854</u>	<u>63,285</u>
	156,450	168,671
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)		
	<u>1,320,723</u>	<u>1,114,823</u>
	<u>1,477,173</u>	<u>1,283,494</u>
NET ASSETS		
INVESTED IN TANGIBLE CAPITAL ASSETS (Note 11)		
UNRESTRICTED	2,564,399	2,241,216
	<u>595,878</u>	<u>811,964</u>
	<u>3,160,277</u>	<u>3,053,180</u>
	<u>\$ 4,637,450</u>	<u>\$ 4,336,674</u>

COMMITMENTS (Note 17)

ON BEHALF OF THE BOARD



Director



Director



ST. ANDREW'S RESIDENCE, CHATHAM

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 107,097	\$ (473,508)
Adjustments for:		
Amortization	232,299	208,785
Amortization of deferred capital contributions	<u>(58,807)</u>	<u>(52,044)</u>
	<u>280,589</u>	<u>(316,767)</u>
CHANGE IN NON-CASH WORKING CAPITAL ITEMS (Note 14)	<u>(79,047)</u>	<u>(177,069)</u>
	<u>201,542</u>	<u>(493,836)</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	<u>(761,381)</u>	<u>(270,508)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	-	(32,762)
Tangible capital assets funded by capital contributions	<u>264,707</u>	<u>78,133</u>
	<u>264,707</u>	<u>45,371</u>
INCREASE IN CASH	(295,132)	(718,973)
CASH, BEGINNING OF YEAR	<u>724,022</u>	<u>1,442,995</u>
CASH, END OF YEAR	<u>\$ 428,890</u>	<u>\$ 724,022</u>
CASH CONSISTS OF:		
Cash	\$ 405,325	\$ 700,449
Restricted cash	<u>23,565</u>	<u>23,573</u>
	<u>\$ 428,890</u>	<u>\$ 724,022</u>

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

1. NATURE OF OPERATIONS

St. Andrew's Residence, Chatham was incorporated without share capital under the Ontario Not-for-Profit Corporations Act on January 1, 1967. The organization cares for seniors by providing holistic residential and community services. The organization is a registered charity under the Income Tax Act and is exempt from income taxes, provided that certain requirements of the Income Tax Act are met.

2. SIGNIFICANT ACCOUNTING POLICIES

The organization applies the Canadian accounting standards for not-for-profit organizations. The significant policies are as follows:

(a) CASH

Cash consists of balances with financial institutions.

Restricted cash represents restricted resources of the organization's reserve funds to be used for the purposes described in the internally restricted net assets policy.

(b) INVENTORY

Inventory is valued at the lower of cost and replacement cost. Cost is determined using the first-in, first-out method.

(c) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Building	40 years
Parking lot	40 years
Equipment	5-20 years
Computer equipment	4 years
Vehicle	10 years

Tangible capital assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) TANGIBLE CAPITAL ASSETS NOT YET IN USE

Tangible capital assets not yet in use are recorded at cost and are not being amortized.

(e) INTERNALLY RESTRICTED NET ASSETS

Internally restricted funds are established as required at the discretion of the board of directors. Increases or decreases in these funds are made by appropriations to or from operations and, where appropriate, upon approval of the board of directors. The internally restricted funds are not available for purposes other than those described below without the approval of the board of directors.

The operating reserve is used to hold funding to cover sudden increases in expenses, one-time unbudgeted expenses, an unanticipated loss of funding, or uninsured losses.

The building and capital asset reserve is used to hold funding for the repair or acquisition of tangible capital assets necessary for the effective operation of the organization and its programs.

The opportunity reserve is used to hold funding for organizational capacity building and special targets of opportunity or need that further the mission of the organization which may or may not have specific expectations of an incremental or long-term increase in income.

(f) FUND ACCOUNTING

The organization follows the deferral method of accounting for contributions.

The operating fund reflects the organization's day-to-day activities.

The capital fund reflects revenues received for the purchase of tangible capital assets and the expenditures incurred in relation to tangible capital assets.

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

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.

Contributions relating to tangible capital assets are credited to deferred capital contributions and are recognized as revenue on the same basis as amortization on the related asset is charged against operations.

Terrace income, rent and other income are recognized as revenue when earned.

(h) ALLOCATION OF EXPENSES

The organization's expenses are segregated into several key program areas in the statement of operations and supporting schedules. These segments are identified and segregated on the basis of the programs operated by St. Andrew's Residence, Chatham and expenses are allocated to these segments according to the program to which they relate.

