

FAMILY COUNCILS OF ONTARIO
Financial Statements
Year Ended March 31, 2018

FAMILY COUNCILS OF ONTARIO
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Year Ended March 31, 2018

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Raskin 
ASSOCIATES

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INDEPENDENT AUDITOR'S REPORT

To the Members of Family Councils of Ontario

We have audited the accompanying financial statements of Family Councils of Ontario, which comprise the statements of financial position as at March 31, 2018 and March 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow for the years ended March 31, 2018 and March 31, 2017, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 misstatement 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 in our audits is sufficient and appropriate to provide a basis for our qualified audit opinion.

(continues)

Basis for Qualified Opinion

In common with many not-for-profit organizations, Family Councils of Ontario 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 Family Councils of Ontario. 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 years ended March 31, 2018 and March 31, 2017, current assets and net assets as at March 31, 2018 and March 31, 2017.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Family Councils of Ontario as at March 31, 2018 and March 31, 2017 and the results of its operations and its cash flow for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Ontario
June 27, 2018

Raskin and Associates

Chartered professional accountants
Licensed Public Accountants

FAMILY COUNCILS OF ONTARIO
Statement of Financial Position
March 31, 2018

| | 2018 | 2017 |
|--------------------------------------|------------------|------------------|
| ASSETS | | |
| CURRENT | | |
| Cash and short term deposits | \$ 38,173 | \$ 19,671 |
| Harmonized sales tax recoverable | 5,997 | 4,321 |
| Prepaid expenses | 5,979 | 6,529 |
| | \$ 50,149 | \$ 30,521 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable and accrued charges | \$ 21,800 | \$ 10,729 |
| Government remittances payable | 6,030 | 5,404 |
| Deferred revenue | - | 7,936 |
| | 27,830 | 24,069 |
| NET ASSETS | 22,319 | 6,452 |
| | \$ 50,149 | \$ 30,521 |

ON BEHALF OF THE BOARD

C. L. Taul Director
Domina Pudon 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, 2018

| | 2018 | 2017 |
|---------------------------------------|-------------------------|------------------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 6,452 | \$ 2,466 |
| Excess of revenue over expenses | <u>15,867</u> | <u>3,986</u> |
| NET ASSETS - END OF YEAR | <u>\$ 22,319</u> | <u>\$ 6,452</u> |

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

FAMILY COUNCILS OF ONTARIO
Statement of Revenues and Expenditures
For the Year Ended March 31, 2018

| | 2018 | 2017 |
|--|------------------|-----------------|
| REVENUE | | |
| Grants | \$ 313,427 | \$ 243,458 |
| Special projects (Note 5) | 12,936 | 8,064 |
| Miscellaneous income | 5,255 | 2,691 |
| Donations | 2,157 | 1,826 |
| | <u>333,775</u> | <u>256,039</u> |
| EXPENSES | | |
| Salaries and wages | 163,800 | 156,890 |
| Program expenses | 45,151 | 16,561 |
| Meetings and conventions | 29,377 | 10,034 |
| Rental | 24,002 | 22,688 |
| Office | 23,913 | 11,493 |
| Professional fees | 19,242 | 17,678 |
| Telephone | 6,305 | 6,262 |
| Special project expenses (Note 5) | 3,004 | 8,064 |
| Insurance | 1,582 | 1,582 |
| Bank charges | 1,532 | 801 |
| | <u>317,908</u> | <u>252,053</u> |
| EXCESS OF REVENUE OVER EXPENSES | <u>\$ 15,867</u> | <u>\$ 3,986</u> |

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

FAMILY COUNCILS OF ONTARIO
Statement of Cash Flow
Year Ended March 31, 2018

| | 2018 | 2017 |
|---|------------------|------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenses | \$ 15,867 | \$ 3,986 |
| Changes in non-cash working capital: | | |
| Accounts payable and accrued charges | 11,071 | (9,480) |
| Government remittance payable | 626 | (84) |
| Deferred Income/Revenue | (7,936) | 7,936 |
| Prepaid expenses | 550 | (3,367) |
| Harmonized sales tax payable | (1,676) | (4,321) |
| | <u>2,635</u> | <u>(9,316)</u> |
| INCREASE (DECREASE) IN CASH FLOW | 18,502 | (5,330) |
| Cash - beginning of year | <u>19,671</u> | <u>25,001</u> |
| CASH - END OF YEAR | \$ 38,173 | \$ 19,671 |

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

FAMILY COUNCILS OF ONTARIO

Notes to Financial Statements

Year Ended March 31, 2018

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.

