

SUPPORTING CHILDREN, FAMILIES, COMMUNITIES

# ANNUAL REPORT

2021-2022



Haldimand-Norfolk  
**REACH**

United Way Member Agency



Haldimand-Norfolk  
**REACH**

*supporting children, families, communities*

## **PRESIDENTS REPORT 2021-2022**

It is with pleasure that I provide this President's report on behalf of the Board of Directors on this, our 40<sup>th</sup> anniversary AGM. That is 'Forty Years of Making Lives Better.' While we are again for the third year holding our meeting virtually, we are no less excited to celebrate not only this important milestone but also the success of this year and the last 6 years.

6 years ago, the Board in cooperation with the management team launched our updated strategic plan. Our purpose then was to strengthen organizational health, strengthen engagement with service participants, position the organization for growth and position the organization in a culture of evaluation.

No one expected to pursue these goals all while navigating the complexities of a global pandemic. The Board is proud to announce to our various stakeholders that during these unprecedented times and in spite of the global pandemic, the H-N REACH Team rose to the occasion and met all of the strategic initiatives as evidenced through community feedback and other metrics.

Service participants continued to be served during the pandemic as the world embraced new ways of connecting through platforms like Zoom. In some respects, this made participation in our services more accessible to some that found it difficult to travel to appointments or find childcare.

We were successful in purchasing and renovating our new Dunnville office during this period and completed a makeover in the Simcoe office all while remaining very financially healthy as an organization. We also continued to receive excellent results and participation in our employee surveys. The surveys indicated that the staff of H-N REACH feel that they have a safe, healthy, and supportive work environment even during a time when offering our services posed additional public health concerns. As a Board we are pleased to say that, as an organization, we successfully made the progress we had planned for and while we will continue to grow in these areas going forward, we look forward to some new directions for the next 3 to 5 years.

With concerning considerations like inflation, housing cost challenges, war in the Ukraine, part shortages in the manufacturing sector, staffing shortages, and a possible recession, the next five years will undoubtedly also be fraught with challenges. As a Board we are more than confident that the team at H-N REACH will continue to thrive. They will lead the organization into the future providing support for the community we live and work in no matter what challenges the world presents. We are excited about the future and the opportunities it has as we work diligently on the new strategic plan that will be our guidance for the next 3 to 5 years. We look forward to releasing this new plan in the fall.

We have another very important thing to celebrate. As all will have now been made aware, this year marks the last year that we will have our incredible Executive Director – Leo Massi. Leo has been with H-N REACH since 1988 and has served as the Executive Director since 2004. He has been instrumental in the success of H-N REACH even before becoming Executive Director as a senior manager. While Leo's experience and presence will be missed, we know that he is

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never far away. We wish him well in his retirement years but most of all we honor him for his dedication to our organization and our community.

The Board of Directors is now endeavoring to complete the complicated task of replacing Leo. While Leo can never be replaced, we are very confident that we will find a suitable candidate that will provide the same level of passion and commitment to H-N REACH and be a strong leader for the organization as we implement our next strategic plan.

In closing, on behalf of the Board we want to thank all those that have made H-N REACH the organization that it is. Without the H-N REACH team, its funders and community partners, many in our community would not have received the support that they so desperately needed. It has been my honor and privilege to have served as the President of the Board this past year. I am excited to carry on as President for the next year and continue my contributions in service to the Haldimand and Norfolk communities. While we had really hoped to be holding this year's very special milestone meeting in person there were simply too many uncertainties surrounding COVID-19 when planning for this event began. The protocols that might have existed or even whether in person events such as this would be allowed made booking a venue difficult and risky. As a true Leaf's fan always says, "there is always next year!" and I am confident that next year will be the year that we can again gather in person to celebrate the success we know we will experience. Until then thank you again and here is to another 'Forty Years of Making Lives Better'.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark R. W. Smith", followed by a long horizontal line extending to the right.

Mark R. W. Smith



# GOOD REDDEN KLOSLER

Supporting Growth. Providing Direction.

Chartered Professional Accountants

## INDEPENDENT AUDITORS' REPORT

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To the Board of Directors of:

**HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP**

### Qualified Opinion

We have audited the accompanying financial statements of Haldimand-Norfolk R.E.A.C.H. which comprise the statement of financial position as at March 31, 2022, statement of changes in fund balances, statement of operations and statement of cash flows 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 as at March 31, 2022, 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.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, Haldimand-Norfolk R.E.A.C.H. derives revenue from the general public through donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of Haldimand-Norfolk R.E.A.C.H.. Therefore, we were not able to determine whether any adjustments might be necessary to revenue and net assets.

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 Haldimand-Norfolk R.E.A.C.H. 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 entity'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 or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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.

Continued

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 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 entity'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 entity 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.

