

FAMILY SERVICES WINDSOR-ESSEX

FINANCIAL STATEMENTS

For The Year Ended March 31, 2018

FAMILY SERVICES WINDSOR-ESSEX

FINANCIAL STATEMENTS

For The Year Ended March 31, 2018

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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, 2018 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, 2018 assets and net assets as at March 31, 2018 and March 31, 2017.

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, 2018, 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
July 25, 2018**

FAMILY SERVICES WINDSOR-ESSEX

STATEMENT OF FINANCIAL POSITION

March 31, 2018 (with comparative figures for 2017)

	General Fund	Capital Fund	Total 2018	Total 2017
ASSETS (Note 6)				
<i>Current assets</i>				
Cash	\$ 205,310	\$ 35,062	\$ 240,372	\$ 157,505
Accounts receivable	345,348	-	345,348	353,311
Government remittances receivable	20,354	-	20,354	22,768
Prepaid expenses and deposits	7,924	-	7,924	10,371
	578,936	35,062	613,998	543,955
<i>Property and equipment (Note 3)</i>	-	1,309,432	1,309,432	1,335,128
	\$ 578,936	\$ 1,344,494	\$ 1,923,430	\$ 1,879,083
LIABILITIES AND NET ASSETS				
<i>Current liabilities</i>				
Accounts payable and accrued liabilities	\$ 354,529	\$ -	\$ 354,529	\$ 441,292
Government remittances payable	27,430	-	27,430	25,935
Deferred revenue	72,930	-	72,930	66,663
Current portion of long-term debt (Note 6)	-	25,517	25,517	24,445
	454,889	25,517	480,406	558,335
<i>Deferred contributions (Note 4)</i>	-	130,056	130,056	135,475
<i>Long-term debt, net of current portion (Note 6)</i>	-	686,726	686,726	712,243
	454,889	842,299	1,297,188	1,406,053
<i>Net assets</i>	124,047	502,195	626,242	473,030
	\$ 578,936	\$ 1,344,494	\$ 1,923,430	\$ 1,879,083

Approved by:

See accompanying notes

FAMILY SERVICES WINDSOR-ESSEX

STATEMENT OF OPERATIONS

For The Year Ended March 31, 2018 (with comparative figures for 2017)

	General Fund	Capital Fund	Total 2018	Total 2017
Revenue				
Counselling services	\$ 940,982	\$ -	\$ 940,982	\$ 928,373
Local Health Integration Network	205,884	-	205,884	167,212
Miscellaneous (Note 5)	272,537	-	272,537	321,216
Municipal funding	1,390,008	-	1,390,008	1,088,905
Province of Ontario - MCSS/MCYS/MAG	1,651,079	-	1,651,079	1,573,445
Sessional fees	10,480	-	10,480	-
Third party contracts	1,290,664	-	1,290,664	1,509,595
Trillium Foundation	-	-	-	75,000
United Way	625,666	-	625,666	648,807
Rental income	108,342	-	108,342	111,850
Amortization of deferred contributions (Note 4)	-	5,419	5,419	5,645
	6,495,642	5,419	6,501,061	6,430,048
Operating expenses				
Advertising and promotion	28,012	-	28,012	41,187
Amortization	-	58,466	58,466	54,149
Bad debts	1,511	-	1,511	-
Bank and credit card charges	6,985	-	6,985	6,914
Computer	53,278	-	53,278	19,946
Conferences and training	83,639	-	83,639	57,148
Dues	26,134	-	26,134	20,038
Employee benefits	347,270	-	347,270	335,374
Individualized funding	649,913	-	649,913	596,938
Insurance	22,231	-	22,231	24,871
Interest on long-term debt (Note 6)	-	26,900	26,900	27,927
Office and miscellaneous	86,124	-	86,124	102,239
Professional fees	29,179	-	29,179	14,000
Program	88,274	-	88,274	139,935
Property taxes	16,812	-	16,812	16,862
Purchased services	1,221,462	-	1,221,462	1,283,049
Rent	9,215	-	9,215	12,710
Repairs and maintenance	65,143	-	65,143	51,827
Salaries	2,135,321	-	2,135,321	1,936,124
Telephone	18,191	-	18,191	22,390
Third party contracts	1,290,664	-	1,290,664	1,509,595
Travel	56,036	-	56,036	64,371
Utilities	27,089	-	27,089	35,332
	6,262,483	85,366	6,347,849	6,372,926
Excess (deficiency) of revenue over expenses	\$ 233,159	\$ (79,947)	\$ 153,212	\$ 57,122