(i) CONTRIBUTED MATERIALS AND SERVICES

Contributions of materials are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated, when the materials are used in the normal course of operations, and when the materials would otherwise have been purchased.

A significant number of volunteers contribute their time to the organization each year. Due to the difficulty of determining fair value, contributed services are not recognized in the financial statements.

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) FINANCIAL INSTRUMENTS

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

The organization's financial assets consist of cash, accounts receivable and restricted cash. The organization's financial liabilities consist of accounts payable and accrued liabilities.

The organization initially measures these financial instruments at fair value except for certain non-arm's length transactions that are measured at the exchange amount.

The organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If repayment terms exist, the cost is determined using its undiscounted cash flows, excluding interest payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the organization in the transaction.

The organization's financial instruments are subsequently measured at amortized cost and are evaluated for impairment at each statement of financial position date with the write down recorded in excess (deficiency) of revenues over expenditures. Impairment reversals may occur and the asset can be written up to its original cost.

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(k) USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions such as the allowance for doubtful accounts, allowance for inventory obsolescence, useful life and amortization of assets, certain accruals, and deferred revenues 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 year.

The amount repayable to Ontario Health is subject to some uncertainty. The amount repayable is calculated as the difference between actual expenditures on certain items and the approved budget for those expenditures, with the final approved budget subject to be changed after the submission of the annual reconciliation report. Given the uncertainty around the balance to be repaid and whether or not the organization will actually be required to repay the unspent funds, the amount is not accrued as payable in the financial statements and is instead recorded through operations in the year in which the repayment is assessed by Ontario Health and becomes known to the organization.

Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

3. ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Trade accounts receivable (Note 13)	\$ 198,367	\$ 137,866
Allowance for doubtful accounts	(30,957)	(19,094)
HST receivable	<u>89,368</u>	<u>72,276</u>
	<u>\$ 256,778</u>	<u>\$ 191,048</u>

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

4. INVENTORIES

	<u>2023</u>	<u>2022</u>
Food supplies	\$ 9,090	\$ 8,245
Nursing supplies	11,313	14,463
Maintenance supplies	<u>17,505</u>	<u>15,200</u>
	<u>\$ 37,908</u>	<u>\$ 37,908</u>

During the year, inventories in the amount of \$623,710, (2022 - \$541,528) were expensed through operations.

5. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2023</u>	<u>2022</u>
Land	\$ 554,051	\$ -	\$ 554,051	\$ 554,051
Building	6,462,318	3,706,544	2,755,774	2,200,944
Parking lot	471,768	169,680	302,088	313,882
Equipment	1,613,570	1,436,398	177,172	185,631
Computer equipment	141,374	113,387	27,987	18,716
Vehicle	89,971	21,922	68,049	77,046
Tangible capital assets not yet in use	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,769</u>
	<u>\$ 9,333,052</u>	<u>\$ 5,447,931</u>	<u>\$ 3,885,121</u>	<u>\$ 3,356,039</u>

At year end, the organization has \$nil, (2022 - \$5,769) of tangible capital assets not yet in use related to kitchen renovations. These assets were placed into use as the renovations were completed and are now being amortized.

6. LINE OF CREDIT

The organization has available a line of credit in the amount of \$500,000 for the purposes of financing repairs and renovations to the building. This line of credit bears interest at the rate of prime plus 1.50% per annum. At March 31, 2023, \$nil, (2022 - \$nil) of this line of credit was used. The line of credit is secured by a general security agreement representing a first charge over all present and future personal property and a fixed first charge collateral mortgage over certain real property in the amount of \$2,500,000.

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
Trade accounts payable	\$ 64,034	\$ 52,485
Accrued liabilities	73,151	42,804
Government remittances payable	<u>12,411</u>	<u>10,097</u>
	<u>\$ 149,596</u>	<u>\$ 105,386</u>

8. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources that are related to expenditures for subsequent periods. The deferred contribution balance relates to funds received by the organization for exercise equipment and for the provision of transportation services for residents of St. Andrew's Residence, Chatham. As the expenses related to these programs are incurred, the balance of the deferred contributions account will be reduced.

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 63,285	\$ 84,819
Amount received during the year	75,010	129,466
Expenses recognized during the year	<u>(131,441)</u>	<u>(151,000)</u>
Closing balance	<u>\$ 6,854</u>	<u>\$ 63,285</u>

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions related to tangible capital assets represent the unamortized amount of funds received for the purchase of tangible capital assets. The amortization of deferred capital contributions is recognized in the statement of operations on the same basis as amortization is charged against the associated tangible capital assets.