*Good Redden Klosler LLP*

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CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

Simcoe, Ontario  
June 29, 2022

# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## STATEMENT OF FINANCIAL POSITION

As at March 31, 2022

	Operating	Charity	Nevada	Replacement	Total	Total
	Fund	Fund	Fund	Reserve	2022	2021
				Fund		
<b>ASSETS</b>						
Cash	3,067,393	235,280	36,960	-	3,339,633	2,831,045
Accounts receivable - Note 3	754,190	-	-	-	754,190	1,780,787
Due from other R.E.A.C.H. funds	20,322	-	825	-	21,147	17,418
Prepaid expenses	76,955	-	-	-	76,955	67,998
Investments	300,438	-	40,629	16,093	357,160	15,423
	4,219,298	235,280	78,414	16,093	4,549,085	4,712,671
Property, equipment and leasehold improvements - Note 4	1,974,878	-	-	-	1,974,878	2,012,547
	<b>6,194,176</b>	<b>235,280</b>	<b>78,414</b>	<b>16,093</b>	<b>6,523,963</b>	<b>6,725,218</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Accounts payable and accrued liabilities	2,361,490	-	-	-	2,361,490	2,860,033
Government remittances payable	151,203	-	-	-	151,203	133,153
Due to other R.E.A.C.H. funds	825	20,322	-	-	21,147	17,418
ELCC professional development fund	135	-	-	-	135	135
Current portion of mortgages payable - Note 5	50,487	-	-	-	50,487	34,960
	2,564,140	20,322	-	-	2,584,462	3,045,699
Mortgages payable - Note 5	576,223	-	-	-	576,223	335,307
Deferred contributions	753,801	-	-	-	753,801	1,105,307
Contingency - Note 11	863,648	-	-	-	863,648	835,544
	4,757,812	20,322	-	-	4,778,134	5,321,857
<b>Fund Balances</b>						
Unrestricted	1,436,364	214,958	78,414	-	1,729,736	1,387,268
Externally restricted - Note 7	-	-	-	16,093	16,093	16,093
	<b>6,194,176</b>	<b>235,280</b>	<b>78,414</b>	<b>16,093</b>	<b>6,523,963</b>	<b>6,725,218</b>

Approved by: \_\_\_\_\_



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2022

	Operating	Charity	Nevada	Replacement		
	Fund	Fund	Fund	Reserve	2022	2021
	Fund	Fund	Fund	Fund		
Fund Balance, Beginning of Year	1,099,350	211,527	76,391	16,093	1,403,361	1,134,569
Excess of revenue over expenditures	328,291	13,138	1,039	-	342,468	268,792
Interfund Transfers	8,723	(9,707)	984	-	-	-
<b>Fund Balance, End of Year</b>	<b>1,436,364</b>	<b>214,958</b>	<b>78,414</b>	<b>16,093</b>	<b>1,745,829</b>	<b>1,403,361</b>



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## STATEMENT OF OPERATIONS

For the year ended March 31, 2022

	Operating Fund	Charity Fund	Nevada Fund	Replacement	2022	2021
				Reserve Fund		
<b>REVENUE</b>						
Ministry funding	10,950,227	-	-	-	10,950,227	10,206,345
County funding	2,528,992	-	-	-	2,528,992	1,736,683
Hamilton Health Sciences Corp. funding	829,563	-	-	-	829,563	819,987
Other major funders	-	23,007	-	-	23,007	57,145
User fees	1,203,045	-	-	-	1,203,045	1,034,889
Canadian Emergency Wage Subsidy	115,804	-	-	-	115,804	956,154
Donations and fundraising	500	-	-	-	500	-
Interest and other	352,038	462	1,868	-	354,368	210,167
	15,980,169	23,469	1,868	-	16,005,506	15,021,370
<b>EXPENDITURES</b>						
Salaries and wages	6,586,799	-	-	-	6,586,799	6,220,997
Benefits	1,521,616	-	-	-	1,521,616	1,398,100
Travel	65,371	-	-	-	65,371	26,915
Professional development	31,399	-	-	-	31,399	43,605
Occupancy	698,296	-	-	-	698,296	546,495
Professional fees	100,261	-	-	-	100,261	172,496
Program supplies and start-up costs	140,211	546	821	-	141,578	136,139
Purchased services - client	643,218	-	-	-	643,218	417,175
Food	35,273	-	-	-	35,273	29,335
Community initiatives	3,920,327	-	-	-	3,920,327	3,091,262
Advertising and promotion	25,994	9,750	-	-	35,744	57,242
Telephone and internet	59,692	-	-	-	59,692	92,284
Office administration	191,676	35	8	-	191,719	236,031
Dues, fees and licences	26,336	-	-	-	26,336	41,337
Insurance	68,019	-	-	-	68,019	70,090
Capital asset expensed	67,000	-	-	-	67,000	37,014
Board and general meeting	3,999	-	-	-	3,999	4,469
Amortization	256,724	-	-	-	256,724	183,697
Caregiver, provider and facilitator fees	181,383	-	-	-	181,383	122,416
Respite contracts	840,669	-	-	-	840,669	915,315
Mortgage and loan interest	16,458	-	-	-	16,458	13,741
Accounts receivable write off's	9,269	-	-	-	9,269	26,991
Capital reserve allowance	-	-	-	-	-	2,125
Other	17,980	-	-	-	17,980	31,763
Contingency - Note 11	143,908	-	-	-	143,908	835,544
	15,651,878	10,331	829	-	15,663,038	14,752,578
<b>Excess of Revenue over Expenditures</b>	<b>328,291</b>	<b>13,138</b>	<b>1,039</b>	<b>-</b>	<b>342,468</b>	<b>268,792</b>





# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## STATEMENT OF CASH FLOWS

For the year ended March 31, 2022

	2022	2021
<b>Operating Activities</b>		
Excess of revenues over expenditures	342,468	268,792
Amortization of property, equipment and leasehold improvements	270,659	198,243
	613,127	467,035
Change in non-cash working capital accounts		
Accounts receivable	1,026,597	(604,956)
Investments	(341,739)	48,432
Prepaid expenses	(8,957)	66,118
Accounts payable and accrued liabilities	(498,543)	1,064,534
Government remittances payable	18,050	38,240
Contingency	28,104	835,544
Deferred contributions	(351,506)	990,226
	485,133	2,905,173
<b>Financing and Investing Activities</b>		
Proceeds from issuance of mortgages payable	300,000	-
Repayment of mortgages payable	(43,558)	(34,543)
Purchase of property, equipment and leasehold improvements	(232,987)	(944,441)
	23,455	(978,984)
<b>Net Cash Flow</b>	508,588	1,926,189
<b>Cash Balance at Beginning of Year</b>	2,831,045	904,856
<b>Cash Balance at End of Year</b>	3,339,633	2,831,045



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

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### 1. PURPOSE OF THE ORGANIZATION

Haldimand-Norfolk Resource, Education and Counselling Help (R.E.A.C.H.) is a regional organization operating programs to ensure that there will be a socially and emotionally secure community of individuals and families living within the counties of Haldimand and Norfolk. R.E.A.C.H. is a not-for-profit organization and is a registered charity under the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Presentation

The financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPPO).

#### (b) Fund Accounting

##### (i) Operating Fund

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund

##### (ii) Charity Fund

Revenues and expenses related to general fundraising activities are reported in the Charity Fund.

##### (iii) Nevada Fund

Revenues and expenses related to Nevada tickets fundraising activities are reported in the Nevada Fund.

##### (iv) Replacement Reserve Fund

Revenues and expenses related to the statutory maintenance of a replacement reserve fund for the Ministry of Children, Community and Social Services funding, relating to repairs for the Union (Simcoe) property, are reported in the Replacement Reserve Fund.

#### (c) Revenue Recognition

R.E.A.C.H. follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and if collection is reasonably assured.

User fee revenue is recognized for services that have been provided, it is recognized when it is received or receivable and collection can be reasonably assured. Interest revenue is accrued as it is earned.

Other revenue includes revenue from rental units, funds that have been transferred from other budgets and is off set by the central administration allocation. Other revenue is recognized when it is received or receivable and collection can be reasonably assured.

#### (d) Expenses

Expenses are reported on the accrual basis of accounting. The cost of goods and services are recorded in the year acquired regardless whether or not payment has been made.

#### (e) Investments

All of the investments are carried at their fair market value and consist of guaranteed investment certificates (GIC's).



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(f) Property and Equipment**

Purchased property and equipment are recorded in the Operating Fund at cost. Contributed property and equipment are recorded in the Operating Fund at fair market value at the date of the contribution. Amortization is calculated on a straight-line basis over the capital assets' estimated useful lives at the following annual rates:

Building - Bramble (Townsend)	10 years
Building - Union (Simcoe)	10 years
Building - John (Simcoe)	40 years
Ramsey (Dunnville)	20 years
Furniture and equipment	5 years
Information technology equipment	3 years
Information technology software	5 years
Leasehold improvements	Evenly over the term of the lease
Vehicles	10 years

In accordance with the Ministry of Children, Community and Social Services accounting requirements, the Union (Simcoe) and the Bramble (Townsend) properties are amortized over the life of their related mortgages. Their annual amortization expense matches the mortgage principal payments made during the year on each property.

The costs associated with capital in progress are capitalized during the development phase of the capital project. Upon completion of the project, the assets are allocated to their respective property and equipment class and amortized at the applicable class rate.

**(g) Accumulated Fund Balances**

The Ministry of Children, Community and Social Services provide the majority of the funding for R.E.A.C.H. The applicable Ministry will request the repayment of excess funds. The excess funds are set up as accounts payable and recoverable by the Ministry.

**(h) Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred. Financial instruments are comprised of accounts receivable, short and long term investments, accounts payable and accrued liabilities and long term debt. All financial instruments are subsequently carried at amortized cost.

**(i) Allocation of Expenses**

R.E.A.C.H. engages in several client support services and programs. The costs of each program includes the cost of personnel, marketing, premises and other expenses that are directly related to providing the program. R.E.A.C.H. also incurs a number of general support expenses that are common to the administration of the organization and its programs. R.E.A.C.H. allocates its general overhead and marketing expenses by identifying the portion of support applicable to each contract or program and/or the amount permitted by the funding source, which is generally based on a percentage of funding.



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(j) Government Grants**

Government grants and funding is recorded when there is reasonable assurance that R.E.A.C.H. has complied with and will continue to comply with all necessary conditions to obtain the grants and funding.

**(k) Programs**

R.E.A.C.H. administers many different types of programs. Some of these programs are 'managed by the Organization', while others are 'managed on behalf of others'. All programs are subject to audit attestation. Only programs 'managed by the Organization' are included in the combined statement of operations. The programs are segregated in the index to these financial statements between 'managed by the Organization' and 'managed on behalf of others'.

