

FINANCIAL STATEMENTS
For
THE OTTAWA ROTARY HOME
For year ended
MARCH 31, 2025

THE OTTAWA ROTARY HOME
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the members of

THE OTTAWA ROTARY HOME*Opinion*

We have audited the financial statements of The Ottawa Rotary Home (the Home), which comprise the statement of financial position as at March 31, 2025, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Home as at March 31, 2025 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 Home in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 opinion.

Other Information

Management is responsible for the other information. The other information comprises all 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 will 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 identified above 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.

The annual report is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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 Home'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 cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Home'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 Home'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 Home'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 Home 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.



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
June 23, 2025.

THE OTTAWA ROTARY HOME
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 1,427,965	\$ 2,468,996
Short-term investments (note 4)	958,863	159,533
Accounts receivable	84,636	-
Government remittances receivable	69,225	32,158
Prepaid expenses	19,061	23,734
Due from Ottawa Rotary Home Foundation (note 5)	<u>-</u>	<u>10,000</u>
	2,559,750	2,694,421
INVESTMENTS (note 4)	932,472	605,971
LAND LEASE (note 6)	9,653	9,959
TANGIBLE CAPITAL ASSETS (note 7)	<u>5,216,149</u>	<u>5,394,955</u>
	<u>\$ 8,718,024</u>	<u>\$ 8,705,306</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 8)	\$ 196,810	\$ 342,042
Deferred contributions - Ottawa Rotary Home Foundation (note 5)	<u>258,654</u>	<u>258,654</u>
	455,464	600,696
DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS (note 9)	<u>3,656,317</u>	<u>3,835,123</u>
	<u>4,111,781</u>	<u>4,435,819</u>
NET ASSETS		
Invested in tangible capital assets	1,559,832	1,559,832
Unrestricted	<u>3,046,411</u>	<u>2,709,655</u>
	<u>4,606,243</u>	<u>4,269,487</u>
	<u>\$ 8,718,024</u>	<u>\$ 8,705,306</u>

Approved by the Board:

..... Director

..... Director

(See accompanying notes)

THE OTTAWA ROTARY HOME
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2025

	2025			2024
	<u>Invested in tangible capital assets</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 1,559,832	\$ 2,709,655	\$ 4,269,487	\$ 4,262,009
Excess of revenues over expenses	-	336,756	336,756	7,478
Amortization of tangible capital assets	(178,806)	178,806	-	-
Amortization of deferred contributions related to tangible capital assets	<u>178,806</u>	<u>(178,806)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 1,559,832</u>	<u>\$ 3,046,411</u>	<u>\$ 4,606,243</u>	<u>\$ 4,269,487</u>

(See accompanying notes)

**THE OTTAWA ROTARY HOME
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2025**

	<u>2025</u>	<u>2024</u>
Revenues		
Program grants - Government of Ontario (notes 10 and 12)	\$ 3,983,668	\$ 3,857,388
Fee for service	312,698	189,411
Other service	249,512	165,985
Interest and other	<u>145,461</u>	<u>134,470</u>
	<u>4,691,339</u>	<u>4,347,254</u>
Expenses		
Salaries, benefits and subcontractors	3,193,917	3,231,926
Purchased services	442,599	447,096
Repairs and maintenance	284,377	194,068
Supplies and food	214,996	280,789
Utilities	80,111	67,414
Insurance	41,740	38,353
Travel	30,043	31,918
Training	26,580	17,150
Communication	23,665	24,906
Program costs	<u>16,249</u>	<u>5,850</u>
	<u>4,354,277</u>	<u>4,339,470</u>
Excess of revenues over expenses before amortization	337,062	7,784
Amortization of deferred contributions related to tangible capital assets	178,806	178,806
Amortization of tangible capital assets	(178,806)	(178,806)
Amortization of land lease	<u>(306)</u>	<u>(306)</u>
Excess of revenues over expenses	<u>\$ 336,756</u>	<u>\$ 7,478</u>

(See accompanying notes)

