

# **FAMILY SERVICES WINDSOR-ESSEX**

## ***FINANCIAL STATEMENTS***

***For The Year Ended March 31, 2017***

# **FAMILY SERVICES WINDSOR-ESSEX**

## ***FINANCIAL STATEMENTS***

***For The Year Ended March 31, 2017***

### ***Table of Contents***

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1-2</b>
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	<b>3</b>
Statement of Operations	<b>4</b>
Statement of Changes in Net Assets	<b>5</b>
Statement of Cash Flows	<b>6</b>
Notes to Financial Statements	<b>7-11</b>
Supplementary Financial Information (Unaudited)	<b>12-13</b>

***INDEPENDENT AUDITOR'S REPORT***

***To the Board of Directors of Family Services Windsor-Essex:***

We have audited the accompanying financial statements of **FAMILY SERVICES WINDSOR-ESSEX**, which comprise the statement of financial position as at March 31, 2017 and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility 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.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

***INDEPENDENT AUDITOR'S REPORT (CONTINUED)***

*Basis for Qualified Opinion*

In common with many not-for-profit organizations, the organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to this revenue, excess (deficiency) of revenue over expenses for the year ended March 31, 2017 assets and net assets as at March 31, 2017 and March 31, 2016.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of **FAMILY SERVICES WINDSOR-ESSEX** as at March 31, 2017, 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.

*Roth Mosey & Partners LLP*

**ROTH MOSEY & PARTNERS LLP  
LICENSED PUBLIC ACCOUNTANTS**

**Windsor, Ontario  
June 21, 2017**

# FAMILY SERVICES WINDSOR-ESSEX

## STATEMENT OF FINANCIAL POSITION

March 31, 2017 (with comparative figures for 2016)

	General Fund	Capital Fund	Total 2017	Total 2016
<b>ASSETS (Note 6)</b>				
<i>Current assets</i>				
Cash	\$ 157,505	\$ -	\$ 157,505	\$ 164,787
Accounts receivable	353,311	-	353,311	472,333
Government remittances receivable	22,768	-	22,768	36,823
Prepaid expenses and deposits	10,371	-	10,371	5,557
	<b>543,955</b>	<b>-</b>	<b>543,955</b>	<b>679,500</b>
<i>Property and equipment (Note 3)</i>	-	<b>1,335,128</b>	<b>1,335,128</b>	<b>1,265,090</b>
	<b>\$ 543,955</b>	<b>\$ 1,335,128</b>	<b>\$ 1,879,083</b>	<b>\$ 1,944,590</b>
<b>LIABILITIES AND NET ASSETS</b>				
<i>Current liabilities</i>				
Accounts payable and accrued liabilities	\$ 441,292	\$ -	\$ 441,292	\$ 456,229
Government remittances payable	25,935	-	25,935	44,201
Deferred revenue	66,663	-	66,663	127,026
Current portion of long-term debt (Note 6)	-	24,445	24,445	23,418
	<b>533,890</b>	<b>24,445</b>	<b>558,335</b>	<b>650,874</b>
<i>Deferred contributions (Note 4)</i>	-	<b>135,475</b>	<b>135,475</b>	<b>141,120</b>
<i>Long-term debt, net of current portion (Note 6)</i>	-	<b>712,243</b>	<b>712,243</b>	<b>736,688</b>
	<b>533,890</b>	<b>872,163</b>	<b>1,406,053</b>	<b>1,528,682</b>
<i>Net assets</i>	<b>10,065</b>	<b>462,965</b>	<b>473,030</b>	<b>415,908</b>
	<b>\$ 543,955</b>	<b>\$ 1,335,128</b>	<b>\$ 1,879,083</b>	<b>\$ 1,944,590</b>

Approved by:

\_\_\_\_\_

\_\_\_\_\_

See accompanying notes

# FAMILY SERVICES WINDSOR-ESSEX

## STATEMENT OF OPERATIONS

For The Year Ended March 31, 2017 (with comparative figures for 2016)

