

**FAMILY SERVICES PERTH-HURON**

**FINANCIAL STATEMENTS**

**MARCH 31, 2024**

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## INDEPENDENT AUDITORS' REPORT

To the The Board of Directors of  
Family Services Perth-Huron  
Stratford, Ontario

### Opinion

We have audited the financial statements of **Family Services Perth-Huron**, which comprise the balance sheet as at **March 31, 2024** and the statements of operations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of **Family Services Perth-Huron** as at **March 31, 2024** 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of **Family Services Perth-Huron** 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 those 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 Distribution and Use

We draw attention to Note 2(a) in the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the organization in complying with 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.

### Other Matter

The financial statements of **Family Services Perth-Huron** for the year **March 31, 2023** were audited by another auditor who expressed an unmodified opinion on those statements on September 21, 2023.

## **INDEPENDENT AUDITORS' REPORT - continued**

### **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 private enterprises 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:

a) 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.

b) 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 entity's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of the entity'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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 entity to cease to continue as a going concern.

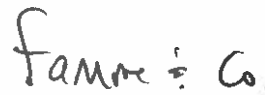
## INDEPENDENT AUDITORS' REPORT - continued

### Auditors' Responsibilities for the Audit of the Financial Statements - continued

e) 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Professional Corporation  
Chartered Professional Accountants  
*Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario*

Stratford, Ontario  
September 19, 2024

**Family Services Perth-Huron**  
**Balance Sheet**  
As at March 31, 2024

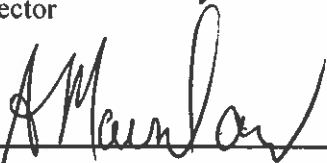
**ASSETS**

	2024	2023
<b>Current Assets</b>		
Cash	\$ 673,290	\$ 592,412
Accounts receivable (Note 4)	292,845	339,406
Prepaid expenses	<u>53,641</u>	<u>62,556</u>
	<b>\$ 1,019,776</b>	<b><u>994,374</u></b>
 <b>Property, Plant and Equipment - at cost</b>		
Computers	163,531	154,991
Furniture and fixtures	150,945	150,945
Leasehold improvements	<u>100,419</u>	<u>98,070</u>
	414,895	404,006
Less: Accumulated amortization	<u>355,501</u>	<u>347,315</u>
	<u>59,394</u>	<u>56,691</u>
	<b><u>\$ 1,079,170</u></b>	<b><u>\$ 1,051,065</u></b>

Approved on Behalf of the Board:



Director



Director

(See Accompanying Notes to the Financial Statements)

**Family Services Perth-Huron**  
**Balance Sheet**  
As at March 31, 2024

**LIABILITIES**

	2024	2023
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 210,099	\$ 132,989
Salaries and contract expense payable	201,521	275,035
Source deductions payable	26,389	37,321
Due to government	332,816	294,959
Deferred revenue (Note 5)	<u>12,454</u>	<u>10,954</u>
	<b>\$ 783,279</b>	<b>\$ 751,258</b>

**FUND BALANCES**

<b>Fund Balances</b>		
General fund	164,013	163,116
Succession reserve	72,484	80,000
Capital asset fund	<u>59,394</u>	<u>56,691</u>
	<b><u>295,891</u></b>	<b><u>299,807</u></b>
	<b>\$ <u>1,079,170</u></b>	<b>\$ <u>1,051,065</u></b>

(See Accompanying Notes to the Financial Statements)

**Family Services Perth-Huron**  
**Statement of Fund Balances**  
For the year ended March 31, 2024

	General Fund	Succession Reserve	Capital Asset Fund	Total 2024	Total 2023
<b>Fund Balances - beginning of year</b>	\$ 163,116	\$ 80,000	\$ 56,691	\$ 299,807	\$ 304,752
Excess of revenues over expenditures for the year	897	-	-	897	9,490
Adjustments:					
Capital items expensed	10,889	-	-	10,889	10,705
Succession expenses	-	(7,516)	-	(7,516)	-
Interfund transfers	(10,889)	-	10,889	-	-
Amortization	-	-	(8,186)	(8,186)	(25,140)
<b>Fund Balances - end of year</b>	<u>\$ 164,013</u>	<u>\$ 72,484</u>	<u>\$ 59,394</u>	<u>\$ 295,891</u>	<u>\$ 299,807</u>

(See Accompanying Notes to the Financial Statements)

