

**Family Services
Perth-Huron**

Financial Statements
For the year ended March 31, 2021

Family Services Perth-Huron
Financial Statements
For the year ended March 31, 2021

Contents

Independent Auditors' Report	2 - 4
Financial Statements	
Statement of Financial Position	5
Statement of Changes in Fund Balances	6
Statement of Operations - General Fund	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 13
Supplementary Financial Information	
Schedule of Operating Expenditures	15
Schedule of Revenues by Funding Ministry	16
Schedule of Expenditures by Funding Ministry	17

Independent Auditors' Report

**To the Members of
Family Services Perth-Huron**

Opinion

We have audited the accompanying financial statements of Family Services Perth-Huron (the Agency), which comprise the statement of financial position as at March 31, 2021, the statements of operations - general fund, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements have been prepared, in all material respects, in accordance with the financial reporting requirements of the Agency's various provincial government funding ministries.

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 Agency 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.

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Agency to meet the financial reporting requirements of its various provincial government funding ministries. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of these financial statements in accordance with the financial reporting requirements of the Agency's various provincial government funding ministries, 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 Agency'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 Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency'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 Agency'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 Agency'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 Agency 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

Stratford, Ontario
September 10, 2021

Family Services Perth-Huron Statement of Financial Position

March 31	2021	2020
Assets		
Current		
Cash	\$ 599,337	\$ 436,840
Accounts receivable (Note 2)	374,575	186,703
Prepaid expenses	50,798	43,278
	1,024,710	666,821
Capital assets (Note 3)	93,207	92,995
	\$ 1,117,917	\$ 759,816
Liabilities and Fund Balances		
Current		
Accounts payable	\$ 148,650	\$ 163,518
Salaries and contract expense payable	367,021	259,599
Accounts payable - Ministry	114,567	-
Deferred revenue (Note 4)	162,404	20,954
	792,642	444,071
Fund balances		
General	152,067	142,750
Succession reserve	80,000	80,000
Capital asset fund	93,208	92,995
	325,275	315,745
	\$ 1,117,917	\$ 759,816

On behalf of the Board:

_____ Director

_____ Director

Family Services Perth-Huron Statement of Changes in Fund Balances

For the year ended March 31	General Fund	Succession Reserve	Capital Asset Fund	Total 2021	Total 2020
Net revenue	\$ 9,317	\$ -	\$ -	\$ 9,317	\$ 1,355
Adjustments:					
Capital items expensed	33,029	-	-	33,029	39,328
Amortization	-	-	(32,816)	(32,816)	(26,745)
Interfund transfers	(33,029)	-	33,029	-	-
Adjusted net revenue	9,317	-	213	9,530	13,938
Fund balances, beginning of year	142,750	80,000	92,995	315,745	301,807
Fund balances, end of year	\$ 152,067	\$ 80,000	\$ 93,208	\$ 325,275	\$ 315,745

The accompanying notes are an integral part of these financial statements.

Family Services Perth-Huron Statement of Operations - General Fund

For the year ended March 31	2021	2020
Revenue		
Purchase of service agreements		
Province of Ontario - Special Services at Home and Passport Program	\$ 995,301	\$ 1,059,652
Employee assistance programs	106,810	74,999
Private contracts	25,291	63,352
Client fees	200	6,970
Government assistance		
Ministry of Children, Community and Social Services	3,330,588	3,430,713
Ministry of Health and Long-Term Care / South West L.H.I.N.	282,218	278,255
Ministry of the Attorney General	64,735	59,478
Grants		
City of Stratford	25,500	25,950
United Way of Perth-Huron	108,760	99,150
Creditors' contributions	-	5,175
Donations	17,237	11,044
Other income	175,223	133,179
	5,131,863	5,247,917
Total operating revenue (schedule)		
	5,122,546	5,246,562
Total operating expenditures (schedule)		
Net revenue	\$ 9,317	\$ 1,355

The accompanying notes are an integral part of these financial statements.

Family Services Perth-Huron Statement of Cash Flows

For the year ended March 31	2021	2020
Cash flows from operating activities		
Adjusted net revenue for the year	\$ 9,530	\$ 13,938
Adjustments for:		
Amortization of capital assets	32,816	26,745
	42,346	40,683
Changes in non-cash working capital balances		
Accounts receivable	(187,873)	92,173
Prepaid expenses	(7,520)	1,979
Accounts payable	(14,866)	(54,873)
Salaries and contract expense payable	107,422	(13,195)
Deferred revenue	141,450	(24,000)
Accounts payable - Ministry	114,567	-
	195,526	42,767
Cash flows from investing activities		
Purchase of capital assets	(33,029)	(39,328)
Increase in cash and cash equivalents during the year	162,497	3,439
Cash and cash equivalents, beginning of year	436,840	433,401
Cash and cash equivalents, end of year	\$ 599,337	\$ 436,840

The accompanying notes are an integral part of these financial statements.