**THE OTTAWA ROTARY HOME
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2025**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 336,756	\$ 7,478
Adjustments for:		
Amortization of tangible capital assets	178,806	178,806
Amortization of land lease	306	306
Amortization of deferred contributions related to tangible capital assets	(178,806)	(178,806)
Unrealized gain on investments	<u>(36,829)</u>	<u>(15,504)</u>
	300,233	(7,720)
Changes in level of:		
Accounts receivable	(84,636)	17,651
Prepaid expenses	4,673	(23,734)
Due from Ottawa Rotary Home Foundation	10,000	30,569
Government remittances receivable/ (payable)	(37,067)	23,461
Deferred contributions - MCCSS	-	(15,190)
Accounts payable and accrued liabilities	<u>(145,232)</u>	<u>(68,970)</u>
	47,971	(43,933)
INVESTING ACTIVITIES		
Net acquisition of investments	<u>(1,089,002)</u>	-
DECREASE IN CASH	(1,041,031)	(43,933)
CASH, BEGINNING OF YEAR	<u>2,468,996</u>	<u>2,512,929</u>
CASH, END OF YEAR	<u>\$ 1,427,965</u>	<u>\$ 2,468,996</u>

(See accompanying notes)

THE OTTAWA ROTARY HOME
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025

1. NATURE OF OPERATIONS

The Ottawa Rotary Home ("the Home") was incorporated without share capital under the Business Corporations Act of the province of Ontario. The Home operates Respite Care and adult residential programs to improve the quality of life of caregivers and individuals with disabilities through a family centered approach that is responsive to individual needs and offered in a dynamic and flexible way. Funding is provided by the Government of Ontario Ministries of Children and Youth Services and of Community and Social Services. The Home is a registered charity and, as such, is exempt from income taxes and may issue tax receipts to donors.

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Home follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the purchase of tangible capital assets which are amortized are deferred and amortized to revenue on the same basis as the related tangible capital asset is amortized to expense. Restricted contributions for the purchase of tangible capital assets which are not amortized are recognized as direct increases in net assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned.

Fee for service income is recognized in the year in which it is earned.

Other service revenue is recognized in the year in which the service is performed if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest and other revenue is recognized when received.

Financial instruments

Cash and equity instruments are measured at fair value at the date of the statement of financial position.

All other financial instruments are measured at amortized cost at the date of the statement of financial position.

Tangible capital assets

Tangible capital assets are stated at acquisition cost. When the Home receives tangible capital asset contributions, their cost is recorded at their fair value at the contribution date or at a nominal value of \$1 if the fair value cannot be reasonably determined.

Amortization is recorded at the estimated useful life of the asset using straight-line method at the following rates:

Building	40 years
Furniture and equipment	10 years
Vehicle	5 years

Contributed services

Members contribute many hours each year to assist the Home. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

THE OTTAWA ROTARY HOME
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

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, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

Management makes accounting estimates when determining the estimated useful life of the Home's tangible capital assets and the related amortization expense, the net realizable value of accounts receivable and amounts due from Ottawa Rotary Home Foundation, and in the estimation of significant accrued liabilities. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The Home is exposed to various risks through its financial instruments. The following analysis provides a measure of the Home's risk exposure and concentrations at March 31, 2025.

The Home does not use derivative financial instruments to manage its risks.

Credit risk

The Home is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Home's maximum exposure to credit risk is the carrying value of its cash, short-term investments. The Home's cash is deposited with a Canadian chartered bank and investments are managed by a national investment brokerage and as a result management believes the risk of loss on these items to be remote. The Home manages the credit risk of accounts receivable by reviewing monthly aged accounts receivable balances and following up on outstanding amounts. For the year ended March 31, 2025, the Home believes that all significant accounts are collectible and as such has provided no amounts for doubtful accounts (2024 - \$nil).

Liquidity risk

Liquidity risk is the risk that the Home cannot meet a demand for cash or fund its obligations as they become due. The Home meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) *Currency risk*

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The Home's financial instruments are all denominated in Canadian dollars and the Home transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

THE OTTAWA ROTARY HOME
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2025

3. FINANCIAL INSTRUMENTS - Cont'd.

Market risk - Cont'd.

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Home is exposed to this risk for its investments and mitigates this risk through a diversified portfolio. As a result, management does not believe it is exposed to significant interest rate risk.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Home is exposed to other price risk on certain equity investments held within their investment portfolio and mitigates this risk through holding a diversified portfolio.

Changes in risk

There have been no significant changes in the Home's risk exposures from the prior year.