**Family Services Perth-Huron**  
**Statement of Operations - General Fund**  
For the year ended March 31, 2024

	Ministry of Children, Community and Social Services	Ministry of Health - CCS	Ministry of Health - CYMH	Other	Total 2024	Total 2023
<b>Revenues</b>						
Purchase of service agreements - Province of Ontario	\$ 1,150,303	\$ -	\$ -	\$ -	\$ 1,150,303	\$ 1,198,067
Employee assistance programs	-	-	-	116,921	116,921	72,348
Private contracts	-	-	-	40,189	40,189	41,575
Client Fees	-	-	-	1,880	1,880	394
Government assistance - Ministry of Children Community and Social Services	3,681,785	-	-	-	3,681,785	3,668,080
Ministry of Health and Long-Term Care	-	259,785	61,630	-	321,415	302,172
Grants - City of Stratford	-	-	-	-	-	17,500
United Way of Perth-Huron	-	7,207	-	120,484	127,691	104,520
Donations	-	-	-	8,912	8,912	7,795
Other Income	83,104	-	-	41,873	124,977	132,856
	<u>4,915,192</u>	<u>266,992</u>	<u>61,630</u>	<u>330,259</u>	<u>5,574,073</u>	<u>5,545,307</u>

(See Accompanying Notes to the Financial Statements)



**Family Services Perth-Huron**  
**Statement of Operations - General Fund**  
For the year ended March 31, 2024

	Ministry of Children, Community and Social Services	Ministry of Health - CCS	Ministry of Health - CYMH	Other	Total 2024	Total 2023
<b>Balance carried forward</b>	\$ 4,915,192	\$ 266,992	\$ 61,630	\$ 330,259	\$ 5,574,073	\$ 5,545,307
<b>Expenditures</b>						
Salaries and wages	1,491,531	167,818	12,583	300,817	1,972,749	1,921,761
Employee benefits	255,521	31,758	2,371	78,090	367,740	363,101
Transfer to other agencies	-	-	-	-	-	46,200
Contract expense	2,454,551	-	38,680	42,737	2,535,968	2,566,498
Conferences, seminars and training	6,744	-	-	5,123	11,867	16,482
Professional fees	19,445	2,727	227	11,057	33,456	32,840
Memberships, dues and advertising	18,532	2,067	172	3,608	24,379	34,839
Travel	127,445	-	-	13,394	140,839	129,439
Office expenditures and program supplies	111,316	13,570	802	47,918	173,606	142,252
Occupancy costs	106,577	10,763	985	43,343	161,668	160,067
Repairs and maintenance	9,236	-	-	7,434	16,670	13,610
Utilities	3,994	-	-	122	4,116	4,218
Insurance	48,066	7,455	454	9,343	65,318	52,401
Miscellaneous	24,193	-	-	40,607	64,800	51,231
Administrative expense (recovery)	238,041	30,834	5,690	(274,565)	-	878
	<u>4,915,192</u>	<u>266,992</u>	<u>61,964</u>	<u>329,028</u>	<u>5,573,176</u>	<u>5,535,817</u>
Excess of revenues over expenditures (expenditures over revenues) for the year	\$ -	\$ -	\$ (334)	\$ 1,231	\$ 897	\$ 9,490

(See Accompanying Notes to the Financial Statements)

**Family Services Perth-Huron**  
**Statement of Cash Flows**  
For the year ended March 31, 2024

	2024	2023
<b>Cash Provided By (Used In):</b>		
<b>Operating Activities</b>		
Excess of revenues over expenditures (expenditures over revenues) for the year - adjusted	\$ (3,916)	\$ (4,945)
Items not requiring cash		
Amortization	8,186	25,140
Net changes in non-cash current operating accounts		
Decrease (increase) in accounts receivable	46,561	(125,287)
Decrease (increase) in prepaid expenses	8,915	(11,758)
Increase (decrease) in accounts payable and accrued liabilities	77,110	(54,302)
Increase (decrease) in salaries and contract expense payable	(73,514)	(3,775)
Increase (decrease) in source deductions payable	(10,932)	10,564
Increase (decrease) in due to government	37,857	44,174
Increase (decrease) in deferred revenue	<u>1,500</u>	<u>(11,000)</u>
	\$ 91,767	<u>(131,189)</u>
<b>Investing Activities</b>		
Decrease from purchase of capital assets	<u>(10,889)</u>	<u>(10,705)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>80,878</b>	<b>(141,894)</b>
<b>Cash and cash equivalents - beginning of year</b>	<u><b>592,412</b></u>	<u><b>734,306</b></u>
<b>Cash and cash equivalents - end of year</b>	<u><b>\$ 673,290</b></u>	<u><b>\$ 592,412</b></u>
<b>Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents comprise the following balance sheet amounts:</b>		
Cash	<u><b>\$ 673,290</b></u>	<u><b>\$ 592,412</b></u>

(See Accompanying Notes to the Financial Statements)

**Family Services Perth-Huron**  
**Notes to the Financial Statements**  
For the year ended March 31, 2024

**1. Purpose of the Organization**

Family Services Perth-Huron ("the organization") 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 organization is to provide a variety of professional, confidential counselling and family support services to meet the changing needs of individuals and families.

