

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS**

MARCH 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and the members of the
Hearst, Kap., S-R-F. Counselling Services

Qualified Opinion

We have audited the accompanying financial statements of Hearst, Kap., S-R-F. Counselling Services, which comprise the statement of financial position as at March 31, 2019, and the consolidated statements of operations, continuity of internally restricted net assets and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2019 and the results of its financial performance for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibility 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 audit opinion.

Under Canadian accounting standards for not-for-profit organizations, the organization is required to capitalize its property and equipment and amortize it over its useful life. As described in note 2, property and equipment, except for financed vehicles, are charged to current operations in the year they are purchased. We have not determined the extent of adjustments which might be necessary to revenues and expenses, surplus for the year or net assets as a result of this departure from Canadian accounting standards for not-for-profit organizations.

Other information

The financial statements of Hearst, Kap., S-R-F. Counselling Services for the year ended March 31, 2018 were audited by Collins Barrow Gagné Gagnon Bisson Hébert, which became Baker Tilly HKC effective January 7, 2019.

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INDEPENDENT AUDITOR'S REPORT, (CONT'D)

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

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility 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 judgement 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;

INDEPENDENT AUDITOR'S REPORT, (CONT'D)

- 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.

Baker Tilly HKC

Chartered Professional Accountants
Licenced Public Accountants
June 27, 2019

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

FINANCIAL STATEMENTS

MARCH 31, 2019

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**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
REVENUES			
Grants	\$ 4,558,083	\$ 4,549,249	\$ 4,301,849
Interest, other income and recoveries	96,710	115,007	147,206
	<u>4,654,793</u>	<u>4,664,256</u>	<u>4,449,055</u>
EXPENSES			
Salaries, benefits and fees	3,530,803	3,493,544	3,260,831
Supplies and other expenses	1,123,990	1,109,044	1,073,337
	<u>4,654,793</u>	<u>4,602,588</u>	<u>4,334,168</u>
SURPLUS FOR THE YEAR	\$ -	\$ 61,668	\$ 114,887

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

COUNSELLING PROGRAM

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
EXPENSES			
SALARIES, BENEFITS AND FEES			
Salaries and employee benefits	\$ 2,143,517	\$ 2,144,645	\$ 2,021,554
Sessional fees	21,440	14,798	22,636
	<u>2,164,957</u>	<u>2,159,443</u>	<u>2,044,190</u>
SUPPLIES AND OTHER EXPENSES			
Other direct expenses	27,400	43,174	48,570
Janitorial services	13,600	11,215	10,021
Professional fees	12,500	24,128	26,210
Postage, stationery and office	35,266	53,951	54,446
Staff education	7,818	21,139	6,142
Telephone and communication	33,158	23,493	20,163
Travel - expenses	33,498	24,673	17,418
Equipment	149,913	117,498	86,283
	<u>313,153</u>	<u>319,271</u>	<u>269,253</u>
RENT AND BUILDING GROUNDS EXPENSES	<u>156,102</u>	<u>166,931</u>	<u>163,725</u>
TOTAL EXPENSES	<u>2,634,212</u>	<u>2,645,645</u>	<u>2,477,168</u>
INTEREST, OTHER INCOME AND RECOVERIES	<u>(70,210)</u>	<u>(87,475)</u>	<u>(116,696)</u>
NET OPERATING COST	<u>2,564,002</u>	<u>2,558,170</u>	<u>2,360,472</u>
APPROVED PROVINCIAL FUNDING			
Operating	2,565,002	2,565,002	2,423,028
Under serviced program	24,000	27,012	21,531
In year surplus recovery for sessional fees	(25,000)	(25,000)	-
	<u>2,564,002</u>	<u>2,567,014</u>	<u>2,444,559</u>
DUE TO NORTH EAST LOCAL HEALTH INTEGRATED NETWORK (note 4)	<u>\$ -</u>	<u>\$ 8,844</u>	<u>\$ 84,087</u>

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

OTHER PROGRAMS

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	CDSSAB Community Homelessness Prevention Initiative		ASIST	2019 Total	2018 Total
REVENUES					
Other funding	\$ 19,880	\$ 22,880	\$ 22,880	\$ 38,583	
EXPENSES					
Other direct expenses	19,880	22,080	22,880	38,583	
SURPLUS FOR THE YEAR	\$ -	\$ -	\$ -	\$ -	

