

QUINTE VITALITY AND SOCIAL SUPPORT
Financial Statements

Year Ended March 31, 2024

REYNOLDS & CANTELO CPA
PROFESSIONAL CORPORATION

QUINTE VITALITY AND SOCIAL SUPPORT

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Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Directors of QUINTE VITALITY AND SOCIAL SUPPORT

Qualified Opinion

I have audited the accompanying financial statements of QUINTE VITALITY AND SOCIAL SUPPORT, which comprise the financial position as at March 31, 2024 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effect of any adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the donations and fundraisers referred to in the Basis for qualified opinion paragraphs, these financial statements present fairly, in all material respects, the financial position of QUINTE VITALITY AND SOCIAL SUPPORT as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian standards for not-for-profit organizations.

Basis for qualified opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the Financial Statements* section of my report. I am independent of the entity in accordance with ethical requirements that are relevant to the audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for our qualified opinion.

In common with many not-for-profit organizations, the Company derives revenue from donations and fundraisers the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the corporation and I was not able to determine whether any adjustments might be necessary to revenue, excess revenue over expenses, assets, net assets and cash flows from operations.

Responsibility of Management's Responsibility and Those Charged with Governance for the Financial Statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing 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 over-seeing the Organization's financial reporting process.

Auditor's Responsibility

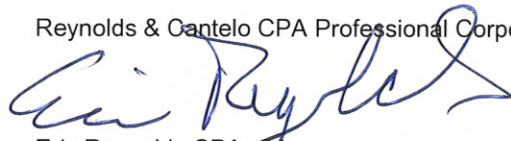
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but not a guarantee that 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 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, we are required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My 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.

I will 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 I identify during my audit.

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Reynolds & Cantelo CPA Professional Corporation



Eric Reynolds CPA, CA
Licensed Public Accountant

Belleville, Ontario
August 16, 2024

QUINTE VITALITY AND SOCIAL SUPPORT

(Incorporated without share capital)
Financial Position as at Mar 31, 2024

	Operating Fund \$	Capital Fund \$	Total 2024 \$	Total 2023 \$
ASSETS				
Current				
Cash	132,370	-	132,370	149,515
Accounts receivable	19,700	-	19,700	9,401
Prepaid expenses and other assets	14,086	-	14,086	14,674
	166,156	-	166,156	173,590
Property, Plant and Equipment (note 3)				
Cost	-	2,588,465	2,588,465	2,576,777
Accumulated amortization	-	(1,495,938)	(1,495,938)	(1,442,669)
	-	1,092,527	1,092,527	1,134,108
	166,156	1,092,527	1,258,683	1,307,698
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable and accrued liabilities	27,214	-	27,214	25,721
Due to governments	7,377	-	7,377	18,201
Funds held in trust	94,517	-	94,517	93,220
	129,108	-	129,108	137,142
Deferred Revenue (note 4)	-	971,136	971,136	1,006,347
	129,108	971,136	1,100,244	1,143,489
Net Assets				
Externally Restricted	37,048	-	37,048	36,448
Invested in capital assets	-	121,391	121,391	127,761
	37,048	121,391	158,439	164,209
	166,156	1,092,527	1,258,683	1,307,698

See accompanying notes to the financial statements

Approved by:

Director: _____

Director: _____

QUINTE VITALITY AND SOCIAL SUPPORT

(Incorporated without share capital)
Statement of Operations and Changes in Net Assets
for the year ended Mar 31, 2024

	Operating Fund \$	Capital Fund \$	Total 2024 \$	Total 2023 \$
Revenue				
Sales	21,874	-	21,874	20,482
Grants - MCSS	817,515	-	817,515	817,715
United Way	6,417	-	6,417	2,917
Programs	26,016	-	26,016	22,815
Donations	2,300	-	2,300	21,481
Red's Diner	24,711	-	24,711	7,085
Passport Funding	61,344	-	61,344	45,526
Interest income	53	-	53	53
Amortization of Deferred Revenue	-	45,569	45,569	47,835
	<u>960,230</u>	<u>45,569</u>	<u>1,005,799</u>	<u>985,909</u>
Expenses - Schedule of Expenses	<u>958,300</u>	<u>53,269</u>	<u>1,011,569</u>	<u>985,273</u>
Excess Revenue Over Expenses (Expense over revenue) for year	<u>1,930</u>	<u>(7,700)</u>	<u>(5,770)</u>	<u>636</u>
Net before capital asset transfers	1,930	(7,700)	(5,770)	636
Transfer to capital assets				
Capital assets purchased	(1,330)	1,330	-	-
Adjusted net income	<u>600</u>	<u>(6,370)</u>	<u>(5,770)</u>	<u>636</u>
Net Assets - Beginning of the Year	<u>36,448</u>	<u>127,761</u>	<u>164,209</u>	<u>163,573</u>
Net Assets - End of Year	<u>37,048</u>	<u>121,391</u>	<u>158,439</u>	<u>164,209</u>

