

ST. CLAIR CHILD & YOUTH SERVICES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

**ST. CLAIR CHILD & YOUTH SERVICES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

-1-	Independent Auditor's Report
-3-	Statement of Financial Position
-4-	Statement of Operations and Net Assets
-5-	Statement of Cash Flows
-6-	Schedule of Revenues
-7-	Notes to the Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of St. Clair Child & Youth Services

Qualified Opinion

We have audited the accompanying financial statements of St. Clair Child & Youth Services (the "Organization"), which comprise the Statement of Financial Position as at March 31, 2023, and the Statements of Operations and Net Assets, 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 paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of St. Clair Child & Youth Services as at March 31, 2023, 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and other fundraising activities, 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. Therefore, we were not able to determine whether any adjustments might be necessary to the revenue, assets and net assets for the years ended March 31, 2023 and March 31, 2022.

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 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 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 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

May 16, 2023
London, Canada

Scrimgeour & Company
LICENSED PUBLIC ACCOUNTANT

**ST. CLAIR CHILD & YOUTH SERVICES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023**

	2023	2022
ASSETS		
Current Assets		
Cash	\$ 1,019,652	\$ 1,069,341
Short-term investments	271,030	266,060
Accounts receivable	-	20,781
Prepaid expenditures	6,515	6,484
HST rebate recoverable	25,144	18,942
	1,322,341	1,381,608
Capital assets (notes 2.c and 4)	923,374	992,676
TOTAL ASSETS	\$ 2,245,715	\$ 2,374,284
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 138,065	\$ 179,596
Deferred revenue (note 2.g)	290,649	378,819
	428,714	558,415
Net assets (page 4)	1,817,001	1,815,869
TOTAL LIABILITIES AND NET ASSETS	\$ 2,245,715	\$ 2,374,284

The accompanying notes are an integral part of the financial statements

**ST. CLAIR CHILD & YOUTH SERVICES
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2023**

	General and Capital	Government Funded	Sauve Fowler	2023 Total	2022 Total
REVENUE (page 6)	\$ 119,601	\$ 5,356,486	\$ -	\$ 5,476,087	\$ 5,442,884
EXPENDITURES					
Amortization	-	69,302	-	69,302	77,823
Building occupancy	-	179,467	-	179,467	167,099
Employee benefits	3,952	794,623	-	798,575	822,286
Food services	699	18,982	-	19,681	3,876
Miscellaneous	1,273	39,131	-	40,404	34,384
Office administration	409	139,181	-	139,590	118,806
Professional services - client	-	86,871	-	86,871	-
Professional services - non-client	-	112,732	-	112,732	102,215
Program expenses	17,275	17,078	-	34,353	39,216
Promotion and publicity	17,126	42,526	-	59,652	31,543
Training and recruitment	150	49,999	-	50,149	73,163
Travel and transportation	-	36,995	-	36,995	20,473
Wages	78,980	3,768,204	-	3,847,184	3,892,618
	119,864	5,355,091	-	5,474,955	5,383,502
REVENUE OVER EXPENDITURES	(263)	1,395	-	1,132	59,382
NET ASSETS (LIABILITIES), BEGINNING OF YEAR	2,522,756	(706,887)	-	1,815,869	1,756,487
NET ASSETS (LIABILITIES), END OF YEAR	\$ 2,522,493	\$ (705,492)	\$ -	\$ 1,817,001	\$ 1,815,869

The accompanying notes are an integral part of the financial statements

**ST. CLAIR CHILD & YOUTH SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Revenue over expenditures (page 4)	\$ 1,132	\$ 59,382
Amortization	69,302	77,823
	70,434	137,205
OTHER ITEMS NOT INVOLVING CASH		
Decrease (increase) in accounts receivable	20,781	2,132
Decrease (increase) in prepaid expenses	(31)	7,056
Decrease (increase) in HST recoverable	(6,202)	14,972
Increase (decrease) in accounts payable and accrued liabilities	(41,531)	(18,313)
Increase (decrease) in deferred revenue and capital contributions	(88,170)	(102,721)
	(44,719)	40,331
INVESTING ACTIVITIES		
Increase (decrease) in short-term investments	(4,970)	(301)
	(4,970)	(301)
Increase in cash	(49,689)	40,030
Cash, beginning of year	1,069,341	1,029,311
CASH, END OF YEAR	\$ 1,019,652	\$ 1,069,341

The accompanying notes are an integral part of the financial statements

**ST. CLAIR CHILD & YOUTH SERVICES
SCHEDULE OF REVENUES
FOR THE YEAR ENDED MARCH 31, 2023**

	General and Capital	Government Funded	Sauve Fowler	2023 Total	2022 Total
REVENUE					
Children's Aid Society	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Bluewater Health Mental Health Collaborative	-	200,200	-	200,200	199,800
Donations and fundraising	9,323	-	-	9,323	7,470
Province of Ontario funding	-	4,650,550	-	4,650,550	4,551,955
Recoveries and fees	850	16,818	-	17,668	31,688
County of Lambton funding	-	454,039	-	454,039	366,805
HST recovery	1,186	34,879	-	36,065	30,058
Other income	70,722	-	-	70,722	189,517
Investment income	4,969	-	-	4,969	301
Minor grants	32,551	-	-	32,551	19,539
Deferred capital contributions	-	-	-	-	5,750
	\$ 119,601	\$ 5,356,486	\$ -	\$ 5,476,087	\$ 5,442,883

The accompanying notes are an integral part of the financial statements

**ST. CLAIR CHILD & YOUTH SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

1. Nature of the Organization

St. Clair Child & Youth Services (the Organization) is an accredited children's mental health centre serving children, you and families from birth up to 18 years of age in Lambton County. The Organization is a not-for-profit organization and a registered charity effective December 18, 1970.

