

NEW VISIONS TORONTO

FINANCIAL STATEMENTS

MARCH 31, 2025

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, 2025, 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, 2025, 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, income for the year, and cash flows from operations for the years ended March 31, 2025 and March 31, 2024, current assets and net assets as at March 31, 2025 and March 31, 2024. This caused us to qualify our opinion on the financial statements as at and for the year ended March 31, 2024.

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 \$1,488,363 as at March 31, 2025. 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.

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.

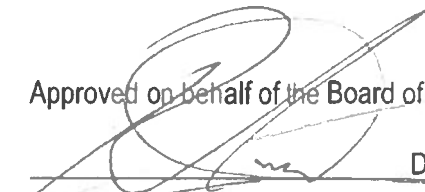
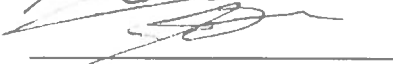
NEW VISIONS TORONTO

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Current		
Cash	\$ 85,799	\$ 65,058
Accounts receivable	51,646	68,803
HST receivable	58,319	44,752
Prepaid expenses and deposits	<u>134,123</u>	<u>44,835</u>
	329,887	223,448
Capital assets - note 3	<u>1,310,145</u>	<u>1,420,476</u>
	\$ <u>1,640,032</u>	\$ <u>1,643,924</u>
LIABILITIES		
Current		
Bank indebtedness - note 4	\$ -	\$ 179,185
Accounts payable and accrued liabilities - note 5	<u>1,818,250</u>	<u>1,827,204</u>
	1,818,250	2,006,389
Deferred contributions - note 6	<u>900,048</u>	<u>874,016</u>
	2,718,298	2,880,405
NET ASSETS		
Net assets invested in capital assets - note 7	\$ 693,140	\$ 790,992
Unrestricted net assets	<u>(1,771,406)</u>	<u>(2,027,473)</u>
	<u>(1,078,266)</u>	<u>(1,236,481)</u>
	\$ <u>1,640,032</u>	\$ <u>1,643,924</u>

Approved on behalf of the Board of Directors:


 _____ Director

 _____ Director

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, 2025

	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>2025</u>	<u>2024</u>
Net assets - beginning	\$ 790,992	\$(2,027,473)	\$(1,236,481)	\$ (688,222)
Operating surplus (deficit)	(61,221)	219,436	158,215	(548,259)
Investment in capital assets				
Additions - note 7	84,187	(84,187)	-	-
Deferred funding received in the year - note 7	<u>(120,818)</u>	<u>120,818</u>	<u>-</u>	<u>-</u>
Net assets	\$ <u>693,140</u>	\$ <u>(1,771,406)</u>	\$ <u>(1,078,266)</u>	\$ <u>(1,236,481)</u>

The accompanying notes are an integral part of these financial statements

NEW VISIONS TORONTO
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
Revenue		
Provincial assistance - note 8	\$ 10,554,064	\$ 10,114,561
Client contribution	801,223	741,519
Direct client funding	444,731	256,233
Passport funding	281,500	260,573
Donations and fundraising	161,833	117,185
Amortization of deferred contributions related to capital assets	133,298	129,414
Other assistance	18,337	19,626
Respite care	14,210	5,250
Interest	173	-
	<u>12,409,369</u>	<u>11,644,361</u>
Expenses		
Residential program		
Salaries and benefits	9,527,064	9,652,262
Supplies and services	786,341	735,606
Rent and premises	<u>485,804</u>	<u>474,778</u>
	10,799,209	10,862,646
General and administrative	1,177,960	1,039,394
Amortization	194,519	200,065
Fundraising expense	<u>94,699</u>	<u>90,515</u>
	<u>1,467,178</u>	<u>1,329,974</u>
	<u>12,266,387</u>	<u>12,192,620</u>
Income (deficit) from operations before the following:	142,982	(548,259)
Other income		
Gain on disposal of capital assets	<u>15,233</u>	<u>-</u>
Income (deficit) for the year	<u>\$ 158,215</u>	<u>\$ (548,259)</u>

The accompanying notes are an integral part of these financial statements

NEW VISIONS TORONTO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
Cash from operating activities		
Income (deficit) for the year	\$ 158,215	\$ (548,259)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Amortization	194,519	200,065
Gain on disposal of capital assets	(15,233)	-
Changes in non-cash working capital balances:		
Accounts receivable	17,157	183,615
HST receivable	(13,567)	15,421
Prepaid expenses	(89,288)	9,818
Bank indebtedness	(179,185)	179,185
Accounts payable and accrued liabilities	(8,955)	(49,516)
Deferred contributions	<u>26,032</u>	<u>69,158</u>
Net cash generated through operating activities	89,695	59,487
Investing activities		
Purchase of capital assets	(84,187)	(208,949)
Proceeds from disposal of capital assets	<u>15,233</u>	<u>-</u>
Net cash (used) in investing activities	<u>(68,954)</u>	<u>(208,949)</u>
Net change in cash and cash equivalents	20,741	(149,462)
Cash and cash equivalents - beginning	<u>65,058</u>	<u>214,520</u>
Cash and cash equivalents	<u>\$ 85,799</u>	<u>\$ 65,058</u>

The accompanying notes are an integral part of these financial statements

NEW VISIONS TORONTO

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

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 (ASNFPPO) 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.

