

---

# **Collingwood Non-Profit Housing Corporation**

## **Financial Statements**

**For the year ended April 30, 2023**

---

### **Table of Contents**

---

Independent Auditor's Report	2
Balance Sheet	4
Statement of Surplus and Reserve Fund	5
Statement of Operations	6
Cash Flow Statement	7
Notes to Financial Statements	8
Schedule 1 - Expenditures	13
Appendix 1 - Auditor's Responsibilities	14

# **BEN T. COLE**

## **PROFESSIONAL CORPORATION**

6 West St. N., Suite 300, Orillia, Ontario, L3V 5B8  
Telephone: (705) 326-8172; Fax: (705) 326-8702  
Email: ben@btcole.ca

---

### **INDEPENDENT AUDITOR'S REPORT**

To The Members of Collingwood Non-Profit Housing Corporation :

#### **Opinion**

I have audited the accompanying financial statements of Collingwood Non-Profit Housing Corporation, which comprise the balance sheet as at April 30, 2023, and the statements of operations, surplus, reserve fund & cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements of the Company for the year ended April 30, 2023 are prepared, in all material respects, in accordance with the financial reporting provisions prescribed by the County of Simcoe.

#### **Basis For 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 Company in accordance with the ethical requirements that are relevant to my 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 have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use**

I draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Company in complying with the financial reporting provisions prescribed by the **County of Simcoe**. As a result, the financial statements may not be suitable for another purpose. My report is intended solely for the Company and the **County of Simcoe** and should not be distributed to or used by parties other than the Company or the **County of Simcoe**. My 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 the financial statements in accordance with the financial reporting provisions prescribed by the County of Simcoe, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

**BEN T. COLE**  
**PROFESSIONAL CORPORATION**

6 West St. N., Suite 300, Orillia, Ontario, L3V 5B8

Telephone: (705) 326-8172; Fax: (705) 326-8702

Email: ben@btcole.ca

---

**INDEPENDENT AUDITOR'S REPORT - CONTINUED**

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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 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.

A further description of the auditor's responsibilities for the audit of financial statements is included in Appendix 1 of this Auditor's Report. This description, which is located on the final page of these financial statements, forms part of my auditor's report.

*Ben Cole*

Ben T. Cole, CPA, CA, Professional Corporation

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario.

Orillia, Ontario

September 6, 2023

---

# Collingwood Non-Profit Housing Corporation

## Balance Sheet

April 30	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 67,477	\$ 45,120
Accounts Receivable (Note 3)	63,973	18,505
Prepays	13,910	13,361
Subsidy Receivable - April	21,705	23,589
	<hr/>	
	167,065	100,575
<b>Reserve Fund Investments (Note 4)</b>	<b>167,409</b>	<b>773,785</b>
<b>Capital Assets (Note 5)</b>	<b>685,003</b>	<b>917,028</b>
	<hr/>	
	\$ 1,019,477	\$ 1,791,388
<hr/>		
<b>Liabilities and Fund Balances</b>		
<b>Current</b>		
Accounts Payable - General Fund	\$ 20,469	\$ 25,199
Accounts Payable - Replacement Reserve Fund	--	525,010
Accrued Mortgage Payment	20,782	20,782
Last Month Rent Deposits	17,930	18,077
Subsidy Payable to County - A.I.R. (Note 10)	12,246	11,223
Current portion of long-term debt (Note 6)	237,041	232,028
	<hr/>	
	308,468	832,319
<b>Long-term Debt (Note 6)</b>	<b>447,962</b>	<b>685,000</b>
	<hr/>	
	756,430	1,517,319
<hr/>		
<b>Fund Balances</b>		
General Fund	(18,763)	(13,180)
Replacement Reserve Fund	281,810	287,249
	<hr/>	
	263,047	274,069
	<hr/>	
	\$ 1,019,477	\$ 1,791,388

