
Collingwood Non-Profit Housing Corporation

Financial Statements

For the year ended April 30, 2024

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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, 2024, 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, 2024 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.

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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

October 1, 2024

Collingwood Non-Profit Housing Corporation

Balance Sheet

April 30	2024	2023
Assets		
Current		
Cash	\$ 89,658	\$ 67,477
Accounts Receivable (Note 3)	49,888	63,973
Prepays	14,189	13,910
Subsidy Receivable - April	25,888	21,705
	179,623	167,065
Reserve Fund Investments (Note 4)	171,358	167,409
Capital Assets (Note 5)	447,962	685,003
Capital Improvements (Note 14)	200,000	--
	\$ 998,943	\$ 1,019,477
Liabilities and Fund Balances		
Current		
Accounts Payable - General Fund	\$ 24,483	\$ 20,469
Holdbacks Payable - Capital Improvements	46,655	--
Accrued Mortgage Payment	20,782	20,782
Last Month Rent Deposits	20,735	17,930
Subsidy Payable to County - A.I.R. (Note 10)	33,226	15,094
Current portion of long-term debt (Note 6)	242,165	237,041
	388,046	311,316
Long-term Debt (Note 6)	205,797	447,962
Capital Improvement Loan (Note 14)	200,000	--
	793,843	759,278
Fund Balances		
General Fund	(21,709)	(21,611)
Replacement Reserve Fund	226,809	281,810
	205,100	260,199
	\$ 998,943	\$ 1,019,477

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

2024

2023

Surplus (Deficit)

Balance, Beginning of Year	\$ (18,763)	\$ (13,180)
Adjustment - Simcoe County (Note 10)	(2,848)	--
	<hr/>	
Balance, Beginning of Year - as restated	(21,611)	(13,180)
Add: Surplus (Deficit) for the Year	(98)	(8,431)
	<hr/>	
Balance, End of the Year	\$ (21,709)	\$ (21,611)

Replacement Reserve Fund

Balance, Beginning of the Year	\$ 281,810	\$ 287,249
Add: Regular Annual Funding	36,337	33,714
Add: Interest Income	3,950	1,625
Add: Solar Energy Revenue	11,229	10,505
Less: Capital Expenditures	(106,517)	(51,283)
	<hr/>	
Balance, End of the Year	\$ 226,809	\$ 281,810

Collingwood Non-Profit Housing Corporation

Statement of Operations

For the year ended April 30	Budget 2024	Actual 2024	Actual 2023
Revenues			
Market Rents	\$ 190,000	\$ 216,305	\$ 199,730
RGI Rents	100,000	108,848	101,564
Subsidy	310,652	310,652	294,127
Non-Rental Revenue	12,900	35,185	17,964
Subsidy Adjustment (Note 10)	--	(29,452)	(15,094)
Total Revenue	613,552	641,538	598,291
Expenses			
Administrative - Schedule 1	57,300	65,819	60,632
Bad Debt Expense (Recovery)	490	--	(6,623)
Amortization	237,041	237,041	232,025
Insurance	9,500	13,473	12,989
Maintenance - Wages and Benefits	66,500	69,971	63,966
Interest on Long Term Debt	12,346	12,346	17,361
Materials and Services - Schedule 1	90,500	107,198	95,645
Municipal Property Taxes	52,500	52,857	51,649
Transfer to Reserve Fund	36,337	36,337	33,714
Utilities - Schedule 1	51,500	46,594	45,364
Total Expenses	614,014	641,636	606,722
Surplus (Deficit) For the Year	\$ (462)	\$ (98)	\$ (8,431)

Collingwood Non-Profit Housing Corporation

Cash Flow Statement

For the year ended April 30

2024

2023

Operating Activities

Net Surplus (Deficit)	\$	(98)	\$	(8,431)
Add: Non-cash items				
Amortization		237,041		232,025
Transfer to Reserve Fund		36,337		33,714
		273,280		257,308
Changes in non-cash working capital balances				
Accounts Receivable		14,085		(45,470)
Subsidy Receivable		(4,183)		--
Prepays		(279)		(549)
Subsidy Payable		18,132		5,755
Rent Deposits & Accrued Interest		2,805		(147)
Accounts Payable		50,668		(529,737)
		354,508		(312,840)

