

STRATFORD HOUSE OF BLESSING
FINANCIAL STATEMENTS
DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Stratford House of Blessing
Stratford, Ontario

Qualified Opinion

We have audited the financial statements of **Stratford House of Blessing**, which comprise the balance sheet as at **December 31, 2023** and the statements of operations and changes in 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, 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 **Stratford House of Blessing** as at **December 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

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 **Stratford House of Blessing** 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 opinion.

In common with many not-for-profit organizations, the organization derives cash revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues 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 revenue, excess of revenue over expenditures and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022 and net assets as at January 1 and December 31 for both the 2023 and 2022 year ends. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

INDEPENDENT AUDITORS' REPORT - continued

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

In preparing the financial statements, management is responsible for assessing the entity'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 entity, cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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.
- (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.

INDEPENDENT AUDITORS' REPORT - continued

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.



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

Stratford, Ontario
April 17, 2024

Stratford House of Blessing
Balance Sheet
As at December 31, 2023

ASSETS

	2023	2022
Current Assets		
Cash on hand and in bank - unrestricted	\$ 728,772	\$ 500,453
Cash in bank - restricted	24	23
Guaranteed investment certificates and accrued interest receivable - unrestricted (Note 6)	313,585	304,213
Guaranteed investment certificates and accrued interest receivable - restricted (Note 6)	99,707	97,244
Accounts receivable	25,879	27,360
HST receivable	13,333	5,806
Prepaid expenses	<u>27,985</u>	<u>13,735</u>
	\$ 1,209,285	\$ 948,834
Property, Plant and Equipment - at cost		
Land	79,518	79,518
Building	741,847	713,047
Furniture	33,441	30,880
Equipment	61,477	61,165
Vehicle	39,880	39,880
Computer software	<u>20,689</u>	<u>14,058</u>
	976,852	938,548
Less: Accumulated amortization	<u>502,999</u>	<u>479,065</u>
	473,853	459,483
	\$ <u>1,683,138</u>	\$ <u>1,408,317</u>

Approved on Behalf of the Board:

Director

Director

(See Accompanying Notes to the Financial Statements)

Stratford House of Blessing
Balance Sheet
As at December 31, 2023

LIABILITIES

	2023	2022
Current Liabilities		
Accounts payable and accrued expenses	\$ 33,842	\$ 25,060
Deferred revenue	<u>40,348</u>	<u>17,136</u>
	\$ 74,190	\$ 42,196

NET ASSETS

Unrestricted net assets	1,509,217	1,268,854
Net assets restricted: Capital Reserve Fund	<u>99,731</u>	<u>97,267</u>
	<u>1,608,948</u>	<u>1,366,121</u>
	\$ <u>1,683,138</u>	\$ <u>1,408,317</u>

(See Accompanying Notes to the Financial Statements)

Stratford House of Blessing
Statement of Operations and Changes in Fund Balances
General Fund

For the year ended December 31, 2023

	2023	2022
Revenue		
Donations	\$ 861,682	\$ 539,764
Foundations and grants	51,215	79,069
Fundraising	70,245	104,512
Interest	<u>12,385</u>	<u>5,109</u>
	\$ 995,527	<u>728,454</u>
Expenditures		
Professional fees	11,935	5,769
Advertising and promotion	374	285
Amortization of property, plant and equipment	23,934	21,680
Bank charges	2,331	2,903
Children's programs	14,888	8,324
Diapers and formula	18,550	14,538
External consultant/evaluation	-	4,619
Family care centre	1,932	1,410
Financial assistance	83,965	498
Food	85,953	41,024
Food bank supplies	1,001	1,619
Fundraising	3,303	10,494
Insurance	12,498	12,316
Memberships	4,660	4,541
Office	15,485	12,065
Professional development	3,145	309
Recycling	12,524	8,036
Repairs and maintenance	15,489	9,326
Snow removal and lawn care	10,026	7,961
Telephone	7,523	6,630
Travel	1,345	1,034
Utilities	13,064	12,380
Vehicle	2,414	9,106
Volunteer expense	3,456	3,391
Wages and benefits	<u>402,905</u>	<u>393,835</u>
	<u>752,700</u>	<u>594,093</u>
Excess of revenue over expenditures for the year	242,827	134,361
Net assets - beginning of year	<u>1,268,854</u>	<u>1,140,658</u>
	1,511,681	1,275,019
Interfund transfers	<u>(2,464)</u>	<u>(6,165)</u>
Net assets - end of year	<u>\$ 1,509,217</u>	<u>\$ 1,268,854</u>

(See Accompanying Notes to the Financial Statements)

Stratford House of Blessing
Statement of Operations and Changes in Fund Balances
Capital Reserve Fund
For the year ended December 31, 2023

	2023	2022
Net assets - beginning of year	\$ 97,267	\$ 91,102
Interfund transfers	<u>2,464</u>	<u>6,165</u>
Net assets - end of year	<u>\$ 99,731</u>	<u>\$ 97,267</u>

(See Accompanying Notes to the Financial Statements)

Stratford House of Blessing
Statement of Cash Flows
For the year ended December 31, 2023

