



Financial statements

Nucleus Independent Living

March 31, 2024

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 13



Independent Auditor's Report

Grant Thornton LLP
Suite 501
201 City Centre Drive
Mississauga, ON
L5B 2T4
T +1 416 366 0100
F +1 905 804 0509

To the Members of
Nucleus Independent Living

Opinion

We have audited the financial statements of Nucleus Independent Living (the "Organization"), which comprise the statement of financial position as at March 31, 2024, 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 Nucleus Independent Living as at March 31, 2024, and its results of 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 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 these 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 a 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 to do so.

Those charged with governance are responsible for overseeing the Organization'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 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 auditor's 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Mississauga, Canada
May 27, 2024

Chartered Professional Accountants
Licensed Public Accountants

Nucleus Independent Living

Statement of Financial Position

March 31

2024

2023

Assets

Current

Cash	\$ 6,467,846	\$ 5,402,211
Accounts receivable	181,411	291,723
Prepaid expenses	95,681	107,203
	<u>6,744,938</u>	<u>5,801,137</u>

Capital assets (Note 3) 5,628 16,885

\$ 6,750,566 \$ 5,818,022

Liabilities

Current

Accounts payable and accrued liabilities (Note 4)	\$ 6,186,513	\$ 5,636,933
Deferred contributions (Note 5)	380,586	42,892
	<u>6,567,099</u>	<u>5,679,825</u>

Deferred capital contributions (Note 6) 5,628 16,885

6,572,727 5,696,710

Net assets

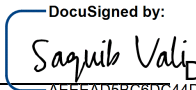
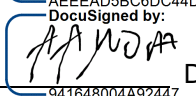
Operating fund – unrestricted	175,588	119,061
McCallen Fund	2,251	2,251
	<u>177,839</u>	<u>121,312</u>

\$ 6,750,566 \$ 5,818,022

Lease commitments (Note 8)

Guarantees and indemnities (Note 9)

Approved on behalf of the Board:

Saquib vali  Director
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 DocuSigned by:
 Iveta Amova  Director
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See accompanying notes to the financial statements.

Nucleus Independent Living

Statement of Operations

Year ended March 31

2024

2023

Revenue

Ontario Health funding	\$ 20,562,460	\$ 19,385,321
Interest income	238,195	116,315
Other contributions	127,628	163,467
United Way Halton & Hamilton	85,751	-
	<u>21,014,034</u>	<u>19,665,103</u>

Expenses

Attendant, housekeeping and administrative wages	13,326,974	11,774,929
Purchased client services	3,824,173	4,448,365
Employee benefits (Note 7)	1,749,127	1,398,081
General and office	848,459	947,807
Occupancy costs	488,422	491,654
Travel associated with delivery of services	364,977	278,802
Legal, audit and accounting	113,281	53,597
Meetings, workshops and conferences	88,471	38,336
Telephone, postage and deliveries	76,885	79,436
Human resources and contract employees	35,356	37,941
Insurance	30,125	29,386
Depreciation	11,257	28,825
	<u>20,957,507</u>	<u>19,607,159</u>

Excess of revenue over expenses for the year	\$ <u>56,527</u>	\$ <u>57,944</u>
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See accompanying notes to the financial statements.

Nucleus Independent Living Statement of Changes in Net Assets

Year ended March 31, 2024

	<u>Operating Fund</u>	<u>McCallen Fund</u>	<u>2024 Total</u>	<u>2023 Total</u>
Balance, beginning of year	\$ 119,061	\$ 2,251	\$ 121,312	\$ 63,368
Excess of revenue over expenses for the year	<u>56,527</u>	<u>-</u>	<u>56,527</u>	<u>57,944</u>
Balance, end of year	\$ <u>175,588</u>	\$ <u>2,251</u>	\$ <u>177,839</u>	\$ <u>121,312</u>

See accompanying notes to the financial statements.

Nucleus Independent Living

Statement of Cash Flows

Year ended March 31

2024

2023

Changes in cash

Operating activities

Excess of revenue over expenses for the year	\$ 56,527	\$ 57,944
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Items not affecting cash flow

Deferred contributions recognized	(157,198)	-
Depreciation	11,257	28,825
Amortization of deferred capital contributions	(11,257)	(28,825)
	<u>(100,671)</u>	<u>57,944</u>

Changes in operating working capital

Accounts receivable	110,312	(119,718)
Prepaid expenses	11,522	219,165
Accounts payable and accrued liabilities	549,580	(438,231)
Deferred contributions received	494,892	-
	<u>1,166,306</u>	<u>(338,784)</u>

Net increase (decrease) in cash	1,065,635	(280,840)
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Cash, beginning of year	<u>5,402,211</u>	<u>5,683,051</u>
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Cash, end of year	\$ <u>6,467,846</u>	\$ <u>5,402,211</u>
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See accompanying notes to the financial statements.

