

**QUINTE VITALITY AND SOCIAL SUPPORT**  
**Financial Statements**

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Year Ended March 31, 2022

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**ERIC REYNOLDS** CPA  
PROFESSIONAL CORPORATION

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**QUINTE VITALITY AND SOCIAL SUPPORT**  
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Year Ended March 31, 2022

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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, 2022 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, 2022, 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

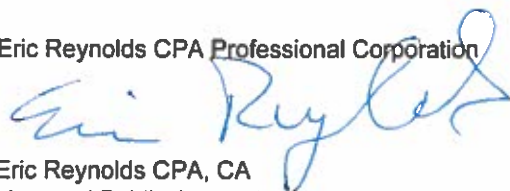
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but not a guarantee that 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.

Eric Reynolds CPA Professional Corporation



Eric Reynolds CPA, CA  
Licensed Public Accountant

Belleville, Ontario  
August 19, 2022

## QUINTE VITALITY AND SOCIAL SUPPORT

(Incorporated without share capital)  
Financial Position as at Mar 31, 2022

	Operating Fund \$	Capital Fund \$	Total 2022 \$	Total 2021 \$
<b>ASSETS</b>				
Current				
Cash	180,219	-	180,219	176,556
Accounts receivable	11,443	-	11,443	8,469
Prepaid expenses and other assets	10,465	-	10,465	6,905
	202,127	-	202,127	191,930
Property, Plant and Equipment (note 3)				
Cost	-	2,566,727	2,566,727	2,531,970
Accumulated amortization	-	(1,385,085)	(1,385,085)	(1,327,527)
	-	1,181,642	1,181,642	1,204,443
	202,127	1,181,642	1,383,769	1,396,373
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities				
Accounts payable and accrued liabilities	44,326	-	44,326	42,272
Due to governments	12,079	-	12,079	8,116
Funds held in trust	109,608	-	109,608	105,628
	166,013	-	166,013	156,016
Deferred Revenue (Note 4)	-	1,054,182	1,054,182	1,081,409
	166,013	1,054,182	1,220,195	1,237,425
Net Assets				
Externally Restricted	36,114	-	36,114	35,914
Invested in capital assets	-	127,460	127,460	123,034
	36,114	127,460	163,574	158,948
	202,127	1,181,642	1,383,769	1,396,373

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, 2022

	Operating Fund \$	Capital Fund \$	Total 2022 \$	Total 2021 \$
<b>Revenue</b>				
Sales	22,181	-	22,181	22,652
Grants - MCSS	761,864	-	761,864	761,864
United Way	5,000	-	5,000	21,851
Trillium Grant	27,215	-	27,215	-
Donations	-	-	-	8,905
Expenditure recoveries	42,715	-	42,715	17,619
Red's Diner	-	-	-	1,086
Passport Funding	55,166	-	55,166	26,792
Interest income	53	-	53	106
Amortization of Deferred Revenue	-	47,835	47,835	47,130
	<u>914,194</u>	<u>47,835</u>	<u>962,029</u>	<u>908,005</u>
<b>Expenses - Schedule of Expenses</b>	<u>899,845</u>	<u>57,558</u>	<u>957,403</u>	<u>918,881</u>
<b>Excess Revenue Over Expenses (Expense over revenue) for year</b>	<u>14,349</u>	<u>(9,723)</u>	<u>4,626</u>	<u>(10,876)</u>
<b>Net before capital asset transfers</b>	<u>14,349</u>	<u>(9,723)</u>	<u>4,626</u>	<u>(10,876)</u>
<b>Capital assets purchased - net</b>	<u>(14,149)</u>	<u>14,149</u>	<u>-</u>	<u>-</u>
<b>Adjusted net income</b>	<u>200</u>	<u>4,426</u>	<u>4,626</u>	<u>(10,876)</u>
<b>Net Assets - Beginning of the Year</b>	<u>35,914</u>	<u>123,034</u>	<u>158,948</u>	<u>169,824</u>
<b>Net Assets - End of Year</b>	<u>36,114</u>	<u>127,460</u>	<u>163,574</u>	<u>158,948</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, 2022