**(l) Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) 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. The most significant estimates in the financial statements include the useful life of capital assets and the determination of accruals.

**(m) Contributed Services**

Volunteers contribute numerous hours to assist R.E.A.C.H. in carrying out certain aspects of its service delivery activities. The fair value of these contributed services is not readily determinable and, as such, is not reflected in the financial statements.

**(n) Economic Dependence**

The Ministry of Children, Community and Social Services provides the majority of the funding for R.E.A.C.H. and as such R.E.A.C.H. has the ability to continue viable operations and is dependent upon continued funding by the Ministries. The funding is based on approved expenditure levels for each program as set out by an agreement between the Ministries and the R.E.A.C.H. Any excess of revenue over expenditures subsidized by the Ministries will be requested to be returned.



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

### 3. ACCOUNTS RECEIVABLE

Included in accounts receivable is \$754,190 (2021 - \$1,430,182) of trade receivable and \$nil (2021 - \$350,605) of Canadian Emergency Wage Subsidy receivable.

### 4. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	Cost	Accumulated Amortization	2022	2021
Land - Bramble (Townsend)	39,500	-	39,500	39,500
Land - John (Simcoe)	132,975	-	132,975	132,975
Land - Ramsey (Dunnville)	75,000	-	75,000	75,000
Building - Bramble (Townsend)	178,710	156,087	22,623	7,686
Building - Union (Simcoe)	298,612	272,030	26,582	41,375
Building - John (Simcoe)	377,234	24,841	352,393	172,309
Building - Ramsey (Dunnville)	321,566	77,157	244,409	311,517
Furniture and equipment	852,833	537,168	315,665	296,675
Information technology equipment	283,781	227,445	56,336	57,932
Information technology software	368,864	311,600	57,264	86,724
Leasehold improvements	240,096	204,265	35,831	19,248
Vehicles	38,903	13,292	25,611	29,502
Capital in progress	590,689	-	590,689	742,104
	<b>3,798,763</b>	<b>1,823,885</b>	<b>1,974,878</b>	<b>2,012,547</b>

### 5. MORTGAGE AND LOAN PAYABLE

The mortgage payable on the Union (Simcoe) property bears interest at 3.75% per annum, is repayable in blended monthly installments of \$1,358 and matures on September 1, 2023. The mortgage is secured by the Union (Simcoe) property. The current portion of the mortgage principal balance is \$15,667 (2021 - \$14,560) and the long-term portion is \$8,097 (2021 - \$23,764). The loan is expected to be renewed.

Two loans are secured by the Ramsey (Dunnville) property. One loan bears interest at prime plus 0.49% per annum, is repayable in blended monthly installments of \$1,574 and matures on March 19, 2031. The current portion of the loan principal balance is \$10,595 (2021 - \$10,247) and the long-term portion is \$241,823 (2021 - \$252,417). A second loan bears floating interest of 1.5% per annum, is repayable in blended monthly installments of \$1,448 and matures on February 22, 2024. The current portion of the loan principal balance is \$13,091 (2021 - \$nil) and the long-term portion is \$278,291 (2021 - \$nil).

The loan payable is secured by the John (Simcoe) property. The loans interest at 4.05% per annum, is repayable in blended monthly installments of \$1,062 and matures on February 8, 2027. The current portion of the loan principal balance is \$11,133 (2021 - \$9,612) and the long-term portion is \$48,003 (2021 - \$59,121).

R.E.A.C.H. has the following anticipated total principal repayments over the next 5 years:

	Union (Simcoe)	John (Simcoe)	Ramsey	Total
2023	15,667	11,133	23,686	50,486
2024	8,097	11,470	24,244	43,811
2025	-	11,816	24,817	36,633
2026	-	12,173	25,406	37,579
2027	-	12,543	26,012	38,555



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

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### 6. OPERATING LINE OF CREDIT

The Organization has an available line of credit for \$185,000 at prime lending rate plus 0.75%. The outstanding balance as at March 31, 2022 was \$nil (2021 - \$nil).

### 7. EXTERNAL RESTRICTIONS ON FUND BALANCES

The Replacement Reserve Fund is restricted by the Ministry of Children, Community and Social Services for repairs made on the Union (Simcoe) property. The fund balance of \$16,093 (2021 - \$16,093) is restricted for this purpose.

### 8. INTERFUND TRANSFERS

The Charity Fund and the Nevada Fund each transferred funds to/from the Operating Fund to support programs operated by R.E.A.C.H.

### 9. RELATED PARTY TRANSACTIONS

R.E.A.C.H. is the sponsor agency for Community Action Program for Children (C.A.P.C.) via a Letter of Understanding. Although C.A.P.C. is not a legal entity unto itself, it is regarded as a non-managed fund and it is required to maintain a separate bank account. C.A.P.C.'s net assets are included as a payable balance in the Statement of Financial Position under the Operating Fund and all of C.A.P.C.'s Statements of Revenues and Expenditures are reported as non-managed funds.

