

# **Scarborough Women's Centre**

**Financial Statements**

**For the Year Ended March 31, 2018**

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors of Scarborough Women's Centre**

We have audited the accompanying financial statements of Scarborough Women's Centre which comprise the statement of financial position as at March 31, 2018 and the statements of revenue and expenses and changes in fund balances 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.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### *Basis for Qualified Opinion*

In common with many charitable organizations, the Centre derives revenue from various levels of the government and general public in the form of grants, donations from foundations and individuals and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to grants, foundations and individual donation, and fundraising revenue, excess of revenue over expenses and cash flows from revenues and expenses for the year ended March 31, 2018, and current assets as at March 31, 2018 and net assets as at April 1, 2017, and March 31, 2018.

***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 Scarborough Women's Centre as at March 31, 2018, 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.

***Unaudited Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedule A through B is presented for additional analysis purposes and is not a required part of the financial statements. Although such supplementary information has been subject to the auditing procedures applied in the audit of the financial statements, these supplementary schedules are unaudited.

*Yang Chartered Accountant P. C.*

**Yang Chartered Accountant Professional Corporation**

Authorized to practice public accounting by  
The Institute of Chartered Professional Accountants of Ontario

**July 9, 2018**

**Toronto, Ontario**

**Scarborough Women's Centre  
Statement of Financial Position  
As at March 31, 2018**

	2018	2017
<b>Current</b>		
Cash	132,125	78,223
Short term investments (Note 3)	67,192	51,568
Grants/funding and other receivables	13,921	4,737
HST receivable	5,569	3,114
Prepaid expenses	6,119	5,195
	<b>224,926</b>	<b>142,837</b>

**Liabilities**

<b>Current</b>		
Accounts payable and accrued liabilities	45,827	15,717
Deferred contributions (Note 4)	82,656	59,928
	<b>128,483</b>	<b>75,645</b>

**NET ASSETS**

Unrestricted	96,443	67,192
	<b>224,926</b>	<b>\$ 142,837</b>

Commitment (Note 6)

Approved by the Board

  
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Director

  
\_\_\_\_\_  
Director

**Scarborough Women's Centre**  
**Statement of Revenue and Expenses and Changes In Fund Balances**  
**Year Ended March 31, 2018**

	Core Operating (Schedule A)	Special Operating (Schedule B)	Total 2018	Total 2017
<b>Revenue</b>				
<b>Government- fees and grants</b>				
City of Toronto	95,787	-	95,787	75,953
Provincial	117,019	-	117,019	97,019
Federal	15,976	93,121	109,097	15,006
	<b>228,782</b>	<b>93,121</b>	<b>321,903</b>	<b>187,978</b>
<b>United Way</b>				
Designated donations	2,417	-	2,417	1,417
	<b>2,417</b>	<b>-</b>	<b>2,417</b>	<b>1,417</b>
<b>Other revenue</b>				
Foundations	98,667	59,777	158,444	141,353
Fundraising and donations	51,303	250	51,553	65,951
Membership fees	80	-	80	404
Misc Revenue	280	-	280	-
	<b>150,330</b>	<b>60,027</b>	<b>210,357</b>	<b>207,708</b>
<b>Interest income (Note 3)</b>	<b>654</b>	<b>-</b>	<b>654</b>	<b>117</b>
	<b>150,984</b>	<b>60,027</b>	<b>211,011</b>	<b>207,825</b>
	<b>382,183</b>	<b>153,148</b>	<b>535,331</b>	<b>397,220</b>
<b>Expenses</b>				
<b>Personnel expenses</b>				
Salaries and employee benefits	226,988	95,900	322,888	253,527
Employee benefits	28,433	13,940	42,373	34,811
Staff travel and meeting	1,016	461	1,477	946
Staff training	177	-	177	257
	<b>256,614</b>	<b>110,301</b>	<b>366,915</b>	<b>289,541</b>
<b>Other expenses</b>				
Building occupancy	42,303	1,895	44,198	43,234
Purchased services	38,981	14,225	53,206	36,285
Program expenses	3,222	1,395	4,617	6,390
Promotion and publicity	4,473	1,513	5,986	5,501
Office expenses	9,833	190	10,023	9,222
Volunteer expenses	401	-	401	345
Office equipment purchased	16,284	1,424	17,708	-
Other expenditures	1,242	135	1,377	1,368
Fundraising expenses	930	-	930	804
Dues	719	-	719	260
Administration (recovery)	(22,070)	22,070	-	-
	<b>96,318</b>	<b>42,847</b>	<b>139,165</b>	<b>103,409</b>
	<b>352,932</b>	<b>153,148</b>	<b>506,080</b>	<b>392,950</b>
<b>Excess of revenues over expenses (expenses over revenue)</b>	<b>29,251</b>	<b>-</b>	<b>29,251</b>	<b>4,270</b>
<b>Unrestricted funds, beginning of year</b>	<b>67,192</b>	<b>-</b>	<b>67,192</b>	<b>62,922</b>
<b>Unrestricted funds, end of year</b>	<b>\$ 96,443</b>	<b>\$ -</b>	<b>\$ 96,443</b>	<b>\$ 67,192</b>

