

DASC - Dartmouth Adult Service Centre Association

Financial Statements

March 31, 2023

DASC - Dartmouth Adult Service Centre Association

March 31, 2023

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
DASC - DARTMOUTH ADULT SERVICE CENTRE ASSOCIATION

Opinion

We have audited the financial statements of DASC - Dartmouth Adult Service Centre Association (the Association), which comprise the statement of financial position as at March 31, 2023 and the statement of changes in net assets, statement of revenues and expenditures, and the 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 Association as at March 31, 2023 and results of its operations and cash flows for the year ended March 31, 2023 in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Association in accordance with the ethical requirements that are relevant to our audit of 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards for ASNPO, 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 these financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the corporation or to cease operations, or has no realistic alternative to do so.

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

Auditors' Responsibility 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 corporation'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 corporation'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 corporation 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.

*G * R*

G&R CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

Dartmouth, Nova Scotia
June 28, 2023

DASC - Dartmouth Adult Service Centre Association

Statement of Financial Position as at March 31, 2023

	Unrestricted Fund \$	Internally Restricted Fund \$	Restricted Capital Asset Fund \$	Total 2023 \$	Total 2022 \$
ASSETS					
Current					
Cash - unrestricted	243,015	-	-	243,015	154,524
Accounts receivable (Note 3)	348,236	-	-	348,236	93,528
HST receivable	22,019	-	-	22,019	23,190
Inventories (Note 4)	18,160	-	-	18,160	22,056
Prepaid expenses and deposit	31,212	-	-	31,212	24,117
Term deposit (Note 5)	211,002	-	-	211,002	111,002
Cash - internally restricted	873,644	-	-	873,644	428,417
Capital assets (Note 6)	-	27,098	-	27,098	27,098
	-	-	2,522,396	2,522,396	2,622,199
Total Assets	873,644	27,098	2,522,396	3,423,138	3,077,714
LIABILITIES					
Current					
Accounts payable and accrued liabilities	524,326	-	-	524,326	137,458
Deferred revenue (Note 7)	156,126	-	-	156,126	91,252
Total Liabilities	680,452	-	-	680,452	228,710
Net Assets	193,192	27,098	2,522,396	2,742,686	2,849,004
Total Liabilities and Net Assets	873,644	27,098	2,522,396	3,423,138	3,077,714

SIGNED ON BEHALF OF THE BOARD

 Director

 Director

DASC - Dartmouth Adult Service Centre Association

Statement of Changes in Net Assets
For the Year Ended March 31, 2023

	Unrestricted Fund	Restricted Internally Fund	Restricted Capital Asset Fund	Total 2023	Total 2022
	\$	\$	\$	\$	\$
Net Assets - Beginning of Year	77,713	27,098	2,744,191	2,849,002	3,092,732
Deficiency of revenue over expenditures for the year	89,160	-	(195,476)	(106,316)	(243,730)
Interfund transfers	26,319	-	(26,319)	-	-
	115,479	-	(221,795)	(106,316)	(243,730)
Net Assets - End of Year	193,192	27,098	2,522,396	2,742,686	2,849,002

DASC - Dartmouth Adult Service Centre Association

Statement of Revenues and Expenditures

For the Year Ended March 31, 2023

	Unrestricted Fund \$	Internally Restricted Fund \$	Restricted Capital Asset Fund \$	Total 2023 \$	Total 2022 \$
Revenue					
Government revenue					
Province of Nova Scotia grant	2,581,053	-	-	2,581,053	2,292,905
Municipal property tax exemption	126,276	-	-	126,276	114,224
Grant for capital asset purchases	-	-	-	-	5,053
	2,707,329	-	-	2,707,329	2,412,182
Earned revenue					
Broadening Day Options grants	681,587	-	-	681,587	450,217
Business centers net profit (Schedule 2)	172,871	-	-	172,871	171,624
Fundraising and donations	236,007	-	-	236,007	8,488
External revenue (Schedule 1)	109,738	-	-	109,738	105,339
Miscellaneous income	484	-	-	484	31,415
Total Revenue	3,908,016	-	-	3,908,016	3,179,265
Expenses					
Human resources					
Salaries - staff	2,899,965	-	-	2,899,965	2,383,712
Staff training	17,166	-	-	17,166	14,226
Consulting and contract	-	-	-	-	1,863
Recruitment	13,277	-	-	13,277	8,543
Transportation	6,139	-	-	6,139	3,389
	2,936,547	-	-	2,936,547	2,411,733
Administration					
Accounting and legal	12,370	-	-	12,370	79,044
Amortization	-	-	195,476	195,476	190,267
Association fees	5,127	-	-	5,127	5,719
Bad debts	1,715	-	-	1,715	271
Business development	34,999	-	-	34,999	12,741
Office supplies, telephone and postage	71,915	-	-	71,915	73,499
	126,126	-	195,476	321,602	361,541
Facility					
Building maintenance and repairs	155,815	-	-	155,815	114,808
Equipment rentals and repairs	28,714	-	-	28,714	31,757
Property taxes	137,515	-	-	137,515	125,188
Occupancy cost	81,084	-	-	81,084	79,724
	403,128	-	-	403,128	351,477
Program					
Program expenses	65,659	-	-	65,659	16,421
Incentives - Participants	159,853	-	-	159,853	160,756
External project expenses (Schedule 1)	82,600	-	-	82,600	88,106
Vehicle	44,943	-	-	44,943	32,961
	353,055	-	-	353,055	298,244
Total Expenses	3,818,856	-	195,476	4,014,332	3,422,995
Deficiency of revenue over expenses for the year	89,160	-	(195,476)	(106,316)	(243,730)

