

OPTIONS NORTHWEST Personal Support Services
Financial Statements
March 31, 2023

OPTIONS NORTHWEST Personal Support Services

Contents

For the year ended March 31, 2023

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Management's Responsibility

To the Board of Directors of OPTIONS NORTHWEST Personal Support Services:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

June 22, 2023


Executive Director


Director of Finance

To the Board of Directors of OPTIONS NORTHWEST Personal Support Services:

Qualified Opinion

We have audited the financial statements of OPTIONS NORTHWEST Personal Support Services (the "Organization"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in 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, except for the 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 the Organization 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

As disclosed in Note 2, the Organization does not record accrued employee compensation entitlements as is required by Canadian accounting standards for not-for-profit organizations. As a result, liabilities are understated and fund balance is overstated by \$525,979 as at March 31, 2023 (2022 - \$530,098) and expenditures are overstated by \$4,120 for the year ended March 31, 2023 (2022 - overstated by \$26,839). Our audit opinion on the financial statements for the year ended March 31, 2022 was qualified accordingly because of the effect of this departure from Canadian accounting standards for not-for-profit organizations.

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 qualified opinion.

Other Matter

The supplementary information contained in schedules 2 to 6 is presented for the purposes of additional analysis and is not part of the basic audited financial statements. The information in the schedules was derived from the accounting records tested in forming an opinion on the financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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.

Thunder Bay, Ontario

June 22, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP
LLP

OPTIONS NORTHWEST Personal Support Services
Statement of Financial Position

As at March 31, 2023

| | Operating Fund - Core | Operating Fund - Individualized Agreements | Passport Fund | Internally Restricted Fund | Invested in Capital Assets Fund | 2023 | 2022 |
|--------------------------------|--------------------------|---|------------------|----------------------------------|---------------------------------------|------------------|------------------|
| Assets | | | | | | | |
| Current | | | | | | | |
| Cash and cash equivalents | 2,339,210 | 350,286 | - | 56,986 | - | 2,746,482 | 2,379,080 |
| Accounts receivable | 75,420 | - | - | - | - | 75,420 | 93,776 |
| HST receivable | 62,751 | - | - | - | - | 62,751 | 40,929 |
| Prepaid expenses | 20,561 | - | - | - | - | 20,561 | 18,993 |
| Interfund balances (Note 3) | (384,719) | (87,842) | 138,751 | 333,810 | - | - | - |
| | 2,113,223 | 262,444 | 138,751 | 390,796 | - | 2,905,214 | 2,532,778 |
| Capital assets (Note 4) | - | - | - | - | 2,409,849 | 2,409,849 | 2,412,739 |
| | 2,113,223 | 262,444 | 138,751 | 390,796 | 2,409,849 | 5,315,063 | 4,945,517 |

Continued on next page

The accompanying notes are an integral part of these financial statements

OPTIONS NORTHWEST Personal Support Services
Statement of Financial Position
As at March 31, 2023

| | Operating Fund - Core | Operating Fund - Individualized Agreements | Passport Fund | Internally Restricted Fund | Invested in Capital Assets Fund | 2023 | 2022 |
|--|-----------------------|--|----------------|----------------------------|---------------------------------|------------------|------------------|
| Liabilities | | | | | | | |
| Current | | | | | | | |
| Accounts payable and accruals | 960,753 | 146,626 | - | - | - | 1,107,379 | 1,061,717 |
| Government remittances payable | 370,294 | - | - | - | - | 370,294 | 177,314 |
| Due to MCCSS | 795,261 | 104,377 | - | - | - | 899,638 | 816,390 |
| Deferred revenue (Note 5) | - | - | - | 88,949 | - | 88,949 | 73,502 |
| Current portion of long-term debt (Note 6) | - | - | - | - | 325,415 | 325,415 | 116,362 |
| Long-term debt (Note 6) | 2,126,308 | 251,003 | - | 88,949 | 325,415 | 2,791,675 | 2,245,285 |
| Deferred capital contributions (Note 7) | - | - | - | - | - | - | 325,397 |
| | | | | | | 540,901 | 570,766 |
| Contingencies (Note 8) | 2,126,308 | 251,003 | - | 88,949 | 866,316 | 3,332,576 | 3,141,448 |
| Net Assets | | | | | | | |
| Operating Fund - Core | (13,085) | - | - | - | - | (13,085) | (13,085) |
| Operating Fund - Individualized Agreements | - | 11,441 | - | - | - | 11,441 | 11,441 |
| Passport Fund | - | - | 138,751 | - | - | 138,751 | 111,413 |
| Internally Restricted Fund | - | - | - | 301,847 | - | 301,847 | 294,086 |
| Invested in Capital Assets Fund | - | - | - | - | 1,543,533 | 1,543,533 | 1,400,214 |
| | (13,085) | 11,441 | 138,751 | 301,847 | 1,543,533 | 1,982,487 | 1,804,069 |
| | 2,113,223 | 262,444 | 138,751 | 390,796 | 2,409,849 | 5,315,063 | 4,945,517 |