	General Fund	Capital Fund	Total 2017	Total 2016
<b>Revenue</b>				
Counselling services	\$ 928,373	\$ -	\$ 928,373	\$ 640,051
Local Health Integration Network	167,212	-	167,212	137,212
Miscellaneous (Note 5)	321,216	-	321,216	311,840
Municipal funding	1,088,905	-	1,088,905	1,104,553
Province of Ontario - MCSS/MCYS/MAG	1,573,445	-	1,573,445	1,369,970
Third party contracts	1,509,595	-	1,509,595	1,410,241
Trillium Foundation	75,000	-	75,000	75,000
United Way	648,807	-	648,807	640,991
Rental income	111,850	-	111,850	100,000
Amortization of deferred contributions (Note 4)	-	5,645	5,645	5,880
	<b>6,424,403</b>	<b>5,645</b>	<b>6,430,048</b>	<b>5,795,738</b>
<b>Operating expenses</b>				
Advertising and promotion	41,187	-	41,187	48,742
Amortization	-	54,149	54,149	50,074
Bank and credit card charges	6,914	-	6,914	12,838
Computer	-	-	-	15,550
Conferences and training	57,148	-	57,148	42,417
Dues	20,038	-	20,038	20,431
Employee benefits	335,374	-	335,374	271,264
Individualized funding	596,938	-	596,938	653,518
Insurance	24,871	-	24,871	23,392
Interest on long-term debt (Note 6)	-	27,927	27,927	28,911
Office and miscellaneous	102,239	-	102,239	108,953
Professional fees	14,000	-	14,000	10,600
Program	182,833	-	182,833	115,443
Property taxes	16,862	-	16,862	18,665
Purchased services	889,110	-	889,110	725,745
Rent	37,711	-	37,711	34,607
Repairs and maintenance	74,604	-	74,604	106,233
Salaries	2,249,761	-	2,249,761	1,856,104
Telephone	19,559	-	19,559	20,866
Third party contracts	1,509,595	-	1,509,595	1,410,241
Travel	76,774	-	76,774	60,699
Utilities	35,332	-	35,332	29,663
	<b>6,290,850</b>	<b>82,076</b>	<b>6,372,926</b>	<b>5,664,956</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 133,553</b>	<b>\$ (76,431)</b>	<b>\$ 57,122</b>	<b>\$ 130,782</b>

See accompanying notes

# FAMILY SERVICES WINDSOR-ESSEX

## STATEMENT OF CHANGES IN NET ASSETS

For The Year Ended March 31, 2017 (with comparative figures for 2016)

	<b>General Fund</b>	<b>Capital Fund</b>	<b>Total 2017</b>	<b>Total 2016</b>
Net assets, beginning of year	\$ 52,044	\$ 363,864	\$ 415,908	\$ 285,126
Excess (deficiency) of revenue over expenses	133,553	(76,431)	57,122	130,782
Interfund transfers (Note 8)	(175,532)	175,532	-	-
<b>Net assets, end of year</b>	<b>\$ 10,065</b>	<b>\$ 462,965</b>	<b>\$ 473,030</b>	<b>\$ 415,908</b>

See accompanying notes

# FAMILY SERVICES WINDSOR-ESSEX

## STATEMENT OF CASH FLOWS

*For The Year Ended March 31, 2017 (with comparative figures for 2016)*

	<u>2017</u>	<u>2016</u>
<b><i>Operating activities</i></b>		
Excess of revenue over expenses	\$ 57,122	\$ 130,782
Adjustments to reconcile to cash flow from operations		
Amortization of property and equipment	54,149	50,074
Amortization of deferred contributions	(5,645)	(5,880)
<b><i>Cash flow from operations</i></b>	<b>105,626</b>	<b>174,976</b>
Change in:		
Accounts receivable	119,022	(194,533)
Government remittances receivable	14,055	4,476
Prepaid expenses and deposits	(4,814)	(123)
Accounts payable and accrued liabilities	(14,937)	(82,391)
Government remittances payable	(18,266)	26,006
Deferred revenue	(60,363)	25,144
<b><i>Cash provided by (used in) operating activities</i></b>	<b>140,323</b>	<b>(46,445)</b>
<b><i>Financing activities</i></b>		
Repayment of long-term debt	(23,418)	(22,434)
<b><i>Cash used in financing activities</i></b>	<b>(23,418)</b>	<b>(22,434)</b>
<b><i>Investing activities</i></b>		
Acquisition of property and equipment	(124,187)	(25,042)
<b><i>Cash used in investing activities</i></b>	<b>(124,187)</b>	<b>(25,042)</b>
<b><i>Net decrease in cash for the year</i></b>	<b>(7,282)</b>	<b>(93,921)</b>
Cash, beginning of year	164,787	258,708
<b><i>Cash, end of year</i></b>	<b>\$ 157,505</b>	<b>\$ 164,787</b>