Nucleus Independent Living

Notes to the Financial Statements

March 31, 2024

1. Nature of operations

Nucleus Independent Living (the "Organization") enables adults who require assistance in their daily activities to live independently in their own homes.

The Organization provides 24 hour support services for persons with physical disabilities and seniors over 65 years of age. The first consumer moved into the Nucleus I premises in 1983. A second project, Nucleus II, commenced operations in February 1991. Attendant Outreach Program was started in 1999. It provides attendant services to people in their homes in Mississauga and Brampton. The Supports for Daily Living (SDL) Program was launched in January 2009 to provide mobile attendant services to seniors living in the Mississauga – Halton area. The In-Home Respite Care Program began in January 2010 which provides community support services to seniors living in the Mississauga Halton area as an alternative to Long-Term Care home replacement.

The Organization is a not-for-profit organization incorporated without share capital under the laws of the Province of Ontario. It is also registered with Canada Revenue Agency as a charitable organization and, as such, is exempt from income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). ASNPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The significant accounting policies selected by the Organization and applied in these financial statements are as follows:

Net assets

The Organization maintains two net asset categories as follows:

Operating fund

The Operating Fund accounts for the day-to-day program delivery and administrative activities funded by Ontario Health and other contributors.

McCallen Fund

The McCallen fund is internally restricted by the Board of Directors to support customer independent living activities and any other such activities not funded with the Organization's operating funds. The fund will only be utilized where all other funding opportunities have been exhausted.

Nucleus Independent Living

Notes to the financial statements

March 31, 2024

2. Summary of significant accounting policies (continued)

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Externally restricted contributions which include donations and contributions from Ontario Health are recognized as revenue in the year in which the related expenses are incurred. 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.

Externally restricted contributions which include donations and contributions from Ontario Health are recognized as revenue in the year in which the related expenses are incurred. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Donations are recognized as revenue when received.

Interest and other income is recognized as revenue when earned.

Ontario Health – Operating grant

Ontario Health provides financial support to the Organization on the basis of an approved operating budget for the year. These financial statements reflect approved funding arrangements with Ontario Health, together with estimated adjustments, if any, on year end settlement.

Contributed goods and services

Volunteers (including directors and officers of the Organization) contributed significant amounts of time to assist the Organization in carrying out its service delivery activities. The Organization also, from time to time, receives donations of goods. Because of the difficulty in determining their fair value, contributed goods and services are not recognized in the financial statements.

Capital assets

The costs of capital assets are capitalized upon meeting the criteria for recognition as property and equipment, otherwise, costs are expensed as incurred. The cost of capital assets comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Capital assets are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided for, upon the commencement of the utilization of the assets, using methods and rates designed to amortize the cost of the property and equipment over their estimated useful lives. The annual depreciation is provided as follows, on a straight-line basis:

Office furniture and equipment	5 years
Computer equipment and software	3 years
Leasehold improvements	over the term of the lease

Nucleus Independent Living

Notes to the financial statements

March 31, 2024

2. Summary of significant accounting policies (continued)

Capital assets (continued)

Capital assets are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable, if any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the capital asset to its fair value. Any impairment of capital assets is recognized in income in the year in which the impairment occurs.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

Deferred capital contributions

Externally restricted contributions for the acquisition of capital assets that will be depreciated or amortized are deferred and amortized over the life of the related capital assets. Externally restricted capital contributions that have not been expended are recorded as part of the deferred capital contributions on the statement of financial position.

Use of estimates

The preparation of financial statements, in conformity with ASNPO, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Significant estimates include useful lives of capital assets and valuation of other assets and liabilities. Actual results could differ from these estimates, the impact of which would be recorded in future affected periods.

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Organization subsequently measures its financial assets and liabilities at amortized cost.

Financial assets and liabilities are measured at amortized cost included cash, accounts receivable and accounts payable.

Nucleus Independent Living

Notes to the financial statements

March 31, 2024

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write-down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment. The amount of the reversal is recognized in income in the period that the reversal occurs.