(continues)

FAMILY COUNCILS OF ONTARIO
Notes to Financial Statements
Year Ended March 31, 2018

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:

| | 2018 | 2017 |
|--|-------------------|-------------------|
| Ontario Ministry of Health and Long-Term Care, the Performance improvement and Compliance Branch, Health System Accountability and Performance Division. | \$ 313,427 | \$ 243,458 |

FAMILY COUNCILS OF ONTARIO
Notes to Financial Statements
Year Ended March 31, 2018

5. SPECIAL PROJECTS

The organization engaged in the following special projects:

| | 2018 | 2017 |
|--|----------|----------|
| Revenue | | |
| KOBO Project | \$ 7,935 | \$ 8,064 |
| Osteoporosis Exchange | 5,000 | - |
| | 12,935 | 8,064 |
| Expenses | | |
| KOBO Project Expense | 684 | 8,064 |
| Osteoporosis Exchange Expense | 2,320 | - |
| | 9,931 | - |
| Excess of Revenue over Expenses | \$ 9,931 | \$ - |

The organization received two one-time funding for special projects - the final phase of the KOBO project, and the Osteoporosis Exchange project. Any excess of revenue over expenses is recorded as a contribution to the unrestricted net assets of the organization as the amounts are not repayable.

6. 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.

7. 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, 2018, are as follows:

| | |
|------|-----------|
| 2019 | \$ 25,281 |
| 2020 | 2,107 |
| | \$ 27,388 |

8. 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, 2018..

(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.



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May 1, 2018

Family Councils of Ontario
306-40 St. Clair Ave East
Toronto ON M4T 1M9

Attention: Mrs. Lorraine Purdon, Executive Director

Dear Mrs. Purdon:

You have requested that we audit the financial statements of Family Councils of Ontario, which comprise the statements of financial position as at March 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flow for the years ended March 31, 2018 and March 31, 2017, and a summary of significant accounting policies and other explanatory information.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objective of our expressing an opinion on the financial statements.

Our Responsibilities

We will conduct our audits of Family Councils of Ontario 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 as to 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 misstatement of the financial statements, whether due to fraud or error. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation 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. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

Content of the Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

INDEPENDENT AUDITOR'S REPORT

To the Members of Family Councils of Ontario

We have audited the accompanying financial statements of Family Councils of Ontario, which comprise the statements of financial position as at March 31, 2018 and March 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 misstatement 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Family Councils of Ontario as at March 31, 2018 and March 31, 2017 and 2015 and the results of its operations and its cash flow for the years then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

Toronto, Ontario

Raskin and Associates
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form, or have not formed, an opinion on the financial statements, we may withdraw from the audit before issuing an auditor's report or we may disclaim an opinion on the financial statements. If this occurs, we will communicate the reasons and provide you details of any misstatements identified during the audit.

Use and Distribution of Our Report

The examination of the financial statements and the issuance of our audit opinion are solely for the use of Family Councils of Ontario and those to whom our report is specifically addressed by us. We make no representations of any kind to any third party in respect of these financial statements and we accept no responsibility for their use by any third party.

We ask that our name be used only with our consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us.

Reproduction of Auditor's Engagement Report

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information on the electronic site with the original document.

Management's Responsibilities

Our audit will be conducted on the basis that management *[and, where appropriate, those charged with governance]* acknowledge and understand that they have responsibility for:

- a) the preparation and fair presentation of the financial statements in accordance with the Canadian Accounting Standards for Not-For-Profit Organizations;
- b) 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; and
- c) providing us with:
 - xv) unrestricted access to persons within the entity from whom we determine it is necessary to make inquiries;
 - xvi) access to all information of which management is aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters; and
 - xvii) additional information that we may request from *[management]* for the purpose of the audit.

As part of our audit process, we will request from management *[and, where appropriate, those charged with governance]* written confirmation concerning representations made to us in connection with the audit.