DASC - Dartmouth Adult Service Centre Association

Notes to Financial Statements

For the Year Ended March 31, 2023

DASC - DASC - Dartmouth Adult Service Centre Association Association (the "Association") is a not-for-profit organization incorporated provincially under the Societies Act of Nova Scotia. As a registered charity the Association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

DASC's (Dartmouth Adult Services Centre) mission is to support the being, belonging, and becoming of adults with intellectual disabilities. We envision a future in which all people with intellectual disabilities, and their families, are empowered, self-determined and fully engaged in their communities. DASC serves about 200 people annually through a diverse range of services including community employment, vocational, skills development, life enhancement, active lifestyles, recreation and leisure, individual support, and youth programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and Internally Restricted Cash

Cash (both unrestricted and internally restricted) includes cash on hand and balances held with financial institutions.

Fund Accounting

The Association follows the restricted fund method of accounting for contributions.

The Unrestricted Fund accounts for the association's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Restricted Capital Asset Fund reports only externally restricted resources that were used for the purpose of building the permanent premises on Dorey Avenue in Dartmouth, and ongoing upgrades and related equipment and fixtures. In 2013, all capital assets were transferred to this fund as instructed by the Board. This fund holds all capital assets of DASC.

The Internally Restricted Fund consists of donation money received in 2016 that the Board has instructed be segregated in a separate fund, and restricted, to be used primarily for Board approved client centered activities or at the Board's discretion.

Inventory

The association's inventory of raw materials is recorded at the lower of cost and replacement cost. Work-in-process and finished goods are valued at the lower of cost (including overhead) and net realizable value. Cost is determined by the first-in, first-out method. Cost of inventories of items that are segregated for specific projects is assigned by using specific identification of their individual costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

. . . . (continued)

DASC - Dartmouth Adult Service Centre Association

Notes to Financial Statements

For the Year Ended March 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES . . . (continued)

Capital Assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Building	25 years	straight-line method
Office equipment	20%	declining balance method
Computer equipment	30%	declining balance method
Computer software	100%	declining balance method
Production equipment	20%	declining balance method
Vehicles	30%	declining balance method

The association regularly reviews its capital assets to eliminate obsolete items.

Revenue Recognition

Unrestricted Funds

Revenue from sale of goods and services is recognized as the title is transferred or the service is provided.

Revenue from grants is recorded as the grant becomes due according to the contract.

Donation revenue is recorded as it is received or in the case of pledges if the amount can be determined and collectability can be reasonably assured then it will be recorded at that time.

Rental income is recorded for the period in which the rental occurs.

Interest revenue is recorded according to the time frame in which it is earned.

Restricted Capital Asset Fund

Government funding restricted for asset purchases, has been deferred and amortized as the same rate as the underlying assets that the funding was used to purchase.

Restricted donation revenue is recorded as it is received or in the case of pledges if the amount can be determined and collectability can be reasonably assured then it will be recorded at that time.

Contributed Services and Materials

Contributed services and materials are recorded in the financial statements when their fair market value can be reasonably determined, they are used in the normal course of operations and would otherwise have been purchased.

Measurement Uncertainty

The preparation of financial statements in accordance 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 at March 31, 2023, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

. . . (continued)

DASC - Dartmouth Adult Service Centre Association

Notes to Financial Statements

For the Year Ended March 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments Policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

2. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the association's risk exposure and concentration as of March 31, 2023:

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. In order to reduce its credit risk, the Association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of customers which minimizes concentration of credit risk.

The Association is also exposed to credit risk through its short term investments in Canadian financial institutions. This risk is mitigated by only investing with large, reputable, Canadian Financial Institutions.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its customers, government and other related sources, and accounts payable.

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. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its credit facilities and short term investments. Exposure of interest rate risk on short term investments is mitigated by limiting the duration of the investments to a maximum of one year.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant other price risks arising from these financial instruments.

DASC - Dartmouth Adult Service Centre Association

Notes to Financial Statements

For the Year Ended March 31, 2023

3. ACCOUNTS RECEIVABLE

	2023	2022
	\$	\$
Trade receivables	44,096	50,973
Province of Nova Scotia	306,068	42,928
Less: allowance for doubtful accounts	(1,928)	(373)
Balance - end of year	348,236	93,528

The amount for Accounts Receivable from the Province of Nova Scotia includes and reflects the Province's announced retention incentives for DASC Employees, announced on March 20, 2023 to be realized in the following year.

