

NORTH HASTINGS COMMUNITY TRUST

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

TO THE DIRECTORS
NORTH HASTINGS COMMUNITY TRUST

We have reviewed the accompanying financial statements of North Hastings Community Trust that comprise the balance sheet as at December 31, 2017, and the statements of income, retained earnings and cash flows 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of North Hastings Community Trust as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

HALIBURTON, ONTARIO
JUNE 11, 2018

Dawson Gray LLP
CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

NORTH HASTINGS COMMUNITY TRUST

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STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017**PREPARED WITHOUT AUDIT**

	<u>2017</u>	<u>2016</u>
	\$	\$
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	22,641	4,001
Accounts receivable	517	930
Prepaid expenses	<u>1,396</u>	<u>671</u>
	<u>24,554</u>	<u>5,602</u>
PROPERTY, PLANT AND EQUIPMENT (NOTES 2 and 3)	<u>1,295</u>	<u>802</u>
	<u><u>25,849</u></u>	<u><u>6,404</u></u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	4,594	4,549
Unearned revenue (note 4)	<u>3,250</u>	<u>4,000</u>
	<u>7,844</u>	<u>8,549</u>
<u>NET ASSETS</u>		
NET ASSETS	<u>18,005</u>	<u>(2,145)</u>
	<u><u>25,849</u></u>	<u><u>6,404</u></u>

NORTH HASTINGS COMMUNITY TRUST

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2017

PREPARED WITHOUT AUDIT

	<u>2017</u>	<u>2016</u>
	\$	\$
BALANCE JANUARY 1	(2,145)	53
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>20,150</u>	<u>(2,198)</u>
BALANCE DECEMBER 31	<u><u>18,005</u></u>	<u><u>(2,145)</u></u>

NORTH HASTINGS COMMUNITY TRUST

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STATEMENT OF OPERATIONS**FOR THE YEAR ENDED DECEMBER 31, 2017****PREPARED WITHOUT AUDIT**

	<u>2017</u>	<u>2016</u>
	\$	\$
REVENUES		
County of Hastings	27,200	26,158
United Way	42,500	34,172
Other funding	4,559	7,303
Donations	42,797	20,734
Fundraising	<u>1,648</u>	<u>6,605</u>
	<u>118,704</u>	<u>94,972</u>
EXPENDITURES		
Wages and benefits	45,828	48,370
Client costs	22,457	25,213
Insurance	1,113	1,087
Program costs	7,211	5,484
Fundraising cost	-	4,503
Telephone	1,689	1,460
Rent	4,834	4,200
Postage, office and general	5,169	2,627
Board development and training	2,322	-
Honorarium	3,350	-
Advertising	37	217
Legal and accounting	4,012	3,541
Bank interest and charges	57	178
Depreciation	<u>475</u>	<u>290</u>
	<u>98,554</u>	<u>97,170</u>
EXCESS (DEFICENCY) OF REVENUES OVER EXPENDITURES	<u>20,150</u>	<u>(2,198)</u>

NORTH HASTINGS COMMUNITY TRUST

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STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED DECEMBER 31, 2017****PREPARED WITHOUT AUDIT**

	<u>2017</u>	<u>2016</u>
	\$	\$
CASH GENERATED FROM CURRENT OPERATIONS:		
(Deficiency) excess of revenues over expenditures	20,150	(2,198)
Adjustments for:		
Depreciation	<u>475</u>	<u>290</u>
	<u>20,625</u>	<u>(1,908)</u>
Changes in non-cash working capital		
Accounts receivable	413	(763)
Prepaid expenses	(725)	374
Accounts payable and accrued liabilities	45	2,719
Unearned revenue	<u>(750)</u>	<u>(22,158)</u>
	<u>(1,017)</u>	<u>(19,828)</u>
Cash flows from operating activities	<u>19,608</u>	<u>(21,736)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(968)</u>	<u>(368)</u>
NET INCREASE (DECREASE) IN CASH	18,640	(22,104)
Bank, January 1	<u>4,001</u>	<u>26,105</u>
Bank, December 31	<u><u>22,641</u></u>	<u><u>4,001</u></u>

NORTH HASTINGS COMMUNITY TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

PREPARED WITHOUT AUDIT

1. NATURE OF BUSINESS

North Hastings Community Trust is a registered charitable organization formed to provide low income families, individuals and children with financial assistance and community referrals.

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Basis of Accounting

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and highly liquid temporary money market instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimated life of property, plant and equipment is the most significant item that involves the use of estimates.

Revenue Recognition

Government funding is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated, collection is reasonably assured and it matches the related expenses. Donations and fundraising are recognized on a cash basis when received.

Property, Plant and Equipment

Property, plant and equipment are valued at cost. Depreciation is provided over the estimated useful lives of the assets and has been recorded on the diminishing balance basis at annual rates as follows:

Furniture and equipment	- 20%
Computer equipment	- 55%
Computer software	- 100%

NORTH HASTINGS COMMUNITY TRUST**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017****PREPARED WITHOUT AUDIT****3. PROPERTY, PLANT AND EQUIPMENT**

	<u>2017</u>	<u>2016</u>
	\$	\$
COST		
Furniture and equipment	2,118	2,118
Computer equipment	3,929	2,961
Software	<u>467</u>	<u>467</u>
	<u>6,514</u>	<u>5,546</u>
ACCUMULATED DEPRECIATION		
Office furniture and equipment	1,587	1,455
Computer equipment	3,165	2,822
Software	<u>467</u>	<u>467</u>
	<u>5,219</u>	<u>4,744</u>
	<u><u>1,295</u></u>	<u><u>802</u></u>

4. UNEARNED REVENUE

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance, beginning of year	4,000	26,158
Less: Amount recognized as revenue in the year	(4,000)	(26,158)
Plus: Amount received related to the following year	<u>3,250</u>	<u>4,000</u>
	<u><u>3,250</u></u>	<u><u>4,000</u></u>

5. GOVERNMENT REMITTANCES

Included in the accounts receivable are amounts receivable in respect of government remittances for HST - \$517. In addition, included in the accounts payable and accrued liabilities are amounts owing in respect of government remittances for payroll liabilities - \$1,050.

6. ECONOMIC DEPENDENCE

The organization receives the majority of its revenue through funding agreements with the County of Hastings and United Way. The organization's continued operations are dependent on this funding agreement and on satisfying the terms of the agreement.