Approved on behalf of the Board

 Director


 Director

The accompanying notes are an integral part of these financial statements

OPTIONS NORTHWEST Personal Support Services
Statement of Operations
For the year ended March 31, 2023

| | Operating Fund - Core | Operating Fund - Individualized Agreements | Passport Fund | Internally Restricted Fund | Invested in Capital Assets Fund | 2022 | 2023 |
|---|-----------------------|--|----------------|----------------------------|---------------------------------|-------------------|-------------------|
| Revenue | | | | | | | |
| Ministry of Children, Community and Social Services | 16,610,504 | 3,024,294 | - | - | - | 17,617,517 | 19,634,798 |
| Individual rent and recoveries | 964,656 | - | - | - | - | 853,632 | 964,656 |
| Interest earned | 80,936 | - | - | - | - | 14,175 | 80,936 |
| Other recoveries | 470,968 | - | 265,062 | 67,549 | - | 480,844 | 803,579 |
| | 18,127,064 | 3,024,294 | 265,062 | 67,549 | - | 18,966,168 | 21,483,969 |
| Amortization of deferred capital contributions (Note 7) | 29,865 | - | - | - | - | 29,865 | 29,865 |
| Deferred revenue (Note 5) | - | - | - | - | - | 171,000 | - |
| Funding repayable to MCCSS | (308,866) | (83,744) | - | - | - | (314,643) | (392,610) |
| Total revenue | 17,848,063 | 2,940,550 | 265,062 | 67,549 | - | 18,852,390 | 21,121,224 |
| Expenses (Schedule 1) | | | | | | | |
| Capital asset additions | 17,818,198 | 2,940,550 | 237,724 | 59,788 | - | 18,797,039 | 21,056,260 |
| Long-term debt payments | (317,185) | - | - | - | - | (98,022) | (317,185) |
| Amortization | (116,344) | - | - | - | - | (305,291) | (116,344) |
| | 318,854 | - | - | - | - | 318,617 | 318,854 |
| Total expenses | 17,703,523 | 2,940,550 | 237,724 | 59,788 | - | 18,712,343 | 20,941,585 |
| Excess of revenue over expenses before other items | 144,540 | - | 27,338 | 7,761 | - | 140,047 | 179,639 |
| Other items | | | | | | | |
| Loss on disposal of capital assets | (1,221) | - | - | - | - | (56,874) | (1,221) |
| Excess of revenue over expenses | 143,319 | - | 27,338 | 7,761 | - | 83,173 | 178,418 |

The accompanying notes are an integral part of these financial statements

OPTIONS NORTHWEST Personal Support Services
Statement of Changes in Net Assets
For the year ended March 31, 2023

| | Operating Fund - Core | Operating Fund - Individualized Agreements | Passport Fund | Internally Restricted Fund | Invested in Capital Assets Fund | 2023 | 2022 |
|---|-----------------------|--|----------------|----------------------------|---------------------------------|------------------|------------------|
| Net assets (deficit), beginning of year | (13,085) | 11,441 | 111,413 | 294,086 | 1,400,214 | 1,804,069 | 1,725,561 |
| Excess of revenue over expenses | 143,319 | - | 27,338 | 7,761 | - | 178,418 | 83,173 |
| Change in invested in capital assets (Note 9) | (143,319) | - | - | - | 143,319 | - | - |
| Prior year surpluses repayable to MCCSS | - | - | - | - | - | - | (4,665) |
| Net assets (deficit), end of year | (13,085) | 11,441 | 138,751 | 301,847 | 1,543,533 | 1,982,487 | 1,804,069 |

