HEALTHY FAMILIES HEALTHY FUTURES SOCIETY

Financial Statements

Year Ended March 31, 2025

HEALTHY FAMILIES HEALTHY FUTURES SOCIETY
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Year Ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Healthy Families Healthy Futures Society

Qualified Opinion

We have audited the financial statements of Healthy Families Healthy Futures Society (the Society), which comprise the statement of financial position as at March 31, 2025, and the statements of revenues and expenditures, changes in 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 effects of the matters 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 Society as at March 31, 2025, 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

Note 2 describes the accounting policy with respect to the Society's acquisition of property, plant, and equipment. This is not in accordance with Canadian accounting standards for not-for-profit organizations, which would require the capitalization and amortization of the assets over their expected useful lives.

As a result of this departure, the prior year property, plant and equipment is understated by $27,377. In 2025, the Society has expensed $26,191 in capital purchases, and has not claimed an annual amortization expense of $9,332, resulting in an understatement of net income for the period of $16,859. Closing property, plant, and equipment and net assets invested in capital assets are understated by $44,236.

Accounting standards for not-for-profit organizations also require that goods and services pre-purchased for use in a subsequent period should be recorded as a prepaid asset to be recognized as an expense when the good or service is utilized. The Society has expensed $11,728 of prepaid expenses in 2024 and $13,408 of prepaid expenses in 2025, resulting in an understatement of net income for the period of $1,680. Closing operating net assets are understated by $13,408.

Our audit opinion on the financial statements for the year ended March 31, 2025 was modified because of the effects of these departure from Canadian accounting standards for not-for-profit organizations.

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 Society 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 the 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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.

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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.

The engagement partner on the audit resulting in this independent auditor's report is Tina Viney, CPA, CA.

Friesen Viney Stasiuk

Westlock, Alberta
June 16, 2025

FRIESEN VINEY STASIUK
CHARTERED PROFESSIONAL ACCOUNTANTS

HEALTHY FAMILIES HEALTHY FUTURES SOCIETY

Statement of Financial Position

March 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	$ **427,955**	$ 269,310
Cash restricted for specific projects *(Note 4)*	**46,535**	27,287
Term deposits	**551,134**	703,554
Funds held in trust *(Note 5)*	**59,156**	59,202
Restricted reserve term deposit *(Note 6)*	**15,180**	14,725
Accounts receivable	**4,441**	374
Goods and services tax recoverable	**4,835**	4,496
Prepaid expenses	**6,642**	7,283
Security deposit	**1,100**	2,000
	$ **1,116,978**	$ 1,088,231
LIABILITIES AND NET ASSETS		
CURRENT		
Funds held in trust *(Note 5)*	$ **59,156**	$ 59,202
Accounts payable	**117,303**	205,906
Wages payable	**125,195**	96,660
Employee deductions payable	**3,305**	2,613
Deferred contributions *(Note 7)*	**274,957**	241,705
	579,916	606,086
RESTRICTED RESERVE FUND PAYABLE *(Note 6)*	**15,180**	14,725
	595,096	620,811
NET ASSETS		
Accumulated surplus	**521,882**	467,420
	$ **1,116,978**	$ 1,088,231

CONTINGENT LIABILITY *(Note 8)*

LEASE COMMITMENTS *(Note 9)*

ON BEHALF OF THE BOARD

_____________________________ *Director*

_____________________________ *Director*

HEALTHY FAMILIES HEALTHY FUTURES SOCIETY
Statement of Revenues and Expenditures
Year Ended March 31, 2025

