

**RURAL RESPONSE FOR HEALTHY CHILDREN
FINANCIAL STATEMENTS
MARCH 31, 2024**

SEEBACH & COMPANY
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Rural Response for Healthy Children

Opinion

We have audited the accompanying financial statements of Rural Response for Healthy Children, which are comprised of the statement of financial position as at March 31, 2024 and the statements of revenue and expenditures and changes in fund balance 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 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 Rural Response for Healthy Children as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Basis for Qualified Opinion

In common with many charitable organizations, Rural Response for Healthy Children derives revenue from donations, 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 Rural Response for Healthy Children. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess of revenues over expenses, assets and fund balances. Our opinion on the financial statements for the year ended March 31, 2024, as well as the opinion on the prior year financial statements for the year ended March 31, 2023, was modified accordingly because of the possible effects of this scope limitation.

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 Rural Response for Healthy Children 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 ASNFPO, 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 Rural Response for Healthy Children'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 Rural Response for Healthy Children or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Rural Response for Healthy Children's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Rural Response for Healthy Children'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 Rural Response for Healthy Children'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 Rural Response for Healthy Children to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
April 17, 2024

RURAL RESPONSE FOR HEALTHY CHILDREN
STATEMENT OF FINANCIAL POSITION

The accompanying notes are an integral part of this financial statement

As at March 31	2024	2023
ASSETS		
Current		
Cash	97,869	77,159
Investments	381,311	297,027
Accounts receivable	9,585	-
HST rebate receivable	5,768	3,828
Prepayments	4,952	4,843
	499,485	382,857
Capital assets (note 3)	2,274	3,645
	\$ 501,759	\$ 386,502
LIABILITIES		
Current		
Accounts payable and accrued liabilities	17,550	15,569
Government remittances payable	6,743	5,512
	24,293	21,081
Deferred contributions (note 4)	410,224	298,559
Deferred contributions related to capital assets (note 5)	2,274	3,645
	436,791	323,285
FUND BALANCE (DEFICIENCY)	64,968	63,217
	\$ 501,759	\$ 386,502

Approved on behalf of the Board:

RURAL RESPONSE FOR HEALTHY CHILDREN**STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCE**

The accompanying notes are an integral part of this financial statement

For the year ended March 31	2024	2023
Revenue		
Administrative fees	17,517	5,000
Amortization of capital contributions related to capital assets (note 4)	1,371	1,371
Service club and individual donations and fundraising	15,730	42,143
Other project revenue	7,621	2,783
Interest	6,656	2,439
	<u>48,895</u>	<u>53,736</u>
Expenditure		
Wages and benefits	25,881	14,706
Program expenses	14,424	13,768
Administrative expenses	3,604	3,108
Fundraising expenses	1,864	2,930
Depreciation	1,371	1,371
	<u>47,144</u>	<u>35,883</u>
Net revenue (expenditure) for general program operations	1,751	17,853
Other programs and projects net revenue (expenditure)		
Rural Response for Healthy Children Program - CAPC - net (Schedule A)	-	-
Huron County Christmas Bureau - net (Schedule B)	-	-
OTF - Resilient Communities Project - net (Schedule C)	-	-
New Horizons - Grandparents Raising Grandchildren - net (Schedule D)	-	-
United Way - Trauma, Resilience, and Healing - net (Schedule E)	-	-
Second Harvest Emergency Food Security Fund - net (Schedule F)	-	-
	<u>1,751</u>	<u>17,853</u>
Surplus (deficit) for the year	1,751	17,853
Fund balance (deficiency), beginning of year	63,217	45,364
	<u>63,217</u>	<u>45,364</u>
Fund balance (deficiency), end of year	\$ 64,968	\$ 63,217
	<u><u>\$ 64,968</u></u>	<u><u>\$ 63,217</u></u>

