

*One Care Home and Community
Support Services*

Financial Statements
Year Ended March 31, 2022

- audited -

One Care Home and Community Support Services

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of One Care Home and Community Support Services:

Opinion

We have audited the financial statements of One Care Home and Community Support Services, which comprise the statement of financial position as at March 31, 2022 and the statements of operations and net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of One Care Home and Community Support Services as at March 31, 2022, and its results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 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 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

Independent Auditor's Report continued on next page...

Independent Auditor's Report continued...

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.

Ward & Uptigrove

Listowel, Ontario

June 22, 2022

Ward & Uptigrove
Chartered Professional Accountants
Licensed Public Accountants



One Care Home and Community Support Services

Statement of Financial Position

as at March 31, 2022

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2022

2021

ASSETS

Current Assets

Cash	2,235,487	2,553,654
Accounts receivable	1,325,836	284,294
HST receivable	332,746	326,863
Guaranteed investment certificates - Note 4	750,000	1,000,000
Prepaid expenses	175,892	159,192

	4,819,961	4,324,003
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Capital Assets - Note 5

Cost	5,853,676	6,273,056
Less accumulated amortization	4,402,291	4,725,563

	1,451,385	1,547,493
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TOTAL ASSETS

	6,271,346	5,871,496
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LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts payable and accruals	1,045,512	555,636
Wages payable	713,530	783,676
Government remittances payable	155,645	192,408
Deferred contributions - Note 7	906,283	788,544

	2,820,970	2,320,264
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Long Term Liabilities

Deferred capital contributions - Note 8	537,075	848,993
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TOTAL LIABILITIES

	3,358,045	3,169,257
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NET ASSETS

Unrestricted net assets	2,913,301	2,702,239
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TOTAL NET ASSETS

	2,913,301	2,702,239
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TOTAL LIABILITIES AND NET ASSETS

	6,271,346	5,871,496
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One Care Home and Community Support Services

Statement of Operations and Net Assets

year ended March 31, 2022

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2022

2021

REVENUES

Home and Community Care Support Services	3,498,323	3,313,950
Ontario Health West Community Support Services	6,722,317	6,808,848
Client fees and other revenue - Note 6	1,400,904	1,459,968
Amortization of deferred contributions - Note 7	346,645	234,097

11,968,189

11,816,863

EXPENDITURES

Salaries and benefits	9,180,105	9,286,094
Supplies and sundry	2,199,137	1,855,567
Buildings, equipment and grounds	593,693	600,671

11,972,935

11,742,332

Operating income (loss)

(4,746)

74,531

Other income (expense)

Amortization of deferred capital contributions - Note 8	311,918	583,766
Amortization of capital assets	(344,468)	(647,869)
Net gain from insurance proceeds - Note 9	248,358	-

EXCESS OF REVENUE OVER EXPENDITURES

211,062

10,428

Unrestricted net assets, beginning of year

2,702,239

2,691,811

UNRESTRICTED NET ASSETS, END OF YEAR

2,913,301

2,702,239

One Care Home and Community Support Services

Statement of Cash Flows

year ended March 31, 2022

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2022

2021

CASH PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess of revenue over expenditures for the year	211,062	10,428
Items not affecting cash		
Amortization of capital assets	344,468	647,869
Amortization of deferred contributions - <i>Note 7</i>	(346,645)	(234,097)
Amortization of deferred capital contributions - <i>Note 8</i>	(311,918)	(583,766)
Loss on impairment	351,840	-
<hr/>		
Changes in non-cash working capital	248,807	(159,566)
related to operations - <i>Note 10</i>	(681,160)	1,090,432
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	(432,353)	930,866

FINANCING ACTIVITIES

Deferred contributions received - <i>Note 7</i>	464,384	349,347
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INVESTING ACTIVITIES

Purchase of capital assets	(600,198)	(143,687)
Proceeds from guaranteed investment certificates	250,000	-

	(350,198)	(143,687)
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CHANGE IN CASH AND CASH EQUIVALENTS

	(318,167)	1,136,526
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Cash and cash equivalents, beginning of year	2,553,654	1,417,128
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Cash and cash equivalents, end of year	2,235,487	2,553,654
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Represented by:

Cash	2,235,487	2,553,654
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One Care Home and Community Support Services

Notes to the Financial Statements

year ended March 31, 2022

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

1 PURPOSE OF THE ORGANIZATION

One Care Home and Community Support Services ("the organization"), is incorporated without share capital under the laws of the Province of Ontario and is a registered charity under the Income Tax Act. The purpose of the organization is to provide in-home and community support services, as well as adult day programs, for seniors and persons with disabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations and include the following significant accounting policies:

2.1 Capital assets

Capital assets are stated at cost and are amortized monthly on a straight-line basis utilizing annual rates, as indicated below.

Buildings	4% straight line
Yard	8% straight line
Leasehold improvements	5-20% straight line
Equipment and furniture	10-20% straight line
Vehicles	20% straight line
Computer hardware and software	33% straight line

In the year of acquisition and until assets are available for use, no amortization is applied.

2.2 Impairment of long-lived assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

2.3 Contributed Services

The organization is dependant upon the many hours contributed by volunteers during the year. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

2.4 Revenue recognition

Revenue is recognized when there is persuasive evidence that an arrangement exists, the price is fixed or determinable, and collection is reasonably assured. Revenues from Ministry of Health and other service revenue are recognized as services are provided. Restricted contributions are recognized under the deferral method, where contributions are recognized as revenue in the year in which the related expenses 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.