Family Services Perth-Huron Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies

Purpose of Organization

Family Services Perth-Huron ("the Agency") is incorporated under the laws of Ontario without share capital as a not-for-profit corporation and is a registered charity under the Income Tax Act. The purpose of the Agency is to provide a variety of professional, confidential counselling and family support services to meet the changing needs of individuals and families.

Basis of Accounting

These financial statements have been prepared in accordance with the reporting requirements of the Agency's various provincial government funding ministries. These statements vary from the Agency's underlying accounting framework, Canadian accounting standards for not-for-profit organizations, as follows:

Capital expenditures are first recognized as expenses in the Statement of Operations, and are then capitalized and amortized via the Statement of Changes in Fund balances.

Any amounts transferred from the general fund to the succession reserve are effected through the Statement of Operations rather than as a direct transfer between fund balances.

Financial Instruments

The Agency recognizes and measures financial assets and financial liabilities on the balance sheet when it becomes a party to the contractual provisions of a financial instrument. Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, the Agency's financial instruments, are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

Family Services Perth-Huron Notes to Financial Statements

March 31, 2021

Fund Accounting

For financial reporting purposes, the funds have been classified as follows.

General Fund

Accounts for the Agency's program delivery and administration activities. This fund reports unrestricted resources and restricted operating grants.

Succession Reserve

Reports the resources internally restricted by the Agency to fund the future succession costs of key management personnel.

Capital Asset Fund

Reports the assets, liabilities, revenues and expenses related to the Agency's capital assets.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided on a straight line basis at the following rates:

Furniture and fixtures	-	10 %
Computer equipment	-	20 %
Leasehold improvements	-	20 %

Revenue Recognition

The Agency follows the deferral method of accounting for contributions. Under this method, unrestricted contributions are recorded as revenue in the year of receipt. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Revenue from purchase of service contracts is recognized as services are rendered.

Allocation of General Expenses

General administrative expenses are allocated to Ministry-funded programs in accordance with approved budgets.

Family Services Perth-Huron Notes to Financial Statements

March 31, 2021

2. Accounts Receivable

	2021	2020
Clients	\$ 92,331	\$ 20,815
Family Services Toronto - Passport One	118,612	65,387
Province of Ontario - S.S.A.H. program	122,360	68,250
HST rebate	41,272	32,251
	\$ 374,575	\$ 186,703

3. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and fixtures	\$ 150,943	\$ 118,694	\$ 150,943	\$ 110,767
Computer equipment	281,533	240,253	262,941	222,315
Leasehold improvements	87,810	68,132	73,373	61,180
	\$ 520,286	\$ 427,079	\$ 487,257	\$ 394,262
Net book value		\$ 93,207		\$ 92,995

Family Services Perth-Huron Notes to Financial Statements

March 31, 2021

4. Deferred Revenue

	2021	2020
Rotary Respite house	\$ 10,954	\$ 10,954
Family counselling	5,250	5,000
Literacy/numeracy programs	5,000	5,000
Town of St. Marys Community Developer	80,300	-
City of Stratford Emergency Needs	60,900	-
	\$ 162,404	\$ 20,954

5. Operating Leases

Equipment Leases

The Agency is committed to the following equipment leases:

2022		\$	6,423
2023			6,423
2024			6,423
2025			1,605
			\$ 20,874

Monthly Premises Rent

134 and 142 Waterloo Street, Stratford	\$	9,978
Listowel		1,150
Clinton		1,202
Owen Sound		1,039

Family Services Perth-Huron Notes to Financial Statements

March 31, 2021

6. Contracts with Ministry of Children, Community and Social Services

The Agency has service contracts with the Ministry of Children, Community and Social Services. One requirement of these contracts is the production by management of a Transfer Payment Annual Reconciliation which shows a summary by services of all revenues and expenditures and any resulting surplus or deficit that relate to the contracts.

The transfer payment annual reconciliation for the year ended March 31, 2021 has yet to be completed as at the audit report date. No significant variance from the financial results reported in the Statement of Operations is expected.

7. Financial Instruments

The Agency's financial instruments include cash, accounts receivable, accounts payable, and salaries and contract expense payable. Due to their nature or capacity for prompt liquidation, the fair values of these financial instruments approximate their carrying values. It is management's opinion that the Agency is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

8. Use of Estimates

The preparation of periodic financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

9. Economic Dependence

The Agency derives a significant portion of its revenue from the Ministry of Children, Community and Social Services, without which it would be unable to continue operating in its current form. Revenue from the Ministry of Children, Community and Social Services represents 65% of the Agency's total revenue for the year ended March 31, 2021 (2020 - 65%).