The accompanying notes are an integral part of these financial statements

OPTIONS NORTHWEST Personal Support Services

Statement of Cash Flows

For the year ended March 31, 2023

| | 2023 | 2022 |
|---|------------------|------------------|
| Cash provided by (used for) the following activities | | |
| Operating | | |
| Excess of revenue over expenses | 178,418 | 83,173 |
| Amortization | 318,854 | 318,617 |
| Loss on disposal of capital assets | 1,221 | 56,874 |
| Amortization of deferred capital contributions | (29,865) | (29,865) |
| Prior year surpluses repayable to MCCSS | - | (4,665) |
| | 468,628 | 424,134 |
| Changes in working capital accounts | | |
| Accounts receivable | 18,356 | (49,225) |
| HST receivable | (21,822) | 63,224 |
| Prepaid expenses | (1,568) | (6,224) |
| Accounts payable and accruals | 45,662 | 55,171 |
| Government remittances payable | 192,980 | (33,853) |
| Due to MCCSS | 83,248 | 319,311 |
| Deferred revenue | 15,447 | (163,300) |
| | 800,931 | 609,238 |
| Financing | | |
| Repayment of long-term debt | (116,344) | (305,291) |
| Investing | | |
| Purchase of capital assets | (317,185) | (98,022) |
| Increase in cash resources | 367,402 | 205,925 |
| Cash resources, beginning of year | 2,379,080 | 2,173,155 |
| Cash resources, end of year | 2,746,482 | 2,379,080 |

The accompanying notes are an integral part of these financial statements

OPTIONS NORTHWEST Personal Support Services

Notes to the Financial Statements

For the year ended March 31, 2023

1. Incorporation and nature of the organization

OPTIONS NORTHWEST Personal Support Services (the "Organization") was incorporated under the Province of Ontario Corporations Act without share capital on March 9, 1990 and is a tax-exempt, not-for-profit registered charitable organization based in Thunder Bay, Ontario. The Organization's mission is to collaborate with people and community partners to develop and offer creative personal and clinical services for individuals.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

The Organization follows the deferral method of accounting for contributions and reports using fund accounting, and maintains five funds: Operating Fund - Core, Operating Fund - Individualized Agreements, Passport Fund, Internally Restricted Fund, and Invested in Capital Assets Fund.

The Operating Fund is externally restricted and consists of the operating activities of the Core and Individualized Agreements programs. These programs report the Organization's operating activities as set out by budgets established by the Ministry of Children, Community and Social Services.

The Passport Fund is externally restricted and reports the activities related to the Passport program. The Passport program consists of separate funding received from PassportOne and reports expenses related to the purchased support for individuals as contracted by the individuals.

The Internally Restricted Fund reports the Organization's Donation, Rental Property and Purchased Services funds. The Donation Fund was created to account for donations and fundraising activities. The Donation Fund is internally restricted for expenses designated for the personal needs of the supported individuals. The Rental Property Fund was created to account for rental income earned on homes occupied by individuals not supported by the Organization. The Rental Property Fund is internally restricted for expenses designated for the cost of maintaining the home. The Purchased Services Fund reports the revenue and expenses relating to service agreements in place to help meet the needs of the individual, caregivers and other service agencies when other traditional options of services may not be available.

The Invested in Capital Assets Fund reports the assets, liabilities, revenue and expenses related to the capital assets held by the Organization.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

| | Method | Rate |
|------------------------|---------------|-------------|
| Buildings | straight-line | 25 years |
| Automotive | straight-line | 3 years |
| Computer equipment | straight-line | 3 years |
| Equipment | straight-line | 5 years |
| Furniture and fixtures | straight-line | 3 years |
| Leasehold improvements | straight-line | 5 years |
| Paved surfaces | straight-line | 15 years |

OPTIONS NORTHWEST Personal Support Services
Notes to the Financial Statements
For the year ended March 31, 2023

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Organization determines that a long-lived asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Due to MCCSS

The Organization receives funding from the Ministry of Children, Community and Social Services ("MCCSS" or the "Ministry") based on annual budget submissions. The Organization administers the programs on behalf of the Ministry. At year-end, total expenses calculated in accordance with the Ministry guidelines are compared to the approved budget and, at the discretion of the Ministry, any excess funding is refunded to the government agency or affects the funding available to the program in the succeeding year.