	Budget (Unaudited) 2025	**2025**	2024
REVENUE			
Children's Services - Home Visitation Program funding	$ 700,400	$ **707,030**	$ 636,514
Willow Winds Support Network - FASD programming	490,635	**471,048**	392,249
Children's Services - Hub Operations funding	230,040	**230,040**	212,970
Health Canada funding	94,722	**96,556**	92,530
Children's Services - Westlock Family Connections Program funding	51,500	**51,500**	50,000
Alberta Elder Abuse Awareness Council Grant	25,682	**48,059**	47,604
Alberta Health Services	35,390	**37,037**	37,223
Interest revenue	-	**33,295**	41,330
Contract Accounting Fees	20,000	**20,000**	20,000
Other grants and membership revenue	5,200	**10,518**	25,840
Deferred contributions	10,257	**6,733**	1,284
Donations	-	**6,565**	4,674
Workshops, fundraising, training	1,500	**3,000**	-
Expense recoveries and miscellaneous	-	**2,338**	1,441
	1,665,326	**1,723,719**	1,563,659
STAFFING EXPENDITURES			
Total staffing	1,277,469	**1,267,538**	1,161,537
DIRECT CLIENT EXPENDITURES			
Travel and subsistence	177,098	**172,140**	183,724
Materials and supplies	12,491	**33,783**	10,051
Telephone and communications	23,147	**30,086**	18,979
Evaluation and monitoring	14,941	**14,602**	11,178
Staff training	12,727	**12,713**	9,576
Program awareness	6,199	**10,960**	5,937
Nutritional supplements	9,400	**10,652**	16,340
Education and workshop	2,800	**1,410**	948
	258,803	**286,346**	256,733

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HEALTHY FAMILIES HEALTHY FUTURES SOCIETY
Statement of Revenues and Expenditures *(continued)*
Year Ended March 31, 2025

	Budget (Unaudited) 2025	**2025**	2024
FACILITY EXPENDITURES			
Rental of space	$ 56,725	**$ 51,071**	$ 47,884
Facility insurance	7,255	**9,226**	3,628
Building maintenance	2,040	**3,488**	385
	66,020	**63,785**	51,897
ADMINISTRATIVE EXPENDITURES			
Audit fees	10,377	**14,667**	10,348
Purchase/rental of office equipment	10,176	**11,865**	20,768
Office materials, supplies and postage	6,093	**6,553**	6,425
IT Support	5,422	**3,618**	1,559
Association dues	2,900	**3,075**	2,643
Liability insurance	2,275	**2,752**	2,684
Staff recruitment	750	**2,242**	-
Annual General Meeting	2,125	**2,140**	2,482
Telephone and communications	2,948	**1,593**	2,475
Bank charges	1,550	**1,572**	1,471
Board expenses	1,225	**1,087**	686
Equipment repairs and maintenance	845	**422**	74
	46,686	**51,586**	51,615
TOTAL EXPENDITURES	1,427,262	**1,669,256**	1,521,782
TOTAL EXCESS OF INCOME OVER EXPENDITURES	$ 16,348	**$ 54,462**	$ 41,877

HEALTHY FAMILIES HEALTHY FUTURES SOCIETY

Statement of Changes in Net Assets

Year Ended March 31, 2025

		2025		2024
NET ASSETS - BEGINNING OF YEAR	**$**	**467,420**	$	425,543
Excess of revenue over expenditures		**54,462**		41,877
NET ASSETS - END OF YEAR	**$**	**521,882**	$	467,420

HEALTHY FAMILIES HEALTHY FUTURES SOCIETY
Statement of Cash Flows
Year Ended March 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenditures	$ 54,462	$ 41,877
Changes in non-cash working capital:		
Funds held in trust	(46)	2,239
Accounts receivable	(4,067)	(240)
Goods and services tax recoverable	(339)	(278)
Prepaid expenses	641	(7,283)
Security deposit	900	-
Accounts payable	(88,603)	76,558
Wages payable	28,535	(3,688)
Employee deductions payable	692	2,613
Deferred contributions	33,252	36,102
	(29,035)	106,023
Cash flow from operating activities	25,427	147,900
INVESTING ACTIVITY		
Restricted reserve fund payable	455	471
INCREASE IN CASH FLOW	25,882	148,371
CASH - BEGINNING OF YEAR	1,074,078	925,707
CASH - END OF YEAR	$ 1,099,960	$ 1,074,078
CASH CONSISTS OF:		
Cash	$ 427,955	$ 269,310
Cash restricted for specific projects	46,535	27,287
Term deposits	551,134	703,554
Funds held in trust	59,156	59,202
Restricted reserve term deposit	15,180	14,725
	$ 1,099,960	$ 1,074,078