Family Services Perth-Huron Notes to Financial Statements

March 31, 2021

10. Uncertainty Due to COVID-19

During the 2021 fiscal year, COVID-19 impacted Canada and the global economy. This has resulted in worldwide emergency measures to combat the spread of the virus. As part of these measures the Agency has closed its offices to the public. Management is actively monitoring the effect on its financial condition. At this time, the full potential impact of COVID-19 on the Agency's financial condition, liquidity, and future results of operations is not known.

Family Services Perth-Huron Schedule of Operating Expenditures

For the year ended March 31

2021

2020

Salaries and wages	\$ 1,836,834	\$ 1,816,838
Employee benefits	337,603	336,234
Transfer to other agencies	30,000	-
Contract expense	2,324,232	2,427,979
Conferences, seminars and staff training	9,120	12,116
Professional fees	20,416	26,558
Memberships, dues and advertising	16,881	40,625
Travel	66,151	145,197
Office expenditure and program supplies	196,454	192,299
Occupancy costs	158,633	156,282
Repairs and maintenance	9,776	11,972
Utilities	3,339	3,666
Insurance	44,868	39,764
Miscellaneous	68,239	37,032
Total operating expenditures	\$ 5,122,546	\$ 5,246,562

Family Services Perth-Huron Schedule of Revenues by Funding Ministry

For the year ended March 31	Ministry of Children Community and Social Services	Ministry of Health	Local Health Integration Network	Ministry of Attorney General	General	Total 2021	Total 2020
Revenues							
Purchase of service agreements							
Province of Ontario	\$ 995,301	\$ -	\$ -	\$ -	\$ -	\$ 995,301	\$ 1,059,652
Employee assistance programs	-	-	-	-	106,810	106,810	74,999
Community Care Access Centres	-	-	-	-	-	-	-
Parental contributions	-	-	-	-	-	-	-
Private contracts	-	-	-	-	25,291	25,291	63,352
Client fees	-	-	-	-	200	200	6,970
Ministry of Children, Community and Social Services	3,330,588	-	-	-	-	3,330,588	3,430,713
Ministry of Children and Youth Services	-	-	-	-	-	-	-
Ministry of Health - Long-term Care	-	46,393	235,825	-	-	282,218	278,255
Ministry of Attorney General Grants	-	-	-	64,735	-	64,735	59,478
City of Stratford	-	-	-	-	25,500	25,500	25,950
United Way of Perth - Huron	-	-	7,207	-	101,553	108,760	99,150
Creditors' contributions	-	-	-	-	-	-	5,175
Donations	1,000	-	-	-	16,237	17,237	11,044
Other income	64,576	-	-	-	110,647	175,223	128,179
Total revenues	\$ 4,391,465	\$ 46,393	\$ 243,032	\$ 64,735	\$ 386,238	\$ 5,131,863	\$ 5,242,917

Family Services Perth-Huron Schedule of Expenditures by Funding Ministry

For the year ended March 31	Ministry of Children Community and Social Services	Ministry of Health	Local Health Integration Network	Ministry of Attorney General	General	Total 2021	Total 2020
Expenditures							
Salaries and wages	\$ 1,325,353	\$ 10,652	\$ 151,534	\$ 47,507	\$ 301,788	\$ 1,836,834	\$ 1,816,838
Employee benefits	231,652	1,971	27,652	7,283	69,045	337,603	336,234
Transfer to other agencies	30,000	-	-	-	-	30,000	-
Contract expense	2,265,029	22,749	-	-	36,454	2,324,232	2,427,979
Conferences, seminars, training	7,254	-	285	-	1,581	9,120	12,116
Professional fees	9,650	-	-	400	10,366	20,416	26,558
Memberships, dues and advertising	1,401	-	-	-	15,480	16,881	40,625
Travel	45,758	940	7,010	-	12,443	66,151	145,197
Office expenditure and program supplies	120,696	5,346	19,343	5,557	45,512	196,454	192,299
Occupancy costs	87,900	900	7,054	2,134	60,645	158,633	156,282
Repairs and maintenance	6,102	-	-	-	3,674	9,776	11,972
Utilities	2,962	-	-	-	377	3,339	3,666
Insurance	31,412	500	3,880	1,854	7,222	44,868	39,764
Miscellaneous	45,013	-	-	-	23,226	68,239	37,032
Administration expense (recovery)	181,283	3,335	26,274	-	(210,892)	-	-
Total expenditures	\$ 4,391,465	\$ 46,393	\$ 243,032	\$ 64,735	\$ 376,921	\$ 5,122,546	\$ 5,246,562