See accompanying notes to the financial statements

QUINTE VITALITY AND SOCIAL SUPPORT

(Incorporated without share capital)
Statement of Cash Flows
for the year ended March 31, 2024

	2024	2023
	\$	\$
Cash flows from operating activities		
Net income (loss)	(5,770)	636
Items not affecting cash:		
Amortization of property, plant and equipment	53,269	57,584
Amortization of Deferred Revenue	(45,569)	(47,835)
Changes in non-cash working capital:		
Accounts receivable	(10,300)	2,041
Prepaid expenses and other assets	588	(4,209)
Accounts payable and accrued liabilities	1,493	(18,605)
Due to governments	(10,824)	6,122
Funds held in trust	1,297	(16,388)
Net cash used in operating activities	(15,816)	(20,654)
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,687)	(10,050)
Net cash used in investing activities	(11,687)	(10,050)
Cash flows from financing activities		
Deferred revenue capital assets	10,358	-
Net cash provided by financing activities	10,358	-
Net decrease in cash and cash equivalents	(17,145)	(30,704)
Cash and cash equivalents at the beginning of the year	149,515	180,219
Cash and cash equivalents at the end of the year	132,370	149,515
Cash and cash equivalents consists of:		
Cash	132,370	149,515

See accompanying notes to the financial statements

QUINTE VITALITY AND SOCIAL SUPPORT

(Incorporated without share capital)

Notes to Financial Statements

Year Ended March 31, 2024

1. NATURE OF BUSINESS

The company was incorporated as Adult Resource Centre (Quinte) Inc. on March 31, 1989, under the Ontario Corporations Act, as a corporation without share capital. The company continued the activities formerly conducted by ARC Industries (owned and operated by Belleville and District Association for the Mentally Retarded). On November 8, 1993, supplementary letters patent were granted changing the name to Quinte Vocational Support Services and registering the corporation as a charitable organization under the Income Tax Act.

Quinte Vitality and Social Support provides vocational and avocational programs, a community cleaning crew and home-based business.

Vocational programs include work and training opportunities, community vocational programs, a community cleaning crew and home-based business.

Avocational programs include life and living skills programs, community vocational participation and an arts and crafts group.

Ministry funding is provided for these programs in addition to the operation of its own business activities.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the Company.

a) Cash and Cash equivalents

Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Because of the short-term maturity of these investments, their carrying amount approximates fair value.

b) Use of Estimates

The preparation of financial statements, in conformity with Canadian accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Differences in actual results from prior estimates are taken into account at the time the differences are determined. Significant financial statement items that require the use of estimates are useful life of property plant and equipment and accrued liabilities.

c) Fund Accounting

The financial statements include the activities of the corporation for which the board of Directors is legally accountable. In order to properly reflect its activities, the corporation maintains its accounts in accordance with the principles of fund accounting and the restricted method in order that limitations and restrictions placed on the use of available resources are observed. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds in accordance with activities or objectives specified. For financial reporting purposes, the corporation has combined funds with similar characteristics into two fund groups: Operating Fund and Capital Asset Fund.

QUINTE VITALITY AND SOCIAL SUPPORT

(Incorporated without share capital)

Notes to Financial Statements

Year Ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED...

c) Fund Accounting Continued...

The Operating Fund accounts for the costs of the programs and other operations of the corporation financed by grants, sales and other general income.

The Capital Asset Fund reports assets, liabilities, revenues and expenses related to the organization's property, plant and equipment.

d) Inventories

Inventories are valued at the lower of cost and market with cost being determined on a first-in, first-out basis. Market value is defined as current replacement cost.

e) Financial Instruments

The organization initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures all its financial assets at amortized cost except for investments which it chose to measure at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, accounts receivable, prepaid expenses and property, plant and equipment.

Financial liabilities measured at amortized cost include accounts payable and deferred revenue.

f) Property, plant and equipment

Property, plant and equipment are stated at acquisition cost. Gains or losses on disposal of individual assets are recognized in the year of disposal. Donated assets are stated at fair market value and are amortized consistently with other property, plant and equipment. Amortization of property, plant and equipment, which is based on estimated useful life, is calculated on the following bases and at the rates set out below.

<u>ASSET</u>	<u>BASIS</u>	<u>RATE</u>
	Declining balance	4%
Building	Declining balance	20%
Furniture and Equipment	Declining balance	30%
Automotive	Declining balance	30%
Computer Equipment	Straight-line	20%
Leasehold improvements	Declining balance	100%
Land improvements		

g) Realization of Revenue and Expenditure

The corporation follows the accrual basis of accounting. The corporation does not include in revenues or expenditures any amounts for goods or services which have not been received or rendered within the fiscal period.

Revenue from sales is recognized at the time goods are shipped or services are supplied to customers. Provision is made for expected collections losses based on the corporation's past experience. Revenue from grants is recognized upon submission of grant applications, based upon net operating expenditures.