1. DESCRIPTION OF ACTIVITIES

Healthy Families Healthy Futures Society is a registered charity which is exempt from income tax under Section 149(1)(f) of the Income Tax Act. The Society provides multiple programs to support individuals and families including:

Home Visitation
Offering in-home mentorship from a dedicated support person, starting as early as pregnancy and extending for the first six years of a child's life. Parents are equipped with the tools and skills they need to stimulate and nurture their child's development.
This program is provided in Athabasca, Calling Lake, Lac La Biche, Smoky Lake, Thorhild, Westlock, Lac Ste. Anne County, Mayerthorpe, Whitecourt, Woodlands County, Swan Hills, Fort Assiniboine, Barrhead, Alexis Nakota Sioux Nation, and surrounding areas.

FASD Mentorship
Mentorship for individuals who may be prenatally exposed to drugs and/or alcohol. Provides support to build and maintain a healthy lifestyle and build supportive networks.
This program is provided in Athabasca, Barrhead, Calling Lake, Lac Ste. Anne County, Swan Hills, Westlock, Whitecourt, Woodlands County, Alexis Nakota Sioux Nation, and surrounding areas.

Parent Child Assistance Program (PCAP)
Support to reduce or stop alcohol and/or drug use during pregnancy and to encourage healthy lives for women and their children.
This program is provided in Athabasca, Barrhead, Calling Lake, Lac Ste. Anne County, Swan Hills, Westlock, Whitecourt, Woodlands County, Alexis Nakota Sioux Nation, and surrounding areas.

Thrive Outreach
Supporting individuals impacted by abusive relationships to evaluate personal safety and create safety plans. Provides emotional support while encouraging the realization of individualized goals. Thrive Mentors also provide community education and awareness opportunities.
This program is available in Athabasca and Westlock.

Westlock Family Connections
Caregiver Education and programs focusing on child development, asset building, parenting, and strengthening family bonds. Offered in Westlock and Westlock County.

Elder Abuse
Provides one on one support and case management services for older adults and their families, supportive and appropriate referrals including mental health and addictions, and helps raise awareness of elder abuse. This program is available in Athabasca and Westlock.

Community Action for Healthy Relationships (CAHR)
A community collaboration project in Athabasca, Barrhead, and Westlock. It provides community awareness to address the issue of family violence.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies observed in the preparation of the financial statements are summarized below. These policies are in accordance with Canadian accounting standards for not-for-profit organizations unless otherwise noted.

Cash and short term investments

Cash and funds held in trust consist of cash and bank accounts.

Short-term guaranteed investment certificates purchased with a maturity of one year or less are classified as cash equivalents, and are reported on the statement of financial position as term deposits and term deposits held for specific projects.

Cash restricted for specific projects and term deposits restricted for specific projects are funds that the Society has received from various sources and are required to spend the monies for specific programming.

The restricted reserve term deposit is a guaranteed investment certificate with a maturity of less than one year. The Society must have approval from Child and Family Services before utilizing these funds.

Measurement uncertainty

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the Society may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as revenues and allowance for doubtful accounts.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Initial and subsequent measurement
The Society initially measures its financial assets and liabilities at fair value. Subsequent measurement of all financial assets and liabilities is at cost or amortized cost.

Financial assets measured at amortized cost on a straight-line basis include cash, cash restricted for specific projects, funds held in trust, term deposits, and the restricted reserve term deposit.

Financial liabilities measured at amortized cost on a straight-line basis include funds held in trust, accounts payable, and wages payable.

Transaction costs
Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the assets or liability and recognized in net income over the life of the instrument using the straight-line method.