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

PARTNER ASSAULT RESPONSE PROGRAM

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
REVENUES			
Ministry of the Attorney General	\$ 47,582	\$ 47,582	\$ 47,582
Client fees	2,500	520	1,540
	<u>50,082</u>	<u>48,102</u>	<u>49,122</u>
EXPENSES			
Insurance	525	525	525
Rent	2,820	2,820	2,820
Telephone and communication	1,277	1,277	1,277
Purchased services	630	630	630
Office expenses	1,031	2,060	2,001
Administration fees	7,567	7,567	7,627
Salaries and benefits	36,232	33,122	34,242
	<u>50,082</u>	<u>48,001</u>	<u>49,122</u>
DUE TO MINISTRY OF THE ATTORNEY GENERAL (note 6)	\$ -	\$ 101	\$ -

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

VICTIM CRISIS ASSISTANCE ONTARIO

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
REVENUES			
Ministry of the Attorney General	\$ 187,895	\$ 187,895	\$ 187,895
EXPENSES			
Public education	5,000	2,157	6,869
Insurance	685	685	685
Telephone and communication	8,405	8,675	6,864
Rent and utilities	12,840	13,164	13,041
Purchased services	7,930	7,561	8,454
Office expenses	13,990	14,520	10,984
Equipment	-	2,400	2,400
Membership fees	1,880	1,600	1,600
Staff expenses	4,063	4,091	3,748
Volunteer expenses	2,720	2,817	3,191
Personal needs	500	519	1,059
Salaries and benefits	129,882	129,680	124,566
	187,895	187,869	183,461
DUE TO MINISTRY OF THE ATTORNEY GENERAL (note 6)	\$ -	\$ 26	\$ 4,434

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

HUMAN TRAFFICKING

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
REVENUES			
Ministry of the Attorney General	\$ 23,000	\$ 23,000	\$ 18,000
EXPENSES			
Public education	6,000	6,048	4,000
Telephone and communication	1,506	657	602
Purchased services	369	369	338
Staff expenses	4,900	3,179	2,288
Volunteer expenses	4,000	-	2,987
Personal needs	1,035	676	120
Salaries and benefits	5,190	5,040	5,040
	23,000	15,969	15,375
DUE TO MINISTRY OF THE ATTORNEY GENERAL (note 6)	\$ -	\$ 7,031	\$ 2,625

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

FAMILY SUPPORT FOR COURT

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
REVENUES			
Ministry of the Attorney General	\$ 24,375	\$ 24,375	\$ 24,375
EXPENSES			
Insurance	313	313	338
Telephone and communication	600	600	650
Purchased services	500	500	542
Staff expenses	4,000	4,000	4,481
Office expenses	600	600	650
Rent	900	900	975
Office administration	2,216	2,216	2,401
Salaries and benefits	15,246	15,246	14,338
	24,375	24,375	24,375
SURPLUS FOR THE YEAR	\$ -	\$ -	\$ -

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

DIRECT RESPONSIBILITY

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
REVENUES			
Ministry of the Attorney General	\$ 60,000	\$ 60,000	\$ 60,000
EXPENSES			
Insurance	550	550	550
Telephone and communication	1,901	1,604	2,763
Purchased services	550	550	550
Travel expenses	12,200	13,180	12,020
Office expenses	782	30	500
Rent	3,600	3,600	3,120
Office administration	6,100	6,100	6,100
Salaries and benefits	34,317	32,491	28,921
	<u>60,000</u>	<u>58,105</u>	<u>54,524</u>
DUE TO MINISTRY OF THE ATTORNEY GENERAL (note 6)	\$ -	\$ 1,895	\$ 5,476

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

EMERGENCY SHELTER SERVICES - MCSS PROGRAM

STATEMENT OF ALLOCATED CENTRAL ADMINISTRATION

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
EXPENSES			
Insurance	\$ 1,921	\$ 2,959	\$ 3,172
Professional fees	8,250	10,035	16,474
Salaries and benefits	107,884	127,325	106,417
Training expenses	500	-	-
Office expenses	4,220	5,793	5,022
Telephone and communication	1,800	1,800	1,800
Other expenses	18,990	8,382	18,459
Rent and utilities	6,860	6,860	6,860
	<u>150,425</u>	<u>163,154</u>	<u>158,204</u>
PROGRAM ALLOCATIONS			
Emergency shelter services (page 10)	102,613	113,718	108,792
Counselling (page 11)	26,207	27,247	27,171
Child witness (page 12)	9,581	9,789	9,852
Transitional support (page 13)	12,024	12,400	12,389
	<u>\$ 150,425</u>	<u>\$ 163,154</u>	<u>\$ 158,204</u>