Preparation of Schedules

We understand that you will prepare certain schedules and locate specified documents for our use before our engagement is planned to commence on May 24, 2017. The requested schedules and documents are as follows:

- a) schedules and analyses; and
- b) documents.

This assistance will facilitate our work and help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or withdraw from the engagement.

Working Papers

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the engagement are the property of our Firm, constitute confidential information and will be retained by us in accordance with our Firm's policies and procedures.

File Inspections

In accordance with professional regulations (and by our Firm's policy), our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to professional and Firm standards. File reviewers are required to maintain confidentiality of client information.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of Ontario. The Province of Ontario will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

Dispute Resolution

You agree that:

- a) any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation; and
- b) you will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement.

Any mediation initiated as a result of this engagement shall be administered within the Province of Ontario by [name of mediation organization], according to its mediation rules, and any ensuing litigation shall be conducted within such province, according to provincial law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Indemnity

Family Councils of Ontario hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our Firm, and its partners, agents or employees, from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:

- a) The breach by Family Councils of Ontario, or its directors, officers, agents or employees, of any of the covenants made by Family Councils of Ontario herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our Firm.
- b) The services performed by us pursuant to this engagement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the negligence of our Firm. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by your Organization.

Time Frames

We will use all reasonable efforts to complete the engagement as described in this letter within the agreed upon time frames. However, we shall not be liable for failures or delays in performance that arise from causes beyond our control, including the untimely performance by Family Councils of Ontario of its obligations.

Fees

We estimate that our fees for these services will be \$3,600 for the audit and the tax return, plus direct out-of-pocket expenses and applicable HST. This fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered.

If significant additional time is necessary, we will discuss the reasons with you and agree on a revised fee estimate before we incur the additional costs.

Fees will be rendered as work progresses and are payable on presentation.

Termination

If we elect to terminate our services for nonpayment or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all our out-of-pocket costs, through to the date of termination.

Costs of Responding to Government or Legal Processes

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable HST) incurred.

Use of Information

It is acknowledged that we will have access to all personal information in your custody that we require to complete our engagement. Our services are provided on the basis that:

1. you represent to us that management has obtained any required consents for collection, use and disclosure to us of personal information required under applicable privacy legislation; and
2. we will hold all personal information in compliance with our Privacy Statement.

Communications

In connection with this engagement, we may communicate with you or others via telephone, facsimile, post, courier and e-mail transmission. As all communications can be intercepted or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from: communications, including any consequential, incidental, direct or indirect; special damages, such as loss of revenues or anticipated profits; or disclosure or communication of confidential or proprietary information.

Not Liable For Any Failures or Delays Beyond Our Control

We will use all reasonable efforts to complete the engagement as described in this letter within the agreed-upon time frames. However, we shall not be liable for failures or delays in performance that arise from causes beyond our control, including the untimely performance by your Organization of its obligations.

Confidentiality

We will maintain the strictest confidence with respect to any client's or former client's information. Accordingly, your confidential information will not, without your consent, be disclosed to any individuals in our Firm beyond those who are engaged on your services. This policy applies to anyone outside the Firm, except as required by law or under the profession's Rules of Professional Conduct.

Proceeds of Crime (Money Laundering) and Terrorist Financing Act

The *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* places legal requirements on us to report transactions that may be suspicious of being related to a money laundering or terrorist financing offence. It also requires our Firm to report large cash transactions that exceed \$10,000, cross-border currency and monetary instruments that exceed \$10,000, and whether we are in possession or control of property that is considered terrorist property. Finally, the Act requires our Firm ascertain the identity and existence of clients and other entities. To meet these obligations, we may have to report information about Family Councils of Ontario that might otherwise be confidential. The reporting of this information may place Family Councils of Ontario and this Firm in a conflict of interest. Should such a conflict arise this Firm may be required to withdraw from this engagement. Please be advised that we will do everything in our power to avoid such conflicts and that only information that is required will be disclosed. You hereby acknowledge this legal requirement placed upon this Firm and the potential conflict of interest that may arise as a result of it. You also hereby authorize this Firm to release and disclose information related to Family Councils of Ontario when required by statute to do so.

Relevant Parties

The client will not assert any claim for damages against our Firm unless the client has concurrently or previously asserted a claim against all other persons who might reasonably be liable in relation to that claim. Any release, waiver, or covenant to otherwise not sue or enforce any remedy known to law given by the client to a third party shall be deemed to apply in favour of our Firm.