3. Capital assets

			<u>2024</u>	<u>2023</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Office furniture and equipment	\$ 297,725	\$ 292,097	\$ 5,628	\$ 16,885
Computer equipment and software	342,110	342,110	-	-
Leasehold improvements	<u>28,741</u>	<u>28,741</u>	<u>-</u>	<u>-</u>
	\$ <u>668,576</u>	\$ <u>662,948</u>	\$ <u>5,628</u>	\$ <u>16,885</u>

4. Accounts payable and accrued liabilities

	<u>2024</u>	<u>2023</u>
Trade payables and accrued liabilities	\$ 1,425,703	\$ 1,104,567
Due to Ontario Health - 2024	29,713	-
Due to Ontario Health - 2023	173,201	191,521
Due to Ontario Health - 2022	343,377	343,377
Due to Ontario Health - 2021	3,294,564	3,294,564
Employee payroll obligations	887,105	687,617
Government remittances payable	<u>32,850</u>	<u>15,287</u>
	\$ <u>6,186,513</u>	\$ <u>5,636,933</u>

Nucleus Independent Living Notes to the financial statements

March 31, 2024

5. Deferred contributions

	Balance at March 31 2023	Funds Received in 2024	Recognized as Revenue in 2024	Balance at March 31, 2024
Community Services Recovery Fund (CSRF)	\$ -	\$ 176,000	\$ 85,751	\$ 90,249
Assisted Living SDL	-	318,892	71,447	247,445
Nukability Fund	17,892	-	-	17,892
Community Care Access Centre	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
	<u>\$ 42,892</u>	<u>\$ 494,892</u>	<u>\$ 157,198</u>	<u>\$ 380,586</u>

6. Deferred capital contributions

Deferred capital contributions represent the unamortized and unexpended amount of contributions received for the purchase of capital assets. The changes in deferred capital contributions are as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 16,885	\$ 45,710
Amortization of deferred capital contributions	<u>(11,257)</u>	<u>(28,825)</u>
Balance, end of year	<u>\$ 5,628</u>	<u>\$ 16,885</u>

Net assets invested in capital assets consist of the following:

	<u>2024</u>	<u>2023</u>
Capital assets	\$ 5,628	\$ 16,885
Deferred capital contributions	<u>(5,628)</u>	<u>(16,885)</u>
	<u>\$ -</u>	<u>\$ -</u>

7. Pension expense

The Organization contributes to a defined contribution pension plan which covers all employees, following the completion of 450 hours of service. Required contributions for the year are calculated at 2% of wages. These contributions are recorded as an expense in the Statement of Operations. Pension expense for the year was \$137,737 (2023 - \$127,697).

Nucleus Independent Living

Notes to the financial statements

March 31, 2024

8. Lease commitments

The Organization has operating lease commitments in respect of its office premises and office equipment which expire in November 2027. The minimum annual lease payments for the next four years are as follows:

2025	\$ 275,842
2026	275,842
2027	5,288
2028	<u>2,644</u>
	\$ <u>559,616</u>

9. Guarantees and indemnities

The Organization has indemnified its past, present and future directors, officers and volunteers against expenses (including legal expenses), judgments and any amount actually and reasonably incurred by them in connection with any actions, suite or proceeding, subject to certain restrictions in which they are sued as a result of their involvement with the Organization, if they acted honestly and in good faith with a view to the best interest of the Organization. The Organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits and actions, but there is no guarantee that the coverage will be sufficient should any action arise.

In the normal course of business, the Organization has entered into agreements that include indemnities in favour of third parties, either express or implied, such as in service contracts and purchase contracts. In these agreements, the Organization agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Organization. The terms of these indemnities are not explicitly defined and the maximum amount of any potential liability cannot be reasonably estimated.

10. Economic dependence

Operations of the Organization depend to a large extent upon the funding that it receives from Ontario Health. Any significant reduction in this source would significantly curtail the Organization's ability to offer a complete range of programs.

11. Financial instrument risks

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. There was no significant change in risk exposure from the prior year.

Nucleus Independent Living

Notes to the financial statements

March 31, 2024

11. Financial instrument risks (continued)

Credit risk

The Organization is subject to credit risk through receivables. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Organization's management does not expect any financial loss on the March 31, 2024 receivable balance.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with its financial liabilities as they become due. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and lease commitments. The Organization's management expects to meet these obligations as they become due from the operating grants it receives from Ontario Health and other funders.

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 comprises three types of risk: currency risk, interest rate risk, and other price risk. The Organization is not exposed to significant market risk.