	2023	2022
Cash Provided By (Used In):		
Operating Activities		
Excess of revenue over expenditures for the year	\$ 242,827	\$ 134,361
Items not requiring cash		
Amortization of property, plant and equipment	23,934	21,680
Net changes in non-cash current operating accounts		
Decrease (increase) in accounts receivable	1,481	(27,360)
Decrease (increase) in HST receivable	(7,527)	8,883
Decrease (increase) in prepaid expenses	(14,250)	(6,650)
Increase (decrease) in accounts payable and accrued expenses	8,782	10,663
Increase (decrease) in deferred revenue	<u>23,212</u>	<u>3,622</u>
	\$ 278,459	\$ 145,199
Investing Activities		
Purchase of property, plant and equipment	<u>(38,304)</u>	<u>(1,520)</u>
Increase in cash and cash equivalents	240,155	143,679
Cash and cash equivalents - beginning of year	<u>901,933</u>	<u>758,254</u>
Cash and cash equivalents - end of year	\$ <u>1,142,088</u>	\$ <u>901,933</u>
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents comprise the following balance sheet amounts:		
Cash on hand and in bank	728,796	500,476
Guaranteed investment certificates	<u>413,292</u>	<u>401,457</u>
	\$ <u>1,142,088</u>	\$ <u>901,933</u>

(See Accompanying Notes to the Financial Statements)

Stratford House of Blessing
Notes to the Financial Statements
For the year ended December 31, 2023

1. Purpose

The Stratford House of Blessing, located in Stratford, Ontario, is a non-denominational faith-based organization dedicated to helping anyone regardless of race or religion who is in need of help or support. It is an incorporated not-for-profit organization and is a registered charity under the Income Tax Act.

2. Fund Accounting

Stratford House of Blessing uses fund accounting in these financial statements. The purpose of each individual Fund is as follows:

- (a) Unrestricted General Fund: to report revenue and expenditures related to program delivery and administrative activities.
- (b) Restricted Capital Reserve Fund: to accumulate money for future capital needs of the organization.

3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations summarized below:

- (a) Capital Expenditures
Property, plant and equipment are recorded at cost or at estimated cost, if donated, with charitable receipt given. Amortization is claimed when the asset is put in use at the rates reflected in the accompanying schedule of property, plant and equipment and amortization.
- (b) Contributed Services
Volunteers contribute significant hours to the organization annually. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
- (c) Revenue Recognition
The organization follows the deferral method of accounting for contributions. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.
- (d) Use of Estimates
Preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that could affect amounts reported as assets, liabilities, revenue and expenditures. Due to measurement uncertainty, results could differ from those estimates.
- (e) Financial Instruments
A financial asset is any asset that is cash; a contractual right to receive cash from another party; or an equity instrument of another entity. A financial liability is any liability that is a contractual obligation to deliver cash to another party.

Financial assets and liabilities are initially measured at fair value, except for certain non-arm's length transactions. Subsequently, financial assets and financial liabilities are measured at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenditures.

Stratford House of Blessing
Notes to the Financial Statements
For the year ended December 31, 2023

4. Gifts in Kind

Gifts in kind, for which donation receipts were issued, are included in donation revenue and have been allocated as follows:

	2023	2022
Shares	\$ 12,326	\$ 6,259
Food	<u>10,380</u>	<u>7,676</u>
	<u>\$ 22,706</u>	<u>\$ 13,935</u>

As of January 1, 2010, it became Stratford House of Blessing's policy to no longer issue donation receipts for gifts in kind where an independent market value was not readily available.

5. Grant Revenue and Deferred Income

During the year, the organization received grant revenue from many organizations and institutions, including private and public foundations, local, provincial and federal governments, individuals, churches and corporate partners.

6. Guaranteed Investment Certificates - Short-Term Investment

The Guaranteed investment certificates of the restricted and unrestricted funds is composed of short-term cashable investments, details are as follows:

	2023	2022
Guaranteed investment certificate - unrestricted		
The Toronto Dominion Bank - 3%, maturing June, 2024	\$ 102,988	\$ -
Royal Bank of Canada - 4%, maturing November, 2024	207,695	-
The Toronto Dominion Bank - 2%, maturing June, 2023	-	100,958
Royal Bank of Canada - 1.8%, maturing May, 2023	-	200,000
Accrued interest receivable	<u>2,902</u>	<u>3,255</u>
	<u>\$ 313,585</u>	<u>\$ 304,213</u>
Guaranteed investment certificate - restricted		
The Canada Trust Company - 3%, maturing June, 2024	98,135	-
The Canada Trust Company - 2%, maturing June, 2023	-	96,200
Accrued interest receivable	<u>1,572</u>	<u>1,044</u>
	<u>\$ 99,707</u>	<u>\$ 97,244</u>

7. Comparative Figures

Certain of the 2022 figures on the balance sheet have been reclassified to conform to the 2023 financial statement presentation.

Stratford House of Blessing
Schedule of Property, Plant and Equipment and Amortization
For the year ended December 31, 2023

	<u>As at December 31, 2022</u>						<u>As at December 31, 2023</u>					
	<u>Cost</u>	<u>Accum. Amort.</u>	<u>Unamort. Bal.</u>	<u>Add.</u>	<u>Disp.</u>	<u>Gain</u>	<u>Unamort. Bal.</u>	<u>Rate %</u>	<u>Prov.</u>	<u>Cost</u>	<u>Accum. Amort.</u>	<u>Unamort. Bal.</u>
Land	79,518		79,518				79,518			79,518		79,518
Building	713,047	354,760	358,287	28,800			387,087	4	15,483	741,847	370,243	371,604
Furniture	30,880	25,099	5,781	2,561			8,342	10	834	33,441	25,933	7,508
Equipment	61,165	53,592	7,573	312			7,885	20	1,577	61,477	55,169	6,308
Vehicle	39,880	32,692	7,188				7,188	30	2,156	39,880	34,848	5,032
Computer software	14,058	12,922	1,136	6,631			7,767	50	3,884	20,689	16,806	3,883
	938,548	479,065	459,483	38,304			497,787		23,934	976,852	502,999	473,853