RURAL RESPONSE FOR HEALTHY CHILDREN
STATEMENT OF CASH FLOWS

The accompanying notes are an integral part of this financial statement

For the year ended December 31	2024	2023
Operating activities		
Annual surplus (deficit)	1,751	17,853
Depreciation of capital assets not requiring cash outlay	1,371	1,371
Amortization of deferred capital contributions not providing cash	(1,371)	(1,371)
Decrease (increase) in accounts receivable	(9,585)	-
Decrease (increase) in HST rebate receivable	(1,940)	2,552
Decrease (increase) in prepayments	(109)	(249)
Increase (decrease) in accounts payable	1,981	1,242
Increase (decrease) in government remittances payable	1,231	284
Increase (decrease) in deferred revenue	111,665	284,624
Cash provided by (used for) operating activities	104,994	306,306
Investing activities		
Decrease (increase) in investments	(84,284)	(297,027)
Cash provided by (used for) investing activities	(84,284)	(297,027)
Increase (decrease) in cash position	20,710	9,279
Cash, beginning of year	77,159	67,880
Cash, end of year	\$ 97,869	\$ 77,159

RURAL RESPONSE FOR HEALTHY CHILDREN

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2024

On December 13, 2007, the Huron County Community Child Abuse Coordinating Committee changed its name to Rural Response for Healthy Children (RRHC). The organization was initially incorporated on October 16, 1990 as a corporation without share capital. Effective January 1, 1991, the corporation was determined to qualify for tax exempt status as a registered charity under paragraph 149(1) of the Income Tax Act.

The purpose of the organization is to establish and operate a community based social service operation to raise public awareness of child abuse and neglect by providing quality support, education and advocacy programs for children and parents, professional and the community.

1. Accounting policies

The financial statements are the representation of management prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant aspects of accounting policies adopted by the organization are as follows:

a) Accrual basis of accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable, and recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

b) Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments with initial maturities of three months or less.

c) Investments

Investments are recorded at amortized cost less amounts written off to reflect a permanent decline in value.

d) Financial instruments

Financial instruments are recorded at fair value upon initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are recorded at cost or amortized cost. Financial assets are tested for impairment on an annual basis if there are any indicators of impairment.

e) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Depreciation is provided on a straight-line basis over the asset's useful life as follows:

Furniture and computer equipment	5 - 10 years
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f) Revenue recognition

The organization follows the deferral method of accounting for contributions.

Externally 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.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

1. Accounting policies (continued)

g) Donated services

The work of the organization is dependent on volunteer service. Since these services are not normally purchased by the organization and because of the difficulty of determining their fair market value, donated services are not reflected in these statements.

h) Allocation of expenses

The organization engages in several specific programs. The costs of each program include costs of personnel and other expenses directly related to providing the program. The organization also incurs a number of general support expenses that are common to the administration of the organization and each of its programs. The organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year. The basis adopted for allocation is measured or estimated consumption attributable to the program. Corporate governance and general management expenses are not allocated.

i) Use of estimates

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenditures during the period, and the accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Investments

The investments, stated at amortized cost, consist of the following:

	2024	2023
Guaranteed investment certificates	<u>\$ 381,311</u>	<u>\$ 297,027</u>

The guaranteed investment certificates have maturities ranging from September 6, 2024 to March 3, 2025. Interest rates on the investments range from 4% to 4.1%. The investments have a market value equal to cost of \$ 381,311 (2023 : \$ 297,027).

3. Capital assets

	Cost	Accumulated Depreciation	2024 Net Book Value	2023 Net Book Value
Furniture and computer equipment	\$ 33,416	\$ 31,142	\$ 2,274	\$ 3,645

4. Deferred contributions

Deferred contributions represent unspent resources (or overspent resources are considered accounts receivable) externally restricted for use in a specific program or for a specific purpose. The breakdown of funding deferred is as follows:

	2024	2023
Huron County Christmas Bureau	385,343	298,559
United Way Perth-Huron	(600)	-
Ontario Trillium Foundation - Resilient Communities	7,356	-
Huron-Perth Catholic DSB - SWELL	18,125	-
	<u>\$ 410,224</u>	<u>\$ 298,559</u>

5. Deferred contributions related to capital assets

Deferred capital contributions related to capital assets represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2024	2023
Balance, beginning of year	3,645	5,016
Contributions received	-	-
Amortization	<u>(1,371)</u>	<u>(1,371)</u>
Balance, end of year	<u>\$ 2,274</u>	<u>\$ 3,645</u>