See accompanying notes

FAMILY SERVICES WINDSOR-ESSEX

STATEMENT OF CHANGES IN NET ASSETS

For The Year Ended March 31, 2018 (with comparative figures for 2017)

	General Fund	Capital Fund	Total 2018	Total 2017
Net assets, beginning of year	\$ 10,065	\$ 462,965	\$ 473,030	\$ 415,908
Excess (deficiency) of revenue over expenses	233,159	(79,947)	153,212	57,122
Interfund transfers (Note 8)	(119,177)	119,177	-	-
Net assets, end of year	\$ 124,047	\$ 502,195	\$ 626,242	\$ 473,030

See accompanying notes

FAMILY SERVICES WINDSOR-ESSEX

STATEMENT OF CASH FLOWS

For The Year Ended March 31, 2018 (with comparative figures for 2017)

	<u>2018</u>	<u>2017</u>
<i>Operating activities</i>		
Excess of revenue over expenses	\$ 153,212	\$ 57,122
Adjustments to reconcile to cash flow from operations		
Amortization of property and equipment	58,466	54,149
Amortization of deferred contributions	(5,419)	(5,645)
<i>Cash flow from operations</i>	206,259	105,626
Change in:		
Accounts receivable	7,963	119,022
Government remittances receivable	2,414	14,055
Prepaid expenses and deposits	2,447	(4,814)
Accounts payable and accrued liabilities	(86,763)	(14,937)
Government remittances payable	1,495	(18,266)
Deferred revenue	6,267	(60,363)
<i>Cash provided by operating activities</i>	140,082	140,323
<i>Financing activities</i>		
Repayment of long-term debt	(24,445)	(23,418)
<i>Cash used in financing activities</i>	(24,445)	(23,418)
<i>Investing activities</i>		
Acquisition of property and equipment	(32,770)	(124,187)
<i>Cash used in investing activities</i>	(32,770)	(124,187)
<i>Net increase (decrease) in cash for the year</i>	82,867	(7,282)
Cash, beginning of year	157,505	164,787
<i>Cash, end of year</i>	\$ 240,372	\$ 157,505

See accompanying notes

FAMILY SERVICES WINDSOR-ESSEX

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2018

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, 2018

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%
Fence	10%
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:

	Cost	Accumulated Amortization	Net Book Value 2018	Net Book Value 2017
Land	\$ 125,000	\$ -	\$ 125,000	\$ 125,000
Building	1,198,339	158,066	1,040,273	1,079,444
Fence	7,910	395	7,515	-
Furniture and fixtures	40,478	12,061	28,417	17,888
Parking lot	118,841	13,490	105,351	109,201
Sign	6,242	3,366	2,876	3,595
	\$ 1,496,810	\$ 187,378	\$ 1,309,432	\$ 1,335,128

FAMILY SERVICES WINDSOR-ESSEX

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2018

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>2018</u>	<u>2017</u>
Beginning balance	\$ 135,475	\$ 141,120
Less amount recognized as revenue in the year	(5,419)	(5,645)
Ending balance	<u>\$ 130,056</u>	<u>\$ 135,475</u>

5 MISCELLANEOUS REVENUE

Miscellaneous revenue consists of the following:

	<u>2018</u>	<u>2017</u>
Bank interest	\$ 6,380	\$ 6,107
Building partner expense recoveries	52,042	49,087
Donations	22,458	5,173
Financial management and administrative services	74,916	141,904
Grants and subsidies	57,344	64,387
Presentations and seminars	1,200	1,050
Service fees - TAY	35,000	35,000
Other	23,197	18,508
	<u>\$ 272,537</u>	<u>\$ 321,216</u>

FAMILY SERVICES WINDSOR-ESSEX

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2018

6 LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2018</u>	<u>2017</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.	\$ 612,243	\$ 636,688
Promissory note payable to Sexual Assault Crisis Centre of Essex County Inc., non-interest bearing, due October 2024, unsecured.	100,000	100,000
	<hr/> 712,243	<hr/> 736,688
Less current portion due within one year	25,517	24,445
	<hr/> 25,517	<hr/> 24,445
Long-term portion	<u>\$ 686,726</u>	<u>\$ 712,243</u>

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

Year ending March 31, 2019	\$ 25,517
2020	586,726
Thereafter	<hr/> 100,000
	<u>\$ 712,243</u>

FAMILY SERVICES WINDSOR-ESSEX

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2018

7 TRUST FUNDS

At March 31, 2018 trust funds held by the organization for clients and third parties amounting to \$659,850 (2017 - \$735,500) are not included in these financial statements.

8 INTERFUND TRANSFERS

During the year, \$119,177 (2017 - \$175,532) was transferred from the General Fund to the Capital Fund to assist in funding the acquisition of property and equipment.

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.

10 COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

FAMILY SERVICES WINDSOR-ESSEX

SUPPLEMENTARY FINANCIAL INFORMATION - ALL PROGRAMS (UNAUDITED)

For The Year Ended March 31, 2018

	LHIN	MCSS/ MCYS	MAG	United Way	City of Windsor	FSWE General & Counselling Programs	Capital	Total
Revenue								
Counselling services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 940,982	\$ -	\$ 940,982
Local Health Integration Network	205,884	-	-	-	-	-	-	205,884
Miscellaneous	-	-	-	590	-	271,947	-	272,537
Municipal funding	-	-	-	-	1,390,008	-	-	1,390,008
Province of Ontario - MCSS/MCYS/MAG	-	1,401,273	249,806	-	-	-	-	1,651,079
Sessional fees	-	-	10,480	-	-	-	-	10,480
Third party contracts	-	-	-	-	-	1,290,664	-	1,290,664
United Way	-	-	-	625,666	-	-	-	625,666
Rental income	-	-	-	-	-	108,342	-	108,342
Amortization of deferred contributions	-	-	-	-	-	-	5,419	5,419
	205,884	1,401,273	260,286	626,256	1,390,008	2,611,935	5,419	6,501,061
Operating expenses								
Advertising and promotion	75	4,000	1,750	6,338	3,040	12,809	-	28,012
Amortization	-	-	-	-	-	-	58,466	58,466
Bad debts	-	-	-	-	-	1,511	-	1,511
Bank and credit card charges	-	2,400	-	-	-	4,585	-	6,985
Computer	21,240	-	350	-	-	31,688	-	53,278
Conferences and training	4,252	3,327	-	-	70,145	5,915	-	83,639
Dues	-	55	-	-	-	26,079	-	26,134
Employee benefits	25,628	80,951	24,075	33,742	119,596	63,278	-	347,270
Individualized funding	-	649,913	-	-	-	-	-	649,913
Insurance	-	-	500	-	3,000	18,731	-	22,231
Interest on long-term debt	-	-	-	-	-	-	26,900	26,900
Office and miscellaneous	3,232	30,381	4,082	12,890	9,241	26,298	-	86,124
Professional fees	-	5,009	-	-	3,000	21,170	-	29,179
Program	-	21,850	-	28,584	18,686	19,154	-	88,274
Property taxes	-	6,000	-	-	-	10,812	-	16,812
Purchased services	370	89	1,400	345,485	286,141	587,977	-	1,221,462
Rent	-	5,400	2,000	-	-	1,815	-	9,215
Repairs and maintenance	2,400	31,460	11,500	-	17,501	2,282	-	65,143
Salaries	141,180	471,649	213,592	185,740	772,873	350,287	-	2,135,321
Telephone	646	1,565	600	531	3,587	11,262	-	18,191
Third party contracts	-	-	-	-	-	1,290,664	-	1,290,664
Travel	7,740	9,689	765	8,046	27,509	2,287	-	56,036
Utilities	-	-	850	4,900	-	21,339	-	27,089
Central administration	-	77,522	-	-	63,944	(141,466)	-	-
	206,763	1,401,260	261,464	626,256	1,398,263	2,368,477	85,366	6,347,849
Excess (deficiency) of revenues over expenses	\$ (879)	\$ 13	\$ (1,178)	\$ -	\$ (8,255)	\$ 243,458	\$ (79,947)	\$ 153,212