### 10. LEASE COMMITMENTS

R.E.A.C.H. has the following payments required under operating leases for rental property:

2023	293,065
2024	276,507
2025	263,770
2026	275,366
2027	<u>278,045</u>
	<u>1,386,753</u>

### 11. CONTINGENCY

During the year and prior year the Organization was required to apply for federal funding in order to secure certain funding. The Organization received funding under the Canadian Emergency Wage Subsidy Program which has resulted in a surplus of funding. The Organization recognizes that the surplus may need to be paid back to a funder and has recorded a provision for the remaining amount that has not been utilized of \$863,648 (2021 - \$835,544).



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

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### 12. FINANCIAL INSTRUMENT RISK

Financial instruments consist of cash, accounts receivable, investments, accounts payable, accrued liabilities and mortgage payable. Cash, accounts receivable, accounts payable, and accrued liabilities are all short-term in nature and as such, their carrying values approximate fair value. Investments consist of guaranteed investment certificates (GIC's) which approximate their fair value. Mortgage payable is at the prevailing market rate and therefore approximates its fair value. Some fee-based-revenue is made on credit and is subject to normal credit risk for service agencies. Adequate provisions have been made for anticipated uncollectible amounts.

R.E.A.C.H. is exposed to various risks through financial instruments and has a framework to monitor, evaluate and manage these risks. The following analysis provides information about risk exposure and concentration as of March 31, 2022:

#### Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The nature and significant number of service participants and the significance of the funding received from Ministry of Children, Community and Social Services minimizes the exposure to credit risk as R.E.A.C.H. does not extend significant credit in the form of trade receivables.

#### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. R.E.A.C.H. is exposed to this risk mainly in respect of its receipt of funds from service participants and other related sources and financial obligations with banking institutions. The nature and significant number of service participants and suppliers minimizes liquidity risk as R.E.A.C.H. does not maintain significant trade payables or receivables. Current amounts due in respect of long term financial obligations are considered manageable.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. R.E.A.C.H. is mainly exposed to interest rate risk. Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. R.E.A.C.H. is exposed to interest rate risk in respect of its long term financial obligations. Interest rate risk is minimized as the interest rate is fixed.

### 13. PRIOR PERIOD ERROR

During the year, certain qualifying criteria for two periods of the Canadian Emergency Wage Subsidy Program recognized in the prior year financial statements were determined not to have been met. As a result the Organization corrected prior period amounts by reducing accounts receivable and contingency on the statement of financial position as well as the Canadian Emergency Wage Subsidy income and contingency expense on the statement of operations by \$318,958 respectively.

### 14. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of these financial statements.





I am pleased to provide the membership of Haldimand-Norfolk Resource, Education and Counselling Help (H-N REACH) this Executive Director's Report for the fiscal year 2021-22. H-N REACH is now in its 41<sup>st</sup> year of providing community-based services to children, youth, adults and families in the counties of Haldimand and Norfolk and beyond. Having reached our 40-year milestone, the 2022 Annual General Meeting will be a timely opportunity to reflect on our past, celebrate our achievements and contemplate how this agency can continue to meet the needs of these communities in the days to come. This report will highlight some of the more significant developments of the past fiscal year and provide an overview of some of our major directions for 2022-2023.

H-N REACH is an accredited, multi-service, multi-sector agency that serves approximately 10,000 children, youth, individuals, and families per year. The agency is funded by multiple sources, including all three levels of government, to provide a variety of programs, information, education, community development and service planning functions. Agency services cover the entire life span, and most programs are funded to serve the residents of Haldimand and Norfolk Counties. Services such as the Regional Student Nutrition Program and some functions of our Contact Unit also operate in the broader regional area. The main office is located in Townsend Ontario; however, services are delivered across the entire Haldimand and Norfolk service area through satellite sites, use of partner agency facilities, community locations, home visiting practices and virtual service options.

The organization typically employs 200 people, maintains a base of approximately 35 volunteers, 23 Special Services at Home Workers, 20 Host Families, and contracts with 3 additional psychotherapists to provide services throughout Haldimand and Norfolk Counties. H-N REACH also contracts with some external organizations to provide specialized services that serve as a complement or directly funded alternative to some of our programs.

Through our Contact Unit, the agency serves as the single point of access for local and regional children's services funded by the Ministry of Children, Community and Social Services (MCCSS) and the Ministry of Health (MOH). Our Contact Team also coordinates the Service Resolution function for area children and youth whose needs cannot be met through existing funded services.

H-N REACH serves as the appointed Lead Agency for:

- Regional Student Nutrition Program (since 2004)
- Child and Youth Mental Health Services (since 2014)
- Service Coordination Agency under the provincial Special Needs Strategy (since 2016)

H-N REACH is governed by a 10-member volunteer Board of Directors that meets monthly to govern the affairs of the agency. In carrying out their responsibilities, the Board ensures that their work is connected and integrated with the work of other groups in our local communities and regional area. These efforts ensure that the application of our resources is consistent with community needs and that our directions are complementary to the efforts of other groups and organizations providing services to children, youth and families in Haldimand and Norfolk Counties.

The Board of Directors is currently in the process of developing the next Strategic Plan which is scheduled for release in the Fall of 2022.