*See accompanying notes*



# **FAMILY SERVICES WINDSOR-ESSEX**

## ***NOTES TO FINANCIAL STATEMENTS***

***For The Year Ended March 31, 2017***

### ***1 NATURE OF ORGANIZATION***

The organization is an amalgamated corporation of Family Service Windsor-Essex County and Citizen Advocacy Windsor-Essex. The organization was amalgamated under the laws of the Province of Ontario as a not-for-profit corporation without share capital on March 31, 2012. The corporation is registered as a charitable organization and as such is not subject to income tax. The purpose of the corporation as expressed in the mission statement is to support communities and families and strengthen people. This mandate is achieved by offering a number of services and supports that assist individuals including those with a disability and seniors.

### ***2 SIGNIFICANT ACCOUNTING POLICIES***

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.

#### ***Fund Accounting***

Revenue and expenses related to program delivery and administrative activities are reported in the General Fund. This fund reports unrestricted and restricted resources available for immediate purposes.

The Capital Fund reports the assets, liabilities, revenue and expenses relating to property and equipment.

#### ***Revenue Recognition***

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

All other revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

# FAMILY SERVICES WINDSOR-ESSEX

## NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2017

### 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Property and Equipment*

Property and equipment is recorded at acquisition cost. Amortization of these assets is recorded in the Capital Fund on a declining balance basis at the following annual rates:

Building	4%
Furniture and fixtures	20%
Parking lot	8%
Sign	20%

One-half the above rate is recorded in the year in which property and equipment is acquired and none in the year of disposal.

#### *Use of Estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates and assumptions include the determination of the useful life of property and equipment and the amortization period of deferred contributions. Accordingly, actual amounts could differ from those estimates.

### 3 PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value 2017</b>	<b>Net Book Value 2016</b>
Land	\$ 125,000	\$ -	\$ 125,000	\$ 125,000
Building	1,194,250	114,806	1,079,444	1,117,958
Furniture and fixtures	24,797	6,909	17,888	17,638
Parking lot	113,751	4,550	109,201	-
Sign	6,242	2,647	3,595	4,494
	<b>\$ 1,464,040</b>	<b>\$ 128,912</b>	<b>\$ 1,335,128</b>	<b>\$ 1,265,090</b>

# FAMILY SERVICES WINDSOR-ESSEX

## NOTES TO FINANCIAL STATEMENTS

*For The Year Ended March 31, 2017*

### 4 DEFERRED CONTRIBUTIONS

Deferred contributions represent restricted funding which was received to assist in the purchase of property and equipment.

The activity for the year in the deferred contribution balance reported in the Capital Fund is as follows:

	<u>2017</u>	<u>2016</u>
Beginning balance	\$ 141,120	\$ 147,000
Less amount recognized as revenue in the year	(5,645)	(5,880)
Ending balance	<u>\$ 135,475</u>	<u>\$ 141,120</u>

### 5 MISCELLANEOUS REVENUE

Miscellaneous revenue consists of the following:

	<u>2017</u>	<u>2016</u>
Bank interest and exchange	\$ 6,107	\$ 1,206
Building partner expense recoveries	49,087	50,441
Donations	5,173	24,547
Financial management and administrative services	141,904	131,710
Grants and subsidies	64,387	41,476
Presentations and seminars	1,050	8,632
Service fees - TAY	35,000	35,000
Other	18,508	18,828
	<u>\$ 321,216</u>	<u>\$ 311,840</u>

# FAMILY SERVICES WINDSOR-ESSEX

## NOTES TO FINANCIAL STATEMENTS

*For The Year Ended March 31, 2017*

### 6 LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2017</u>	<u>2016</u>
Mortgage payable to Toronto-Dominion Bank with interest at 4.3%, repayable in monthly blended payments of \$4,279, due December 2019, secured by a general security agreement, assignment of insurance and rents and leases and an unlimited guarantee by Sexual Assault Crisis Centre of Essex County Inc.	\$ 636,688	\$ 660,106
Promissory note payable to Sexual Assault Crisis Centre of Essex County Inc., non-interest bearing, due October 2024, unsecured.	100,000	100,000
	<hr/> 736,688	<hr/> 760,106
Less current portion due within one year	24,445	23,418
	<hr/> 24,445	<hr/> 23,418
Long-term portion	<b><u>\$ 712,243</u></b>	<b><u>\$ 736,688</u></b>