Third Parties

The financial documents are prepared solely for the use of the client with whom we have entered into a contract and there are no representations of any kind made by us to any party with whom we have not entered into a written contract.

This engagement letter includes the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

The above terms of engagement will be effective from year to year unless amended or terminated in writing.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your Organization.

Yours truly,

Roman Raskin, CPA, CA
Principal

RASKIN AND ASSOCIATES

c.c.

Acknowledged and agreed to on behalf of Family Councils of Ontario by:



Mrs. Lorraine Purdon, Executive
Director

May 1, 2018
Date signed

Family Councils of Ontario

Year End: March 31, 2018

TC

Trial balance

APPROVED BY CLIENT: *Donna Pardon* DATE: *May 1 2018*

| Account | Prelim | Adj's | Reclass | Rep | Rep 03/17 | %Chg |
|---|---------------------|-------------------|-------------|---------------------|---------------------|--------------|
| 10001 Royal Bank of Canada | 35,422.21 | 2,751.19 | 0.00 | 38,173.40 | 19,671.34 | 94 |
| 111.1000 Cash and short term depos | 35,422.21 | 2,751.19 | 0.00 | 38,173.40 | 19,671.34 | 94 |
| 13000 Prepaid expense | 5,979.49 | 0.00 | 0.00 | 5,979.49 | 6,529.21 | (8) |
| 128.1484 Prepaid expenses | 5,979.49 | 0.00 | 0.00 | 5,979.49 | 6,529.21 | (8) |
| 20000 Accounts Payable | (7,974.94) | (2,751.19) | 0.00 | (10,726.13) | (8,791.53) | 22 |
| 21100 Visa payable | (9,067.46) | (2,006.54) | 0.00 | (11,074.00) | (1,938.16) | 471 |
| 215.2620 Accounts payable and accr | (17,042.40) | (4,757.73) | 0.00 | (21,800.13) | (10,729.69) | 103 |
| 22000 Payroll Source Deductns Payable | (6,030.35) | 0.00 | 0.00 | (6,030.35) | (5,403.97) | 12 |
| 217.2680.02 Government remittances | (6,030.35) | 0.00 | 0.00 | (6,030.35) | (5,403.97) | 12 |
| 12002 HST Rebate: Federal | 1,654.31 | 0.00 | 0.00 | 1,654.31 | 1,200.63 | 38 |
| 12003 HST Rebate: Provincial | 4,323.27 | 0.00 | 0.00 | 4,323.27 | 3,120.27 | 39 |
| 12004 GST Rebate | 19.18 | 0.00 | 0.00 | 19.18 | 0.00 | 0 |
| 217.2680.10 Goods and services tax | 5,996.76 | 0.00 | 0.00 | 5,996.76 | 4,320.90 | 39 |
| 24000 Deferred Revenue | 0.00 | 0.00 | 0.00 | 0.00 | (7,935.65) | (100) |
| 218.2770 Deferred Income/Revenue | 0.00 | 0.00 | 0.00 | 0.00 | (7,935.65) | (100) |
| 32000 Unrestricted Net Assets | (6,452.14) | 0.00 | 0.00 | (6,452.14) | (2,465.98) | 162 |
| 274.3660 Retained earnings (Deficit) | (6,452.14) | 0.00 | 0.00 | (6,452.14) | (2,465.98) | 162 |
| 40001 Ministry of LTC | (313,427.00) | 0.00 | 0.00 | (313,427.00) | (243,458.00) | 29 |
| 311.8000.01 Grants | (313,427.00) | 0.00 | 0.00 | (313,427.00) | (243,458.00) | 29 |
| 42010 Donations - General | (2,157.48) | 0.00 | 0.00 | (2,157.48) | (1,825.90) | 18 |
| 311.8000.02 Donations | (2,157.48) | 0.00 | 0.00 | (2,157.48) | (1,825.90) | 18 |
| 43021 Membership -Individual | (150.00) | 0.00 | 0.00 | (150.00) | (250.00) | (40) |
| 45020 FR-Pay it Forward | (325.00) | 0.00 | 0.00 | (325.00) | 0.00 | 0 |
| 46001 Resource Kits | (25.00) | 0.00 | 0.00 | (25.00) | (91.80) | (73) |
| 46101 Conference Event Registration | (3,225.00) | 0.00 | 0.00 | (3,225.00) | 0.00 | 0 |
| 46150 Fee from Services | (250.00) | 0.00 | 0.00 | (250.00) | 0.00 | 0 |
| 46201 Workshop Registration - London | 0.00 | 0.00 | 0.00 | 0.00 | (260.00) | (100) |
| 46301 Geese Sales | (206.00) | 0.00 | 0.00 | (206.00) | (1,024.00) | (80) |
| 46430 Miscellaneous Revenue | (1,074.36) | 0.00 | 0.00 | (1,074.36) | (1,065.06) | 1 |
| 311.8000.03 Miscellaneous income | (5,255.36) | 0.00 | 0.00 | (5,255.36) | (2,690.86) | 95 |
| 40002 KOBO Project | (7,935.65) | 0.00 | 0.00 | (7,935.65) | (8,064.35) | (2) |
| 40003 Osteoporosis Exchange | (5,000.00) | 0.00 | 0.00 | (5,000.00) | 0.00 | 0 |
| 311.8000.04 Special project | (12,935.65) | 0.00 | 0.00 | (12,935.65) | (8,064.35) | 60 |
| 65080 Insurance | 1,582.20 | 0.00 | 0.00 | 1,582.20 | 1,582.20 | 0 |
| 523.8690 Insurance | 1,582.20 | 0.00 | 0.00 | 1,582.20 | 1,582.20 | 0 |
| 68511 Bank Service Charges | 770.73 | 0.00 | 0.00 | 770.73 | 795.55 | (3) |
| 68512 Visa Discounted Fees | 761.99 | 0.00 | 0.00 | 761.99 | 0.00 | 0 |
| 68514 PayPal Service Charge | 0.00 | 0.00 | 0.00 | 0.00 | 5.00 | (100) |