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 1,114,823	\$ 1,088,734
Amount received in the year (Note 13)	264,707	78,133
Amount recognized as revenue in the year	<u>(58,807)</u>	<u>(52,044)</u>
Closing balance	<u>\$ 1,320,723</u>	<u>\$ 1,114,823</u>

10. INTERNALLY RESTRICTED NET ASSETS

During the year, the board of directors approved a transfer of \$nil, (2022 - \$1,353,868) from internally restricted net assets to unrestricted net assets. At year end, \$nil, (2022 - \$nil) internally restricted net assets were outstanding.

11. INVESTED IN TANGIBLE CAPITAL ASSETS

The amount invested in tangible capital assets is determined as follows:

	<u>2023</u>	<u>2022</u>
Net book value of tangible capital assets	\$ 3,885,121	\$ 3,356,039
Amounts financed by:		
Deferred capital contributions	<u>(1,320,723)</u>	<u>(1,114,823)</u>
	<u>\$ 2,564,398</u>	<u>\$ 2,241,216</u>

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

12. INTERFUND TRANSFER

During the year, the board of directors approved an interfund transfer of \$496,675, (2022 - \$225,646) from the operating fund to the capital fund.

During the year, the board of directors approved an interfund transfer of \$nil, (2022 - \$1,353,868) from internally restricted net assets to unrestricted net assets.

13. RELATED PARTY TRANSACTIONS

The organization is related to Chatham-Kent Hospice Foundation, Chatham Kent Hospice Inc., St. Andrew's Terrace Life Lease Residence Inc. and St. Andrew's Residence, Chatham Foundation by way of shared services.

Included in accounts receivable at year end is \$66,637, (2022 - \$44,621) due from related parties. Included in accounts payable at year end is \$nil, (2022 - \$nil) due to related parties.

During the year, the organization earned \$22,165, (2022 - \$23,533) in management fees from St. Andrew's Terrace Life Lease Residence Inc.

In the year, the organization received \$330,403, (2022 - \$322,196) from related parties for reimbursement of expenses paid on related parties' behalf.

During the year, the organization received \$126,052, (2022 - \$nil) from the St. Andrew's Residence, Chatham Foundation to help fund the purchase of tangible capital assets. These contributions were deferred and will be amortized into operations on the same basis as amortization is charged against the associated tangible capital asset.

During the year, the organization paid \$1,068, (2022 - \$91) to related parties for reimbursement of expenses paid on the organization's behalf and for shared services.

During the year, the organization paid \$nil, (2022 - \$805,044) to the St. Andrew's Residence, Chatham Foundation of surplus funds that were subsequently reinvested by the Foundation. These funds will be returned to St. Andrew's Residence, Chatham in a future year as the funds are needed to support operations.

Management is of the opinion that related party transactions are performed at fair value. Consequently, all related party transactions are measured at the exchange amount.

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

14. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	<u>2023</u>	<u>2022</u>
Accounts receivable	\$ (65,730)	\$ (65,525)
Prepaid expenses	(1,096)	(5,192)
Accounts payable and accrued liabilities	44,210	(84,818)
Deferred contributions	<u>(56,431)</u>	<u>(21,534)</u>
	<u>\$ (79,047)</u>	<u>\$ (177,069)</u>

During the year, tangible capital assets with a cost of \$5,769 were transferred from tangible capital assets not yet in use to tangible building assets when these assets were placed into service. These tangible capital assets are now being amortized.

15. GOVERNMENT FUNDING RECOVERED

During the year, the organization received funding from Ontario Health for certain expenditures. In the event that the amount received is not spent by the organization, it may be recoverable to Ontario Health. In the year, the organization repaid \$74,171, (2022 - \$nil) to Ontario Health as a reimbursement for prior year unspent funding. This recovery has reduced current year revenues in the Seniors Day Out and Meals on Wheels programs. Recoveries of prior year funding are recorded in operations in the year in which the repayment is assessed by Ontario Health and becomes known to the organization.

16. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

17. COMMITMENTS

The organization leases land to Chatham Kent Hospice Inc., a related party, in a lease expiring on December 31, 2035. The related party has the perpetual right to renew the lease for successive five year terms upon the end of the lease term. Future minimum rental income earned each year under this lease is \$1.

The organization is also committed under several operating lease agreements for certain office equipment. These leases expire between May 2023 and May 2027. Future minimum lease payments required over the next four years are as follows:

2024	\$	5,513
2025		5,411
2026		4,902
2027		<u>817</u>
	\$	<u><u>16,643</u></u>

18. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an organization assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments. In management's opinion, there have been no changes to the organization's risks during the year.