6. Allocation of expenses

General support expenses include items such as office supplies, bank service charges, payroll service fee, audit fees, rent and maintenance, telephone, internet and insurance. These costs have been allocated as follows:

	2024	2023
Community Action Program for Children	18,206	17,195
Huron County Christmas Bureau	<u>8,970</u>	<u>5,369</u>
	<u>\$ 27,176</u>	<u>\$ 22,564</u>

7. Economic dependence

The Public Health Agency of Canada provides a substantial amount of operating funding for Rural Response for Healthy Children. The Organization's continued viability is dependent on this funding and its ability to work within the budgetary constraints as well as its ability to obtain alternate funding sources to support its ongoing operations.

8. Rural Response for Healthy Children - Community Action Program for Children (CAPC)

The operating grant revenue recorded is based on the current amount approved by the Public Health Agency of Canada. Final grant revenue for the period is subject to review, adjustment and possibly recovery by the Public Health Agency of Canada.

9. Financial instrument risk management

Risk management

The organization monitors, evaluates and manages the principal risks assumed with its financial instruments. The risks that arise from transacting financial instruments include credit risk, liquidity risk, market risk, and interest rate risk.

Credit risk

The Organization is exposed to credit risk through its cash, trade and other receivables, and short-term investments. There is the possibility of non-collection of its trade and other receivables. The majority of the Organization's receivables are from users and government entities. For trade and other receivables, the Organization measures impairment based on how long the amounts have been outstanding. For amounts outstanding considered doubtful or uncollectible, an impairment allowance is setup.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they fall due. The Organization has a planning and a budgeting process in place to help determine the funds required to support the Organization's normal operating requirements on an ongoing basis. The Organization ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Organization's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investments.

Interest rate 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. The Organization is occasionally exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate of temporary borrowings and long-term liabilities and the value of fixed rate long-term liabilities.

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure risks.

**RURAL RESPONSE FOR HEALTHY CHILDREN
COMMUNITY ACTION PROGRAM FOR CHILDREN (CAPC)
SCHEDULE OF REVENUE AND EXPENDITURE**

Schedule A

The accompanying notes are an integral part of this financial statement

For the year ended March 31	2024	2023
Revenue		
Public Health Agency of Canada		
- Community Action Program for Children (CAPC) contribution (note 8)	319,500	319,500
	<u>319,500</u>	<u>319,500</u>
Expenditure		
Wages and benefits	269,845	268,014
Rent and utilities	6,666	7,294
General overhead	15,175	15,615
Travel	9,087	8,790
Equipment	3,458	4,250
Materials	13,692	14,029
Performance measurement and evaluation	1,577	1,508
	<u>319,500</u>	<u>319,500</u>
Net revenue (expenditure)	<u><u>-</u></u>	<u><u>-</u></u>

**RURAL RESPONSE FOR HEALTHY CHILDREN
HURON COUNTY CHRISTMAS BUREAU
SCHEDULE OF REVENUE AND EXPENDITURE**

Schedule B

The accompanying notes are an integral part of this financial statement

For the year ended March 31	2024	2023
Revenue		
Donations	276,268	236,919
Bank interest	-	227
Other	-	177
Change in deferred revenue	(86,784)	(73,559)
	<u>189,484</u>	<u>163,764</u>
Expenditure		
Gift cards	168,675	148,175
Advertising	429	211
Travel	1,310	1,029
Volunteers	1,605	1,667
Postage	1,561	1,959
Printing	2,384	2,804
Bank fees	182	554
Administration	13,338	7,365
	<u>189,484</u>	<u>163,764</u>
Net revenue (expenditure)	<u>-</u>	<u>-</u>

**RURAL RESPONSE FOR HEALTHY CHILDREN
 ONTARIO TRILLIUM FOUNDATION (OTF) - RESILIENT COMMUNITIES
 SCHEDULE OF REVENUE AND EXPENDITURE**

Schedule C

The accompanying notes are an integral part of this financial statement

For the year ended March 31	2024	2023
Revenue		
Project sponsor - Ontario Trillium Foundation	53,244	-
	53,244	-
Expenditure		
Wages and benefits	31,221	-
Purchased service	10,394	-
Workshops and meetings	3,713	-
Equipment	2,008	-
Administration	5,650	-
Travel	258	-
	53,244	-
Net revenue (expenditure)	-	-

