

FAMILY COUNCILS OF ONTARIO

Financial Statements

Year Ended March 31, 2019

FAMILY COUNCILS OF ONTARIO
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Year Ended March 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Family Councils of Ontario

Qualified Opinion

We have audited the financial statements of Family Councils of Ontario (the Organization), which comprise the statement of financial position as at March 31, 2019, and the statements of changes in net assets, revenues and expenditures and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, and its results of operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2019, current assets and net assets as at March 31, 2019. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation of scope.

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 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.

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

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Independent Auditor's Report to the Members of Family Councils of Ontario *(continued)*

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 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.
- 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.

Toronto, Ontario

June 19, 2019

Raskin and Associates
Chartered Professional Accountants
Licensed Public Accountants

FAMILY COUNCILS OF ONTARIO
Statement of Financial Position
March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash and short term deposits	\$ 62,847	\$ 38,173
Harmonized sales tax recoverable	6,067	5,997
Prepaid expenses	<u>3,447</u>	<u>5,979</u>
	<u>\$ 72,361</u>	<u>\$ 50,149</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued charges	\$ 31,896	\$ 21,800
Government remittances payable	<u>9,912</u>	<u>6,030</u>
	<u>41,808</u>	<u>27,830</u>
NET ASSETS	<u>30,553</u>	<u>22,319</u>
	<u>\$ 72,361</u>	<u>\$ 50,149</u>

ON BEHALF OF THE BOARD

Director

Director

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

FAMILY COUNCILS OF ONTARIO
Statement of Changes in Net Assets
Year Ended March 31, 2019

	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 22,319	\$ 6,452
Excess of revenue over expenses	<u>8,234</u>	<u>15,867</u>
NET ASSETS - END OF YEAR	<u>\$ 30,553</u>	<u>\$ 22,319</u>

FAMILY COUNCILS OF ONTARIO
Statement of Revenues and Expenditures
For the Year Ended March 31, 2019

	2019	2018
REVENUE		
Grants	\$ 411,383	\$ 313,427
Miscellaneous income	6,855	5,255
Donations	2,151	2,157
Special projects	-	12,936
	420,389	333,775
EXPENSES		
Salaries and wages	277,611	163,800
Meetings and conventions	27,163	29,377
Rental	24,818	24,002
Program expenses	22,712	45,151
Professional fees	19,129	19,242
Office	15,292	23,912
Telephone	6,358	6,305
Insurance	1,654	1,582
Bank charges	1,468	1,533
Repayment of underspent funds	15,950	-
Special project expenses	-	3,004
	412,155	317,908
EXCESS OF REVENUE OVER EXPENSES	\$ 8,234	\$ 15,867

FAMILY COUNCILS OF ONTARIO

Statement of Cash Flow

Year Ended March 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 8,234	\$ 15,867
Changes in non-cash working capital:		
Accounts payable and accrued charges	10,096	11,071
Government remittance payable	3,882	626
Deferred Income/Revenue	-	(7,936)
Prepaid expenses	2,532	550
Harmonized sales tax payable	(70)	(1,676)
	<hr/> 16,440	<hr/> 2,635
INCREASE IN CASH FLOW	24,674	18,502
Cash - beginning of year	<hr/> 38,173	<hr/> 19,671
CASH - END OF YEAR	\$ 62,847	\$ 38,173

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

FAMILY COUNCILS OF ONTARIO
Notes to Financial Statements
Year Ended March 31, 2019

1. PURPOSE OF THE ORGANIZATION

Family Councils of Ontario (the "organization") is a not-for-profit organization incorporated federally under the Canada Not-for-profit Corporations Act. Under the provisions of The Income Tax Act (Canada), not-for-profit organizations are exempt from income taxes and, accordingly, the Organization does not reflect any provision for income taxes in the financial statements.

The Organization engages in activities which promotes and facilitates the development and sustainability of Family Councils in Long-Term Care Homes and facilitates opportunities for Family Councils.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Family Councils of Ontario follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Annual grants from the Ontario Ministry of Health and Long-Term Care are recognized as revenue in the amounts approved to fund the expenditures incurred in the provision of specified services.

Fees for services are recognized as revenue when the services are rendered.

Fundraising revenue, interest income and unrestricted donations are recognized when received

(b) Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

(c) Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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FAMILY COUNCILS OF ONTARIO
Notes to Financial Statements
Year Ended March 31, 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Leases

Leases are classified as either capital or operating leases. At the time the organization enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

(e) Financial instruments policy

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost using the straight line method.

Financial assets measured at amortized cost include cash and cash equivalents

Financial liabilities measured at amortized cost include accounts payable and accrued charges and government remittances payable.

There are no financial assets measured at fair value.

Transaction costs are recognized in the statement of operations in the period incurred. However, financing and transaction costs associated with debt are netted against the carrying value of the related debt and amortized over the term of the debt.

(f) 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

4. GRANTS

The Organization was funded by grants from the following:

	2019	2018
Ontario Ministry of Health and Long-Term Care, the Performance improvement and Compliance Branch, Health System Accountability and Performance Division.	\$ 411,383	\$ 313,427

5. ECONOMIC DEPENDENCE

The Organization activities are funded by an annual grant that is provided by the Ministry of Health and Long-Term care. Without this funding, the operations could not be undertaken by the Organization.

FAMILY COUNCILS OF ONTARIO
Notes to Financial Statements
Year Ended March 31, 2019

6. LEASE COMMITMENTS

The organization has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at March 31, 2019, are as follows:

2020	\$ <u>27,055</u>
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7. FINANCIAL INSTRUMENTS

The company 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 analysis provides information about the company's risk exposure and concentration as of March 31, 2019.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources accounts payable and accrued liabilities and government remittances payable.

The Organization is not exposed to any significant interest rate risk, currency risk and market risk at the statement of financial position date.