FIREFLY

FIREFLY - PHYSICAL, EMOTIONAL, DEVELOPMENTAL AND COMMUNITY SERVICES

Financial Statements

For the Year Ended March 31, 2025

FIREFLY - PHYSICAL, EMOTIONAL, DEVELOPMENTAL AND COMMUNITY SERVICES

Financial Statements

For the year ended March 31, 2025

Contents

To the Board of Directors of FIREFLY - Physical, Emotional, Developmental and Community Services:

We have audited the financial statements of FIREFLY - Physical, Emotional, Developmental and Community Services (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, 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 and possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements of the Organization as at and for the year ended March 31, 2025, are prepared in all material respects in accordance with the basis of accounting described in Note 1 to the financial statements.

Basis for Qualified Opinion

The summary of significant accounting policies describes the Organization's policy with respect to the recording of capital assets. The note indicates that the Organization is charging to operations the cost of capital asset additions and is not recording the assets and amortizing them. In addition, restricted contributions related to capital assets are being recorded as revenue in the statement of operations in the year received, instead of being amortized to revenue over the estimated useful lives of the related capital assets. Under Canadian accounting standards for not-for-profit organizations, capital assets should be amortized over their useful lives and, under the deferral method, restricted contributions relating to the capital assets, should be amortized to revenue on the same basis as the underlying asset. If capital assets and deferred contributions had been recorded, capital assets and deferred contributions would have increased by the original cost of the assets less the accumulated amortization to date. This caused us to modify our audit opinion on the comparative statements. Management has not maintained a capital asset ledger with the cost and acquisition date of these assets nor tracked how these assets were funded. Consequently, we were unable to quantify the effects of this departure on what the net book value of the capital assets and deferred capital contributions should be at March 31, 2025 and 2024, grant revenue, amortization expense and excess of revenue over expense for the year then ended, and net assets as at April 1 and March 31 for both the 2025 and 2024 years.

In common with many not-for-profit organizations, the Organization derives revenue from donation and fundraising activities 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets at April 1 and March 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of these limitations in scope.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statements which describes the basis of accounting used in the preparation of these financial statements and the significant differences between such basis of accounting and Canadian accounting standards for not-for-profit organizations. Our opinion is modified in respect of this matter.

Other Matter

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 17-22 of the Organization's financial statements.

The financial statement for the year ended March 31, 2024 were audited by another auditor who expressed a modified opinion on those statements on June 13, 2024 for the reasons described in the Basis for Qualified opinion paragraph.

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

Management is responsible for the preparation of the financial statements in accordance with the basis of accounting described in Note 1 to the financial statements, 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.

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.

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- 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.

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.

MNP LLP

Kenora, Ontario

June 18, 2025

Chartered Professional Accountants

Licensed Public Accountants

FIREFLY - PHYSICAL, EMOTIONAL, DEVELOPMENTAL AND COMMUNITY SERVICES
Statement of Financial Position

	March 31 2025	March 31 2024
Assets		
Current		
Cash and Bank	**2,273,555**	1,679,226
Accounts Receivable (Note 2)	**925,379**	818,916
Investments (Note 3)	**1,689,023**	2,115,732
Prepaid Expenses	**88,172**	12,991
	4,976,129	4,626,865
Liabilities and Net Assets		
Current		
Accounts Payable (Note 4)	**1,310,112**	1,479,631
Deferred Revenue (Note 5)	**100,061**	104,468
Surplus Repayable (Note 6)	**523,431**	431,060
	1,933,604	2,015,159
Net Assets		
Externally Restricted (Note 7)	**310,218**	289,500
Unrestricted	**2,732,307**	2,322,206
	3,042,525	2,611,706
	4,976,129	4,626,865

On Behalf of the Board:

Kim Vales _______________ Director

Debbie Larson _______________ Director

The accompanying notes are an integral part of these financial statements.

