

ST. CLAIR CHILD & YOUTH SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2015

HUME, MAYER MCDONOUGH & LITTLE LLP
Chartered Professional Accountants
443 Exmouth Street
Sarnia, Ontario
N7T 5P2

ST. CLAIR CHILD & YOUTH SERVICES

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MARCH 31, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Directors St. Clair Child & Youth Services

Report on the Financial Statements

We have audited the accompanying financial statements of the St. Clair Child & Youth Services, which comprise of the balance sheet as of March 31, 2015 and the statements of government funded operations, general and capital funded operations, fund balances and cash flows for the period ended March 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as explained in the Basis for Qualified opinion paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

In common with many other charitable organizations, the organization derives revenue from donations and fund raising events, the completeness of which is not susceptible to 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 revenue, excess of revenue over expenses (expenses over revenue), assets and fund balances.

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Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue from donations and fund raising events referred to in the above paragraph, the financial statements present fairly, in all material respects, the financial position of the St. Clair Child & Youth Services as at March 31, 2015 and the results of government funded operations, general and capital funded operations and cash flow for the period ended March 31, 2015 in accordance with Canadian accounting standards for not-for-profit organizations.

Hume, Mayer, McDonough & Little LL

Sarnia, Ontario
June 24, 2015

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

ST. CLAIR CHILD & YOUTH SERVICES

BALANCE SHEET

AS AT MARCH 31, 2015

	<u>ASSETS</u>	
	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and short-term investments (Note 3)	\$ 483,391	\$ 477,196
Goods & service tax recoverable	24,355	24,821
Accounts receivable	10,124	42,911
Prepaid expenses	<u>10,063</u>	<u>-</u>
	527,933	544,928
PROPERTY AND EQUIPMENT (Note 4)	<u>1,222,673</u>	<u>1,292,453</u>
	<u>\$ 1,750,606</u>	<u>\$ 1,837,381</u>
	<u>LIABILITIES</u>	
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ <u>90,839</u>	\$ <u>87,461</u>
	<u>FUND BALANCES</u>	
FRANCIS FOWLER, KIM SAUVE	8,411	8,411
GOVERNMENT OPERATING FUND	(414,310)	(320,892)
GENERAL AND CAPITAL FUND	<u>2,065,666</u>	<u>2,062,400</u>
	<u>1,659,767</u>	<u>1,749,919</u>
	<u>\$ 1,750,606</u>	<u>\$ 1,837,380</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

ST. CLAIR CHILD & YOUTH SERVICES

STATEMENT OF GOVERNMENT FUNDED OPERATIONS

YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUE		
Children's Aid Society	\$ 150,499	\$ 198,217
Donations and fund raising	2,865	4,150
Province of Ontario	3,975,156	3,921,883
Recoveries and fees	26,841	30,174
Court income	16,568	15,337
United way budget	48,500	48,500
Miscellaneous revenue	4,099	36,000
	<u>4,224,528</u>	<u>4,254,261</u>
EXPENSES		
Salaries and wages	3,139,568	3,172,913
Employee benefits	585,554	583,605
Travel and transportation	59,158	64,066
Training and recruitment	12,223	15,233
Building occupancy	101,584	96,868
Professional services - non-client	66,111	50,127
Professional services - client	131,320	116,395
Program expenses	22,076	20,902
Food services	14,743	18,085
Client personal needs	227	-
Promotion and publicity	13,910	12,224
Office administration	83,122	85,047
Miscellaneous	34,937	34,443
	<u>4,264,533</u>	<u>4,269,908</u>
Less: Goods and services tax recoverable	<u>23,322</u>	<u>24,233</u>
	<u>4,241,211</u>	<u>4,245,675</u>
AMORTIZATION	<u>(76,735)</u>	<u>(74,995)</u>
EXCESS OF EXPENSES OVER REVENUE	\$ <u>(93,418)</u>	\$ <u>(66,409)</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

ST. CLAIR CHILD & YOUTH SERVICES

STATEMENT OF GENERAL FUND OPERATIONS

YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUE		
Donations	\$ 71,805	\$ 31,717
Fundraising events	330	42,486
Investment income	-	3,444
Minor grants	14,624	11,316
United way designations	<u>81</u>	<u>33</u>
	<u>86,840</u>	<u>88,996</u>
EXPENSES		
Program expenditures	-	887
Food	498	90
Building occupancy	-	222
Wages	40,398	38,778
Benefits	8,909	8,785
Advertising and promotion	28,248	36,005
Miscellaneous	-	1,000
Office administration	120	440
Staff development	1,257	-
Personal Needs	4,471	-
Travel	<u>187</u>	<u>344</u>
	84,088	86,551
Less: Goods & services tax recoverable	<u>514</u>	<u>589</u>
	<u>83,574</u>	<u>85,962</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 3,266</u>	<u>\$ 3,034</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

ST. CLAIR CHILD & YOUTH SERVICES

STATEMENT OF FUND BALANCES

YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
FRANCIS FOWLER, KIM SAUVE		
Balance, beginning	\$ <u>8,411</u>	\$ <u>8,411</u>
Balance, ending	\$ <u>8,411</u>	\$ <u>8,411</u>
 GOVERNMENT OPERATING FUND		
Balance, beginning	\$ (320,892)	\$ (254,483)
Excess of expenses over revenues	<u>(93,418)</u>	<u>(66,409)</u>
Balance, ending	\$ <u>(414,310)</u>	\$ <u>(320,892)</u>
 GENERAL AND CAPITAL FUND		
Balance, beginning	\$ 2,062,400	\$ 2,059,366
Excess of revenues over expenses	<u>3,266</u>	<u>3,034</u>
Balance, ending	\$ <u>2,065,666</u>	\$ <u>2,062,400</u>

