NEW VISIONS TORONTO

FINANCIAL STATEMENTS

MARCH 31, 2023

ALLWORTH
& ASSOCIATES
Chartered
Professional
Accountants

2401 Bristol Circle, Suite C200
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INDEPENDENT AUDITOR'S REPORT

To the Members of New Visions Toronto:

Qualified Opinion

We have audited the financial statements of New Visions Toronto (the Charity), which comprise the statement of financial position as at March 31, 2023, and the statement of changes in net assets, statement of operations 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, 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 New Visions Toronto as at March 31, 2023, and the 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 Qualified Opinion

In common with many charitable organizations, New Visions Toronto derives revenue from donations and fundraising, 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 donations and fundraising revenue, surplus for the year, and cash flows from operations for the years ended March 31, 2023 and March 30, 2022, current assets and net assets as at March 31, 2023 and March 30, 2022. This caused us to qualify our opinion on the financial statements as at and for the year ended March 30, 2022.

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 Charity in accordance with the ethical requirements that are relevant to our audit of 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 opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Charity has a working capital deficiency of $1,294,956 as at March 31, 2023. As stated in note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

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

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INDEPENDENT AUDITOR'S REPORT - continued

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 Charity'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 Charity'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 Charity 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.

Allworth & Associates

ALLWORTH & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Oakville, Ontario
September 20, 2023

NEW VISIONS TORONTO

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2023

	2023	2022
ASSETS		
Current		
Cash	$ 214,520	$ 311,148
Accounts receivable	252,418	57,785
HST receivable	60,173	73,983
Prepaid expenses and deposits	54,653	38,644
	581,764	481,560
Capital assets - note 3	1,411,592	1,440,505
	$ 1,993,356	$ 1,922,065
LIABILITIES		
Current		
Accounts payable and accrued liabilities - note 5	$ 1,876,720	$ 1,632,467
Deferred contributions - note 6	804,858	813,272
	2,681,578	2,445,739
NET ASSETS		
Net assets invested in capital assets - note 7	$ 790,379	$ 835,086
Unrestricted net assets	(1,478,601)	(1,358,760)
	(688,222)	(523,674)
	$ 1,993,356	$ 1,922,065

Approved on behalf of the Board of Directors:

William Everett Director

DocuSigned by:

Director

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The accompanying notes are an integral part of these financial statements

NEW VISIONS TORONTO

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2023

	Invested in capital assets	Unrestricted	2023	2022
Net assets - beginning	$ 835,086	$ (1,358,760)	$ (523,674)	$ (972,632)
Operating (deficit) surplus	(64,454)	(100,094)	(164,548)	448,958
Investment in capital assets				
Additions - note 7	153,342	(153,342)	-	-
Deferred funding received in the year - note 7	(133,595)	133,595	-	-
Net assets	$ 790,379	$ (1,478,601)	$ (688,222)	$ (523,674)

NEW VISIONS TORONTO

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
Revenue		
Provincial assistance - note 8	$ 10,235,154	$ 10,118,217
Client contribution	673,565	644,389
Direct client funding	173,188	171,840
Donations and fundraising	139,303	91,882
Amortization of deferred contributions related to capital assets	117,800	120,037
Passport funding	62,923	90,435
Other assistance	22,369	17,946
Respite care	3,950	-
Interest	177	29
	11,428,429	11,254,775
Expenses		
Residential program		
Salaries and benefits	9,237,874	8,567,726
Supplies and services	649,059	537,495
Rent and premises	452,557	477,980
	10,339,490	9,583,201
General and administrative	988,602	986,984
Amortization	182,254	184,253
Fundraising expense	82,631	51,679
	1,253,487	1,222,916
	11,592,977	10,806,117
	(164,548)	448,658
Other income		
Gain on disposal of capital assets	-	300
(Deficit) surplus for the year	$ (164,548)	$ 448,958