4. INVENTORIES

	2023	2022
	\$	\$
Button parts	16,722	19,018
Postage	1,333	2,933
Contract materials	105	105
	18,160	22,056

5. TERM DEPOSIT

The association holds funds in an investment savings account fund with a current interest rate of 2.92%.

6. CAPITAL ASSETS

	Cost	Accumulated	Net	Net
	\$	Amortization	2023	2022
		\$	\$	\$
Land	348,642	-	348,642	369,867
Buildings	3,295,215	1,351,008	1,944,207	2,076,016
Office equipment	29,740	28,427	1,313	1,642
Production equipment	95,184	87,319	7,865	6,373
Program equipment	59,473	54,857	4,616	5,771
Computer equipment	111,933	96,074	15,859	22,656
Computer software	45,500	44,502	998	6,583
Vehicles	347,227	245,421	101,806	40,720
New building equipment and furniture	594,260	497,171	97,089	92,571
	4,927,174	2,404,779	2,522,396	2,622,199

DASC - Dartmouth Adult Service Centre Association

Notes to Financial Statements

For the Year Ended March 31, 2023

7. DEFERRED REVENUE

	2023	2022
	\$	\$
Deferred revenue - Broadening Day Options Grants	73,732	28,192
Deferred revenue - Province of Nova Scotia	66,630	15,060
Deferred revenue - Home Services NS	15,764	-
Deferred revenue - Other (Accessible Garden Project)	-	48,000
Balance - end of year	156,126	91,252

Deferred revenue includes grants received in a prior year used towards the purchase of capital assets. The grants are being recognized as revenue on the same basis as the amortization of the related assets. Deferred revenue other was donations and grants received in 2022 for the accessible garden project completed in 2023.

8. ECONOMIC DEPENDENCE

The Association is dependent on funding from the Province of Nova Scotia to carry out its mandate. This funding is renewed annually and the service agreement for funding in places expires on March 31, 2023.

9. CONTINGENT LIABILITY

The Association allows staff to carryforward sick days to be used in a future period, subject to a maximum amount. When staff is out on sick leave, they must be replaced with casual staffing, and therefore, if staff used all of the sick time that they are entitled to as of March 31, 2023, the cost to the Association would be \$84,740 (2022 - \$82,664).

10. BUILDING LEASES

The Association leases space for its Broadening Day Option program, and the lease for the space at 230 Pleasant Street in Dartmouth, NS, used to carry out its programs, is an annual lease. Lease commitment is yearly, and the organization's lease cost will be \$5,684 for the coming year's lease.

The Association leases space at Cole Harbour Place in Dartmouth, NS, and the lease for the space is used to carry out its programs. Lease commitment is yearly, and the organization's lease cost will be \$7,800 inclusive of HST for the coming year's lease.

DASC - Dartmouth Adult Service Centre Association

Notes to Financial Statements

For the Year Ended March 31, 2023

11. EQUIPMENT LEASES

The Association leases various pieces of mailing and copying equipment which extend to 2026. The minimum annual lease payments for the next 4 years are:

Contractual obligation repayment schedule:	\$
Year ending March 31, 2023	3,829
2024	3,829
2025	3,829
2026	2,234

12. EMPLOYEE FUTURE BENEFITS

Defined Contribution Pension Plan

Employees of the Association participate in the Directions Council for Vocational Services Society Pension Plan, a multiemployer defined contribution pension plan administered by the Directions Council for Vocational Services Society. Total employer contributions for 2023 were \$117,868 (2022 \$101,388) and are recognized as an expense during the year.

Defined Benefit Pension Plan

There are four participants of the plan that were members when it existed as a defined benefit pension plan. The Association no longer participates in the defined benefit plan, and the four participants are not currently employees nor are they currently pensioners. Since this plan was a multiemployer defined benefit pension plan, there is limited information and the Association has accounted for the plan as a defined contribution plan in accordance with CICA 3461.149 (pending the next actuarial review).

DASC - Dartmouth Adult Service Centre Association

Schedule 1 - External Revenue and Project Expenses

For the Year Ended March 31, 2023

	Youth project \$	Home Service NS \$	2023 \$	(Unaudited) 2022 \$
Project revenue	66,630	43,108	109,738	105,339
Direct project costs	(52,067)	(30,533)	(82,600)	(88,106)
Balance - end of year	14,563	12,575	27,138	17,233

DASC - Dartmouth Adult Service Centre Association

Schedule 2 - Business Centre's Net Profit

For the Year Ended March 31, 2023

	Board Room Rental \$	Buttons \$	Contracts Mail Room \$	Total \$
<u>2023</u>				
Sales	27,561	28,374	160,211	216,146
Less: direct costs	(465)	(3,970)	(38,840)	(43,275)
2023 Gross Profit	27,096	24,404	121,371	172,871
<u>2022</u>				
Sales	18,476	27,793	175,962	203,755
Less: direct costs	(243)	(5,326)	(45,038)	(50,607)
2022 Gross profit	18,233	22,467	130,924	153,148