

FAMILY COUNCILS OF ONTARIO
Financial Statements
Year Ended March 31, 2023

FAMILY COUNCILS OF ONTARIO

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Year Ended March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Family Councils of Ontario

Qualified Opinion

We have audited the financial statements of Family Councils of Ontario (the organization), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2023, current assets and net assets as at March 31, 2023. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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 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 qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

(continues)

Independent Auditor's Report to the Members of Family Councils of Ontario (*continued*)

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.

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.

Toronto, Ontario


May 29, 2023

Raskin and Associates

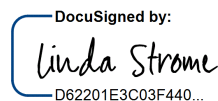
Chartered Professional Accountants
Licensed Public Accountants

FAMILY COUNCILS OF ONTARIO**Statement of Financial Position****March 31, 2023**

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 158,521	\$ 117,837
Harmonized sales tax recoverable	2,463	13,330
Prepaid expenses	2,216	23,359
	<u>\$ 163,200</u>	<u>\$ 154,526</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued charges	\$ 49,493	\$ 31,580
Payroll source deduction payable	15,791	17,103
	<u>65,284</u>	<u>48,683</u>
NET ASSETS		
General fund	59,943	50,026
ARAH restricted fund	24,598	39,708
New Horizons restricted fund	13,375	16,109
	<u>97,916</u>	<u>105,843</u>
	<u>\$ 163,200</u>	<u>\$ 154,526</u>

DocuSigned by:

ON BEHALF OF THE BOARD
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Director

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Director

FAMILY COUNCILS OF ONTARIO
Statement of Changes in Net Assets
Year Ended March 31, 2023

	General Fund	ARAH Restricted Fund	New Horizons Restricted Fund	2023	2022
NET ASSETS -					
BEGINNING OF					
YEAR	\$ 50,026	\$ 39,708	\$ 16,109	\$ 105,843	\$ 64,488
DEFICIENCY OF					
REVENUES OVER					
EXPENSES	9,917	(15,110)	(2,734)	(7,927)	41,355
NET ASSETS - END OF					
YEAR	\$ 59,943	\$ 24,598	\$ 13,375	\$ 97,916	\$ 105,843

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

FAMILY COUNCILS OF ONTARIO
Statement of Revenues and Expenditures
Year Ended March 31, 2023

	2023	2022
REVENUES		
Ontario Ministry of Long-Term Care	\$ 672,483	\$ 647,521
Canada Summer Jobs Wage Subsidy	12,220	8,913
Donations	6,710	2,490
Miscellaneous income	2,961	10,681
	<u>694,374</u>	<u>669,605</u>
EXPENSES		
Salaries and wages	560,548	455,468
Professional fees	30,375	33,542
Meetings and conventions	20,519	8,123
Program expenses	20,145	28,261
Office and general	18,824	28,579
Software and licensing	13,935	11,945
E-Learning Development	4,885	58,245
Telephone	4,509	5,107
Advertising and promotion	4,336	-
Insurance	2,625	2,489
Occupancy Costs	2,205	25,342
Bank charges	1,551	1,966
	<u>684,457</u>	<u>659,067</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>9,917</u>	<u>10,538</u>
RESTRICTED FUNDS		
ARAH Grant Restricted Statement of Revenues and Expenditures (Schedule 1)	(15,110)	39,708
New Horizons Restricted Statement of Revenues and Expenditures (Schedule 2)	(2,734)	(8,891)
	<u>(17,844)</u>	<u>30,817</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (7,927)</u>	<u>\$ 41,355</u>

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

FAMILY COUNCILS OF ONTARIO
ARAH Grant Restricted Statement of Revenues and Expenditures
(Schedule 1)
Year Ended March 31, 2023

	2023	2022
GRANT INCOME		
The Ministry of the Solicitor General	\$ 49,400	\$ 50,600
Donations	388	-
	<u>49,788</u>	<u>50,600</u>
EXPENSES		
Salaries and wages	32,228	2,328
Compassionate Inquiry	15,503	-
Program expenses	7,535	-
Video storytelling equipment	3,183	1,288
Office expenses	2,472	-
Miscellaneous program expenses	1,900	-
Technology Workshop	1,689	-
GIK Journals	388	-
Training and delivery	-	7,276
	<u>64,898</u>	<u>10,892</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (15,110)</u>	<u>\$ 39,708</u>

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

FAMILY COUNCILS OF ONTARIO
New Horizons Restricted Statement of Revenues and Expenditures
(Schedule 2)
Year Ended March 31, 2023

	2023	2022
EXPENSES		
Training and workshop	\$ 2,500	\$ 2,000
Salaries and wages	234	6,891
	\$ 2,734	\$ 8,891

FAMILY COUNCILS OF ONTARIO**Statement of Cash Flows****Year Ended March 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (7,927)	\$ 41,355
Changes in non-cash working capital:		
Accounts payable and accrued charges	17,913	10,218
Payroll source deductoin payable	(1,312)	10,350
Prepaid expenses	21,143	(19,316)
Harmonized sales tax receivable	10,867	(4,880)
	48,611	(3,628)
INCREASE IN CASH FLOW	40,684	37,727
Cash - beginning of year	117,837	80,110
CASH - END OF YEAR	\$ 158,521	\$ 117,837
CASH CONSISTS OF:		
Cash and short term deposits	\$ 158,521	\$ 117,837

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

FAMILY COUNCILS OF ONTARIO**Notes to Financial Statements****Year Ended March 31, 2023**

1. PURPOSE OF THE ORGANIZATION

Family Councils of Ontario (the "organization") is a not-for-profit organization incorporated federally under the Canada Not-for-profit Corporations Act. Under the provisions of The Income Tax Act (Canada), not-for-profit organizations are exempt from income taxes and, accordingly, the Organization does not reflect any provision for income taxes in the financial statements.

The Organization engages in activities which promotes and facilitates the development and sustainability of Family Councils in Long-Term Care Homes and facilitates opportunities for Family Councils.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Revenue recognition**

Family Councils of Ontario follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Annual grants from the Ontario Ministry of Health and Long-Term Care are recognized as revenue in the amounts approved to fund the expenditures incurred in the provision of specified services.

Fundraising revenue, interest income and unrestricted donations are recognized when received

(b) Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

(c) Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

(d) Financial instruments

The Organization initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value.

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FAMILY COUNCILS OF ONTARIO**Notes to Financial Statements****Year Ended March 31, 2023****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

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

Financial assets subsequently measured at amortized cost include cash, term deposits, accounts receivable and the grant receivable. Financial liabilities measured at amortized cost include the bank loan and accounts payable and accrued liabilities.

(e) Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount 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 period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. The Organization is subject to estimates in regards to deferred revenue. Actual results could differ from these estimates.

4. GRANTS

The Organization was funded by grants from the following:

	2023	2022
The Ministry of Long-term care	\$ 672,483	\$ 647,521
The Ministry of the Solicitor General	49,400	50,600
	\$ 721,883	\$ 698,121

5. ECONOMIC DEPENDENCE

The Organization activities are funded by an annual grant that is provided by the Ministry of Long-Term care. Without this funding, the operations could not be undertaken by the Organization.

6. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of March 31, 2022.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources accounts payable and accrued liabilities and government remittances payable.

The Organization is not exposed to any significant credit risk, interest rate risk, currency risk and market risk at the statement of financial position date.