---

Approved on behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

---

# Collingwood Non-Profit Housing Corporation

## Statement of Surplus and Reserve Fund

For the year ended April 30

2023

2022

---

### Surplus (Deficit)

Balance, Beginning of Year	\$ (13,779)	\$ 25,685
Adjustment - Simcoe County (Note 10)	599	--
	<hr/>	
Balance, Beginning of Year - as restated	(13,180)	25,685
Add: Surplus (Deficit) for the Year	(5,583)	(38,865)
	<hr/>	
Balance, End of the Year	\$ (18,763)	\$ (13,180)

---

### Replacement Reserve Fund

Balance, Beginning of the Year	\$ 287,249	\$ 207,703
Add: Regular Annual Funding	33,714	32,508
Add: Surplus Sharing (Note 12)	--	14,947
Add: Interest Income/(loss)	1,625	(12,010)
Add: Solar Energy Revenue	10,505	9,813
Add: COCHI Contribution (Note 10)	--	608,000
Less: Capital Expenditures	(51,283)	(573,712)
	<hr/>	
Balance, End of the Year	\$ 281,810	\$ 287,249

---

---

# Collingwood Non-Profit Housing Corporation

## Statement of Operations

For the year ended April 30	Budget 2023	Actual 2023	Actual 2022
<b>Revenues</b>			
Market Rents	\$ 190,000	\$ <b>199,730</b>	\$ 190,713
RGI Rents	100,000	<b>101,564</b>	105,730
Subsidy	294,127	<b>294,127</b>	283,065
Non-Rental Revenue	10,500	<b>17,964</b>	11,882
Subsidy Adjustment (Note 10)	--	<b>(12,246)</b>	(11,223)
Total Revenue	594,627	<b>601,139</b>	580,167
<b>Expenses</b>			
Administrative - Schedule 1	51,416	<b>60,632</b>	55,760
Bad Debt Expense (Recovery)	490	<b>(6,623)</b>	10,235
Amortization	232,025	<b>232,025</b>	227,116
Insurance	9,500	<b>12,989</b>	11,868
Maintenance - Wages and Benefits	61,800	<b>63,966</b>	57,602
Interest on Long Term Debt	14,851	<b>17,361</b>	22,270
Materials and Services - Schedule 1	86,500	<b>95,645</b>	104,702
Municipal Property Taxes	51,901	<b>51,649</b>	50,622
Transfer to Reserve Fund	33,714	<b>33,714</b>	32,508
Utilities - Schedule 1	49,300	<b>45,364</b>	46,349
Total Expenses	591,497	<b>606,722</b>	619,032
Surplus (Deficit) For the Year	\$ 3,130	\$ <b>(5,583)</b>	\$ (38,865)

---

---

# Collingwood Non-Profit Housing Corporation

## Cash Flow Statement

For the year ended April 30

2023

2022

### Operating Activities

Net Surplus (Deficit)	\$ (5,583)	\$ (38,865)
<b>Add: Non-cash items</b>		
Amortization	232,025	227,116
Transfer to Reserve Fund	33,714	32,508
	<b>260,156</b>	220,759
<b>Changes in non-cash working capital balances</b>		
Accounts Receivable	(45,470)	11,835
Prepays	(549)	(2,034)
Subsidy Receivable / Payable	2,907	(39,376)
Rent Deposits & Accrued Interest	(147)	851
Accounts Payable	(529,737)	528,014
	<b>(312,840)</b>	720,049

### Financing Activities

Repayment of long-term debt	(232,025)	(227,116)
Reserve Fund - COCHI Funding	608,000	--
	<b>375,975</b>	(227,116)

### Investing Activities

Net Transfers from (to) Reserve Fund	(40,778)	(548,953)
--------------------------------------	----------	-----------

### Total increase (decrease) in cash

22,357 (56,020)

### Cash, beginning of year

45,120 101,140

### Cash, end of year

\$ 67,477 \$ 45,120

---

---

# Collingwood Non-Profit Housing Corporation

## Notes to Financial Statements

April 30, 2023

---

### 1. Nature of Business

The company was incorporated under the laws of Ontario by letters patent without share capital to provide and operate housing accommodation for persons of low or modest income. The business of the corporation is carried on without the purpose of gain for its members or directors. The company operates a 45 unit housing complex in Collingwood, Ontario, and is funded by the County of Simcoe.