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

EMERGENCY SHELTER SERVICES - MCSS PROGRAM

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
REVENUES			
Ministry of Community and Social Services	\$ 993,880	\$ 993,880	\$ 942,319
EXPENSES			
Allocated central administration (page 9)	102,613	113,718	108,792
Food	33,437	33,945	32,090
Insurance	4,000	3,814	3,538
Equipment	9,414	11,232	18,327
Personal needs	164	808	48
Telephone and communication	13,600	14,287	16,104
Salaries and benefits	766,660	733,709	678,269
Office supplies	8,453	10,575	5,760
Travel expenses	13,765	12,976	15,858
Professional development	2,109	625	681
Advertising and promotion	2,000	5,333	1,801
Rent and utilities	37,665	47,523	34,065
	<u>993,880</u>	<u>988,545</u>	<u>915,333</u>
DUE TO MINISTRY OF COMMUNITY AND SOCIAL SERVICES (note 5)	\$ -	\$ 5,335	\$ 26,986

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

COUNSELLING - MCSS PROGRAM

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
REVENUES			
Ministry of Community and Social Services	\$ 210,158	\$ 210,158	\$ 199,620
EXPENSES			
Allocated central administration (page 9)	26,207	27,247	27,171
Rent and utilities	4,800	4,800	4,800
Salaries and benefits	159,789	148,104	156,723
Travel and training	10,962	9,617	15,696
Office expenses	3,600	2,534	2,654
Advertising and promotion	700	703	-
Clients needs	500	91	311
Telephone and communication	3,600	1,968	2,134
	<u>210,158</u>	<u>195,064</u>	<u>209,489</u>
DUE TO (FROM) MINISTRY OF COMMUNITY AND SOCIAL SERVICES (note 5)	\$ -	\$ 15,094	\$ (9,869)

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

CHILD WITNESS - MCSS PROGRAM

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
REVENUES			
Ministry of Community and Social Services	\$ 85,233	\$ 85,233	\$ 83,111
EXPENSES			
Allocated central administration (page 9)	9,581	9,789	9,852
Salaries and benefits	66,226	78,108	66,419
Travel and training	5,211	3,778	7,328
Office expenses	1,200	1,747	852
Rent and utilities	1,700	905	1,114
Client needs	230	131	215
Telephone and communication	885	25	874
Advertising and promotion	200	-	-
	<u>85,233</u>	<u>94,483</u>	<u>86,654</u>
DUE FROM MINISTRY OF COMMUNITY AND SOCIAL SERVICES (note 5)	\$ -	\$ (9,250)	\$ (3,543)

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

TRANSITIONAL SUPPORT - MCSS PROGRAM

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
REVENUES			
Ministry of Community and Social Services	\$ 121,116	\$ 121,116	\$ 113,358
EXPENSES			
Allocated central administration (page 9)	12,024	12,400	12,389
Rent and utilities	9,236	9,927	9,778
Salaries and benefits	88,472	105,826	90,669
Travel and training	3,951	1,939	5,109
Office expenses	2,793	913	1,495
Telephone and communication	2,840	1,957	1,727
Equipment	400	81	95
Advertising and promotion	1,400	703	-
	<u>121,116</u>	<u>133,746</u>	<u>121,262</u>
DUE FROM MINISTRY OF COMMUNITY AND SOCIAL SERVICES (note 5)	\$ -	\$ (12,630)	\$ (7,904)