FIREFLY - PHYSICAL, EMOTIONAL, DEVELOPMENTAL AND COMMUNITY SERVICES
Statement of Operations

For the year ended March 31	2025		2024
	Budget (unaudited)	**Actual**	Actual
Revenue			
Provincial Ministries	**13,843,567**	**13,697,533**	13,686,446
Federal Ministries	**191,766**	**191,766**	108,770
Other	**4,762,621**	**5,231,656**	5,881,232
	18,797,954	**19,120,955**	19,676,448
Expenses			
Salaries and Wages	**11,129,498**	**10,666,084**	10,521,924
Employee Benefits	**2,995,711**	**2,646,386**	2,594,710
Other Services - Bank Fees, Memberships	**3,120**	**4,429**	5,450
Staff Travel	**226,268**	**250,576**	251,164
Staff Training	**166,357**	**191,179**	250,186
Building Occupancy	**786,426**	**791,851**	1,283,243
Professional Services - Non Client	**318,241**	**300,967**	250,225
Professional Services - Client	**2,422,990**	**2,413,671**	2,929,760
Advertising and Promotion	**9,462**	**20,672**	14,827
Communication	**242,304**	**269,343**	246,134
Other Supplies and Equipment	**324,060**	**665,732**	593,842
I.T. - Supplies and Equipment	**211,905**	**200,671**	187,778
Insurance and Bad Debt	**83,491**	**76,144**	80,303
	18,919,833	**18,497,705**	19,209,546
Revenue over Expenses (Expenses over Revenue) before Undernoted Items	**(121,879)**	**623,250**	466,902
Deferred Revenue	**-**	**(100,061)**	(104,468)
Surplus Repayable	**-**	**(92,370)**	(96,084)
Revenue over Expenses (Expenses over Revenue) for the year	**(121,879)**	**430,819**	266,350

The accompanying notes are an integral part of these financial statements.

FIREFLY - PHYSICAL, EMOTIONAL, DEVELOPMENTAL AND COMMUNITY SERVICES

Statement of Changes in Net Assets

For the year ended March 31			**2025**	2024
	Unrestricted	**Externally Restricted (Note 7)**	**Total**	Total
Balance, beginning of year	2,322,206	289,500	**2,611,706**	2,345,356
Excess of Revenue over Expenses for the year	410,101	20,718	**430,819**	266,350
Net assets, end of year	2,732,307	310,218	**3,042,525**	2,611,706

The accompanying notes are an integral part of these financial statements.

FIREFLY - PHYSICAL, EMOTIONAL, DEVELOPMENTAL AND COMMUNITY SERVICES

Statement of Cash Flows

For the year ended March 31	**2025**	2024
Cash provided by (used in)		
Excess of Revenue over Expenses for the year	**430,819**	266,350
Adjustments to reconcile excess of revenue over expenses to net cash provided by (used in) operating activities:		
Accounts receivable	**(106,463)**	820,622
Prepaid expenses	**(75,181)**	59,143
Accounts payable	**(169,519)**	189,408
Surplus repayable	**92,371**	95,992
Deferred revenue	**(4,407)**	(574,722)
Net change in cash and bank	**167,620**	856,793
Investing Activities		
Decrease (increase) in investments	**426,709**	(208,800)
Net change in cash and bank	**594,329**	647,993
Cash and bank, beginning of year	**1,679,226**	1,031,233
Cash and bank, end of year	**2,273,555**	1,679,226

The accompanying notes are an integral part of these financial statements.

1 Nature of Operations and Summary of Significant Accounting Policies

a. Nature and Purpose of the Organization

The organization is incorporated under the laws of the Province of Ontario without share capital and is engaged in the provision of health care and related services to children.