ST. CLAIR CHILD & YOUTH SERVICES

STATEMENT OF CASH FLOWS

MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES		
Excess of (expenses over revenue) revenue over expenses		
Government operating fund	\$ (93,418)	\$ (66,409)
General and capital fund	3,266	3,034
Amortization of capital assets	<u>76,735</u>	<u>74,995</u>
	(13,417)	11,620
Changes in non-cash working capital balances related to operations		
Accounts receivable	32,787	(12,547)
Goods & service tax recoverable	466	3,752
Prepaid expenses	(10,063)	-
Accounts payable and accrued liabilities	<u>3,378</u>	<u>27,198</u>
	<u>13,151</u>	<u>30,023</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(6,956)</u>	<u>(27,718)</u>
CHANGES IN CASH AND SHORT-TERM INVESTMENTS	6,195	2,305
CASH AND SHORT-TERM INVESTMENTS, beginning of year	<u>477,196</u>	<u>474,891</u>
CASH AND SHORT-TERM INVESTMENTS, end of year	<u>\$ 483,391</u>	<u>\$ 477,196</u>
Cash and equivalents represented by:		
Cash	\$ 83,391	\$ 477,196
Short term investment	<u>400,000</u>	<u>-</u>
	<u>\$ 483,391</u>	<u>\$ 477,196</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

ST. CLAIR CHILD & YOUTH SERVICES
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2015

PURPOSE OF THE ORGANIZATION

The St. Clair Child & Youth Services provides mental health services to the children and youth of Lambton County under approved programs funded by the Province of Ontario, the County of Lambton and other sources. The corporation is a charitable organization.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Short-term Investments

Short-term investments are reported at fair value at each balance sheet date, and any change in fair value is recognized in excess of (expenses over revenue) revenue over expenses in the period during which the change occurs.

Property and Equipment

Property and equipment, including expenditures which improve or prolong the useful lives of the assets, are stated at cost. Amortization is computed on a straight-line basis at the following rates:

Building	30 years
Computer and audio visual	3 years
Equipment, furniture and improvements	4 years
Vehicle	3 years

One-half year's amortization is expensed in the year of acquisition.

Donated Materials and Services

The corporation does not record in its financial statements the value of donated materials and services received.

Fund Accounting

Revenues and expenses related to major government funded programs are reported as Government Funded Operations. All other revenue and expenses are reported as the General Fund Operations.

Revenue Recognition

Revenue is recognized in the appropriate fund in the year in which the related expenses are incurred. Funds received in the current period that relate to the subsequent period are deferred.

ST. CLAIR CHILD & YOUTH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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, 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. Significant estimates include amortization. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

2. FINANCIAL INSTRUMENTS

The organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments as follows:

Credit risk exposure

The organization relies primarily on Provincial funding and is therefore not exposed to any significant credit risks.

Interest rate risk

The organization is not exposed to any significant interest rate risks.

Market risk

The organization is not exposed to any significant market risks.

Foreign currency risk

The organization does not enter into foreign currency purchase and sale transactions and therefore is not exposed to fluctuations arising from changes in foreign exchange rates.

Liquidity risk

The organization's exposure to liquidity risk is dependant on receipt of funds from the Province of Ontario.

ST. CLAIR CHILD & YOUTH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

3. CASH AND SHORT-TERM INVESTMENTS

	<u>2015</u>	<u>2014</u>
Cash	\$ 83,391	\$ 477,196
Short-term investments:		
Guaranteed Investment Certificates	<u>400,000</u>	<u>-</u>
	<u>\$ 483,391</u>	<u>\$ 477,196</u>

The Guaranteed Investment Certificates matured in March 2014 and have not been re invested by year end date.

4. PROPERTY AND EQUIPMENT

	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 471,709	\$ -	\$ 471,709	\$ 471,709
Building	1,377,219	643,023	734,196	772,411
Computers and audio visual	347,622	343,119	4,503	30,646
Furniture, equipment and improvements	262,147	253,438	8,709	17,687
Vehicle	<u>119,159</u>	<u>119,159</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,582,597</u>	<u>\$ 1,357,554</u>	<u>\$ 1,222,673</u>	<u>\$ 1,292,453</u>

5. ECONOMIC DEPENDENCE

The government funded operations of the organization are dependant on the Province of Ontario for the majority of its funding.

6. EXCESS OF REVENUE OVER EXPENSES

The excess of revenue over expenses under the measurement practices followed by the Province of Ontario for each service year funded may be fully or partially recoverable by the Province.

7. EMPLOYEE FUTURE BENEFITS

St. Clair Child & Youth Services has a registered pension plan which is administered by Sun Life Assurance Company. Under this defined contribution plan, the centre contributes 5% of each full time employees gross pay to the plan and the employee contributes 3%. Total payments made by the centre towards this plan during the year were \$151,966 (2014-\$149,916).