

**KERRY'S PLACE RESIDENTIAL SERVICES**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2024**

## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
Kerry's Place Residential Services

### **Opinion**

We have audited the accompanying financial statements of Kerry's Place Residential Services (the Organization), which comprise the statement of financial position as at March 31, 2024, and the statement of operations, statement of changes in net assets, statement of 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 Organization as at March 31, 2024, and its financial performance and 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 Auditors' 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 opinion.

### **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.

### **Auditors' 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 auditors' 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 auditors' 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.


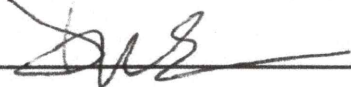


Chartered Professional Accountants  
Licensed Public Accountants  
Newmarket, Ontario  
May 31, 2024

**KERRY'S PLACE RESIDENTIAL SERVICES  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,046,850	\$ 805,054
Investment certificates (Note 3)	750,000	750,000
Amounts receivable	<u>132,603</u>	<u>7,064</u>
	1,929,453	1,562,118
<b>FIXED</b> (Notes 2 and 5)	<u>11,752,479</u>	<u>12,165,957</u>
	<u>\$ 13,681,932</u>	<u>\$ 13,728,075</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 122,827	\$ 13,556
Current portion of bank loans payable (Note 6)	633,671	1,094,835
Current portion of mortgages payable (Note 7)	<u>87,065</u>	<u>766,054</u>
	843,563	1,874,445
<b>BANK LOANS PAYABLE</b> (Note 6)	<u>5,372,518</u>	<u>5,104,263</u>
	<u>6,216,081</u>	<u>6,978,708</u>
<b>NET ASSETS</b>		
Invested in capital assets (Note 8)	5,659,225	5,200,805
Unrestricted (Note 10)	1,581,058	1,322,994
Reserve for major repairs and maintenance (Note 11)	<u>225,568</u>	<u>225,568</u>
	<u>7,465,851</u>	<u>6,749,367</u>
	<u>\$ 13,681,932</u>	<u>\$ 13,728,075</u>

On behalf of the Board:

  
 \_\_\_\_\_  
  
 \_\_\_\_\_

Director

Director

See accompanying notes to the financial statements

BATEMAN, GRAHAM & FITZPATRICK  
CHARTERED PROFESSIONAL ACCOUNTANTS

**KERRY'S PLACE RESIDENTIAL SERVICES  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>		
Rent (Note 12)	\$ 1,181,392	\$ 1,105,409
Other income	44,859	22,951
Membership	128	376
Expenses recovered (Note 12)	<u>106,723</u>	<u>8,080</u>
	<u>1,333,102</u>	<u>1,136,816</u>
<b>EXPENDITURES</b>		
Administrative (Note 12)	45,000	45,409
Depreciation	293,966	284,583
Miscellaneous and general	1,633	1,329
Mortgage and loan interest	283,891	238,605
Professional fees	42,428	42,089
Repairs and maintenance	<u>106,723</u>	<u>8,080</u>
	<u>773,641</u>	<u>620,095</u>
<b>GAIN ON SALE OF FIXED ASSETS</b>	<u>157,020</u>	<u>-</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ 716,481</u>	<u>\$ 516,721</u>

See accompanying notes to the financial statements

BATEMAN, GRAHAM & FITZPATRICK  
CHARTERED PROFESSIONAL ACCOUNTANTS

**KERRY'S PLACE RESIDENTIAL SERVICES  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2024**

	<u>Invested in Capital Assets (Note 8)</u>	<u>Unrestricted</u>	<u>Reserve for Major Repairs and Maintenance (Note 11)</u>	<u>2024 Total</u>	<u>2023 Total</u>
<b>Net assets, beginning of year</b>	\$ 5,200,805	\$ 1,322,994	\$ 225,568	\$ 6,749,367	\$ 6,232,649
<b>Excess of revenue over expenses</b>	-	716,481	-	716,481	516,721
<b>Change in investment in capital assets</b>	<u>458,417</u>	<u>(458,417)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets, end of year</b>	<u>\$ 5,659,222</u>	<u>\$ 1,581,058</u>	<u>\$ 225,568</u>	<u>\$ 7,465,848</u>	<u>\$ 6,749,370</u>

