

FRESH START SUPPORT SERVICES

Client Year End Audit Package

September 30, 2025





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FRESH START SUPPORT SERVICES

Financial Statements

September 30, 2025

FRESH START SUPPORT SERVICES

Financial Statements

For The Year Ended September 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Members of **Fresh Start Support Services**:

Qualified Opinion

We have audited the financial statements of **Fresh Start Support Services**, which comprise the statement of financial position as at September 30, 2025, and the statement of operations, statement of changes in net assets and statement of 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 paragraph, the organization's financial statements present fairly, in all material respects, the financial position of the organization as at September 30, 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

In common with many charitable organizations, the organization derives revenue from donations, the completeness of which is not susceptible of 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 donation and fundraising revenues, revenues over expenditures, and cash flows for the year ending September 30, 2025 and year ending September 30, 2024, current assets as at September 30, 2025 and September 30, 2024 and net assets as at October 1, 2024 and September 30, 2025 for the 2025 year ended, as well as October 1, 2023 and September 30, 2024 for the 2024 year ended. Our audit opinion on the financial statements for the year ended September 30, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 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.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 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.

St. Thomas, Ontario

January 5, 2026

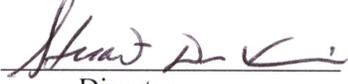
Graham Scott Enns LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants

FRESH START SUPPORT SERVICES

**Statement of Financial Position
As At September 30, 2025**

	2025	2024
	<u>\$</u>	<u>\$</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	92,110	110,797
Short-term investment (Note 2)	-	355,987
Accounts receivable	5,346	9,927
HST recoverable	113,663	6,595
Interfund receivable	315,839	-
Prepaid expenses	<u>3,930</u>	<u>23,869</u>
	<u>530,888</u>	<u>507,175</u>
RESTRICTED ASSETS (LIABILITIES)		
Cash (Note 3)	939,995	30,000
Short-term investments (Note 2)	284,037	572,773
Interfund payable	<u>(315,839)</u>	<u>-</u>
	908,193	602,773
TANGIBLE CAPITAL ASSETS (NOTE 4)	<u>1,923,568</u>	<u>393,529</u>
TOTAL ASSETS	<u>3,362,649</u>	<u>1,503,477</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	719,378	22,557
Government remittances payable	5,510	5,068
Deferred revenue and deposits (Note 6)	<u>3,926</u>	<u>7,900</u>
	728,814	35,525
DEFERRED CAPITAL CONTRIBUTIONS (NOTE 7)	985,590	738,344
FORGIVABLE LOAN (NOTE 9)	900,000	-
LONG-TERM DEBT (NOTE 8)	<u>-</u>	<u>17,245</u>
TOTAL LIABILITIES	<u>2,614,404</u>	<u>791,114</u>
<u>NET ASSETS</u>		
OPERATING FUND	494,124	471,650
CAPITAL FUND	<u>254,121</u>	<u>240,713</u>
	<u>748,245</u>	<u>712,363</u>
TOTAL LIABILITIES AND NET ASSETS	<u>3,362,649</u>	<u>1,503,477</u>
On behalf of the Board:	 Director	 Director

See accompanying notes to the financial statements.

FRESH START SUPPORT SERVICES

Statement of Changes in Net Assets For The Year Ended September 30, 2025

	2025		
	Operating Fund \$	Capital Fund \$	Total \$
BALANCE, BEGINNING OF YEAR	471,650	240,713	712,363
Surplus for the year	<u>22,474</u>	<u>13,408</u>	<u>35,882</u>
BALANCE, END OF YEAR	<u>494,124</u>	<u>254,121</u>	<u>748,245</u>
	2024		
	Operating Fund \$	Capital Fund \$	Total \$
BALANCE, BEGINNING OF YEAR	370,562	218,954	589,516
Surplus for the year	109,829	13,018	122,847
INTERFUND TRANSFERS			
Internal restriction (Note 11)	<u>(8,741)</u>	<u>8,741</u>	<u>-</u>
BALANCE, END OF YEAR	<u>471,650</u>	<u>240,713</u>	<u>712,363</u>

See accompanying notes to the financial statements.

FRESH START SUPPORT SERVICES

Statement of Operations For The Year Ended September 30, 2025

	Operating	Capital	2025	2024
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
REVENUES				
Donations - general	236,733	-	236,733	298,490
Fundraising and banquet	103,415	-	103,415	32,212
Grants	65,317	-	65,317	177,641
Rent	41	-	41	-
Sundry income	<u>10,164</u>	<u>16,346</u>	<u>26,510</u>	<u>27,839</u>
	<u>415,670</u>	<u>16,346</u>	<u>432,016</u>	<u>536,182</u>
EXPENSES				
Amortization	-	2,938	2,938	3,175
Association fees and memberships	1,719	-	1,719	2,236
Bank charges and interest	1,064	-	1,064	874
Communications	10,416	-	10,416	8,396
Fundraising and banquet	9,117	-	9,117	10,987
Household expenses	2,050	-	2,050	2,253
Miscellaneous	1,735	-	1,735	2,271
Municipal taxes	1,033	-	1,033	(2,180)
Office supplies, postage and miscellaneous	2,450	-	2,450	2,486
Professional services	41,003	-	41,003	21,208
Program costs	11,102	-	11,102	15,491
Property insurance	5,572	-	5,572	5,419
Publicity and promotion	3,027	-	3,027	5,271
Rent (Note 10)	35,331	-	35,331	33,625
Repairs and maintenance- equipment	286	-	286	667
Repairs and maintenance- property	387	-	387	2,313
Staff training	1,220	-	1,220	1,905
Travel	137	-	137	824
Wages and benefits	<u>265,547</u>	<u>-</u>	<u>265,547</u>	<u>296,114</u>
	<u>393,196</u>	<u>2,938</u>	<u>396,134</u>	<u>413,335</u>
SURPLUS FOR THE YEAR	<u><u>22,474</u></u>	<u><u>13,408</u></u>	<u><u>35,882</u></u>	<u><u>122,847</u></u>

See accompanying notes to the financial statements.