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

**DOMESTIC VIOLENCE COMMUNITY COORDINATION COMMITTEE
- MCSS PROGRAM**

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
REVENUES			
MINISTRY OF COMMUNITY AND SOCIAL SERVICES			
Operating grant	\$ 27,883	\$ 27,883	\$ 27,883
One time funding	4,200	4,200	4,200
	<u>32,083</u>	<u>32,083</u>	<u>32,083</u>
EXPENSES			
Salaries and benefits	26,854	24,687	17,454
Travel	-	573	378
Office expenses	-	200	4,776
Rent and utilities	1,029	1,320	1,320
Client needs	-	125	-
Telephone and communication	-	600	690
Coordinating committee	4,200	4,200	4,200
	<u>32,083</u>	<u>31,705</u>	<u>28,818</u>
DUE TO MINISTRY OF COMMUNITY AND SOCIAL SERVICES (note 5)	<u>\$ -</u>	<u>\$ 378</u>	<u>\$ 3,265</u>

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

ONE TIME FUNDING - MCSS PROGRAM

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual	2018 Actual
REVENUES			
MINISTRY OF COMMUNITY AND SOCIAL SERVICES			
Client needs	\$ -	\$ -	\$ 4,000
WISH program - Kapuskasing	5,531	5,531	6,531
APP telephone	3,937	3,937	-
International Women's Day	11,000	11,000	11,000
Phone violence - Moosonee	-	-	6,500
Marketing - Kapuskasing	7,400	7,400	-
Local Partners Reorganization	-	-	53,976
Social Infrastructure Fund	40,925	40,925	47,975
Capacity Building	25,670	25,670	1,913
Emergency Services	27,238	27,238	-
Emergency Shelter - Moosonee	26,600	26,600	-
OTHER REVENUES	-	-	7,439
	<u>148,301</u>	<u>148,301</u>	<u>139,334</u>
EXPENSES			
Client needs	-	-	4,000
WISH program - Kapuskasing	5,531	5,164	6,780
APP telephone	3,937	3,991	-
International Women's Day	11,000	10,850	13,418
Phone violence - Moosonee	-	-	3,878
Marketing - Kapuskasing	7,400	7,123	-
Local Partners Reorganization	-	-	53,953
Social Infrastructure Fund	40,925	11,042	47,975
Capacity Building	25,670	12,029	-
Emergency Services	27,238	27,238	-
Emergency Shelter - Moosonee	26,600	26,020	-
	<u>148,301</u>	<u>103,457</u>	<u>130,004</u>
DUE TO MINISTRY OF COMMUNITY AND SOCIAL SERVICES (note 5)	\$ -	\$ 44,844	\$ 9,330

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

WELL BEING PROJECT - MINISTRY OF TOURISM, CULTURE AND SPORT

STATEMENT OF OPERATIONS

YEAR ENDING MARCH 31, 2019

	Budget (Unaudited)	2019 Actual
REVENUES		
Ministry of Tourism, Culture and Sport	\$ 62,378	\$ 53,544
EXPENSES		
Salaries and benefits	36,978	28,088
Activities and workshops	20,700	19,722
Equipment	1,500	2,186
Client needs	3,200	3,548
	<u>62,378</u>	<u>53,544</u>
SURPLUS FOR THE YEAR	\$ -	\$ -

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

OTHER ACTIVITIES - BOARD ACCOUNT

**STATEMENT OF REVENUES AND EXPENSES
AND UNRESTRICTED NET ASSETS**

YEAR ENDING MARCH 31, 2019

	2019	2018
REVENUES		
Donations	\$ 10,280	\$ -
Interest	703	302
SURPLUS FOR THE YEAR	10,983	302
BALANCE, BEGINNING OF YEAR	67,776	67,474
BALANCE, END OF YEAR (page 20)	\$ 78,759	\$ 67,776

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

STATEMENT OF CONTINUITY OF INTERNALLY RESTRICTED NET ASSETS

YEAR ENDING MARCH 31, 2019

	2019	2018
REVENUES		
Donations and other revenues	\$ 500	\$ 1,278
EXPENSES		
Leisure activities - Kapuskasing	1,497	1,687
Leisure activities - Hearst	972	539
	<u>2,469</u>	<u>2,226</u>
DEFICIT FOR THE YEAR	(1,969)	(948)
BALANCE, BEGINNING OF YEAR	<u>7,706</u>	<u>8,654</u>
BALANCE, END OF YEAR	<u>\$ 5,737</u>	<u>\$ 7,706</u>