The company is a non-profit organization and is exempt from paying Canadian income taxes.

---

### 2. Significant Accounting Policies

#### Basis of Accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the organization's operating agreement with the County of Simcoe, dated March 15, 2002. The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles because:

a) amortization is not provided on buildings and furniture and equipment purchased from loans over the estimated useful lives of these assets but rather at a rate equal to the annual principal reduction of the mortgage;

b) capital assets:

purchased from accumulated surplus are charged to operations in the year the expenditure is incurred, and

purchased from the replacement reserve are charged against the replacement reserve account, rather than being capitalized on the balance sheet and amortized over their estimated useful lives; and

c) a reserve for future capital replacement is appropriated annually from operations.

#### Use of Estimates

The preparation of financial statements in accordance with prescribed accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

---

---

# Collingwood Non-Profit Housing Corporation

## Notes to Financial Statements

April 30, 2023

---

### 2. Significant Accounting Policies - Continued

#### Revenue Recognition

Rental revenue is recognized monthly based on housing tenancy. Contributions are recognized using the deferral method in which revenue is recognized in the same period as the related expenses are incurred.

#### Fund Accounting

The general fund reports assets, liabilities, revenue and expenses related to the company's housing activities.

The replacement reserve fund reports the assets, liabilities, revenues and expenses related to capital asset replacement & major repair activities. Capital asset purchases are charged as expenses to this fund, as well as major repairs to the building and related equipment.

#### Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank balances and term deposits with maturities of three months or less.

#### Financial Instruments

The company initially measures its financial assets and liabilities at fair value. The company subsequently measures all financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash, term deposits, trade and other accounts receivable and notes receivable.

Financial liabilities measured at amortized cost include the bank overdraft, accounts payable, wages payable, and long-term debt.

Transaction costs related to financial instruments that will be measured at fair value are recognized as income in the period incurred. Costs related to financial instruments measured at amortized cost are included in the original cost of the asset or liability and recognized in income over the life of the instrument using the straight line method.

For financial assets measured at cost, the company determines whether there are indications of possible impairment. If there is an indication of impairment, a write-down is recognized in income.

---

---

# Collingwood Non-Profit Housing Corporation

## Notes to Financial Statements

April 30, 2023

---

### 3. Accounts Receivable

	2023	2022
Rents	\$ 987	\$ (782)
HST	58,530	13,655
Laundry & Solar Generation	4,456	5,632
	<b>\$ 63,973</b>	<b>\$ 18,505</b>

---

### 4. Reserve Fund Investments

	2023	2022
Due from the County of Simcoe	\$ --	\$ 608,000
Equity Fund	24,542	25,336
Short-Term Canadian Bond Fund	22,846	22,500
Canadian Bond Fund	120,021	117,949
	<b>\$ 167,409</b>	<b>\$ 773,785</b>

---

### 5. Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 503,620	\$ --	\$ 503,620	\$ --
Building & Equipment	3,958,636	3,777,253	3,958,636	3,545,228
Total	<b>\$ 4,462,256</b>	<b>\$ 3,777,253</b>	<b>\$ 4,462,256</b>	<b>\$ 3,545,228</b>
Net Book Value	<b>\$ 685,003</b>		<b>\$ 917,028</b>	

---

---

# Collingwood Non-Profit Housing Corporation

## Notes to Financial Statements

April 30, 2023

---

### 6. Long-Term Debt

	2023	2022
Mortgage payable, Scotiabank, 2.150%, repayments \$ 20,782 per month, due March 1, 2026	\$ 685,003	\$ 917,028
Less: Current Portion	237,041	232,028
Long-Term Portion	\$ 447,962	\$ 685,000

---

Principal payments in the next three years are due as follows:

2024	\$ 237,041
2025	242,165
2026	205,797
Total	\$ 685,003

---

### 7. Economic Dependence

The company is economically dependent on the County of Simcoe for continuing operations.