29-Jul-18

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Family Councils of Ontario

Year End: March 31, 2018

TC-1

Trial balance

APPROVED BY CLIENT: _____ DATE: _____

| Account | Prelim | Adj's | Reclass | Rep | Rep 03/17 | %Chg |
|--|-------------------|-----------------|-------------|-------------------|-------------------|------------|
| 525.8715 Bank charges | 1,532.72 | 0.00 | 0.00 | 1,532.72 | 800.55 | 91 |
| 63510 Professional Development - Staff | 9,024.95 | 0.00 | 0.00 | 9,024.95 | 1,601.67 | 463 |
| 65010 Dues & Subscriptions | 0.00 | 0.00 | 0.00 | 0.00 | 1,103.86 | (100) |
| 65020 Postage | 980.74 | (364.67) | 0.00 | 616.07 | 384.47 | 60 |
| 65040 Internet | 810.12 | 0.00 | 0.00 | 810.12 | 810.12 | 0 |
| 65051 Computer Accessories | 321.88 | 0.00 | 0.00 | 321.88 | 577.84 | (44) |
| 65052 Computer Hardware | 5,477.58 | 0.00 | 0.00 | 5,477.58 | 978.88 | 460 |
| 65053 Computer IT Support | 145.52 | 0.00 | 0.00 | 145.52 | 239.06 | (39) |
| 65060 Office Supplies | 6,068.04 | (69.23) | 0.00 | 5,998.81 | 2,378.01 | 152 |
| 65070 Equipment Rental | 0.00 | 0.00 | 0.00 | 0.00 | 741.78 | (100) |
| 65085 Office set up expenses | 0.00 | 0.00 | 0.00 | 0.00 | 2,593.28 | (100) |
| 65090 Hiring Expense | 752.96 | 0.00 | 0.00 | 752.96 | 0.00 | 0 |
| 68530 Board Development | 50.00 | 0.00 | 0.00 | 50.00 | 18.91 | 164 |
| 68540 AGM | 0.00 | 0.00 | 0.00 | 0.00 | 53.33 | (100) |
| 68550 Fundraising Expense | 715.50 | 0.00 | 0.00 | 715.50 | 10.39 | 6786 |
| 529.8810 Office | 24,347.29 | (433.90) | 0.00 | 23,913.39 | 11,491.60 | 108 |
| 68010 Audit Fee | 3,741.84 | 0.00 | 0.00 | 3,741.84 | 3,741.84 | 0 |
| 68020 Accounting Fees | 15,500.00 | 0.00 | 0.00 | 15,500.00 | 11,661.63 | 33 |
| 68030 Legal Fees | 0.00 | 0.00 | 0.00 | 0.00 | 2,274.72 | (100) |
| 531.8860 Professional fees | 19,241.84 | 0.00 | 0.00 | 19,241.84 | 17,678.19 | 9 |
| 60001 Rent - FCO | 24,001.96 | 0.00 | 0.00 | 24,001.96 | 22,688.14 | 6 |
| 533.8910 Rental | 24,001.96 | 0.00 | 0.00 | 24,001.96 | 22,688.14 | 6 |
| 61001 Salaries - Executive Director | 71,453.84 | 0.00 | 0.00 | 71,453.84 | 71,669.24 | 0 |
| 61002 Salaries - Comm & Ed Director | 65,599.76 | 0.00 | 0.00 | 65,599.76 | 65,797.63 | 0 |
| 61003 Salaries- Admin Assistant | 6,793.75 | 0.00 | 0.00 | 6,793.75 | 0.00 | 0 |
| 62001 Payroll exp - CPP | 5,388.41 | 0.00 | 0.00 | 5,388.41 | 5,218.22 | 3 |