QUINTE VITALITY AND SOCIAL SUPPORT

(Incorporated without share capital)

Notes to Financial Statements

Year Ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED...

g) Realization of Revenue and Expenditure Continued...

Restricted contributions relating to Programs funded by the Ministry of Community and Social Services are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. Any adjustments required to revenue on final Ministry approval will be recorded in the current fiscal year as an adjustment to net assets

h) Deferred Revenue Related to Property, Plant and Equipment

Grants and other revenue received related to the purchase of property, plant and equipment are deferred and amortized over future. The amortization period is based on the period used to amortize the corresponding property, plant and equipment.

3. PROPERTY, PLANT AND EQUIPMENT

	2024		2023	
	Cost	Accumulated Amortization	Net	Net
	\$	\$	\$	\$
Furniture and equipment	490,490	(459,024)	31,466	29,685
Automotive	246,952	(241,738)	5,214	7,448
Computer Equipment	97,542	(79,030)	18,512	22,666
Building	1,603,481	(716,146)	887,335	924,309
Land	150,000	-	150,000	150,000
	2,588,465	(1,495,938)	1,092,527	1,134,108

4. DEFERRED REVENUE RELATING TO PROPERTY, PLANT AND EQUIPMENT

As at March 31, deferred revenue related to property, plant and equipment is comprised of the following:

	2024	2023
	\$	\$
Beginning of the year	1,006,347	1,054,182
Add amount received to be recognized in following years	10,358	-
Deduct amount recognized as revenue in year	(45,569)	(47,835)
End of year	971,136	1,006,347

5. GOVERNMENT ASSISTANCE

Quinte Vitality and Social Support has a Service Contract/CFSA Approval with the Ministry of Community and Social Services. A reconciliation report summarizes all revenues and expenditures for Adult Assessing and Counseling, Vocational Alternative Support for Adults and Adult Community Access Supports and identifies any resulting surplus or deficit that relates to the Service Contract / CFSA Approval.

A review of these reports show that above services to be in a neutral position as at March 31, 2024. Any surplus amounts are reflected in externally restricted net assets of the Operating Fund.

QUINTE VITALITY AND SOCIAL SUPPORT

(Incorporated without share capital)

Notes to Financial Statements

Year Ended March 31, 2024

6. FINANCIAL RISKS

It is management's opinion that the corporation is not exposed to significant interest, currency or credit risks from the instruments. The following analysis provides a measure of the risks at March 31, 2024.

a) Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect to accounts payable.

7. Contingency

The organizations policy regarding vacation and sick time allows for staff to accrue up to 60 days. This time off can be used at any time. When a employee finishes working for the organization the accrued time expires and is not paid out. Thus, this amount is not recorded as a liability on the balance sheet.

QUINTE VITALITY AND SOCIAL SUPPORT

(Incorporated without share capital)

Schedule of Expenses

for year ended March 31, 2024

	Operating Fund \$	Capital Fund \$	Total 2024 \$	Total 2023 \$
Expenses				
Administration - other	6,310	-	6,310	6,182
Administration - staff	74,549	-	74,549	78,469
Advertising and promotion	2,554	-	2,554	559
Amortization or Property, plant and equipment	-	53,269	53,269	57,583
Employee benefits	106,896	-	106,896	81,770
Insurance	23,996	-	23,996	19,798
Membership fees	103	-	103	-
Office	34,610	-	34,610	27,068
Professional fees	1,387	-	1,387	2,068
Programs	25,287	-	25,287	22,996
Purchased services	9,900	-	9,900	11,557
Red's Diner	9,674	-	9,674	5,418
Repairs and maintenance	37,365	-	37,365	43,901
Salaries -supervision	571,114	-	571,114	573,228
Staff training	4,007	-	4,007	4,080
Telephone	6,491	-	6,491	6,265
Travel	2,181	-	2,181	1,910
Utilities	32,080	-	32,080	32,327
Vehicle operation	9,796	-	9,796	10,094
Total	958,300	53,269	1,011,569	985,273

QUINTE VITALITY AND SOCIAL SUPPORT

(Incorporated without share capital)
 Schedule of Administrative Revenues and Expenses
 for year ended March 31, 2024

	2024	2023
	\$	\$
Revenues		
Donations	-	-
	<hr/>	<hr/>
ALLOCATED AS:		
Administrative Donations	-	-
	<hr/> <hr/>	<hr/> <hr/>
 EXPENDITURES		
Salaries	55,515	68,103
Employee benefits	19,034	10,366
Professional fees	4,826	4,925
Insurance	1,484	1,257
Other	-	-
	<hr/>	<hr/>
	80,859	84,651
	<hr/> <hr/>	<hr/> <hr/>
 ALLOCATED AS:		
Administration - Staff	74,549	78,469
Administration - Other	6,310	6,182
	<hr/>	<hr/>
	80,859	84,651
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