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

STATEMENT OF FINANCIAL POSITION

OPERATING FUND

MARCH 31, 2019

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash	\$ 567,064	\$ 613,325
Accounts receivable	10,848	6,742
HST receivable	41,953	37,844
	\$ 619,865	\$ 657,911
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 295,539	\$ 355,621
Government remittances payable	44,258	32,611
Due to North East Local Health Integrated Network (note 4)	69,775	90,435
Due to Ministry of Community and Social Services (note 5)	103,451	59,680
Due to Ministry of the Attorney General (note 6)	9,373	12,855
Due to board account (page 20)	43,741	33,461
Deferred revenues (note 7)	47,991	65,542
	614,128	650,205
INTERNALLY RESTRICTED NET ASSETS (page 18)	5,737	7,706
	\$ 619,865	\$ 657,911

COMMITMENTS - note 8

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

STATEMENT OF FINANCIAL POSITION

BOARD ACCOUNT

MARCH 31, 2019

	2019	2018
ASSETS		
CURRENT ASSETS		
Term deposit	\$ 35,018	\$ 34,315
Receivable from operating fund (page 19)	43,741	33,461
	<u>\$ 78,759</u>	<u>\$ 67,776</u>
UNRESTRICTED NET ASSETS (page 17)	\$ 78,759	\$ 67,776

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

STATEMENT OF CASH FLOWS

YEAR ENDING MARCH 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Surplus for the year	\$ 61,668	\$ 114,887
Repayable surplus	(61,668)	(114,887)
Items not involving cash:		
Amortization	-	5,076
	-	5,076
Changes in:		
Accounts receivable and HST receivable	(8,215)	14,395
Account payable and accrued liabilities	(60,082)	56,760
Government remittances payable	11,647	(11,588)
Due to Ministry of Justice	-	(4,673)
Due to North East Local Health Integrated Network	(20,660)	34,614
Due to Ministry of Community and Social Services	43,771	18,265
Due to Ministry of the Attorney General	(3,482)	(10,250)
Deferred revenues	(17,551)	13,374
	(54,572)	115,973
INVESTING ACTIVITY		
Decrease in internally restricted net assets	(1,969)	(948)
Increase in board account	10,983	302
	9,014	(646)
FINANCING ACTIVITY		
Repayment of long-term debt	-	(5,047)
INCREASE (DECREASE) IN CASH POSITION	(45,558)	110,280
CASH POSITION, BEGINNING OF YEAR	647,640	537,360
CASH POSITION, END OF YEAR	\$ 602,082	\$ 647,640
CASH POSITION CONSISTS OF:		
Cash (page 19)	\$ 567,064	\$ 613,325
Term deposit (page 20)	35,018	34,315
	\$ 602,082	\$ 647,640

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

1. STATUS AND NATURE OF ACTIVITIES

The organization is a corporation without share capital incorporated under the Ontario Business Corporations Act to promote, develop and operate programs and facilities that will provide community care services in the area of mental health and operate a short-term emergency shelter and crisis/support services, as well as to offer a partner assault response service and a victim crisis assistance referral service. The organization is exempt from taxes on revenue under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the organization have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations as recommended by the Chartered Professional Accountants of Canada.

METHOD OF ACCOUNTING

The organization utilizes the accrual basis of accounting. Expenses paid once a year are expensed in the period paid.

The operating fund includes all activities of the organization to operate programs, services and general administration. The operating fund includes unrestricted contributions.

The board account includes activities not funded by the provincial programs.

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 reasonable assured.

Funding received which pertains to prior periods is treated as an adjustment to prior year funding and is recorded as an increase or decrease in unrestricted net assets. Any additional repayment of excess funding is, as well, adjusted through the unrestricted net assets.

Donations and other revenues are recorded when received or receivable if the amount to be received can be reasonable estimated and collection is reasonable assured.

PROPERTY AND EQUIPMENT

Most purchases of property and equipment (except for financed vehicles) are charged to current expenses in the period they are acquired. All funding of capital expenses has been provided by provincial grants.

For the financed vehicles, the amortization is calculated on a straight line basis over 5 years.

HEARST, KAP., S-R-F. COUNSELLING SERVICES

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INTERNALLY RESTRICTED NET ASSETS

The organization maintains internally restricted net assets to finance additional expenses not funded by the provincial programs. All excess financing received from other sources is transferred to internally restricted net assets and any financing deficiencies are funded by a transfer from internally restricted net assets.