NEW VISIONS TORONTO

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
Cash from operating activities		
(Deficit) surplus for the year	$ (164,548)	$ 448,958
Adjustments to reconcile operating surplus to net cash provided by operating activities:		
Amortization	182,254	184,253
Gain on disposal of capital assets	-	(300)
Changes in non-cash working capital balances:		
Accounts receivable	(194,633)	8,340
HST receivable	13,810	69,261
Prepaid expenses	(16,009)	(5,152)
Accounts payable and accrued liabilities	244,254	(178,456)
Deferred contributions	(8,414)	(22,137)
Net cash generated through operating activities	56,714	504,767
Financing activities		
(Repayments of) loan payable	-	(130,000)
Net cash (used) in financing activities	-	(130,000)
Investing activities		
Purchase of capital assets	(153,342)	(162,904)
Proceeds from disposal of capital assets	-	300
Net cash (used) in investing activities	(153,342)	(162,604)
Net change in cash and cash equivalents	(96,628)	212,163
Cash and cash equivalents - beginning	311,148	98,985
Cash and cash equivalents	$ 214,520	$ 311,148

NEW VISIONS TORONTO

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

The purpose of the organization is to provide integrative and enhanced community based support services for children and adults who have a developmental disability. This is carried out through value based, community residential supports that encourage citizenship. The majority of the funding for operations is obtained from the Ministry of Children's, Community and Social Services.

Effective July 30, 1998, the organization changed its name from New Visions Homes for Children & Adolescents (Toronto) Inc. to New Visions Toronto. New Visions Toronto was incorporated on November 25, 1986 and active operations began January 1, 1987. The organization is a registered charity and, as such, is exempt from income tax.

1. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and include the following significant accounting policies:

Fund accounting

The organization uses the deferral method of accounting and reports on a fund accounting basis. The funds maintained are as follows:

(i) Unrestricted fund - includes results of day-to-day operating transactions and all unrestricted contributions

(ii) Capital asset fund - includes the organization's assets, liabilities, revenue, and expenditures related to the capital assets

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

Capital assets and amortization

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is calculated based on the estimated useful life of the asset on a straight line basis over the following periods:

Automotive	- 5 years
Buildings	- 40 years
Building improvements	- remaining useful life of asset
Furniture and equipment	- 2-5 years
Leasehold improvements	- 1-10 years

In the year of acquisition of an asset, depreciation is calculated at 50% of the normal rate.

Summary of significant accounting policies - continued

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted revenues are recognized as revenue in the year in which the related expenses are incurred. Unrestricted funding is recognized as revenue when received or receivable if the amount to be received can reasonably be estimated and collection is reasonably assured. Deferred funding related to capital assets is recognized as revenue in the year in which the related amortization expense is incurred. Client contributions, direct client funding, and other assistance is recognized on a monthly basis in accordance with the terms of the client's agreement. Donations and fundraising revenues are recognized as received by the organization regardless of when the fundraising event takes place.

Estimates

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) requires that management make estimates and assumptions that affect the amounts reported and the disclosures in the notes. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

The valuation of accounts receivable is based on management's best estimate of the provision for bad debts.

The valuation of capital assets is based on management's best estimates of the future recoverability of these assets and the determination of costs subject to classification as capital assets. The amounts recorded for depreciation of the capital assets are based on management's best estimates of the remaining useful lives and period of future benefit of the related assets.

Contributed services

Volunteers contribute time each year to assist the organization in carrying out its service delivery activities. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

Summary of significant accounting policies - continued

Financial instruments

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

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

2. Continuity of operations

These financial statements have been prepared on the basis of accounting principles applicable to a going-concern, which contemplates the realization of assets and the payment of liabilities in the normal course of operations and the achievement of positive cash flows. Unrestricted net assets had a deficit of revenues over expenses for the year of $100,094 (2022 - surplus of $513,174) and a deficit at the year end of $1,478,601 (2022 - $(1,358,760)) and a working capital deficiency of $1,294,956 (2022 - $1,150,907). The continuation of the organization as a going-concern is dependent upon the achievement of positive cash flows from operations. If the going concern assumption were not appropriate for these financial statements, adjustments would be necessary to the carrying values of assets and liabilities, the reported excess of expenses over revenue and the statement of financial position classifications used.

3. Capital assets

	Cost	Accumulated Depreciation	2023	2022
Land	$ 284,150	$ -	$ 284,150	$ 284,150
Automotive	343,545	255,154	88,391	65,393
Buildings and improvements	1,736,747	1,128,201	608,546	567,853
Furniture and equipment	742,659	649,962	92,697	132,180
Leasehold improvements	988,533	650,725	337,808	390,929
	$ 4,095,634	$ 2,684,042	$ 1,411,592	$ 1,440,505

The Ministry of Children's, Community and Social Services has an ownership interest in certain of the land and buildings. As a result of these ownership interests, the sale or alteration of these assets may be subject to the Ministry's approval.