Principal repayments required to meet the retirement provisions of the long-term debt are as follows:

Year ending March 31, 2018	24,445
2019	25,517
2020	586,726
Thereafter	<hr/> 100,000
	<b><u>\$ 736,688</u></b>

# FAMILY SERVICES WINDSOR-ESSEX

## NOTES TO FINANCIAL STATEMENTS

*For The Year Ended March 31, 2017*

### **7 TRUST FUNDS**

At March 31, 2017 trust funds held by the organization for clients and third parties amounting to \$735,500 (2016 - \$711,925) are not included in these financial statements.

### **8 INTERFUND TRANSFERS**

During the year, \$175,532 was transferred from the General Fund to the Capital Fund to assist in funding the acquisition of property and equipment. In the prior year, \$23,613 was transferred from the Capital Fund to the General Fund representing excess capital advances.

### **9 FINANCIAL INSTRUMENTS**

Financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long-term debt. The significant financial risks to which the organization is exposed are interest rate risk and liquidity risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in the bank's prime lending rate can cause fluctuations in the fair value of the long-term debt. The company does not use derivative financial instruments to alter the effects of this risk.

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to liquidity risk arising primarily from the long-term debt. The organization's ability to meet obligations depends on cash flow from operations.

# FAMILY SERVICES WINDSOR-ESSEX

## SUPPLEMENTARY FINANCIAL INFORMATION - ALL PROGRAMS (UNAUDITED)

For The Year Ended March 31, 2017

	LHIN	MCSS/ MCYS	MAG	United Way	City of Windsor	FSWE General & Counselling Programs	Capital	Total
<b>Revenue</b>								
Counselling services	\$ -	\$ -	\$ 16,470	\$ -	\$ -	\$ 911,903	\$ -	\$ 928,373
Local Health Integration Network	167,212	-	-	-	-	-	-	167,212
Miscellaneous	-	-	-	-	-	321,216	-	321,216
Municipal funding	-	-	-	-	1,088,905	-	-	1,088,905
Province of Ontario - MCSS/MCYS/MAG	-	1,323,639	249,806	-	-	-	-	1,573,445
Third party contracts	-	-	-	-	176,774	1,332,821	-	1,509,595
Trillium Foundation	-	-	-	-	-	75,000	-	75,000
United Way	-	-	-	648,807	-	-	-	648,807
Rental income	-	-	-	-	-	111,850	-	111,850
Amortization of deferred contributions	-	-	-	-	-	-	5,645	5,645
	<b>167,212</b>	<b>1,323,639</b>	<b>266,276</b>	<b>648,807</b>	<b>1,265,679</b>	<b>2,752,790</b>	<b>5,645</b>	<b>6,430,048</b>
<b>Operating expenses</b>								
Advertising and promotion	-	4,000	2,750	7,640	625	26,172	-	41,187
Amortization	-	-	-	-	-	-	54,149	54,149
Bank and credit card charges	-	2,400	-	-	-	4,514	-	6,914
Conferences and training	365	2,450	1,569	4,264	8,771	39,729	-	57,148
Dues	-	-	270	-	-	19,768	-	20,038
Employee benefits	24,593	83,795	26,737	27,579	116,430	56,240	-	335,374
Individualized funding	-	596,938	-	-	-	-	-	596,938
Insurance	-	-	500	-	3,000	21,371	-	24,871
Interest on long-term debt	-	-	-	-	-	-	27,927	27,927
Office and miscellaneous	8,941	28,788	1,432	8,197	11,725	43,156	-	102,239
Professional fees	-	-	-	-	3,000	11,000	-	14,000
Program	-	41,576	2,400	52,158	84,293	2,406	-	182,833
Property taxes	-	-	-	-	-	16,862	-	16,862
Purchased services	-	-	4,400	354,148	1,735	528,827	-	889,110
Rent	-	5,400	6,500	-	25,001	810	-	37,711
Repairs and maintenance	1,200	37,460	7,350	-	-	28,594	-	74,604
Salaries	130,402	426,848	216,254	176,345	804,027	495,885	-	2,249,761
Telephone	486	2,275	600	-	4,196	12,002	-	19,559
Third party contracts	-	-	-	-	176,774	1,332,821	-	1,509,595
Travel	7,569	14,187	1,992	9,751	32,391	10,884	-	76,774
Utilities	-	-	850	8,725	7,500	18,257	-	35,332
Central administration	-	77,522	-	-	-	(77,522)	-	-
	<b>173,556</b>	<b>1,323,639</b>	<b>273,604</b>	<b>648,807</b>	<b>1,279,468</b>	<b>2,591,776</b>	<b>82,076</b>	<b>6,372,926</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (6,344)</b>	<b>\$ -</b>	<b>\$ (7,328)</b>	<b>\$ -</b>	<b>\$ (13,789)</b>	<b>\$ 161,014</b>	<b>\$ (76,431)</b>	<b>\$ 57,122</b>