| 62002 Payroll Expense - EI | 2,544.68 | 0.00 | 0.00 | 2,544.68 | 2,185.84 | 16 |
| 62003 Health Group Insurance | 11,500.32 | 0.00 | 0.00 | 11,500.32 | 11,500.32 | 0 |
| 62004 PAC insurance | 519.00 | 0.00 | 0.00 | 519.00 | 519.00 | 0 |
| 537.9060 Salaries and wages | 163,799.76 | 0.00 | 0.00 | 163,799.76 | 156,890.25 | 4 |
| 63010 Travel - Staff | 6,089.54 | 0.00 | 0.00 | 6,089.54 | 3,823.85 | 59 |
| 66010 Printing | 2,261.22 | 0.00 | 0.00 | 2,261.22 | 1,731.86 | 31 |
| 66020 Program Materials & Resources | 32,129.95 | (563.53) | 0.00 | 31,566.42 | 9,310.15 | 239 |
| 66025 Website Development and Mainte: | 5,233.72 | 0.00 | 0.00 | 5,233.72 | 974.44 | 437 |
| 67020 Website Development | 0.00 | 0.00 | 0.00 | 0.00 | 721.09 | (100) |
| 545.9200 Program expenses | 45,714.43 | (563.53) | 0.00 | 45,150.90 | 16,561.39 | 173 |
| 66035 Translation Expense | 706.27 | 0.00 | 0.00 | 706.27 | 0.00 | 0 |
| 66050 Symposium Events | 0.00 | 0.00 | 0.00 | 0.00 | 835.11 | (100) |
| 66060 Conference Event Expenses | 28,670.92 | 0.00 | 0.00 | 28,670.92 | 9,198.69 | 212 |
| 545.9201 Meetings and conventions | 29,377.19 | 0.00 | 0.00 | 29,377.19 | 10,033.80 | 193 |
| 65031 Telephone - Office | 2,148.44 | 0.00 | 0.00 | 2,148.44 | 2,176.26 | (1) |
| 65032 Telephone - Staff's Cell | 601.33 | 0.00 | 0.00 | 601.33 | 531.46 | 13 |
| 65072 TeleCommunication System Rent: | 3,554.76 | 0.00 | 0.00 | 3,554.76 | 3,554.76 | 0 |

29-Jul-18

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Family Councils of Ontario

Year End: March 31, 2018

TC-2

Trial balance

APPROVED BY CLIENT: _____ DATE: _____

| Account | Prelim | Adj's | Reclass | Rep | Rep 03/17 | %Chg |
|---|------------------|-----------------|-------------|------------------|-----------------|-------------|
| 547.9225 Telephone | 6,304.53 | 0.00 | 0.00 | 6,304.53 | 6,262.48 | 1 |
| 66030 Technology Workshop | 0.00 | 0.00 | 0.00 | 0.00 | 6,912.50 | (100) |
| 66040 Project Admin and Evaluation | 0.00 | 0.00 | 0.00 | 0.00 | 460.65 | (100) |
| 67010 Promotion and Advertising | 0.00 | 0.00 | 0.00 | 0.00 | 691.20 | (100) |
| 69100 Special project | 0.00 | 3,003.97 | 0.00 | 3,003.97 | 0.00 | 0 |
| 581.9270.01 Special project expense: | 0.00 | 3,003.97 | 0.00 | 3,003.97 | 8,064.35 | (63) |
| | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0</u> |
| Net Income (Loss) | 17,873.57 | | | 15,867.03 | 3,986.16 | 298 |