4. Bank indebtedness

The organization has an agreement with its bank providing for an operating credit facility in the amount of $300,000. As of March 31, 2023, the organization utilized $Nil of the available revolving facility. The operating loan is due on demand and secured by a general security agreement providing the creditor with a security interest over all present and after-acquired movable property of the Borrower with a first ranking for machinery and equipment, CDN accounts receivable, inventory warehouse receipts, and assignment of fire insurance. The facility bares interest at the prime rate plus 1.25%.

The organization has an agreement with its bank providing for a corporate MasterCard with a limit of $100,000. As of March 31, 2023, the organization utilized $48,541 of the available MasterCard facility. The MasterCard facility is due on demand and secured by a general security agreement providing the creditor with a security interest over all present and after-acquired movable property of the Borrower with a first ranking for machinery and equipment, CDN accounts receivable, inventory warehouse receipts, and assignment of fire insurance.

5. Accounts payable and accrued liabilities

	2023	2022
Trade payables and accrued liabilities	$ 1,105,711	$ 1,017,588
Government remittances	771,009	614,879
	$ 1,876,720	$ 1,632,467

6. Deferred contributions

	2023	2022
Balance, beginning of year	$ 813,272	$ 835,409
Add: Amounts received in advance	141,305	97,900
Less: Amounts amortized to revenue	117,800	120,037
Less: Amounts transferred directly to revenue	31,919	-
Balance, end of year	$ 804,858	$ 813,272

Deferred contributions consist of restricted capital funding received for the purchase of depreciable capital assets and restricted funding received for a specific purpose that has not yet been spent.

7. Invested in capital assets

Investment in capital assets is calculated as follows:

	2023	2022
Capital assets	$ 1,411,592	$ 1,440,505
Less: Amounts financed by deferred contributions	621,213	605,419
Balance, end of year	$ 790,379	$ 835,086

Change in net assets invested in capital assets is calculated as follows:

	2023	2022
Operations:		
Amortization	$ (182,254)	$ (184,253)
Amortization of deferred contributions related to capital assets	117,800	120,037
	(64,454)	(64,216)
Purchase of capital assets	153,342	162,904
Contributions received	(133,595)	(59,633)
	19,747	103,271
	$ (44,707)	$ 39,055

8. Provincial assistance

	2023	2022
Ministry of Children's, Community and Social Services	$ 9,220,217	$ 9,112,582
Ministry of Health and Long-Term Care	1,014,937	1,005,635
	$10,235,154	$10,118,217

9. Commitments

The organization leases certain homes and office spaces. Future minimum lease payments required over the next five years are as follows:

2024	406,453
2025	406,453
2026	376,053
2027	360,853
2028	345,105

10. Financial Instruments

The organization's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short term to maturity. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the organization is operating as a going concern and expects to fully repay the outstanding amount.

Liquidity risk

The organization does have liquidity risk in the accounts payable and accrued liabilities of $1,876,720 (2022 - $1,632,467). 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 maintains access to a sufficient cash balance to repay trade creditors. In the opinion of management, the liquidity risk exposure to the organization is moderate. This risk is unchanged from the prior year.

Financial instruments - continued

Credit risk

The organization does have credit risk in the accounts receivable of $252,418 (2022 - $57,785). 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 reduces its exposure to credit risk by following up overdue accounts on a timely basis and creating an allowance for bad debts when applicable. In the opinion of management, the credit risk exposure to the organization is low. This risk is unchanged from the prior year.

The organization has one entity that comprised 61% of total accounts receivable (2022 - one entity that comprised 62%).

The corporation also has a credit risk relating to cash, which it manages by dealing with large chartered banks in Canada. The corporation's objective is to minimize its exposure to credit risk in order to prevent losses on financial assets by placing its cash in accounts that are insurable by the Canada Deposit Insurance Corporation (CDIC). The corporation's cash carrying value is $214,520 (2022 - $311,148), representing the maximum exposure to credit risk of these financial assets. This risk is unchanged from the prior year.

11. Economic dependence

The future viability of the organization is dependent upon continued support from the Ministry of Children's, Community and Social Services. The organization receives a substantial amount of funding from the Ministry of Children's, Community and Social Services pursuant to a service contract entered into by both parties.