FAMILY SERVICES WINDSOR-ESSEX

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

For The Year Ended March 31, 2018

	WEHC	Youth Trusteeship CHPI	Youth Trusteeship OW	Other Programs	Capital	Total
Revenue						
Counselling services	\$ -	\$ -	\$ -	\$ 940,982	\$ -	\$ 940,982
Local Health Integration Network	-	-	-	205,884	-	205,884
Miscellaneous	-	-	-	263,328	9,209	272,537
Municipal funding	996,417	224,515	169,076	-	-	1,390,008
Province of Ontario - MCSS/MCYS/MAG	-	-	-	1,651,079	-	1,651,079
Sessional fees	-	-	-	10,480	-	10,480
Third party contracts	-	-	-	1,290,664	-	1,290,664
United Way	-	-	-	625,666	-	625,666
Rental income	-	-	-	108,342	-	108,342
Amortization of deferred contributions	-	-	-	-	5,419	5,419
	996,417	224,515	169,076	5,096,425	14,628	6,501,061
Operating expenses						
Advertising and promotion	3,040	-	-	24,972	-	28,012
Amortization	-	-	-	-	58,466	58,466
Bad debts	-	-	-	1,511	-	1,511
Bank and credit card charges	-	-	-	6,985	-	6,985
Computer	-	-	-	53,278	-	53,278
Conferences and training	70,145	-	-	13,494	-	83,639
Dues	-	-	-	26,134	-	26,134
Employee benefits	71,254	28,158	20,184	227,674	-	347,270
Individualized funding	-	-	-	649,913	-	649,913
Insurance	-	3,000	-	19,231	-	22,231
Interest on long-term debt	-	-	-	-	26,900	26,900
Office and miscellaneous	6,380	1,616	1,245	76,883	-	86,124
Professional fees	-	3,000	-	26,179	-	29,179
Program	-	18,686	-	69,588	-	88,274
Property taxes	-	-	-	16,812	-	16,812
Purchased services	286,141	-	-	935,321	-	1,221,462
Rent	-	-	-	9,215	-	9,215
Repairs and maintenance	7,500	10,001	-	47,642	-	65,143
Salaries	469,854	165,243	137,776	1,362,448	-	2,135,321
Telephone	2,371	350	866	14,604	-	18,191
Third party contracts	-	-	-	1,290,664	-	1,290,664
Travel	15,791	2,713	9,005	28,527	-	56,036
Utilities	-	-	-	27,089	-	27,089
Central administration	63,944	-	-	(63,944)	-	-
	996,420	232,767	169,076	4,864,220	85,366	6,347,849
Excess (deficiency) of revenues over expenses	\$ (3)	\$ (8,252)	\$ -	\$ 232,205	\$ (70,738)	\$ 153,212