Family Councils of Ontario

Year End: March 31, 2018

ADJ

Adjusting Journal Entries

APPROVED BY CLIENT: *Jessie Puden* DATE: *May 1 2018*

Date: 01-Apr-17 To 31-Mar-18

| Number | Date | Name | Account No | Reference | Debit | Credit | Recurrence | Misstatement |
|--|-----------|-------------------------------|------------|-----------|----------|----------|------------|--------------|
| 1 | 31-Mar-18 | Royal Bank of Canada | 10001 | | | | | |
| 1 | 31-Mar-18 | Accounts Payable | 20000 | 5L | 2,751.19 | | | |
| 1 | 31-Mar-18 | Visa payable | 21100 | 5L | | 2,751.19 | | |
| 1 | 31-Mar-18 | Visa payable | 21100 | 5L | | 1,993.45 | | |
| 1 | 31-Mar-18 | Special project | 69100 | 5L | | 13.09 | | |
| 1 | 31-Mar-18 | Special project | 69100 | 5L | 1,993.45 | | | |
| | | | | 5L | 13.09 | | | |
| To record adjusting entry provided by client | | | | | | | | |
| 2 | 31-Mar-18 | Postage | 65020 | | | | | |
| 2 | 31-Mar-18 | Office Supplies | 65060 | | | 364.67 | | |
| 2 | 31-Mar-18 | Program Materials & Resources | 66020 | | | 69.23 | | |
| 2 | 31-Mar-18 | Program Materials & Resources | 66020 | | | 313.40 | | |
| 2 | 31-Mar-18 | Special project | 69100 | | | 250.13 | | |
| To reclass project expenses | | | | | | | | |
| | | | | | 5,755.16 | 5,755.16 | | |
| Net Income (Loss) | | | 15,867.03 | | | | | |

FAMILY COUNCILS OF ONTARIO

306-40 St. Clair Ave East
Toronto, ON
M4T 1M9

Raskin and Associates
245 Fairview mall Dr, Suite 436
Toronto, Ontario
M2J 4T1

Dear Sirs:

This representation letter is provided in connection with your audit of the financial statements of Family Councils of Ontario for the year ended March 31, 2018 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 14, 2014, for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations; in particular, the financial statements are fairly presented in accordance therewith.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
3. All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations require adjustment or disclosure have been adjusted or disclosed.
4. We believe there are no uncorrected financial statement misstatements which were noted during your audit.
5. We acknowledge that any journal entries which you have proposed have been discussed and approved by management. We take responsibility for recording such journal entries in the accounting records underlying the financial statements.
6. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
7. The Organization has satisfactory title to all assets, and there are no liens or encumbrances on the Organization's assets.
8. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

Information Provided

9. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
10. All transactions have been recorded in the accounting records and are reflected in the financial statements.
11. We have disclosed to you all deficiencies in internal control of which management is aware.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud that we are aware of and that affects the entity's financial statements and involves or are communicated by management, employees, former employees, analysts, regulators or others.
14. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
15. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. These relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.
16. We have not retained any legal counsel during the year, however, we are not aware of any outstanding and possible claims.
17. We have disclosed to you, and the Organization has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
18. There are no contingencies or commitments related to environmental matters that require recognition, measurement or disclosure in the financial statements.
19. All restricted funds and related assets of the organization have been appropriately classified and disclosed in the financial statements.
20. All endowments and restricted funds are properly disclosed and all restrictions have been complied with.
21. The Organization is not liable for income taxes under the Income Tax Act.

Yours very truly,

FAMILY COUNCILS OF ONTARIO

Lorraine Purdon
Mrs. Lorraine Purdon, Executive Director

May 1 2018
Date