### **Our Mission**

*Haldimand-Norfolk REACH promotes and supports social inclusion and community well-being by providing coordinated access, planning, programs and services for individuals and families.*

### **Our Ends Policies:**

In support of the above Mission Statement, H-N REACH continues to work toward the directions outlined in the agency "Ends Policies" established by our Board of Directors. Our directions are focused on:

- Prevention and early intervention
- Information and education
- Accessibility
- Service delivery appropriate to needs and through a timely response

### **Our Funders:**

- Ministry of Children, Community and Social Services
- Ministry of Health
- Ministry of Attorney General
- Public Health Agency of Canada
- Hamilton Health Sciences Corporation
- Norfolk and Haldimand Counties
- United Way of Haldimand and Norfolk

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### **Our History: *Forty Years of Making Lives Better:***

*"In 1980, a group of local citizens concerned with the well-being of area children began meeting to discuss the unmet needs of our community. From those early discussions, the idea of establishing a local Children's Mental Health agency was born. This group of local visionaries took an ambitious idea and created an agency in 1982....."*

And so begins the story of H-N REACH. What followed in the next 40 years can only be described as a textbook model of organizational and community development. Based on the guiding principles of providing responsive, community-based supports, this new agency set out to pursue its mission of "enhancing the mental health of children and their families" through the delivery of local services.

The agency started as a not-for-profit organization known as *Children's Mental Health Services of Haldimand-Norfolk*, employing three people and engaging two secondments from the Ministry of Community and Social Services. Over time and in frequent consultation with the community, the mandate and menu of services offered by the organization expanded to address a wider variety of community needs. By the early 1990s, H-N REACH was providing some services across the life span in the developmental services, justice and mental health sectors. In 1994 the agency was renamed as Haldimand-Norfolk Resource, Education and Counselling Help (H-N REACH) to more accurately reflect the broader range of services being offered at the time. In 2006, the agency underwent a major organizational restructuring and re-branding to accommodate its extensive growth, manage its expanded responsibilities within the broader service system and to better communicate its purpose and functions in

our local communities. This strategy also included a plan to be more physically present in our local communities leading to the purchase or leasing of new satellite offices throughout Haldimand and Norfolk Counties. Where possible, these offices are shared with our key community partners to leverage our shared resources and improve the coordination of services and access for local families.

In 2022, H-N REACH again restructured its Leadership Team and some of our service and administrative units to:

- accommodate the significant growth in our child and youth mental health and autism services;
- address the re-alignment of adult counselling and youth justice services;
- position the agency to respond to new anticipated developments in early learning and care services and adult developmental services;
- pursue new ambitions related to the recruitment, retention and development of employees;
- strengthen our relationships with colleges and universities and develop the capacity to accommodate more student placements;
- continue to advance our IT systems and the use of technology to address the increase in administrative and accountability requirements of funders and regulators;
- accommodate the increased level of financial management and reporting requirements related to changes in some funding structures;
- prepare for a change in agency leadership scheduled for October 2022.

A full listing and description of our current services and structure can be found online at: [hnreach.on.ca](https://hnreach.on.ca).

The story of H-N REACH involves a series of such flexible adaptations and transitions as the organization transformed itself to best meet the needs of our communities and other stakeholders at any given point in time. The one constant in our story has been the unwavering commitment to our mission. Throughout its 40-year history, H-N REACH has been consistently focused and steadfast in ensuring its time, energies, talents and resources were fully devoted to serving the unique needs of the children, youth, individuals and families living in the counties of Haldimand and Norfolk and for some programs, our neighboring communities. The mission of H-N REACH is the constant driving force and central source of energy.

Recognizing that its mission is best accomplished through a collaborative effort, the agency has built and nurtured a number of relationships with partner agencies, community volunteers and other organizations that share our mission. Over time, H-N REACH also joined the efforts of 21 provincial associations who help lead the provincial work in their respective fields of expertise. Collectively, we have worked to identify and address community needs, while ensuring our resources are directed to activities that are most likely to make a difference in the lives of our children, youth and families.

In this spirit of community, collective responsibility and collaboration, H-N REACH is pleased to welcome a number of our community supporters, funders, collaterals, employees and special guests to our 40<sup>th</sup> Anniversary Annual General Meeting. We are particularly pleased to welcome Mr. Les Anderson, one of the agency's founders and the very first Board President of *Children's Mental Health Services of Haldimand-Norfolk*. Les has been a life-long friend of H-N REACH and serves as an ongoing example of the generous level of community support this agency has enjoyed throughout its history. It is long standing relationships such as our connection to Les, that also tells the success story of H-N REACH.

Being part of the larger provincial systems in various sectors, we are also pleased to welcome the leadership of some of our provincial associations to our 40<sup>th</sup> anniversary celebration. These provincial groups serve to coordinate and support the efforts of like agencies across the province of Ontario. Our relationships with our 21 provincial associations enable us to join the collective voices of colleagues across the province, leverage our influence and advance our advocacy agenda. The story of H-N REACH extends far beyond the borders of Haldimand and Norfolk Counties and includes our extensive network of connections and relationships across Ontario.

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Our anniversary celebration gives us all the opportunity to reflect on our past, celebrate the important work that we do today and contemplate where this organization is heading in the future. To help us celebrate this important milestone, the Board of Directors of H-N REACH commissioned a 40th anniversary video that will be screened at tonight's meeting. This video will highlight some of the important work done by the agency as well as tell the story about how this work impacts the lives of others. These stories, as told through the voices of our local youth, families, employees and Board members speak volumes about what H-N REACH is about and what the organization means to this local community. In many ways, the video will bring to life the vision our agency's founders had in mind when they started the conversation in 1980.