The organization is incorporated without share capital in the Province of Ontario and is a registered charity which is not taxable under Section 149 of the Income Tax Act and may issue income tax receipts to donors.

**2. Accounting Policies**

Unless otherwise indicated, these financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations summarized below:

(a) **Basis of Accounting**

As the organization has certain reporting requirements for various provincial government funding ministries, these statements vary from the organization's underlying accounting framework, Canadian accounting standards for not-for-profit organizations, as follows:

i) **Capital Expenditures**

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.

ii) **Succession Expenditures**

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.

(b) **Amortization**

Amortization of leasehold improvements, furniture and equipment and computer equipment is calculated using the straight-line method at the annual rate of 20% for leasehold improvements, 10% for furniture and equipment, and 10% for computer equipment.

(c) **Revenue Recognition**

The organization follows the deferral method of accounting for contributions. 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.

(d) **Use of Estimates**

Preparation of financial statements in conformity with the reporting requirements of the organization's various provincial government funding ministries requires management to make estimates and assumptions that could affect amounts reported as assets, liabilities, revenues and expenses. Due to measurement uncertainty, results could differ from those estimates.

(e) **Financial Instruments**

The organization 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 organization'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.

(f) **General Expenses**

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

**Family Services Perth-Huron**  
**Notes to the Financial Statements**  
For the year ended March 31, 2024

**3. Fund Accounting**

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

- (a) General Fund: accounts for the organization's program delivery and administration activities. This fund reports unrestricted resources and restricted operating grants.
- (b) Succession Reserve: reports the resources internally restricted by the organization to fund the future succession costs of key management personnel.
- (c) Capital Asset Fund: reports the assets, liabilities, revenues and expenses related to the organization's capital assets.

**4. Accounts Receivable**

	2024	2023
Clients	\$ 52,327	\$ 37,251
Family Services Toronto - Passport One	115,374	98,823
Province of Ontario - Specials Services Home Program	101,992	181,122
HST rebate	<u>23,152</u>	<u>22,210</u>
	<u>\$ 292,845</u>	<u>\$ 339,406</u>

**5. Deferred Revenue**

	2024	2023
Rotary Respite House	4,954	4,954
Family counselling	6,000	6,000
Multi-purpose room fundraising	<u>1,500</u>	<u>-</u>
	<u>\$ 12,454</u>	<u>\$ 10,954</u>

**6. Commitments**

**Equipment Leases**

The organization is committed to the following equipment leases:

2025	\$	2,115
2026		2,115
2027		2,115
2028		2,115
2029		<u>2,115</u>
		<u>\$ 10,575</u>

**Monthly Premises Rent**

The organization has entered into various property leases. These leases are on a month-to-month basis, at the following monthly amounts:

134 and 142 Waterloo Street, Stratford	9,978
Listowel	1,505
Clinton	1,301
Owen Sound	1,039

**Family Services Perth-Huron**  
**Notes to the Financial Statements**  
For the year ended March 31, 2024

**7. Liquidity Risk**

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities.

The organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency or credit risks arising from its financial instruments.

**8. Economic Dependence**

The organization 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 66% of the Agency's total revenue for the year ended March 31, 2024 (2023 - 66%).

**9. Comparative Figures**

Comparative figures were reported on by another auditor. Certain of the 2023 figures on the balance sheet and statement of cash flows have been reclassified to conform with 2024 financial statement presentation.

**Family Services Perth-Huron**  
**Schedule of Property, Plant and Equipment and Amortization**  
For the year ended March 31, 2024

	As at March 31, 2023			Unamort. Bal.	Add.	Disp.	Gain	Unamort. Bal.	SL %	Prov.	As at March 31, 2024		
	Cost	Accum. Amort.	Unamort. Bal.								Cost	Accum. Amort.	Unamort. Bal.
Furniture and fixtures	150,945	131,185	19,760					19,760	10	1,976	150,945	133,161	17,784
Leasehold improvements	98,070	86,139	11,931	2,349				14,280	20	2,856	100,419	88,995	11,424
Computers	154,991	129,991	25,000	8,540				33,540	10	3,354	163,531	133,345	30,186
	<b>404,006</b>	<b>347,315</b>	<b>56,691</b>	<b>10,889</b>				<b>67,580</b>		<b>8,186</b>	<b>414,895</b>	<b>355,501</b>	<b>59,394</b>