NEW VISIONS TORONTO

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

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 (ASNFPPO) 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.

NEW VISIONS TORONTO
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

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 bank indebtedness, 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 surplus of revenues over expenses for the year of \$219,436 (2024 - deficit of \$477,608) and a deficit at the year end of \$1,771,406 (2024 - deficit of \$2,027,473) and a working capital deficiency of \$1,488,363 (2024 - \$1,782,941). 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	2025		2024	
Land	\$ 284,150	\$ -	\$ 284,150	\$	284,150	\$ 284,150
Automotive	345,073	264,504	80,569	\$	112,655	\$ 112,655
Buildings and improvements	1,781,397	1,245,653	535,744	\$	549,251	\$ 549,251
Furniture and equipment	789,670	728,973	60,697	\$	86,823	\$ 86,823
Leasehold improvements	<u>1,133,812</u>	<u>784,827</u>	<u>348,985</u>	\$	<u>387,597</u>	\$ <u>387,597</u>
	<u>\$ 4,334,102</u>	<u>\$ 3,023,957</u>	<u>\$ 1,310,145</u>	\$	<u>1,420,476</u>	\$ <u>1,420,476</u>

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.

NEW VISIONS TORONTO
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

4. Bank indebtedness

	<u>2025</u>	<u>2024</u>
Bank overdraft	\$ <u>-</u>	\$ <u>179,185</u>

The organization has an agreement with its bank providing for an operating credit facility in the amount of \$300,000. As of March 31, 2025, the organization utilized \$Nil (2024 - \$129,701) 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 bears 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, 2025 the organization utilized \$37,911 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

	<u>2025</u>	<u>2024</u>
Trade payables and accrued liabilities	\$ 1,066,962	\$ 1,060,978
Government remittances	<u>751,288</u>	<u>766,226</u>
	<u>\$ 1,818,250</u>	<u>\$ 1,827,204</u>

6. Deferred contributions

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 874,016	\$ 804,858
Add: Amounts received in advance	170,889	200,896
Less: Amounts amortized to revenue	133,298	129,414
Less: Amounts transferred directly to revenue	<u>11,559</u>	<u>2,324</u>
Balance, end of year	<u>\$ 900,048</u>	<u>\$ 874,016</u>

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.

NEW VISIONS TORONTO
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

7. Invested in capital assets

Investment in capital assets is calculated as follows:

	<u>2025</u>	<u>2024</u>
Capital assets	\$ 1,310,145	\$ 1,420,476
Less: Amounts financed by deferred contributions	<u>617,005</u>	<u>629,484</u>
Balance, end of year	<u>\$ 693,140</u>	<u>\$ 790,992</u>

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

	<u>2025</u>	<u>2024</u>
Operations:		
Amortization	\$ (194,519)	\$ (200,065)
Amortization of deferred contributions related to capital assets	<u>133,298</u> <u>(61,221)</u>	<u>129,414</u> <u>(70,651)</u>
Purchase of capital assets	84,187	208,949
Contributions received	<u>(120,818)</u> <u>(36,631)</u>	<u>(137,685)</u> <u>71,264</u>
	<u>\$ (97,852)</u>	<u>\$ 613</u>

8. Provincial assistance

	<u>2025</u>	<u>2024</u>
Ministry of Children's, Community and Social Services	\$ 9,420,021	\$ 9,024,148
Ministry of Health and Long-Term Care	<u>1,134,043</u>	<u>1,090,413</u>
	<u>\$10,554,064</u>	<u>\$10,114,561</u>

9. Commitments

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

2026	\$ 144,979
2027	114,579
2028	<u>82,816</u>
	<u>\$ 342,374</u>

NEW VISIONS TORONTO

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

10. Financial Instruments

The organization's financial instruments consist of cash, accounts receivable, bank indebtedness 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.

Liquidity risk

The organization does have liquidity risk in the bank indebtedness, accounts payable and accrued liabilities of \$1,818,250 (2024 - \$2,006,389). 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.

Credit risk

The organization does have credit risk in the accounts receivable of \$51,646 (2024 - \$68,803). 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 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 \$85,799 (2024 - \$65,058), representing the maximum exposure to credit risk of these financial assets. This risk is unchanged from the prior year.

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 line of credit bears interest at the bank prime rate plus 1.25%. Changes in the bank's prime lending rate can cause fluctuations in interest payments and cash flows. The organization does not use derivative financial instruments to alter the effects of this risk. In the opinion of management, the interest rate risk exposure to the organization is low. This risk is unchanged from the prior year.

NEW VISIONS TORONTO

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

11. Contingencies

The organization is a named respondent in an application filed by an individual to the Human Rights Tribunal of Ontario alleging discrimination and seeking non-financial remedies. The Organization is defending the application. Neither the outcome of the claim nor the amount of possible settlement (if any) can be foreseen. Therefore, no provision has been recognized in the financial statements.

Two grievances have been filed on behalf of employees of the organization regarding employees seeking to return to work on modified duties. The organization is defending the claims and the matters are proceeding to arbitration. Neither the outcome of the claims nor the amount of possible settlements (if any) can be foreseen. Therefore, no provisions have been recognized in the financial statements.

12. 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.