2. Significant accounting policies

The accounting policies of the Organization are in accordance with accounting principles appropriate for not-for-profit organizations. Those policies that are considered to be significant are outlined below:

a. Revenue recognition

Revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Government grants and transfers are recognized as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Donation revenue is recorded on a cash basis.

b. Short-term investments

Investments consist of deposits with a Canadian bank and are carried at market value. Investments are measured at fair value at each reporting date and any unrealized gains or losses are recognized in operations for the period in which they arise.

c. Capital assets

Capital assets are initially recorded at cost less accumulated amortization. Amortization is calculated on a straight-line or declining balance basis over the estimated useful lives of the capital assets as follows:

Building and building improvements	30 years straight line
Computer and audio visual equipment	3 years straight line
Furniture and fixtures	4 years straight line
Vehicles	3 years straight line

Amortization is expensed at one half of these rates in the year of acquisition.

d. Financial instruments

The fair values of the Organization's current financial assets and liabilities, including cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities are approximately equal to their carrying values. Unless otherwise noted, it is the Organization's opinion that it is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**ST. CLAIR CHILD & YOUTH SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

2. Significant accounting policies

e. Fund accounting

The Organization follows the fund method of accounting. The Government Funded Fund reflects the projects that are funded by the Province of Ontario, County of Lambton and other organizations. The General and Capital Fund reflects specific projects funded by designated donations or other fundraising activities towards capital, programs and other designated purchases. The Sauve Fowler Fund reflects a specific donation that has restrictions on eligible expenditures. During the year, the Sauve Fowler Fund was spent on training.

During the year ended March 31, 2021, an endowment fund was established and held by the Sarnia Community Foundation Organization. As of March 31, 2023, the market value is \$28,739. The endowment fund is not reflected on the Statement of Financial Position.

f. 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 revenue and expenditures during the period. Such estimates are periodically reviewed and any adjustments are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

g. Deferred revenue

Deferred revenue at March 31, 2023 of \$290,649 (2022 - \$378,819) represents donations and other revenue received during the year for specific programs and expenditures that will be spent in subsequent years.

h. Contributed services

Volunteers contribute their time to assist the Organization in carrying out its programs. Because of the difficulty of determining their fair monetary value, contributed services are not recognized in the financial statements.

**ST. CLAIR CHILD & YOUTH SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

3. Basis of presentation

In accordance with the provisions of the CPA Canada's Section 1400, disclosure of the entity's ability to continue as a going concern is required.

The accompanying financial statements have been prepared on the going concern assumption that the Organization will be able to realize its assets and discharge its liabilities in the normal course of operations. Should the Organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to discharge its liabilities as they become due.

Management is of the opinion that the necessary resources will become available to the Organization through government funding and community support and therefore the use of Canadian generally accepted accounting standards for not-for-profit organizations that are applicable to going concerns are appropriate. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

4. Capital assets

The Organization's capital assets consist of the following:

	Cost	Accumulated Amortization	2023	2022
Building	\$ 1,386,209	\$ (949,939)	\$ 436,270	\$ 474,785
Building improvements	64,304	(64,304)	-	-
Computer and audio visual equipment	412,594	(412,594)	-	-
Furniture and fixtures	275,251	(275,251)	-	-
Land	471,709	-	471,709	471,709
Vehicles	92,363	(76,968)	15,395	46,182
	\$ 2,702,430	\$ (1,779,056)	\$ 923,374	\$ 992,676

5. Accounts payable and accrued liabilities

The Organization has accrued their estimate of unspent funding for programs that are Government funded. This estimate may be adjusted based on the reconciliation completed by the various levels of government and are adjusted in the year of such adjustments.

6. Corporate income taxes

As a registered charity, the Organization is exempt from corporate income tax pursuant to Section 149 (1) (f) of the Income Tax Act, Canada.

**ST. CLAIR CHILD & YOUTH SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

7. Employee pension agreement

The Organization makes contributions to its own registered pension plan which is administered by Canada Life. Under this defined contribution plan, the Organization contributes 5% of each full time employee's gross payroll to the plan and the employee contributes 3%. The Organization contributed \$193,252 during the year ended March 31, 2023 (2022 - \$190,366).

8. Significant event

In March 2020, the Province of Ontario declared a state of emergency in response to the COVID-19 virus. The Organization has followed the Provincial orders regarding essential services and as a result, the delivery of certain of the Organization's programs has been altered. The Board and staff continue to monitor the situation.