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of restricted contributions that were used to purchase the Organization's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Revenue recognition

The Organization uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. All other contributions are recognized as revenue of the appropriate internally restricted fund. Individual rent is recognized as revenue based on occupancy levels when the amount is measurable and collectability is reasonably assured. Individual recoveries and other recoveries are recognized as revenue when the amount is measurable and collectability is reasonably assured.

Employee compensation entitlements

No accrual has been made for employee compensation entitlements. The unrecorded liability for employee compensation entitlements has been estimated to be approximately \$525,979 as at March 31, 2023 (2022 - \$530,098). Employee compensation entitlements are charged to expenses in the year in which payment occurs and are matched with revenue received for that period.

Employee future benefits

The Organization's employee future benefit program consist a of multi-employer defined benefit plan.

The Organization participates in a multi-employer defined benefit plan for which there is insufficient information to apply defined benefit plan accounting principles. Accordingly, the Organization is not able to identify it's share of the plan assets and liabilities, and therefore, the Organization used defined contribution plan accounting principles for this plan.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

OPTIONS NORTHWEST Personal Support Services
Notes to the Financial Statements
For the year ended March 31, 2023

2. **Significant accounting policies** *(Continued from previous page)*

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

Deferred revenue is estimated based on management's review of revenue received, but unspent at year-end.

Amortization and amortization of deferred capital contributions is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the periods in which they become known.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when there are numerous assets affected by the same factors. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

OPTIONS NORTHWEST Personal Support Services
Notes to the Financial Statements
For the year ended March 31, 2023

2. Significant accounting policies *(Continued from previous page)*

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

3. Interfund balances

The interfund balances are unsecured, non-interest bearing and have no set terms of repayment.

4. Capital assets

| | <i>Cost</i> | <i>Accumulated amortization</i> | <i>2023 Net book value</i> | <i>2022 Net book value</i> |
|------------------------|------------------|-------------------------------------|------------------------------------|------------------------------------|
| Land | 596,434 | - | 596,434 | 596,434 |
| Buildings | 4,803,563 | 3,468,506 | 1,335,057 | 1,450,236 |
| Automotive | 885,313 | 655,472 | 229,841 | 17,308 |
| Computer equipment | 307,322 | 298,809 | 8,513 | 41,234 |
| Equipment | 496,370 | 327,639 | 168,731 | 191,109 |
| Furniture and fixtures | 111,236 | 86,895 | 24,341 | 21,363 |
| Leasehold improvements | 234,663 | 187,731 | 46,932 | 93,865 |
| Paved surfaces | 17,850 | 17,850 | - | 1,190 |
| | 7,452,751 | 5,042,902 | 2,409,849 | 2,412,739 |

Group homes with a carrying value of \$1,252,429 (2022 - \$1,299,601), included in buildings and land above, are available for rent.

5. Deferred revenue

Deferred revenue consists of unspent contributions restricted for program delivery. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred revenue balance are as follows:

| | <i>2023</i> | <i>2022</i> |
|---|---------------|---------------|
| Balance, beginning of year | 73,502 | 236,802 |
| Amounts received and deferred during the year: | | |
| Ministry of Children, Community and Social Services | - | 17,617,517 |
| Other | 15,447 | 7,700 |
| Less: amounts recognized during the year: | | |
| Ministry of Children, Community and Social Services | - | (17,788,517) |
| Balance, end of year | 88,949 | 73,502 |

OPTIONS NORTHWEST Personal Support Services
Notes to the Financial Statements
For the year ended March 31, 2023

6. Long-term debt

| | 2023 | 2022 |
|--|----------------|-------------|
| Royal Bank of Canada term loan, repayable in equal monthly instalments of \$10,993 including interest at a fixed rate of 4% and matures June 2023. The loan is secured by a general security agreement covering all property of the Organization as well as collateral mortgages over the Organization's land and buildings located at 533 Syndicate Avenue South and 95 Cumberland Street North, Thunder Bay, Ontario. The total net book value of the land and buildings is \$823,452. | 325,415 | 441,759 |
| Less: current portion | 325,415 | 116,362 |
| | - | 325,397 |

The long-term debt will be fully repaid, upon maturity, on June 24, 2023.

Interest on long-term debt amounted to \$15,577 (2022 - \$26,629).