---

### 8. Budget

The budget figures presented on these financial statements are unaudited.

---

### 9. Insurance Coverage

Insurance coverage for the corporation is currently provided by the Social Housing Services Corporation. The current policy expires on November 1, 2023.

---

---

# Collingwood Non-Profit Housing Corporation

## Notes to Financial Statements

April 30, 2023

---

### 10. Subsidy Adjustments - County of Simcoe

Each fiscal year, the company completes an Annual Information Return (A.I.R.) for submission to the County of Simcoe. One of the purposes of this report is to calculate subsidy owing to the County or additional subsidy owing from the County for the current fiscal year. For 2023 the A.I.R has been drafted, and the amount of \$ 12,246 has been recorded as owing to the County. This is subject to review by the County.

The County recovered \$ 11,223 of subsidy for the prior fiscal year. This was \$ 599 less than the amount recorded on the 2022 financial statements. The comparative figures have been restated to reflect this adjustment.

---

### 11. Canada Ontario Community Housing Initiative (COCHI)

The company received \$ 608,000 of funding to replace the roof of the building. Housing providers that receive funding under COCHI must remain affordable for a ten year period after the completion of the funded retrofit work, including a minimum of five years during which it will operate as social housing under the Housing Services Act, 2011.

---

### 12. Subsidy Surplus Sharing

As per Directive 2012-12, housing providers can submit a business case to Simcoe County to recover the County's share of prior year operating surpluses. As of April 30, 2022, the company had no available amount in its surplus sharing account with Simcoe County.

---

### 13. Property Management Services

The company has hired Bayshore Property Management Inc. to provide management services. In addition, a company related to Bayshore provided relief superintendent duties to the corporation during the year in the amount of \$ 23,123.

---

### 14. Financial Instruments

**Credit Risk:** The company's credit risk is related to accounts receivable. The company provides credit to its clients in the normal course of operations.

**Currency Risk:** The company is currently not exposed to any foreign currency risks.

**Interest Rate Risk:** The company is exposed to interest rate risk on its long-term debt.

**Liquidity Risk:** The company is exposed to this risk in respect of its accounts payable.

---

---

# Collingwood Non-Profit Housing Corporation

## Schedule 1 - Expenditures

For the year ended April 30	Budget 2023	Actual 2023	Actual 2022
<b>Administrative</b>			
Audit Fees	\$ 4,916	\$ 5,335	\$ 5,317
Management Fees	38,000	40,684	39,705
Materials and Services	8,500	14,613	10,738
	<hr/>	<hr/>	<hr/>
	\$ 51,416	\$ 60,632	\$ 55,760
<hr/>			
<b>Materials and Services</b>			
Building	\$ 50,000	\$ 61,082	\$ 62,250
Electrical	--	--	1,522
Elevators	7,800	9,532	8,176
Heating and Plumbing	2,000	163	1,166
Grounds & Snow Removal	17,000	15,165	16,459
Painting	--	--	5,310
Waste Removal	8,500	9,521	9,637
Security	1,200	182	182
	<hr/>	<hr/>	<hr/>
	\$ 86,500	\$ 95,645	\$ 104,702
<hr/>			
<b>Utilities</b>			
Electricity	\$ 14,000	\$ 12,107	\$ 9,663
Natural Gas & Oil	11,000	8,084	13,545
Water & Sewer	9,800	11,498	10,998
Internet	14,500	13,675	12,143
	<hr/>	<hr/>	<hr/>
	\$ 49,300	\$ 45,364	\$ 46,349

---

# **BEN T. COLE**

## **PROFESSIONAL CORPORATION**

6 West St. N., Suite 300, Orillia, Ontario, L3V 5B8  
Telephone: (705) 326-8172; Fax: (705) 326-8702; Email: [btcole@rogers.com](mailto:btcole@rogers.com)

---

### **Appendix 1 - Auditor's Responsibilities**

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment 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 my 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 company'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, I am 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 the auditor's report. However, future events or conditions may cause the company 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 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.