RURAL RESPONSE FOR HEALTHY CHILDREN

Schedule D

NEW HORIZONS FOR SENIORS - GRANDPARENTS RAISING GRANDCHILDREN**SCHEDULE OF REVENUE AND EXPENDITURE**

The accompanying notes are an integral part of this financial statement

For the year ended March 31	2024	2023
Revenue		
Project Sponsor - Employment and Social Development Canada	<u>17,867</u>	<u>-</u>
	<u>17,867</u>	<u>-</u>
Expenditure		
Professional fees	1,730	-
Materials	975	-
Refreshments	5,113	-
Participant transportation	500	-
Childcare	404	-
Advertising	3,182	-
Facility rentals	1,496	-
Administration	<u>4,467</u>	<u>-</u>
	<u>17,867</u>	<u>-</u>
Net revenue (expenditure)	<u>-</u>	<u>-</u>

**RURAL RESPONSE FOR HEALTHY CHILDREN
UNITED WAY - TRAUMA, RESILIENCE, AND HEALING
SCHEDULE OF REVENUE AND EXPENDITURE**

Schedule E

The accompanying notes are an integral part of this financial statement

For the year ended March 31	2024	2023
Revenue		
Project sponsor - United Way Perth-Huron	<u>6,000</u>	<u>-</u>
	<u>6,000</u>	<u>-</u>
Expenditure		
Administration	2,400	-
Materials	1,600	-
Professional fees	<u>2,000</u>	<u>-</u>
	<u>6,000</u>	<u>-</u>
Net revenue (expenditure)	<u>-</u>	<u>-</u>

**RURAL RESPONSE FOR HEALTHY CHILDREN
SECOND HARVEST EMERGENCY FOOD SECURITY FUND
SCHEDULE OF REVENUE AND EXPENDITURE**

Schedule F

The accompanying notes are an integral part of this financial statement

For the year ended March 31	2024	2023
Revenue		
Project sponsor - Second Harvest	-	13,935
	<u>-</u>	<u>13,935</u>
Expenditure		
Food share	-	7,069
Restaurant	-	3,850
Equipment	-	1,397
Food ingredients	-	1,619
	<u>-</u>	<u>13,935</u>
Net revenue (expenditure)	<u><u>-</u></u>	<u><u>-</u></u>

RURAL RESPONSE FOR HEALTHY CHILDREN

Segmented Information

For the Year Ended March 31, 2024

	RRHC General	CAPC Schedule A	Huron County Christmas Bureau Schedule B	OTF Resilient Communities Schedule C	New Horizons Grandparents Schedule D	United Way Resilience Schedule E	Second Harvest Food Security Schedule F	Total 2024	Total 2023
Revenue									
Federal subsidy	-	319,500	-	-	-	-	-	319,500	319,500
Ontario Trillium Foundation	-	-	-	53,244	-	-	-	53,244	-
Amortization of deferred capital contributions	1,371	-	-	-	-	-	-	1,371	1,371
Other	47,524	-	189,484	-	17,867	6,000	-	260,875	230,064
	<u>48,895</u>	<u>319,500</u>	<u>189,484</u>	<u>53,244</u>	<u>17,867</u>	<u>6,000</u>	<u>-</u>	<u>634,990</u>	<u>550,935</u>
Operating expenditure									
Wages, salaries and benefits	25,881	269,845	-	31,221	-	-	-	326,947	282,720
Program costs and materials	14,424	27,814	176,146	16,373	11,904	3,600	-	250,261	212,679
Occupancy, administration and consulting	3,604	6,666	13,338	5,650	5,963	2,400	-	37,621	17,767
Depreciation	1,371	-	-	-	-	-	-	1,371	1,371
Other	1,864	15,175	-	-	-	-	-	17,039	18,545
	<u>47,144</u>	<u>319,500</u>	<u>189,484</u>	<u>53,244</u>	<u>17,867</u>	<u>6,000</u>	<u>-</u>	<u>633,239</u>	<u>533,082</u>
Net revenue (expense)	<u>1,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,751</u>	<u>17,853</u>