Financing Activities

Proceeds - Capital Improvement Loan		200,000		--
Repayment of long-term debt		(237,041)		(232,025)
Reserve Fund - COCHI Funding		--		608,000
		(37,041)		375,975

Investing Activities

Net Transfers (To) Reserve Fund		(95,286)		(40,778)
Capital Improvement Expenses		(200,000)		--

Total increase (decrease) in cash

22,181

22,357

Cash, beginning of year

67,477

45,120

Cash, end of year

\$ 89,658

\$ 67,477

Collingwood Non-Profit Housing Corporation

Notes to Financial Statements

April 30, 2024

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, 2024

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, 2024

3. Accounts Receivable

	2024	2023
Rents	\$ 4,488	\$ 987
HST	43,282	58,530
Laundry & Solar Generation	2,118	4,456
	\$ 49,888	\$ 63,973

4. Reserve Fund Investments

	2024	2023
Due from the County of Simcoe	\$ --	\$ --
Equity Fund	29,398	24,542
Short-Term Canadian Bond Fund	23,337	22,846
Canadian Bond Fund	118,623	120,021
	\$ 171,358	\$ 167,409

5. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 503,620	\$ --	\$ 503,620	\$ --
Building & Equipment	3,958,636	4,014,294	3,958,636	3,777,253
Total	\$ 4,462,256	\$ 4,014,294	\$ 4,462,256	\$ 3,777,253
Net Book Value	\$ 447,962		\$ 685,003	

Collingwood Non-Profit Housing Corporation

Notes to Financial Statements

April 30, 2024

6. Long-Term Debt

	2024	2023
Mortgage payable, Peoples Group, 2.150%, repayments \$ 20,782 per month, due February 1, 2026	\$ 447,962	\$ 685,003
Less: Current Portion	242,165	237,041
Long-Term Portion	\$ 205,797	\$ 447,962

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

2025	\$ 242,165
2026	205,797
Total	\$ 447,962

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, 2024.

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 2024 the A.I.R has been drafted, and the amount of \$ 29,452 has been recorded as owing to the County. This is subject to review by the County.

The County recovered \$ 15,094 of subsidy for the prior fiscal year. This was \$ 2,848 more than the amount recorded on the 2023 financial statements. The comparative figures have been restated to reflect this adjustment.

Collingwood Non-Profit Housing Corporation

Notes to Financial Statements

April 30, 2024

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, 2023, 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, two companies related to Bayshore, (Maplebrook Construction Ltd. & 1176229 Ontario Ltd), provided relief superintendent services, building repair services & Reserve Fund project services, for approximately \$ 21,610.

14. Capital Improvements & Loan from Simcoe County

The company conducted Capital Improvements in 2024 that were funded by a second mortgage from Simcoe County. The maximum loan approved is \$ 200,000.

The loan is interest free and requires no payments until the company's first mortgage is paid off - (February 1, 2026). At that point, interest will be charged and the company will be required to repay the loan over a fifteen year term. The capital improvements will be amortized at the same rate as the loan is repaid.

15. Related Party Transactions

A construction business owned by one of the directors invoiced the company for two Reserve Fund Projects during the year for a total of \$ 50,587. The transactions have been recorded at fair value.

16. 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 2024	Actual 2024	Actual 2023
Administrative			
Audit Fees	\$ 5,300	\$ 5,496	\$ 5,335
Management Fees	43,000	49,612	40,684
Materials and Services	9,000	10,711	14,613
	<hr/>	<hr/>	<hr/>
	\$ 57,300	\$ 65,819	\$ 60,632
<hr/>			
Materials and Services			
Building	\$ 51,500	\$ 69,335	\$ 61,082
Elevators	8,500	6,885	9,532
Heating and Plumbing	2,000	2,076	163
Grounds & Snow Removal	16,000	17,383	15,165
Painting	2,000	--	--
Waste Removal	10,000	10,310	9,521
Security	500	1,209	182
	<hr/>	<hr/>	<hr/>
	\$ 90,500	\$ 107,198	\$ 95,645
<hr/>			
Utilities			
Electricity	\$ 14,000	\$ 13,902	\$ 12,107
Natural Gas & Oil	12,000	6,632	8,084
Water & Sewer	11,000	11,939	11,498
Internet	14,500	14,121	13,675
	<hr/>	<hr/>	<hr/>
	\$ 51,500	\$ 46,594	\$ 45,364

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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.