See accompanying notes to the financial statements

BATEMAN, GRAHAM & FITZPATRICK  
CHARTERED PROFESSIONAL ACCOUNTANTS

**KERRY'S PLACE RESIDENTIAL SERVICES  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 716,481	\$ 516,721
Items not involving cash		
Depreciation	293,966	284,583
Gain on disposal of fixed assets	<u>(157,020)</u>	<u>-</u>
	853,427	801,304
Investment certificates	-	(750,000)
Amounts receivable	(125,539)	(6,422)
Accounts payable and accrued liabilities	<u>109,271</u>	<u>8,591</u>
	<u>837,159</u>	<u>53,473</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	(1,295,022)
Proceeds from sale of fixed assets	<u>276,536</u>	<u>-</u>
	<u>276,536</u>	<u>(1,295,022)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	-	1,015,200
Repayment of long-term borrowings	<u>(871,899)</u>	<u>(254,990)</u>
	<u>(871,899)</u>	<u>760,210</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	241,796	(481,339)
<b>CASH, beginning of year</b>	<u>805,054</u>	<u>1,286,393</u>
<b>CASH, end of year</b>	<u>\$ 1,046,850</u>	<u>\$ 805,054</u>

See accompanying notes to the financial statements  
BATEMAN, GRAHAM & FITZPATRICK  
CHARTERED PROFESSIONAL ACCOUNTANTS

**KERRY'S PLACE RESIDENTIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2024**

**1. NATURE OF BUSINESS**

Kerry's Place Residential Services (the "Organization") is a non-profit organization, incorporated without share capital under the laws of Ontario on February 10, 1997 and is registered with the Canada Revenue Agency as a charitable organization. The Organization's purpose, among other activities, is to provide home/housing in various communities in the Province of Ontario for persons with pervasive Developmental Disorder/Autism, as well as to promote community involvement and to provide services, programs and facilities and/or treatment for such persons. The organization makes such internal modifications to its homes as are essential for the care of persons with Pervasive Development Disorder/Autism.

The Organization derives substantially all of its revenue from Kerry's Place Autism Services ("KPAS"), a not-for-profit charitable organization which also operates residential, respite and community services in Ontario serving people with autism (Note 12).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles, the most significant of which are summarized as follows:

**Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue based on the amortization rate for the related capital assets.

Unrestricted contributions, including donations, are recorded when received.

Rental income is recorded on an accrual basis.

**Donated materials and services**

Donated materials and services received by the Organization are not recognized in the financial statements because of the difficulty in determining their fair value.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and any adjustments are reported in earnings in the period they become known. The principal estimates used in the preparation of these financial statements include useful life of fixed assets and accrued liabilities. Actual results could differ from managements' best estimates as additional information becomes available in the future.



**KERRY'S PLACE RESIDENTIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2024**

**Fixed assets**

Fixed assets comprise land and buildings and are recorded at cost less accumulated depreciation. Buildings are being depreciated on a straight line basis over 40 years. In the year of acquisition, one half of the normal rate is used.

**Impairment of long-lived assets**

The Organization reviews long-lived assets such as capital assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When indicators of impairment of the carrying value of the assets exist, and the carrying value is greater than the net recoverable value, an impairment loss is recognized to the extent that the fair value is below the carrying value. There were no significant indications of impairment of the carrying values of the Organization's long-lived assets at March 31, 2024.

**Comparative figures**

Certain comparative figures have been reclassified to conform with the presentation adopted for the current year.

**Measurement of financial instruments**

The Organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include amounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**Impairment of financial instruments**

Financial assets measured at cost are tested annually for impairment if there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

**3. INVESTMENT CERTIFICATES**

The Organization holds two investment certificates with Royal Bank of Canada. The interest rates are 4.7% and 4.95%. The investment certificates mature June 12, 2024 and August 14, 2024.

**KERRY'S PLACE RESIDENTIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2024**

**4. FINANCIAL RISKS**

**Credit risk**

Credit risk represents the financial loss that the organization would experience if a counterparty to a financial instrument failed to meet its obligations.