	2022	2021
	\$	\$
<b>Cash flows from operating activities</b>		
Net income (loss)	4,626	(10,876)
Items not affecting cash:		
Amortization of property, plant and equipment	57,558	58,104
Amortization of Deferred Revenue	(47,835)	(47,130)
Changes in non-cash working capital:		
Accounts receivable	(2,974)	1,787
Prepaid expenses and other assets	(3,560)	(6,905)
Accounts payable and accrued liabilities	2,052	25,462
Due to governments	3,963	125
Funds held in trust	3,980	3,927
<b>Net cash provided by operating activities</b>	<b>17,810</b>	<b>24,494</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(34,755)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(34,755)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Deferred revenue capital assets	20,608	-
<b>Net cash provided by financing activities</b>	<b>20,608</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,663</b>	<b>24,494</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>176,556</b>	<b>152,064</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>180,219</b>	<b>176,558</b>
<b>Cash and cash equivalents consists of:</b>		
Cash	<b>180,219</b>	<b>176,556</b>

See accompanying notes to the financial statements

## QUINTE VITALITY AND SOCIAL SUPPORT

(Incorporated without share capital)  
Notes to Financial Statements  
Year Ended March 31, 2022

### 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 Vocational Support Services 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, 2022

### 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>
Building	Declining balance	4%
Furniture and Equipment	Declining balance	20%
Automotive	Declining balance	30%
Computer Equipment	Straight-line	30%
Leasehold improvements	Declining balance	20%
Land improvements	Declining balance	100%

#### 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, 2022

### 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

	2022		2021	
	Cost	Accumulated	Net	Net
		Amortization		
	\$	\$	\$	\$
Furniture and equipment	471,864	(446,063)	25,801	32,250
Automotive	246,952	(236,312)	10,640	15,199
Computer Equipment	94,429	(62,049)	32,380	4,054
Building	1,603,481	(640,661)	962,820	1,002,940
Land	150,000	-	150,000	150,000
	2,566,726	(1,385,085)	1,181,641	1,204,443

### 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:

	2022	2021
	\$	\$
Beginning of the year	1,081,409	1,128,539
Add amount received to be recognized in following years	20,608	-
Deduct amount recognized as revenue in year	(47,835)	(47,130)
End of year	1,054,182	1,081,409

### 5. GOVERNMENT ASSISTANCE

Quinte Vocational 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, 2022. 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, 2022

### 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, 2022.

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, 2022

	Operating Fund \$	Capital Fund \$	Total 2022 \$	Total 2021 \$
<b>Expenses</b>				
Administration - other	5,792	-	5,792	5,878
Administration - staff	91,926	-	91,926	95,563
Advertising and promotion	3,082	-	3,082	2,489
Amortization or Property, plant and equipment	-	57,558	57,558	58,103
COVID 19 PPE	108	-	108	6,599
Employee benefits	81,300	-	81,300	83,894
Insurance	14,484	-	14,484	13,947
Office	47,042	-	47,042	30,890
Professional fees	1,232	-	1,232	3,454
Programs	48,233	-	48,233	18,001
Purchased services	11,573	-	11,573	11,312
Red's Diner	667	-	667	198
Repairs and maintenance	51,103	-	51,103	47,049
Salaries -supervision	492,809	-	492,809	508,492
Staff training	1,395	-	1,395	581
Telephone	6,422	-	6,422	6,705
Travel	1,669	-	1,669	(12,597)
Utilities	29,723	-	29,723	26,999
Vehicle operation	11,285	-	11,285	11,324
<b>Total</b>	<b>899,845</b>	<b>57,558</b>	<b>957,403</b>	<b>918,881</b>

## QUINTE VITALITY AND SOCIAL SUPPORT

(Incorporated without share capital)  
 Schedule of Administrative Revenues and Expenses  
 for year ended March 31, 2022

	2022	2021
	\$	\$
<b>Revenues</b>		
Donations	-	-
	<hr/>	<hr/>
<b>ALLOCATED AS:</b>		
Administrative Donations	-	-
	<hr/> <hr/>	<hr/> <hr/>
<b>EXPENDITURES</b>		
Salaries	82,824	86,201
Employee benefits	9,102	9,362
Professional fees	4,929	5,152
Insurance	863	726
Other	-	-
	<hr/>	<hr/>
	97,718	101,441
	<hr/> <hr/>	<hr/> <hr/>
<b>ALLOCATED AS:</b>		
Administration - Staff	91,926	95,563
Administration - Other	5,792	5,878
	<hr/>	<hr/>
	97,718	101,441
	<hr/> <hr/>	<hr/> <hr/>