The organization is exempt from income tax under the Income Tax Act and is a registered charity.

b. Basis of Accounting

The assets, liabilities, revenues, and expenditures of the Organization are accounted for using Canadian accounting standards for not-for-profit organizations as the underlying basis of accounting. In accordance with the financial reporting directives prescribed by the Ministry of Health and Long Term Care (MOHLTC) and Ministry of Children, Community and Social Services (MCCSS), the Organization follows Canadian accounting standards for not-for-profit organizations except as follows:

i) Modified Accrual Basis

These financial statements have been prepared using the modified accrual basis of accounting. The modified accrual basis recognizes revenues as they become available and measurable within the 30 day period subsequent to year end; expenditures are recognized as they are incurred and measurable as a result of receipt of goods and services and create a legal obligation to pay within a 30 day period subsequent to year end.

ii) Vacation, Overtime, Sick and Statutory Holiday Pay

Vacation, overtime, sick and statutory holiday pay is not accrued and no liability is recognized in the statement of financial position. Vacation, statutory and overtime pay is charged to operations in the year in which the payment is made. Sick leave credits granted to employees are expensed only when employees are granted sick leave.

c. Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

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.

Fee for service revenues are recorded on an accrual basis when services are provided and collectability is reasonably assured. Donations and fundraising are recorded upon receipt.

Expenditure recoveries are recorded when eligibility criteria have been met.

Deferred Revenue

The organization has entered into funding agreements where the services to be performed extends beyond year end. For these agreements, the organization records an obligation and recognizes revenue over the period of the agreement as the services are rendered.

1 Nature of Operations and Summary of Significant Accounting Policies (continued)

d. Capital Assets Acquisitions

Capital assets are being charged against operations as expenses in the year of purchase rather than being capitalized on the statement of financial position and amortized over their useful lives. Accordingly, no amortization is recorded for these assets.

e. Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives, if any, are reported at fair value, with any unrealized gains and losses reported in net assets. In addition, all guaranteed investment certificates have been designed to be fair value category, with gains and losses reported in net assets. Changes in fair value of financial instruments related to the reserve funds are recorded directly in the reserve funds. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

f. Allocation of Expenses

The Agency provides health and related services to children in Northwestern Ontario. The direct costs of each program include the salaries, employee benefits, rent (for some programs) and other program expenses that are directly attributable to the programs. The Agency also incurs occupancy costs at its shared facilities in Kenora and Red Lake, professional services costs and office administration costs that are common to the administration of the organization and each of its programs.

The Agency allocates these shared costs to its programs as follows:
- Occupancy Costs: On the basis of space occupied by each program.
- Professional Services Costs: On the basis of the number of staff members per program.
- Office Administration Costs: On the basis of the number of staff members per program.

In addition to these allocations, administrative support costs related to the MOHTLC/MCCSS programs are allocated to Ministry programs on the basis of approved Ministry budgets.

g. Employee Future Benefits

The organization participates in Healthcare of Ontario Pension Plan (HOOPP), a multi-employer defined benefit pension plan, however, sufficient information is not available to use defined benefit accounting. Therefore, the organization accounts for the plan as if it were a defined contribution plan, recognizing contributions as an expense in the year to which they relate.

1 Nature of Operations and Summary of Significant Accounting Policies (continued)

h. Use of Estimates

The preparation of financial statements in accordance with the financial reporting directives provided by the MOHLTC/MCCSS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2 Accounts Receivable

	2025	2024
Canadian Mental Health Association	15,000	-
Child and Community Resources	53,758	79,056
Core Clinical Service Autism	2,870	2,762
Goods and Services Tax & Harmonized Sales Tax Rebates	90,143	123,909
Harmony Centre for Community Living	122,917	-
Indigenous Services Canada / Health Canada	34,711	34,879
Kenora Association for Community Living	-	24,989
Kenora Chiefs Advisory	363,753	327,896
Kenora District Services Board	10,004	10,000
Keewatin-Patricia District School Board	-	2,121
Lake of the Woods District Hospital	-	5,000
Ministry of Children, Community and Social Services	1,828	-
Ministry of Education	37,500	37,500
Ministry of Health and Long Term Care	10,000	-
Miscellaneous Receivables	25,325	36,592
Northwestern Health Unit	-	6,587
Northern Ontario School of Medicine	-	345
NorWest Community Health Centre	19,167	9,583
Ontario Public Service Employees Union	2,800	7,369
Sioux Lookout First Nation Health Authority	65,863	68,890
St. Joseph's Care Group	69,740	-
York Hills Centre for Children, Youth and Families	-	43,508
Allowance for Doubtful Accounts	-	(2,070)
	$ 925,379	$ 818,916