The organization has established various internal controls designed to mitigate credit risk. Management reviews rental income agreements and renewals to mitigate any credit risk on its obligations.

**Liquidity risk**

Liquidity risk is the risk that the organization will be unable to fulfill its obligations on a timely basis or at reasonable cost. Management manages liquidity risk by monitoring its operational requirements and preparing budgets to ensure it has sufficient funds to fulfill its obligations.

**5. FIXED ASSETS**

	<u>Land</u>	<u>Building</u>	<u>Depreciation</u>	<u>2024 Total</u>	<u>2023 Total</u>
McIntyre Road	\$ 87,424	\$ 349,694	\$ 158,166	\$ 278,952	\$ 287,694
Amoro Drive	134,445	537,779	87,430	584,794	598,239
Rusholme Road	108,680	434,722	233,663	309,739	320,607
Holborn Road	120,150	480,600	234,292	366,458	378,473
First Avenue	54,054	216,216	116,216	154,054	159,459
Ringway Crescent	68,094	272,375	146,402	194,067	200,877
Shoredale Drive	76,242	304,968	141,048	240,162	247,786
Gray Road	38,402	153,610	71,045	120,967	124,808
Clare Street	32,557	129,504	53,420	108,641	111,878
Clare Street	-	-	-	-	59,757
Clare Street	-	-	-	-	59,757
Leader Drive	78,951	315,806	114,480	280,277	288,172
Neapolitan	233,307	933,230	58,327	1,108,210	1,131,541
8th Line	77,763	311,054	112,757	276,060	283,836
First Street	89,000	363,471	122,671	329,800	338,886
Doane Road	183,301	734,491	247,891	669,901	688,263
Harvard Avenue	154,824	619,294	209,012	565,106	580,588
Gavey Street	77,290	309,160	88,884	297,566	305,295
First Street	95,605	382,421	109,946	368,080	377,641
Old Homestead	88,584	354,337	93,013	349,908	358,766
Reid Settlement	89,724	358,897	94,210	354,411	363,383
D'Arcy McGee	116,272	465,087	98,831	482,528	494,155
Mountland Drive	146,990	587,959	80,844	654,105	668,804
Newbury	186,526	746,104	83,937	848,693	867,345
5 Sideroad	146,672	586,686	80,669	652,689	667,356
Hill View	259,005	1,036,019	38,851	1,256,173	1,282,074
Harmony	193,793	775,172	67,827	901,138	920,517
	<u>\$ 2,937,655</u>	<u>\$11,758,656</u>	<u>\$ 2,943,832</u>	<u>\$ 11,752,479</u>	<u>\$12,165,957</u>

**KERRY'S PLACE RESIDENTIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2024**

**6. BANK LOANS PAYABLE**

	<u>2024</u>	<u>2023</u>
Bank loan payable, 2.55%, monthly payments of \$10,017 on account of principal and interest, secured by land and building, due February 12, 2026	\$ 1,644,911	\$ 1,722,993
Bank loan payable, 5.75%, monthly payments of \$2,864 on account of principal and interest, secured by land and building, due August 4, 2025	389,706	401,358
Bank loan payable, 6.73%, monthly payments of \$3,344 on account of principal and interest, secured by land and building, due August 30, 2025	447,922	459,009
Bank loan payable, 5.98%, monthly payments of \$4,133 on account of principal and interest, secured by land and building, due October 15, 2024	585,999	599,990
Bank loan payable, 6.32%, monthly payments of \$3,346 on account of principal and interest, secured by land and building, due March 14, 2025	454,871	468,612
Bank loan payable, 3.35%, monthly payments of \$4,433 on account of principal and interest, secured by land and building, due September 1, 2026	811,184	836,656
Bank loan payable, 6.28%, monthly payments of \$6,717 on account of principal and interest, secured by land and building, due December 5, 2024	993,306	1,010,924
Bank loan payable, 3.30%, monthly payments of \$3,675 on account of principal and interest, secured by land and building, due August 31, 2025	<u>678,290</u>	<u>699,556</u>
	6,006,189	6,199,098
Less current portion	<u>633,671</u>	<u>1,094,835</u>
	<u>\$ 5,372,518</u>	<u>\$ 5,104,263</u>
Principal repayments on the bank loan are due as follows:		
2025	\$ 633,671	
2026	4,612,464	
2027	<u>760,054</u>	
	<u>\$ 6,006,189</u>	