7. Deferred capital contributions

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

| | 2023 | 2022 |
|---|-----------------|-------------|
| Balance, beginning of year | 570,766 | 600,631 |
| Less: amounts recognized as revenue during the year | (29,865) | (29,865) |
| Balance, end of year | 540,901 | 570,766 |

8. Contingencies

The Organization is contingently liable to its funding agencies for any expenses that it may have made in contravention of the contract agreements with these agencies and any surpluses may be subject to recovery, depending on the terms and conditions of the relevant contract agreements. The actual amount of any possible future recovery is unknown at this time.

The Organization is subject to claims arising in the normal course of operations. It is not possible at this time to accurately estimate the potential liability, if any, of the Organization with respect to these claims.

OPTIONS NORTHWEST Personal Support Services
Notes to the Financial Statements

For the year ended March 31, 2023

9. Change in invested in capital assets

The change in invested in capital assets is calculated as follows:

| | 2023 | 2022 |
|--|----------------|---------------|
| Purchase of capital assets | 317,185 | 98,022 |
| Loss on disposition of capital assets | (1,221) | (56,874) |
| Amortization expense | (318,854) | (318,617) |
| Repayment of capital asset financing | 116,344 | 305,291 |
| Amortization of deferred capital contributions | 29,865 | 29,865 |
| | 143,319 | 57,687 |

10. Credit facilities

The Organization has available a line of credit to a maximum of \$300,000 bearing interest at the bank's prime rate (6.70% at year-end) and is secured by a general security agreement covering all property of the Organization. The balance outstanding at year-end is \$Nil (2022 - \$Nil).

11. Economic dependence

The Organization's primary source of revenue is provincial government grants. The grant funding can be cancelled if the Organization does not observe certain established guidelines. The Organization's ability to continue viable operations is dependent upon maintaining its right to follow the criteria within the provincial government guidelines. As at the date of these financial statements the Organization believes that it is in compliance with the guidelines.

12. Commitments

The Organization's individuals currently pay total annual rents of approximately \$36,780 for five homes owned by Independence Plus Housing. The lease agreements are signed by the individuals. The individuals deposit funds in trust with the Organization to pay the rents on their behalf. Additionally, the Organization has entered into commitments to rent two properties subject to approximately \$43,380 of annual rent (\$1,750 and \$1,865 per month, both expiring June 30, 2024) for the purpose of housing individuals.

The Organization also occupies leased premises subject to minimum annual rent of \$52,032 plus HST and utilities/common costs (\$4,336 per month). The lease agreement commenced February 1, 2019 and expires on January 31, 2024.

13. Ontario Public Sector Salary

As required by the Public Sector Disclosure Act (1996), the Organization declares that three employees were paid a salary of \$100,000 or more in the 2022 calendar year.

OPTIONS NORTHWEST Personal Support Services

Notes to the Financial Statements

For the year ended March 31, 2023

14. Employee future benefits

A majority of the employees of the Organization are members of the Healthcare of Ontario Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death, that provide the highest average earnings.

Pension expense is based on the Plan management's best estimates, in consultation with its actuaries, of the amount, together with contributions by employees, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

Variances between actuarial funding estimates and actual experience may be material and any differences are to be funded proportionately by the employees and the employer. The most recent actuarial valuation of the Plan as at December 31, 2022 indicates the Plan is 117% funded and the Plan's Board of Trustees have set 2023 contribution rates at the 2022 level. The majority of employees of the Organization are members of Healthcare of Ontario Pension Plan. Contributions to the Plan made during the year by the Organization on behalf of its employees amounted to \$798,148 (2022 - \$683,759) and are included in the statement of operations.

15. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets and liabilities, known as price risk.

The Organization is exposed to interest rate risk on its Royal Bank loan as it is at a fixed rate that is renewable at the loan maturity date and on the bank credit facilities due to the variable rate of interest. Changes in lending rates may cause fluctuations in cash flows and interest expense.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates.