(a) **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. These risks are generally outside the control of the organization. In management's opinion, the organization is not exposed to significant market risk.

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

18. FINANCIAL INSTRUMENTS, continued

(b) CREDIT RISK

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization is exposed to credit risk in the event of non-payment by customers for their accounts receivable. The organization reduces its exposure to credit risk by creating an allowance for bad debts when applicable. In the opinion of management the credit risk exposure to the organization is low and is not material.

(c) CONCENTRATION RISK

Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the organization in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At March 31, 2022, receivables from 2 parties, (2022 - 2 parties) comprised approximately 41%, (2022 - 42%) of the total outstanding receivables balance. The organization reduces concentration risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances. In the opinion of management, the concentration risk exposure to the organization is low and is not material.

(d) LIQUIDITY RISK

Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and prepares budgets and cash forecasts to ensure sufficient funds are available to fulfil the organization's obligations. In the opinion of management, the liquidity risk exposure to the organization is low and is not material.

ST. ANDREW'S RESIDENCE, CHATHAM

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

18. FINANCIAL INSTRUMENTS, continued

(e) INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This exposure may have an effect on earnings in future periods. The organization has interest rate exposure on its line of credit, which is variable based on the bank's prime rates. The organization reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates. The organization does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management, the interest rate risk exposure to the organization low and is not material.

ST. ANDREW'S RESIDENCE, CHATHAM

**SCHEDULE OF SENIORS DAY OUT PROGRAM
REVENUES AND EXPENSES**

Schedule 1

MARCH 31, 2023

	2023	2022
REVENUE		
Government funding	\$ 114,472	\$ 112,233
Government funding recovered (Note 15)	(28,618)	-
Client fees	522	-
	<u>86,376</u>	<u>112,233</u>
EXPENSES		
Advertising and promotion	3,529	265
Contracted out services	312	208
Food and supplies	4,925	-
Memberships and subscriptions	200	200
Rent	11,500	6,000
Salaries and wages	109,094	44,814
Supplies	4,346	-
Travel	561	-
Volunteer recognition	2,522	-
	<u>136,989</u>	<u>51,487</u>
EXCESS OF REVENUES OVER EXPENSES	\$ (50,613)	\$ 60,746



ST. ANDREW'S RESIDENCE, CHATHAM

SCHEDULE OF MEALS ON WHEELS PROGRAM
REVENUES AND EXPENSES

Schedule 2

MARCH 31, 2023

	2023	2022
REVENUE		
Government funding	\$ 230,846	\$ 226,314
Government funding recovered (Note 15)	(45,553)	-
Client fees	274,255	240,505
Donations	9,605	6,178
Grants	116,146	41,733
	<u>585,299</u>	<u>514,730</u>
EXPENSES		
Advertising	4,911	6,102
Contracted out services	19,694	19,809
Food and supplies	217,333	192,159
Fundraising	3,750	5,000
Grant expenses	116,146	41,733
Occupancy costs	18,896	18,896
Office supplies	4,014	5,018
Supplies	37,184	48,883
Travel	15,266	16,864
Volunteer recognition	1,519	3,624
Wages and benefits	187,302	205,996
	<u>626,015</u>	<u>564,084</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (40,716)	\$ (49,354)

ST. ANDREW'S RESIDENCE, CHATHAM

SCHEDULE OF ACCOMMODATION EXPENSES

Schedule 3

MARCH 31, 2023

	2023	2022
Cable television	\$ 3,599	\$ 4,119
Electricity	90,919	110,344
Heat	31,871	18,314
Housekeeping	13,899	14,207
Laundry	21,045	22,636
Property taxes	54,911	53,550
Repairs and maintenance	227,110	128,775
Telephone	7,487	8,088
Water	26,114	20,275
	<u>\$ 476,955</u>	<u>\$ 380,308</u>

SCHEDULE OF ADMINISTRATION EXPENSES

Schedule 4

MARCH 31, 2023

	2023	2022
Advertising and promotion	\$ 8,818	\$ 10,467
Computer and technology	29,790	23,580
Consulting	8,713	-
Health and wellness	15,343	12,029
Insurance	53,574	36,317
Legal and labour	12,440	3,099
Membership dues and fees	14,895	13,213
Office supplies	7,924	9,484
Professional fees	10,784	14,193
Training and development	1,557	2,659
Travel	962	661
	<u>\$ 164,800</u>	<u>\$ 125,702</u>