OPERATING SURPLUS

As a non-profit organization being funded entirely by way of government grants, any excess of revenue over expenses is deemed to be payable to the provincial ministry providing the funding. Details of such amounts are provided in notes 4, 5 and 6.

DEFERRED REVENUES

Deferred revenue results from funding received during the year from agreements which cover more than one fiscal year, and represents the unexpended portion of that funding.

ALLOCATED CENTRAL ADMINISTRATION

Central administration expenses include 50 % of salaries and benefits for the supervisors of the MCSS programs. The other expenses included in central administration are detailed on page 9 and are allocated to the various MCSS programs on the following percentage:

Emergency Shelter Services	69.7 %
Counselling	16.7 %
Child witness	6.0 %
Transitional support	7.6 %

FINANCIAL INSTRUMENTS

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Forward exchange contracts and interest rate swaps that are not hedging items are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, term deposit and receivable accounts. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, due to North East Local Health Integrated Network, due to Ministry of Community and Social Service and due to Ministry of the Attorney General. There are no financial instruments measured at fair value.

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial assets measured at cost or amortized cost are tested for impairment, at the end of year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in the statement of operations.

MEASUREMENT UNCERTAINTY

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 and the reported amounts of revenues and expenses during the reporting period. The significant estimates used by management in preparing these financial statements include the useful life of vehicles and accrued liabilities. Actual results could differ from those estimates.

3. PROPERTY AND EQUIPMENT

	2019	2018
Vehicles at cost	\$ 30,820	\$ 89,330
Accumulated amortization	<u>30,820</u>	<u>89,330</u>
Net book value	\$ -	\$ -

4. DUE TO NORTH EAST LOCAL HEALTH INTEGRATED NETWORK

	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 90,435	\$ 55,821
Recovered by Province during the year	(29,504)	(49,473)
Current year surplus - Counselling Program (page 2)	<u>8,844</u>	<u>84,087</u>
BALANCE, END OF YEAR	<u>\$ 69,775</u>	<u>\$ 90,435</u>

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

4. DUE TO NORTH EAST LOCAL HEALTH INTEGRATED NETWORK (CONT'D)

	2019	2018
Details of the balance at the end of year are as follows:		
Surplus 2018 - 2019	\$ 8,844	\$ -
Surplus 2017 - 2018	84,087	84,087
Surplus 2016 - 2017	-	29,504
Deficit 2014 - 2015	(4,099)	(4,099)
Surplus 2011 - 2012	731	731
Receivable for double recovery	(19,788)	(19,788)
	<u>\$ 69,775</u>	<u>\$ 90,435</u>

5. DUE TO MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Hearst, Kap., S-R-F. Counselling Services has a service contract/CFSA approval with the Ministry of Community and Social Services. A review of this report shows the following services to be in a surplus/deficit position as at March 31, 2019.

	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 59,680	\$ 41,415
Current year surplus		
- Emergency Shelter Services (page 10)	5,335	26,986
Current year surplus (deficit) - Counselling (page 11)	15,094	(9,869)
Current year deficit - Child Witness (page 12)	(9,250)	(3,543)
Current year deficit - Transitional Support (page 13)	(12,630)	(7,904)
Current year surplus - Domestic Violence Community Coordination Committee (page 14)	378	3,265
Current year surplus - One time funding (page 15)	44,844	9,330
BALANCE, END OF YEAR	<u>\$ 103,451</u>	<u>\$ 59,680</u>

Details of the balance at the end of year are as follows:

Surplus 2018 - 2019	\$ 43,771	\$ -
Surplus 2017 - 2018	18,265	18,265
Deficit 2016 - 2017	(2,205)	(2,205)
Surplus 2015 - 2016	9,517	9,517
Surplus 2014 - 2015	24,773	24,773
Deficit 2013 - 2014	(1,117)	(1,117)
Deficit 2011 - 2012	(1,015)	(1,015)
Surplus 2010 - 2011	11,462	11,462
	<u>\$ 103,451</u>	<u>\$ 59,680</u>