4. INVESTMENTS

Investments consist of the following:

	<u>2025</u>	<u>2024</u>
Fixed income and cash equivalents	\$ 1,615,369	\$ 637,260
Equities	<u>275,966</u>	<u>128,244</u>
	1,891,335	765,504
Less: Short-term portion of fixed income and cash equivalents	<u>958,863</u>	<u>159,533</u>
	<u>\$ 932,472</u>	<u>\$ 605,971</u>

5. CONTRIBUTIONS FROM THE OTTAWA ROTARY HOME FOUNDATION

The Ottawa Rotary Home Foundation ("Foundation") is a separately incorporated charity with the objective of undertaking fundraising activities to provide financial support and assistance to the Home or for financial assistance to physically disabled children and adults. The results of the Foundation are not consolidated with the results of the Home.

In previous years, the Foundation had contributed \$218,654 to be used specifically for the purpose of providing adult respite overnight services as well as \$40,000 for the purchase of specific capital assets for the Home. In accordance with the Home's revenue recognition policy, as the underlying expenses were not incurred prior to March 31, 2025, these contributions have been deferred for future use.

THE OTTAWA ROTARY HOME
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2025

6. LAND LEASE

Land at 30 Rochester Street is leased on a net basis from Canada Mortgage and Housing Corporation for a period of 75 years, from June 15, 1981 to June 14, 2056. The total rent for the lease period is \$23,100 which was paid in advance. Accumulated amortization as at March 31, 2025 is \$13,447 (2024 - \$13,141). The Home is responsible for utility services and all other costs in respect of the land and building.

7. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Land	\$ 1,340,000	\$ -	\$ 1,340,000	\$ -
Building	6,872,195	2,992,384	6,872,195	2,820,579
Furniture and equipment	<u>647,928</u>	<u>651,590</u>	<u>647,928</u>	<u>644,589</u>
	8,860,123	<u>\$ 3,643,974</u>	8,860,123	<u>\$ 3,465,168</u>
Accumulated amortization		<u>3,643,974</u>		<u>3,465,168</u>
		<u>\$ 5,216,149</u>		<u>\$ 5,394,955</u>

8. CREDIT CARD LIMITS

The Home has authorized lines of credit totaling \$65,000 through the use of five corporate credit cards, of which \$12,030 was utilized as at March 31, 2025 (\$10,498 as at March 31, 2024) and has been included in accounts payable and accrued liabilities.

9. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

Deferred contributions related to tangible capital assets represent restricted contributions received from the Ontario Ministry of Children, Community and Social Services (MCCSS), from the Ottawa Rotary Home Foundation and from donors, with which many of the Home's tangible capital assets were originally purchased. The changes in the deferred contributions balance for the year are as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of the year	\$ 3,835,123	\$ 4,013,929
Less: Amortization to revenue	<u>(178,806)</u>	<u>(178,806)</u>
Balance, end of year	<u>\$ 3,656,317</u>	<u>\$ 3,835,123</u>

10. ECONOMIC DEPENDENCE

The Ottawa Rotary Home depends primarily on the Government of Ontario for financial support.

THE OTTAWA ROTARY HOME
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2025

11. COMMITMENTS

The Home has entered into a lease agreement expiring in July 2025 which calls for lease payments of \$1,373 per year for the rental of printing equipment. During the year, this lease was renewed until July 2030 with lease payments of \$2,295 per year.

12. PROGRAM REVENUES AND EXPENSES

The terms and conditions of the Government of Ontario funding provide that the Home must reimburse any excess of grants paid to it over those expenses approved for the programs. Furthermore, any losses are the responsibility of the Home.

The financial results of each program are:

<u>Program</u>	<u>Service Code</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Net Income (Expense)</u>
Adults' DS Community Accommodation	F600	\$ 2,121,522	\$ 2,124,504	\$ (2,982)
Children's DS Community Support Services	F608	871,918	871,918	-
Adults' DS Community Support Services	F605	548,222	548,222	-
Respite Services	E703	326,190	326,190	-
Intervenors Services	F630	104,116	104,116	-
Minor Capital	8396	<u>11,700</u>	<u>11,700</u>	<u>-</u>
		<u>\$ 3,983,668</u>	<u>\$ 3,974,950</u>	<u>\$ (2,982)</u>

13. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.