March 31, 2025

3 Investments

		2025		2024
Investments are comprised of the following:				
Guaranteed investment certificate, interest at 5.3%, matured Nov 2024	**$**	**-**	$	500,000
Guaranteed investment certificate, interest at 5.27%, matured Dec 2024		**-**		500,000
Guaranteed investment certificate, variable interest, matured Feb 2025		**-**		1,115,732
Guaranteed investment certificate, variable interest, maturing Aug 2025		**150,000**		-
Guaranteed investment certificate, interest at 3.4%, maturing Nov 2025		**519,603**		-
Guaranteed investment certificate, interest at 3.36%, maturing Dec 2025		**519,420**		-
Guaranteed investment certificate, interest at 2.91%, maturing Feb 2026		**500,000**		-
	$	**1,689,023**	$	2,115,732

4 Accounts Payable

		2025		2024
Trade accounts payable	**$**	**656,137**	$	895,653
Accrued liabilities		**28,065**		24,916
Payroll liabilities		**384,254**		341,067
Employee expense		**20,375**		13,536
Miscellaneous payables		**137,253**		97,758
VISA payable		**84,028**		106,701
	$	**1,310,112**	$	1,479,631

There are $13,686 (2024 - $12,077) in government remittances included in accounts payable.

5 Deferred Revenue

		2025		2024
Kenora District Services Board - Early ON Centres	$	1,277	$	4,763
Keewatin Patricia District School Board - SPARK		11,264		7,951
Private Contracts		87,520		91,754
	$	100,061	$	104,468

The Early ON Centres are under the Kenora District Services Board and have a fiscal year end of December 31. The SPARK program follows the school calendar year with a fiscal year end of August 31. At March 31, the balance of funds for these programs are in deferred revenue as the programs have not been completed for the relevant funding year.

6 Surplus Repayable

		2025		2024
Ministry of Children, Community and Social Services				
- Complex Special Needs	$	401,510	$	309,139
- Urgent Response		57,514		57,514
Kenora District Services Board - Wage Enhancement		53,400		53,400
Supervisor Network Capacity		10,757		10,757
Ministry of Health and Long Term Care - Training		250		250
	$	523,431	$	431,060

March 31, 2025

7 Externally Restricted Net Assets

	Opening Balance	Net Transfer (to) / from Operations	Closing Balance
Circus Kids Program	$ 4,118	$ -	**$ 4,118**
Making Connections for Children and Youth	44,675	17,987	**62,662**
Minto Kitchen Funds	36,006	2,344	**38,350**
Minto Endowment Fund	4,928	(2,756)	**2,172**
Roots of Empathy Program Funding	22,286	(3,059)	**19,227**
Triple P.L.A.Y. Children's and Administration	176,488	(1,371)	**175,117**
Triple P.L.A.Y. Gary Alcock Memorial	999	(118)	**881**
Triple P.L.A.Y. Events	-	7,691	**7,691**
	$ 289,500	$ 20,718	**$ 310,218**

8 Commitment

a) The Organization is committed to office rent and program space in the amount of $27,785 monthly for various locations in Kenora, Dryden, Sioux Lookout, Atikokan, Fort Frances, Red Lake and Ear Falls.

The Organization's largest rental agreement is with Kenora-Rainy River Districts Child and Family Services. Under the terms of the lease, the Organization is responsible for its own occupancy costs based on the percentage of space occupied within the Kenora and Red Lake facilities.

The Organization also leases various office equipment in the amount of $323 monthly.

b) Vacation, Overtime, Sick and Statutory Holiday Pay
As of March 31, 2025, unrecorded vacation, overtime, sick and statutory holiday pay amounted to $368,275 (2024 - $354,989).

9 Economic Dependence

FIREFLY received approximately 69% (2024-70%) of its funding from the Ministry of Health and Long Term Care, and the Ministry of Children, Community and Social Services. Should this funding be discontinued, the Organization would have to find alternate sources of funding or discontinue its operations.