OPTIONS NORTHWEST Personal Support Services
Schedule 1 - Schedule of Expenses
For the year ended March 31, 2023

| | Operating Fund - Core | Operating Fund - Individualized Agreements | Passport Fund | Internally Restricted Fund | Invested in Capital Assets Fund | 2023 | 2022 |
|--|-----------------------|--|----------------|----------------------------|---------------------------------|-------------------|-------------------|
| Expenses | | | | | | | |
| Salaries and benefits | 14,031,426 | 1,680,782 | 154,284 | 34,383 | - | 15,900,875 | 14,270,814 |
| Salaries and benefits - wage enhancement | 1,040,135 | 274,802 | - | - | - | 1,314,937 | 1,010,242 |
| Staff training | 66,681 | - | - | - | - | 66,681 | 58,931 |
| Building occupancy | 935,652 | - | - | 8,062 | - | 943,714 | 932,358 |
| Travel and communication | 210,256 | 27,053 | 20,776 | - | - | 258,085 | 318,127 |
| Supplies and equipment | 1,014,698 | 35,130 | 61,003 | 12,743 | - | 1,123,574 | 793,120 |
| Other program service expenditure | 519,350 | 922,783 | 1,661 | 4,600 | - | 1,448,394 | 1,413,447 |
| | 17,818,198 | 2,940,550 | 237,724 | 59,788 | - | 21,056,260 | 18,797,039 |

OPTIONS NORTHWEST Personal Support Services
Schedule 2 - Schedule of Operating Fund - Core Revenue and Expenses
For the year ended March 31, 2023

| | Administration (unaudited) | Program Management (unaudited) | Group Living Services (unaudited) | Intensive Support (unaudited) | Supported Independent Living (unaudited) | Home Share (unaudited) | Community Participation Supports (unaudited) | Community Resource Team Adults (unaudited) | Community Resource Team Child Welfare (unaudited) | Wage Enhancement (unaudited) | 2023 (unaudited) | 2022 (unaudited) |
|---|-------------------------------|--------------------------------------|--|-------------------------------------|---|------------------------------|---|---|--|------------------------------------|---------------------|---------------------|
| Revenue | | | | | | | | | | | | |
| Ministry of Children, Community and Social Services | - | - | 11,398,393 | 1,793,101 | 1,007,496 | 180,762 | 65,593 | 727,592 | 90,000 | - | 15,253,737 | 13,754,231 |
| MCCSS - wage enhancement | - | - | - | - | - | - | - | - | - | 1,281,697 | 1,281,697 | 857,731 |
| MCCSS - facility renewal | - | - | - | - | - | - | - | - | - | - | - | 33,600 |
| MCCSS - project approval | - | - | 5,376 | 821 | 541 | 83 | 28 | 464 | - | - | 7,313 | 171,000 |
| MCCSS - psychology assessments | - | - | - | - | - | - | - | 58,504 | - | - | 58,504 | - |
| MCCSS - temporary retention incentive for nurses | - | - | - | - | - | - | - | 9,253 | - | - | 9,253 | - |
| Individual rent and recoveries | - | - | 11,404,769 | 1,783,922 | 1,008,037 | 180,845 | 65,621 | 795,613 | 90,000 | 1,281,697 | 16,810,504 | 14,816,562 |
| Interest earned | - | 80,996 | 936,450 | 24,122 | 4,084 | - | - | - | - | - | 964,856 | 853,632 |
| Other recoveries | 16,528 | 254,211 | 24,520 | 400 | 417 | - | - | 174,892 | - | - | 80,936 | 14,175 |
| | 16,528 | 335,147 | 12,365,739 | 1,808,444 | 1,012,538 | 180,845 | 65,621 | 970,505 | 90,000 | 1,281,697 | 18,127,064 | 15,946,252 |
| Expenses | | | | | | | | | | | | |
| Salaries and benefits | 1,343,144 | 1,171,475 | 9,111,435 | 1,175,818 | 475,437 | 6,662 | 9,521 | 640,688 | 97,246 | - | 14,031,426 | 12,405,458 |
| Salaries and benefits - wage enhancement | - | - | - | - | - | - | - | - | - | 1,040,135 | 1,040,135 | 787,778 |
| Staff training | 36,242 | 19,111 | 500 | 4,250 | 15 | 31 | - | 6,532 | - | - | 66,681 | 58,931 |
| Building occupancy | 112,169 | 545,516 | 213,370 | 56,204 | - | - | - | 8,363 | - | - | 935,632 | 924,764 |
| Travel and communication | 11,115 | 91,977 | 71,351 | 6,968 | 15,713 | 1,732 | 230 | 9,770 | - | - | 210,256 | 286,474 |
| Supplies and equipment | 34,737 | 485,283 | 406,016 | 44,475 | 24,741 | 567 | 41 | 6,603 | 205 | - | 1,014,698 | 869,788 |
| Other program service expenditure | 78,578 | 242,530 | - | - | 29,200 | - | - | 161,729 | - | - | 512,037 | 318,960 |
| Facility renewal | - | - | - | - | - | - | - | - | - | - | - | 33,600 |
| Project approval | - | 7,313 | - | - | - | - | - | - | - | - | 7,313 | - |
| Allocated program management | - | (2,238,068) | 1,745,693 | 195,831 | 257,378 | 27,976 | 11,190 | - | - | - | - | - |
| Allocated administration | (1,589,457) | - | 1,175,834 | 179,464 | 118,350 | 15,145 | 6,130 | 101,514 | - | - | - | - |
| | 16,528 | 335,147 | 12,724,199 | 1,665,030 | 891,634 | 84,333 | 27,112 | 936,629 | 97,451 | 1,040,135 | 17,818,198 | 15,643,048 |
| Excess (deficiency) of revenue over expenses | - | - | (358,460) | 143,414 | 120,904 | 96,512 | 38,509 | 33,876 | (7,451) | 241,562 | 306,866 | 303,204 |