Impairment
For financial assets measured at cost or amortized cost, the Society determines whether there are indications of possible impairment. When there is an indication of impairment, and the Society determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Inventory

Inventory is expensed when purchased. This is not in accordance with Canadian accounting standards for not-for-profit organizations whereby inventory valued at the lower of cost and net realizable value with the cost being determined on an average cost basis.

Property, plant and equipment

Property, plant and equipment costing less than $5,000 are expensed in the year of acquisition. Items costing more than $5,000 are capitalized but not amortized. This follows the accounting policy set out by the Alberta Ministry of Children's Services. This policy is not in agreement with Canadian accounting standards for not-for-profit organizations whereby property, plant, and equipment purchased would be capitalized and amortized over their estimated useful life.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Healthy Families Healthy Futures Society follows the deferral method of accounting for contributions.

Restricted contributions including government grants are recognized as revenue in the year in which the related expenses are incurred and there is a reasonable assurance that the Society has complied with and will continue to comply with all the necessary conditions to obtain the grants.

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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Seminar fees are recognized as revenue when the seminars are held.

Cloud Computing Arrangements

On January 1, 2024 the Society adopted the new AcG-20, Customer's Accounting for Cloud Computing arrangements, which provides indications on the accounting treatment for expenses related to a customer's cloud computing arrangement and whether there is a software intangible asset in the arrangement. On inception of a cloud computing arrangement, the Society has elected to recognize the expenses related to such arrangements under the simplification measure. These expenses are treated as a supply of services and recognized as the Society receives the services. Implementation costs were and continue to be expensed as incurred.

The total amount expensed for cloud computing arrangements in 2025 was $12,659 (2024-$10,054).

Contributed services

Volunteers including board members contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

3. FINANCIAL INSTRUMENTS

The Society 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 provides information about the Society's risk exposure as of March 31, 2025.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its grantors.

4. CASH RESTRICTED FOR SPECIFIC PROJECTS

Cash restricted for specific projects relates to funds raised from a casino and a raffle that are externally restricted as to its use.

5. FUNDS HELD IN TRUST

Healthy Families Healthy Futures Society holds funds in trust for the following organization.

Prevention of Relationship Abuse Action Committee	$	59,156	$	59,202

6. RESTRICTED RESERVE FUND PAYABLE

The financial statements of the Society are reviewed annually by the Alberta Corporate Service Centre. On the completion of the statement analysis the actual surplus and amount that can be retained is determined. Since there is a delay between the end of the funding period and the determination of the annual surplus, the determined surplus transfer relates to the prior year's activity. Funds from the reserve may be applied for purposes approved by North Central Alberta Child & Family Services.

7. DEFERRED CONTRIBUTIONS

		2025		2024
Home Visitation unspent contract dollars from prior years	$	**77,327**	$	5,884
Casino funds		**46,535**		27,287
Thrive Program donations and fundraising		**40,322**		40,322
Alberta Elder Abuse Awareness Council grant funding		**31,434**		39,035
Prevention of Relationship Abuse Action Committee (Thrive Program) donations		**30,000**		30,000
Westlock Family Connections donations and fundraising		**19,267**		20,387
Home Visitation grants		**14,257**		16,604
Willow Winds Support Network grant funding (FASD programming)		**13,825**		60,554
FASD programming donations		**1,383**		1,383
Other deferred revenue		**607**		249
	$	**274,957**	$	241,705

8. CONTINGENT LIABILITY

The Society has a Visa card with a $25,000 limit.

9. LEASE COMMITMENTS

The Society has leased a premises in Westlock with a term ending March 2026. Base monthly lease payments are $2,454 plus GST for the duration of the lease. Within the agreement is an option to renew the lease for a one year term after the lease expires with a renegotiation of the monthly lease amount.

The Society has leased a premises in Whitecourt with a term ending July 31, 2025. Monthly lease payments are $600 plus GST.

The Society currently leases office space in Athabasca at a rate of $1,000 plus GST per month. The lease does not have a predetermined term, as it is a month to month lease.