**KERRY'S PLACE RESIDENTIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2024**

The loan is secured by collateral mortgages, constituted as a first charge on the lands and improvements, on the following properties:

Reid Settlement  
D'Arcy McGee  
Doane Road  
Ringway Crescent  
Harvard Street  
First Street  
McIntyre Court  
First Avenue  
8th Line  
Amoro  
Gray Road  
Gavey Street  
First Street

**7. MORTGAGES PAYABLE**

<u>Property</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>2024</u>	<u>2023</u>
Mortgages payable to financial institutions:				
Rusholme Road	December 17, 2023	4.20%	\$ -	\$ 100,377
Shoredale Drive	March 30, 2023	2.49%	-	28,738
Leader Drive	March 31, 2024	3.80%	87,065	93,463
Gavey Street	December 17, 2023	4.20%	-	171,294
Old Homestead	December 17, 2023	4.20%	-	172,181
First Street	December 17, 2023	4.20%	-	200,001
			<hr/>	<hr/>
			87,065	766,054
Less: current portion			<hr/>	<hr/>
			87,065	766,054
			<hr/>	<hr/>
			\$ -	\$ -

In the ordinary course of business, mortgages are renewed or replaced at maturity at the prevailing rate.

The Leader Drive mortgage was paid in full on April 2, 2024.

**KERRY'S PLACE RESIDENTIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2024**

**8. INVESTED IN CAPITAL ASSETS**

(a) Invested in capital assets is calculated as follows:

	<u>2024</u>	<u>2023</u>
Capital assets	\$ 11,752,479	\$12,165,957
Amounts financed by mortgages	(87,065)	(766,054)
Amounts financed by bank loan payable	<u>(6,006,189)</u>	<u>(6,199,098)</u>
	<u>\$ 5,659,225</u>	<u>\$ 5,200,805</u>

(b) Change in net assets invested in capital assets is calculated as follows:

	<u>2024</u>	<u>2023</u>
Net change in investment in capital assets:		
Sale of capital assets	\$ (119,515)	\$ -
Additions to capital assets	-	1,295,022
Amortization of capital assets	(293,966)	(284,583)
Loan payable net additions	192,909	(825,016)
Mortgage principal repayments	<u>678,989</u>	<u>64,806</u>
	<u>\$ 458,417</u>	<u>\$ 250,229</u>

**9. INDEMNIFICATION OF OFFICERS AND DIRECTORS**

The Organization has granted indemnity to its past, present and future directors, officers, employees and volunteers against expenses, judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors are sued as a result of their service, if they acted honestly and in good faith with a view to the best interest of the Organization.

**10. UNRESTRICTED FUNDS**

Unrestricted funds can only be disbursed upon the discretion and agreement of the Board of Directors.

**11. RESERVE FOR MAJOR REPAIRS AND MAINTENANCE**

The Organization has adopted a policy to reserve up to a maximum of \$225,000 for future major repairs and maintenance. To maintain this reserve the Organization may allocate 10% of rent and interest income per year as required.

**12. KERRY'S PLACE AUTISM SERVICES TRANSACTIONS**

The Organization had the following transactions with KPAS:

	<u>2024</u>	<u>2023</u>
Rental income	\$ 1,181,392	\$ 1,105,409
Administrative expenses paid	\$ 45,000	\$ 45,000
Expenses recovered	\$ 106,723	\$ 8,080

**KERRY'S PLACE RESIDENTIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2024**

**13. CREDIT FACILITIES**

The Organization has an available \$150,000 revolving demand facility with an interest rate of RBP + 0.8%, and two revolving facilities by way of term loans in the amounts up to \$7,300,000 and \$3,700,000 at an interest rate of RBP + 1.0%. Security for these facilities are collateral mortgages on certain properties owned by the Organization.