OPTIONS NORTHWEST Personal Support Services
Schedule 3 - Schedule of Operating Fund - Individualized Agreements Revenue and Expenses
For the year ended March 31, 2023

| | Group Living (unaudited) | Intensive Support (unaudited) | Host Family (unaudited) | Supported Independent Living (unaudited) | Community Participation Supports (unaudited) | Respite Enhancement (unaudited) | Wage Enhancement (unaudited) | 2023 (unaudited) | 2022 (unaudited) |
|---|--------------------------|-------------------------------|-------------------------|--|--|---------------------------------|------------------------------|------------------|------------------|
| Revenue | | | | | | | | | |
| Ministry of Children, Community and Social Services | 382,061 | 927,865 | 357,560 | 687,085 | 168,166 | 226,755 | - | 2,749,492 | 2,734,211 |
| MCCSS - pandemic pay | - | - | - | - | - | - | - | - | 126,752 |
| MCCSS - wage enhancement | - | - | - | - | - | - | 274,802 | 274,802 | 116,198 |
| Other recoveries | - | - | - | - | - | - | - | - | 7,125 |
| | 382,061 | 927,865 | 357,560 | 687,085 | 168,166 | 226,755 | 274,802 | 3,024,294 | 2,984,286 |
| Expenses | | | | | | | | | |
| Salaries and benefits | 343,816 | 807,484 | 102,722 | 284,808 | - | 141,952 | - | 1,680,782 | 1,693,746 |
| Salaries and benefits - pandemic pay | - | - | - | - | - | - | - | - | 126,752 |
| Salaries and benefits - wage enhancement | - | - | - | - | - | - | 274,802 | 274,802 | 116,198 |
| Travel and communication | 541 | 1,375 | 1,560 | 10,181 | 13,019 | 377 | - | 27,053 | 24,950 |
| Supplies and equipment | 7,468 | 18,942 | 4,560 | 1,253 | 2,665 | 242 | - | 35,130 | 34,758 |
| Other program service expenditure | 27,898 | 118,070 | 252,074 | 352,138 | 123,863 | 48,740 | - | 922,783 | 987,882 |
| | 379,723 | 945,871 | 360,916 | 648,380 | 139,547 | 191,311 | 274,802 | 2,940,550 | 2,984,286 |
| Excess (deficiency) of revenue over expenses | 2,338 | (18,006) | (3,356) | 38,705 | 28,619 | 35,444 | - | 83,744 | - |