All donations and fundraising revenue received by the organization are restricted for client subsidies, or the purchase and maintenance of essential program equipment and facilities.

2.5 Deferred Capital Contributions

Deferred capital contributions arise from contributions used to purchase capital assets. These contributions are recognized in revenue over the same amortization period as their related asset.

One Care Home and Community Support Services

Notes to the Financial Statements

year ended March 31, 2022

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2.6 Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

2.7 Financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for any investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets measured at amortized cost include cash and accounts receivable.

3 FINANCIAL INSTRUMENTS

The organization is exposed to various financial risks through transactions in financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risk relates to its trade accounts receivable.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is not exposed to currency risk.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is not exposed to interest rate risk.

(d) Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is not exposed to significant liquidity risk.

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is not exposed to other price risk.

4 GUARANTEED INVESTMENT CERTIFICATES

At year end the organization owned three guaranteed investment certificates bearing interest between 0.35 - 1.70% (2021 - five bearing interest between 0.45 - 1.20%) with maturity dates ranging from November 18, 2022 to March 10, 2023. During the year, the organization earned \$4,942 (2021 - \$14,202) in interest revenue from these investments.

One Care Home and Community Support Services

Notes to the Financial Statements

year ended March 31, 2022

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The Accompanying Notes are an Integral Part of the Financial Statements

5 CAPITAL ASSETS

	Cost	Accumulated Amortization	2022 Net book value	2021 Net book value
Land	80,000	-	80,000	80,000
Buildings	1,318,013	377,552	940,461	730,869
Yard	140,531	140,531	-	-
Leasehold improvements	440,741	369,771	70,970	84,381
Equipment and furniture	50,499	50,499	-	9,839
Vehicles	1,609,894	1,249,940	359,954	522,129
Computer hardware and software	2,213,998	2,213,998	-	120,275
	5,853,676	4,402,291	1,451,385	1,547,493

6 CLIENT FEES AND OTHER REVENUE

Other revenues include fees for services of \$1,199,952, (2021 - \$986,513), with the balance comprised of grants, interest income, and other recoveries and revenues.

7 DEFERRED CONTRIBUTIONS

	Net Contributions received (repaid)	Contributions amortized	March 31 2022	March 31 2021
Donations and bequests	87,031	-	458,998	371,966
Prepaid services	(553)	-	26,504	27,057
Grants and other funding	377,906	346,645	420,781	389,521
	464,384	346,645	906,283	788,544

During the period, the organization received restricted contributions of \$464,384 and amortized \$346,645 of contributions (2021 - \$349,347 received and \$234,098 amortized).

One Care Home and Community Support Services

Notes to the Financial Statements

year ended March 31, 2022

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

8 DEFERRED CAPITAL CONTRIBUTIONS

	Contributions received	Contributions amortized	March 31 2022	March 31 2021
Buildings	-	18,061	133,684	151,746
Leasehold improvements	-	6,629	33,143	39,771
Equipment and vehicles	-	166,952	370,248	537,200
Computer hardware and software	-	120,276	-	120,276
	-	311,918	537,075	848,993

During the period, the organization did not receive any restricted capital contributions, and amortized \$311,918 of contributions (2021 - \$nil received and \$583,766 amortized).

9 NET GAIN FROM INSURANCE

On December 1, 2021, the organization recognized an impairment loss due to a roof collapse at the Clinton location. At the date of impairment, the building had a net book value of \$700,405. The building was 50% impacted by the roof collapse resulting in an impairment loss of \$351,840.

At year end, the organization had insurance proceeds received or receivable of \$600,198 to cover the costs incurred up to date for the reconstruction of the building impacted by the roof collapse. The insurance proceeds were netted against the impairment loss resulting in a net gain from insurance proceeds of \$248,358.

10 STATEMENT OF CASH FLOWS

The net change in non-cash working capital consists of:

	2022	2021
Accounts receivable	(1,041,542)	394,092
HST receivable	(5,883)	155,577
Prepaid expenses	(16,700)	(65,553)
Accounts payable and accruals	489,874	400,730
Wages payable	(70,146)	161,761
Government remittances payable	(36,763)	43,825
	(681,160)	1,090,432

One Care Home and Community Support Services

Notes to the Financial Statements

year ended March 31, 2022

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

11 ECONOMIC DEPENDENCE

The organization derived 83% of its revenue from the Ministry of Health through two different funding contracts. The contract with the Home and Community Care accounted for 28% (2021 - 27%), and the contract with the Community Support Services accounted for 55% (2021 - 55%), of total revenue excluding insurance proceeds.

12 COMMITMENTS

The organization has various property lease commitments for its different locations.

The total minimum annual lease payments for the next five years are as follows:

2023	135,133
2024	5,752
2025	5,538
2026	5,632
2027	4,277

13 IMPACT OF THE COVID-19 PANDEMIC

The economic impacts of the coronavirus disease (COVID-19) outbreak, and related government measures have been widespread affecting almost all businesses and organizations. During the current year, the financial impact on the organization included the following:

The organization received one-time funding including pandemic pay and COVID-19 funding. This was offset by a decrease in revenue from client fees as compared to pre COVID-19, an increase of wage expenses from pandemic pay, and an increase in cost of personal protective equipment. As a result of lower client service, some expenses also decreased, such as contracted out services expenses and travel expenses.

The organization expects the impact of COVID-19 to continue in the subsequent year, and the overall financial impact cannot be quantified at the time these financial statements are issued.