# FAMILY SERVICES WINDSOR-ESSEX

## SUPPLEMENTARY FINANCIAL INFORMATION - CORPORATION OF THE CITY OF WINDSOR (UNAUDITED)

For The Year Ended March 31, 2017

	WEHC	Youth Trusteeship CHPI	Youth Trusteeship OW	P2P	Other Programs	Capital	Total
<b>Revenue</b>							
Counselling services	\$ -	\$ -	\$ -	\$ -	\$ 928,373	\$ -	\$ 928,373
Local Health Integration Network	-	-	-	-	167,212	-	167,212
Miscellaneous	-	-	-	-	321,216	-	321,216
Municipal funding	721,016	224,515	143,374	-	-	-	1,088,905
Province of Ontario - MCSS/MCYS/MAG	-	-	-	-	1,573,445	-	1,573,445
Third party contracts	-	-	-	176,774	1,332,821	-	1,509,595
Trillium Foundation	-	-	-	-	75,000	-	75,000
United Way	-	-	-	-	648,807	-	648,807
Rental income	-	-	-	-	111,850	-	111,850
Amortization of deferred contributions	-	-	-	-	-	5,645	5,645
	<b>721,016</b>	<b>224,515</b>	<b>143,374</b>	<b>176,774</b>	<b>5,158,724</b>	<b>5,645</b>	<b>6,430,048</b>
<b>Operating expenses</b>							
Advertising and promotion	625	-	-	-	40,562	-	41,187
Amortization	-	-	-	-	-	54,149	54,149
Bank and credit card charges	-	-	-	-	6,914	-	6,914
Conferences and training	8,771	-	-	-	48,377	-	57,148
Dues	-	-	-	-	20,038	-	20,038
Employee benefits	69,533	27,135	19,762	-	218,944	-	335,374
Individualized funding	-	-	-	-	596,938	-	596,938
Insurance	-	3,000	-	-	21,871	-	24,871
Interest on long-term debt	-	-	-	-	-	27,927	27,927
Office and miscellaneous	10,324	1,401	-	-	90,514	-	102,239
Professional fees	-	3,000	-	-	11,000	-	14,000
Program	65,607	18,686	-	-	98,540	-	182,833
Property taxes	-	-	-	-	16,862	-	16,862
Purchased services	1,735	-	-	-	887,375	-	889,110
Rent	15,000	10,001	-	-	12,710	-	37,711
Repairs and maintenance	-	-	-	-	74,604	-	74,604
Salaries	515,977	162,731	125,319	-	1,445,734	-	2,249,761
Telephone	4,196	-	-	-	15,363	-	19,559
Third party contracts	-	-	-	176,774	1,332,821	-	1,509,595
Travel	28,148	4,243	-	-	44,383	-	76,774
Utilities	7,500	-	-	-	27,832	-	35,332
	<b>727,416</b>	<b>230,197</b>	<b>145,081</b>	<b>176,774</b>	<b>5,011,382</b>	<b>82,076</b>	<b>6,372,926</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (6,400)</b>	<b>\$ (5,682)</b>	<b>\$ (1,707)</b>	<b>\$ -</b>	<b>\$ 147,342</b>	<b>\$ (76,431)</b>	<b>\$ 57,122</b>