OPTIONS NORTHWEST Personal Support Services
Schedule 4 - Schedule of Operating Fund - Ministry of Children, Community, and Social Services Funded Programs
For the year ended March 31, 2023

| | DSRS - Adults' Community Accommodation (unaudited) | Adults' DS Community Support Services (unaudited) | Child Welfare Community and Prevention Supports (unaudited) | Wage Enhancement (unaudited) | 2023 (unaudited) | 2022 (unaudited) |
|---|--|---|---|------------------------------|------------------|------------------|
| Revenue | | | | | | |
| Ministry of Children, Community and Social Services | 16,725,323 | 1,187,906 | 90,000 | - | 18,003,229 | 16,503,723 |
| MCCSS - wage enhancement | - | - | - | 1,556,499 | 1,556,499 | 1,080,194 |
| MCCSS - Facility renewal | - | - | - | - | - | 33,600 |
| MCCSS - project approval | 7,313 | - | - | - | 7,313 | - |
| MCCSS - Psychology Assessments | - | 58,504 | - | - | 58,504 | - |
| MCCSS - Temporary Retention Incentive for Nurses | - | 9,253 | - | - | 9,253 | 171,000 |
| | 16,732,636 | 1,255,663 | 90,000 | 1,556,499 | 19,634,798 | 17,788,517 |
| Individual rent and recoveries | 964,656 | - | - | - | 964,656 | 853,632 |
| Other recoveries | 25,337 | 174,892 | - | - | 200,229 | 157,067 |
| | 17,722,629 | 1,430,555 | 90,000 | 1,556,499 | 20,799,683 | 18,799,216 |
| Expenses | | | | | | |
| Salaries and benefits | 12,308,182 | 792,161 | 97,246 | - | 13,197,589 | 11,622,649 |
| Salaries and benefits - wage enhancement | - | - | - | 1,314,937 | 1,314,937 | 1,010,241 |
| Staff training | 4,796 | 6,532 | - | - | 11,328 | 12,380 |
| Building occupancy | 269,574 | 8,393 | - | - | 277,967 | 230,497 |
| Travel and communication | 111,421 | 22,796 | - | - | 134,217 | 107,994 |
| Supplies and equipment | 508,042 | 11,551 | 205 | - | 519,798 | 453,496 |
| Other program service expenditure | 779,380 | 334,332 | - | - | 1,113,712 | 1,098,533 |
| Facility renewal | - | - | - | - | - | 33,600 |
| Project approval | - | - | - | - | - | 127,275 |
| Allocated program management | 2,226,878 | 11,190 | - | - | 2,238,068 | 2,402,899 |
| Allocated central administration | 1,491,813 | 107,644 | - | - | 1,599,457 | 1,385,009 |
| | 17,700,086 | 1,294,599 | 97,451 | 1,314,937 | 20,407,073 | 18,484,573 |
| Excess (deficiency) of revenue over expenses | 22,543 | 135,956 | (7,451) | 241,562 | 392,610 | 314,643 |

OPTIONS NORTHWEST Personal Support Services
Schedule 5 - Schedule of Passport Fund Revenue and Expenses
For the year ended March 31, 2023

| | 2023 | 2022 |
|--|--------------------|--------------------|
| | (unaudited) | (unaudited) |
| Revenue | | |
| Other recoveries | 265,062 | 121,679 |
| Expenses | | |
| Salaries and benefits | 154,284 | 55,153 |
| Travel and communication | 20,776 | 5,431 |
| Supplies and equipment | 61,003 | 52,147 |
| Other program service expenditure | 1,661 | 6,916 |
| | 237,724 | 119,647 |
| Excess of revenue over expenses | 27,338 | 2,032 |

OPTIONS NORTHWEST Personal Support Services
Schedule 6 - Schedule of Internally Restricted Fund Revenue and Expenses
For the year ended March 31, 2023

| | <i>Donation Fund (unaudited)</i> | <i>Rental Property Fund (unaudited)</i> | <i>Purchased Services Fund (unaudited)</i> | 2023 (unaudited) | <i>2022 (unaudited)</i> |
|---|--|---|--|-----------------------------|-----------------------------|
| Revenue | | | | | |
| Other recoveries | 9,111 | 10,896 | 47,542 | 67,549 | 97,279 |
| Expenses | | | | | |
| Salaries and benefits | - | - | 34,383 | 34,383 | 61,379 |
| Building occupancy | - | 8,062 | - | 8,062 | 7,571 |
| Travel and communication | - | - | - | - | 795 |
| Supplies and equipment | 9,534 | 2,813 | 396 | 12,743 | 2,203 |
| Other program service expenditure | 4,600 | - | - | 4,600 | 1,875 |
| | 14,134 | 10,875 | 34,779 | 59,788 | 73,823 |
| Excess (deficiency) of revenue over expenses | (5,023) | 21 | 12,763 | 7,761 | 23,456 |