10 Financial Instrument Risk

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. Fixed-interest instruments subject the organization to a fair value risk while floating rate instruments subject it to a cash flow risk. The Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its investments.

The Organization manages its investments based on its cash flow needs and with a view to optimizing its investment income.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Organization is exposed to credit risk arising from its accounts and contributions receivable. The majority of the Organization's receivables are from government sources and the organization works to ensure they meet all eligibility criteria in order to qualify to receive the funding.

The Organization is also exposed to credit risk arising from all of its cash and investments being held at one financial institution and deposits are only insured up to $100,000.

Liquidity Risk

Liquidity risk is the risk that the Organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operations liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable, surpluses repayable, commitments and contingent liabilities.

There have been no significant changes in nature of these risks from the previous year.

11 Pension Plan

The Organization makes contributions to Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer plan, on behalf of members of its staff. The plan specifies the amount of the retirement benefit plan to be received by the employees based on length of services and rates of pay. However, the plan is accounted for as a defined contribution plan as insufficient information is available to account for the plan as a defined benefit plan. The Organization is only one of a number of employers that participates in the plan and the financial information provided to the Organization on the basis of the contractual agreements is usually insufficient to reliably measure the Organization's proportionate share in the plans assets and liabilities on defined benefit accounting requirements. At December 31, 2024, the plan had a surplus of $10.438 million.

The amount contributed for the plan for 2025 was $945,888 (2024 - $957,306). The contributions were made for current service and these have been recognized in excess of revenue over expenses for the year.

12 Allocation of Expenses

	Cost Allocation		
Program	**Rent/Lease & Building Occupancy**	**Professional Services (Non-Client)**	**Office Administration**
Ministry Funded Programs			
Administrative Support	2,519	38,630	(1,861,170)
Brief Services	18,268	7,242	43,427
Counselling/Therapy Services	76,536	30,343	181,945
Family/Caregiver Skills Building Support	14,536	5,762	34,556
Access Intake Service Planning	15,396	6,103	36,599
Service Coordination	55,349	21,943	131,579
Specialized Consultation & Assessment Services	12,421	4,924	29,527
Targeted Prevention	1,278	506	3,036
Telepsychiatry	456	96	1,104
Crisis Services	-	-	5,455
System Management - Lead Agency	7,560	1,644	27,309
Mental Health/ Specialized Programming	33,734	7,603	54,312
Reintegration/ Rehabilitation Services Community	6,144	1,332	16,427
Complex Special Needs	-	-	72,984
Respite Services	2,268	492	20,992
Coordinated Service Planning	26,069	6,151	46,272
Child Welfare Community & Prevention Supports	1,920	420	4,725

March 31, 2025

12 Allocation of Expenses (Continued)

	Cost Allocation		
Program	Rent/Lease & Building Occupancy	Professional Services (Non-Client)	Office Administration
Ministry Funded Programs			
Autism	78,441	34,615	252,714
Early Intervention	4,080	1,465	10,790
Children's DS Community Support Services	26,712	8,281	91,158
Children's Rehabilitation Services	71,820	46,196	194,484
Services for Children and Youth with Complex Needs	27,924	14,012	89,977
OAP Work Force Capacity	13,308	2,892	31,500
One Time FLS Website	277	500	-
Canada Prenatal Program	21,692	7,739	7,002
Child Care Supervisor Network Capacity	20,160	16,596	50,831
FASD Norwest Community Health Centres	2,628	576	12,075
Autism Services	2,236	10,255	31,794
Northwoods Contract	8,724	1,896	22,616
KPDSB - SPARK	14,616	3,180	39,899
KPDSB - SCHOOL	12,348	2,688	32,230
Kenora District Services Board Funded Programs			
Kenora Early ON Centres	55,096	4,500	52,816
Private Contracts and Other	157,335	12,385	231,035

13 Subsequent Events

Subsequent to the year end, the United States government announced new tariffs on imported goods. The Canadian government then announced retaliatory tariffs and other measures. This has caused significant economic uncertainty and the effects on the Organization are currently uncertain.