FRESH START SUPPORT SERVICES

Statement of Cash Flows For The Year Ended September 30, 2025

	2025	2024
	<u>\$</u>	<u>\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	35,882	122,847
Adjustments for non-cash items:		
Amortization of tangible capital assets	<u>2,938</u>	<u>3,175</u>
	<u>38,820</u>	<u>126,022</u>
Changes in non-cash working capital items:		
Accounts receivable and HST recoverable	(102,487)	36,392
Prepaid expenses	19,939	(4,698)
Accounts payable and accrued liabilities	696,821	973
Government remittances payable	442	(739)
Deferred revenue and deposits	(3,974)	5,686
Deferred capital contributions	<u>247,246</u>	<u>376,041</u>
	<u>857,987</u>	<u>413,655</u>
	<u>896,807</u>	<u>539,677</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of tangible capital assets	(1,532,977)	(140,450)
Purchase of short-term investments	(1,284,037)	(928,760)
Proceeds on disposal of short-term investments	<u>1,928,760</u>	<u>520,882</u>
	<u>(888,254)</u>	<u>(548,328)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances of long-term debt	900,000	17,245
Repayments of long-term debt	<u>(17,245)</u>	<u>(30,000)</u>
	<u>882,755</u>	<u>(12,755)</u>
NET CHANGE IN CASH	891,308	(21,406)
CASH, BEGINNING OF YEAR	<u>140,797</u>	<u>162,203</u>
CASH, END OF YEAR	<u>1,032,105</u>	<u>140,797</u>
CASH IS COMPRISED OF:		
Cash	92,110	110,797
Restricted cash	<u>939,995</u>	<u>30,000</u>
	<u>1,032,105</u>	<u>140,797</u>

See accompanying notes to the financial statements.

FRESH START SUPPORT SERVICES

Notes to the Financial Statements For The Year Ended September 30, 2025

NATURE OF THE ORGANIZATION

Fresh Start Support Services (the "organization") provides a safe environment and support to pregnant and parenting women facing challenges related to parenting and life skills. The organization is a registered charity and as such is exempt from tax under paragraph 149(1)(f) of the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Accounting Estimates

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. There were significant accounting estimates used in these financial statements. These significant accounting estimates include the following items:

- Useful lives of tangible assets
- Asset impairments
- Revenues

Tangible Capital Assets

Land is recorded at the original cost and is not amortized.

All other tangible capital assets are recorded at cost. When an asset is sold or otherwise disposed of, the original cost and related accumulated amortization are removed from the accounts, and the gain or loss is recognized in the statement of operations.

Amortization is calculated using the straight-line method at the following annual rates:

Building	25 years
Renovations	years remaining on the corresponding building
Furniture and equipment	5 years
Computers	3 years

One-half the annual rate of amortization is taken in the year of acquisition.

FRESH START SUPPORT SERVICES

Notes to the Financial Statements For The Year Ended September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. The organization uses two fund groups: Operating Fund, and Capital Fund.

The Operating Fund accounts for the organization's administrative and operational revenues and expenses related to program delivery.

The Capital Fund reports amounts available for tangible capital asset expenditures.

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. Receipts which are designated for a specific purpose (such as government grants and donations designated for a specific purpose) are reflected as deferred revenue on the statement of financial position until expended as designated, whereupon the funds are reflected as revenue. Contributions that are restricted for the purchase of tangible capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets.

Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Rent revenues are recognized monthly as earned.

Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and investments which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, line of credit, and long-term debt.

Financial assets measured at fair value include cash and short-term investments.

FRESH START SUPPORT SERVICES

Notes to the Financial Statements For The Year Ended September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 the statement of operations.

Contributed Services

Volunteers contribute an indeterminable number of hours per year. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

2. SHORT-TERM INVESTMENTS

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Unrestricted Investments - short-term	-	-	355,987	355,987
Restricted Investments - short-term	<u>284,037</u>	<u>284,037</u>	<u>572,773</u>	<u>572,773</u>
	<u>284,037</u>	<u>284,037</u>	<u>928,760</u>	<u>928,760</u>
Comprised of:				
Guaranteed Investment Certificates	<u>284,037</u>	<u>284,037</u>	<u>928,760</u>	<u>928,760</u>

Guaranteed investment certificates earn interest that ranges from 2.75% and 3.60% (2023 - 3.25% and 5.15%) and mature starting October 2025 to December 2025.

3. RESTRICTED CASH AND INVESTMENT

Restricted cash and investment funds are set aside for expenditures related to the House of Homes construction.