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

6. DUE TO MINISTRY OF THE ATTORNEY GENERAL

	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 12,855	\$ 23,105
Recovered by Province during the year	(12,535)	(22,785)
Current year surplus - Partner Assault Response Program (page 4)	101	-
Current year surplus - Victim Crisis Assistance Ontario (page 5)	26	4,434
Current year surplus - Human Trafficking (page 6)	7,031	2,625
Current year surplus - Direct Responsibility (page 8)	1,895	5,476
BALANCE, END OF YEAR	\$ 9,373	\$ 12,855

Details of the balance at end of year are as follows:

Surplus 2018 - 2019	\$ 9,053	\$ -
Surplus 2017 - 2018	-	12,535
Surplus 2016 - 2017	390	390
Surplus 2014 - 2015	5	5
Deficit 2012 - 2013	(75)	(75)
	\$ 9,373	\$ 12,855

7. DEFERRED REVENUES

	2019	2018
CDSSAB Community Homelessness Prevention Initiative - Habitat Interlude	\$ 2,382	\$ 19,005
CDSSAB Community Homelessness Prevention Initiative - Moosonee Family Resource Center	-	3,257
MCSS - Social Infrastructure Fund	-	40,925
Ministry of Justice - Other Programs	2,355	2,355
MTCS - Well Being Project	43,254	-
	\$ 47,991	\$ 65,542

**HEARST, KAP., S-R-F.
COUNSELLING SERVICES**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

8. COMMITMENTS

Under the terms of operating leases for vehicles, photocopiers and office space, the organization is committed to total rental payments of \$1,321,539 as follows:

2019 - 2020	\$	210,697
2020 - 2021		208,560
2021 - 2022		208,835
2022 - 2023		204,708
2023 - 2024		197,323
2024 - 2025 and subsequent years		<u>291,416</u>
	\$	<u>1,321,539</u>

9. SUPPLEMENTAL INFORMATION

The organization sponsors a non-profit housing project in Hearst and Kapuskasing. This project is funded separately by the Ministry of Health and Long-Term Care and is administered by officials at the local branch of District of Cochrane Social Services Administration Board Housing Services. The assets, liabilities, revenues and expenses of this project have not been included in these financial statements since separate financial statements are prepared.

10. ECONOMIC DEPENDENCE

For the counselling program, the majority of the organization's revenues originate from the Northeast Local Health Integrated Network. For the Habitat Interlude Programs and the Moosonee Shelter, 100 % of the organization's revenues is received from the Ministry of Community and Social Services and the Ministry of the Attorney General. The continuation of these programs is dependent on this funding.

HEARST, KAP., S-R-F. COUNSELLING SERVICES

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

11. DONATED ASSETS / SERVICES

The building used for the shelter accommodations of the Habitat Interlude Programs is provided to the agency by the Corporation of the Town of Kapuskasing. No provision has been made in the financial statements to reflect the value of this service. A tripartite agreement exists between the Corporation of the Town of Kapuskasing, the Hearst, Kap., S.R.F., Counselling Services and the Ministry of Community and Social Services. The assessment value of the building at March 31, 2019 is \$ 173,000.

For the Family Resource Centre in Moosonee, the building was transferred to Hearst, Kap., S-R-F. Counselling Services on December 1st, 2011, the date at which the organization started to manage the program in Moosonee. The assessment value of the building at March 31, 2019 is \$222,000.

As per significant accounting policies in note 2, property and equipment (except for financed vehicles) are charged to current expenses therefore the buildings are not recorded in the financial statements.

12. FINANCIAL INSTRUMENT RISKS

The risks which the organization is exposed to in respect of its financial instruments are credit risk, liquidity risk and interest rate risk, which are discussed below.

CREDIT RISK

The organization has credit risk in the accounts receivable for \$10,848 (2018 - \$6,742). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. In the opinion of management the credit risk exposure to the organization is low and is not material as most of the receivables are due from government agencies.

LIQUIDITY RISK

The organization has liquidity risk in the accounts payable and accrued liabilities, due to North East Local Integrated Network, due to Ministry of Community and Social Services and due to Ministry of the Attorney General of \$521,879 (2018 - \$552,052). Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations. Furthermore, the organization receives monthly budget funding sufficient to cover the majority of its obligations and therefore feels this is not a significant risk.

INTEREST RATE RISK

The organization is exposed to interest rate price risk in respect of its term deposits which is at a fixed interest rate. Since these term deposits are all at fixed rates for 4 years, management feels this risk is not significant.