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### **Dealing with the COVID-19 Pandemic:**

In the winter of 2020, a world-wide coronavirus pandemic was identified by the World Health Organization. In March 2020, the Province of Ontario issued a Declaration of Emergency and a variety of emergency orders followed over time as Ontario did its best to manage the spread of the virus and deal with a multitude of subsequent effects. At the time of this writing, 30 months have passed since the pandemic was first identified and various multi-dimensional impacts on society have revealed themselves over time. Throughout this period, H-N REACH was called upon to transform itself and adapt its practices repeatedly as we worked our way through the various stages and frameworks of the COVID-19 pandemic management process while recognizing the significant impacts the virus and restrictions were having on our service participants and employees.

Fiscal 2021-22 was yet another exceptional period of time in our history. The prolonged and unpredictable nature of the pandemic again tested our collective resiliency and resolve as we worked diligently to maintain our essential services during a period when they were needed the most. The H-N REACH team deserves a great deal of credit for the above-and-beyond efforts required to support our most vulnerable citizens who were disproportionately impacted by this pandemic. In addition to the specific services we are funded to provide, many of our employees assisted local families with a variety of life necessities such as food security, transportation, housing and accessing accurate health information. At times such as these, strong and effective community organizations, such as H-N REACH, can make a real difference in ensuring that our families and communities remain intact. Our success in managing our way through these challenging times is a credit to our dedicated, professional employees, the strength of our Leadership Team, and the effective governance provided by our Board of Directors. The strength of our community relationships were also key as we worked collaboratively with other groups and organizations to meet pressing local needs throughout this time.

As we now learn to live with the ongoing presence of the COVID-19 virus and health restrictions are being relaxed, our services and operations are returning to a new state of the normal. Full service options have been restored for most programs. As we enter into this new phase, the agency is taking note of the increased volume demand for our services as well as the complexity of issues facing children, youth and families that are seeking assistance from H-N REACH. Although the long-term societal impacts of the COVID-19 pandemic are not fully known, current trends and projections clearly indicate that service pressures are expected to accelerate for some time to come. It is important to note that this level of intensity in the work has a cumulative, fatiguing effect on our employees. As such, H-N REACH will need to be planful, deliberate and strategic if it hopes to maintain a healthy work place while meeting the emerging needs of our communities in the days ahead. In addition to these challenges, the COVID-19 experience also presented some new virtual service opportunities and technology-based efficiencies that the agency can adopt as ongoing practices. These developments are currently under agency study and some will be integrated into our next transformation process.

As we exit the restrictive period of the COVID-19 pandemic, H-N REACH will be well-advised to benefit from these learnings and use these new technology-based options to offset some of the challenges associated with the anticipated increased demand. The next strategic plan will become an important planning and guidance tool for our Leadership Team and professional staff as H-N REACH is called

upon once again, to transform itself and position our considerable resources to best respond to the community needs of tomorrow.

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### 2021-2022 Service Delivery Highlights:

Autism and Behaviour Services:	<ul style="list-style-type: none"> <li>• 313 service participants</li> <li>• 56 families supported through Fun Nights</li> </ul>
Child and Youth Mental Health Services:	<ul style="list-style-type: none"> <li>• 862 service participants</li> <li>• 263 engaged in targeted prevention</li> <li>• 862 supported through Service Coordination</li> </ul>
Contact Haldimand Norfolk:	<ul style="list-style-type: none"> <li>• Processed 916 new referrals</li> <li>• 7 supported through Service Resolution process</li> <li>• 50 children served in Coordinated Service Planning</li> <li>• 42 children served in the FASD Program</li> </ul>
Developmental Services:	<ul style="list-style-type: none"> <li>• 672 service participants</li> <li>• 588 periods of overnight respite</li> </ul>
Early Learning and Care Services:	<ul style="list-style-type: none"> <li>• 207 children served in licensed childcare</li> <li>• 610 unique families served</li> <li>• 3872 visits to EarlyON Child and Family Centres</li> </ul>
Early Childhood Intervention Services:	<ul style="list-style-type: none"> <li>• 114 service participants supported through FEIP</li> <li>• 45 community programs supported through FEIP</li> <li>• 260 service participants supported through CAPC and ICDS</li> </ul>
Family Services:	<ul style="list-style-type: none"> <li>• 517 service participants</li> </ul>
Regional Student Nutrition Programs:	<ul style="list-style-type: none"> <li>• 55,534 students, 5,480,785 meals</li> <li>• 46 local programs and 9 COVID-19 initiatives served 8,377 children 528,413 meals</li> </ul>
Youth Services:	<ul style="list-style-type: none"> <li>• 86 service participants</li> <li>• 1031 nights of residential service</li> </ul>

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### 2021-2022 Community Information and Education Highlights:

- The agency provided 145 education events that reached 4409 participants. This included 24 workshops provided to community groups and partner agencies.
- Our Contact Unit provided 578 consultations children, youth and families.
- Your Guide is made available virtually 3 times per year, posted on our website and throughout Haldimand and Norfolk on community partners' websites.
- H-N REACH participates in the Brant Haldimand Norfolk Information Network which supports the ongoing operations of the Brant/Haldimand/Norfolk Community Information Database. This database provides information on community services to the public as well as supplying up to date data to Ontario's 211 Information System. ([www.bhn-info.ca](http://www.bhn-info.ca))

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**Provincial Affiliations:**

H-N REACH is proud to be a member of:

- Children's Mental Health Ontario
- Family Support Institute Ontario
- Autism Ontario
- Community Living Ontario
- Ontario Agencies Supporting Individuals with Special Needs
- Adult Protective Services Association of Ontario
- Family Service Ontario
- Association of Early Childhood Educators of Ontario
- Canadian Child Care Federation
- Early Childhood Resource Teacher Network of Ontario
- Infant Mental Health Promotion (IMP)
- Ontario Coalition for Better Child Care
- Professional Administrators of Volunteer Resources-Ontario
- Ontario Association for Infant and Child Development
- Canadian Criminal Justice Association
- Canadian Association of Family Resource Centres
- Ontario Network of Special Needs Resourcing Programs
- Student Nutrition Ontario Network
- Early Years Provincial Network
- Coordinated Service Planning Provincial Network
- Child and Youth Mental Health Lead Agency Consortium

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**In Appreciation:**

As always, I would like to express my appreciation for the commitment and talents of our professional service delivery, administrative and management employees who carry out the important work of this agency. Over these past 30 months, our team of dedicated employees have applied their best talents and tapped into their reserves of resilience to ensure our services were there for the children, youth and families of Haldimand and Norfolk when they were needed the most. Our employees have been and will continue to be our greatest resource and central to our future success. It has been my pleasure and privilege to have worked alongside our dedicated employees for these past 34 years.

On behalf of the Board and staff of H-N REACH, I would also like to offer our thanks to the financial and in-kind supporters of this organization. During the past year, H-N REACH was again grateful to receive many donations of goods and funds that we then made available to local families who were disproportionately affected by the pandemic experience. The efforts and contributions of our donors are often positioned behind the scenes, but it is important to note that these donations make a significant difference in our efforts to promote and support healthy communities.

On behalf of our employees, I wish to thank and acknowledge the Board of Directors, under the leadership of our President Mark Smith, for the wisdom, guidance, and vision they bring to this organization. In the past year, members of our Board of Directors have continued to be present at each of our staff meetings to directly demonstrate their support for the work of our employees. This additional active engagement during the pandemic has been particularly well-received and has made a real difference in generating the level energy needed to offer our best services at this point in time. In planning for the next major period of transition, the Board of Directors has allocated significant resources and time to the development of the next strategic plan. This proactive planning is typical of the level of leadership they provide to this organization. Together with their regular governance duties, they too have been called upon to go above-and-beyond. As I reflect upon my years at H-N REACH, I

have a deep sense of good fortune and gratitude for having worked so closely with such civic-minded leaders who give freely to their communities for the sole sake of making them better, just as Les Anderson and his colleagues did in 1980.

And finally, I extend the thanks of H-N REACH to all our funders for their continued trust and support. Our strong, trusting and collaborative relationships with our funders have served us well for the past 40 years and will continue to do so in the times ahead.

**The Road Ahead: 2022-2023:**

Having spent the past 43 years in the field of social work, I have come to more fully appreciate the difference an agency like H-N REACH can make to a local community. In human service work, relationships are key and serve as the primary mediums through which good and effective work is done. The network of relationships that connect our service participants, families, employees, community groups, agencies, funders and other helpers are to be fed and nurtured to maintain our success in promoting and supporting our healthy communities. Our network of relationships that extend beyond our local borders also help in that they connect us to our broader community and enable us to extend our influence as well as learn from the experiences of other areas. As I reflect upon the work of H-N REACH over the past 40 years, it confirms for me that the agency's focus on relationships, both local and beyond, is an effective long-term strategy and central to its considerable success over time. Simply put, it is all about the relationships and feeding relationships is a notable strength of this organization!

H-N REACH will soon experience a change in leadership as this writer moves into retirement in the Fall of 2022. This change will be accompanied by a new opportunity to bring H-N REACH to its next level of development in the organization's constant search for excellence in service delivery, governance and operations. As this transition moves forward, H-N REACH will have the benefit of building upon 40 years of successful history as it contemplates its next transformation and the leadership that will help guide them to the next destination. The story of H-N REACH will continue with a sense of purpose and promise, just as it has for the past 40 years.

The new strategic plan that is currently in development will be a useful blueprint to guide the future efforts of the next Executive Director, our Leadership Team and our employees. This new plan will also help to communicate our future directions to our service participants, communities, funders and other stakeholders. The considerable amount of work that is currently taking place to study the issues, assess the needs and identify key strategic issues and directions will help to ensure that H-N REACH continues its story of success over the next three to five years and that its services will be here for the next generation.

As I sign off on my final report to the membership of the organization, I extend my heartfelt thanks for the opportunity to be a part of this admirable mission for the past 34 years and wish you success as you continue to write the wonderful story of H-N REACH.



Leo Massi, M.S.W., R.S.W.  
Executive Director