**Scarborough Women's Centre  
Statement of Cash Flows  
Year Ended March 31, 2018**

	2018	2017
<b>Operating</b>		
Excess of revenue over expenses	29,251	4,270
Net changes in non-cash working capital items		
Grants/funding and other receivables	(9,184)	12,884
HST receivable	(2,455)	3,542
Prepaid expenses	(925)	622
Accounts payable and accrued liabilities	30,111	(3,121)
Deferred contributions	22,728	(37,856)
	<u>69,526</u>	<u>(19,659)</u>
<b>Investing</b>		
Short term investments sold	51,568	51,278
Short term investments purchased	(67,192)	(51,568)
	<u>(15,624)</u>	<u>(290)</u>
<b>Net cash outflow</b>	<b>53,902</b>	<b>(19,949)</b>
<b>Cash, beginning of year</b>	<b>78,223</b>	<b>98,172</b>
<b>Cash, end of year</b>	<b>\$ 132,125</b>	<b>\$ 78,223</b>

## **1. NATURE OF ORGANIZATION**

Scarborough Women's Centre (the "Centre") is an organization that delivers programs and services to promote positive change for women in a safe, inclusive and welcoming environment. The Centre empowers women to become economically and emotionally independent for future success and to strengthen their local communities, free from violence. The Centre was incorporated under the laws of the Ontario Business Corporations Act as a not-for-profit organization in 1983 and amalgamated with The SWAN Shelter for Women and Their Children Inc. in 1999. The Centre is a registered charity under the Income Tax Act and as such, is exempt from income taxes.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant to the Centre:

### **Revenue Recognition**

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue when the related expenses are incurred and unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### **Fund Accounting**

The Core Operations (General Operating Fund) accounts for the Centre's program delivery and administrative activities. This fund reports unrestricted resources and grants from foundations, fundraising, donations and membership fees restricted to operational activities.

The Centre operates various Special Projects (Restricted) funds for which it receives grants from Foundations, Fundraising and donations, which are restricted for the specific use of a project.

### **Allocation of expenses**

The Centre records a number of its expenses by function as disclosed in the supplementary financial information. Overhead and administration expenses to special projects are allocated based on reasonable estimate of time spent and resources allocated.

## **2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Capital assets**

Capital assets are recorded as expenses in the year they are acquired.

### **Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organization requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual result could differ from those estimates.

Significant areas requiring the use of management estimates relate to the determination of expense allocations.

### **Contributed services**

Volunteers contribute an undeterminable, but substantial number of hours during the year to assist the Centre in carrying out its mission. Because of the difficulty in determining their fair market value, contributed services are not recognized in these financial statements.

### **Financial instruments**

The Centre initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions which are measured at either the exchange or carrying amount.

The Centre subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value are recognized in excess of revenues over expenses.

Financial assets measured at cost or amortized cost include cash, short term investments and grants/funding and other receivables. Financial liabilities measured at cost or amortized cost include accounts payable, accrued liabilities.

## **3. SHORT TERM INVESTMENTS**

The Centre holds \$67,192 in a guaranteed investment certificate ("GIC") yielding interest of 1.0% per annum and with a maturity date of August 28, 2018. As at March 31, 2018, interest accrued on the short term investments is \$396 (2017- \$154) and is included in grants/funding and other receivables.



**Scarborough Women's Centre**  
**Notes to Financial Statements**  
**March 31, 2018**

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**4. DEFERRED CONTRIBUTIONS**

	2018	2017
<b>Funding for special projects:</b>		
Balance, beginning of year	59,928	88,784
Less: Amount recognized as revenue in the year	(153,148)	(99,000)
Plus: Amount received related to the special projects	161,072	70,144
Balance, end of year	67,852	59,928
<b>Funding for core activities:</b>		
Balance, beginning of year	Nil	9,000
Less: Amount recognized as revenue in the year	Nil	(9,000)
Plus: Amount received related to the following year	14,804	Nil
Balance, end of year	14,804	Nil
Total deferred revenue	\$ 82,656	Nil

**5. LINE OF CREDIT**

The Centre has a credit line facility with the bank in the amount of \$10,000, which bears interest at the rate of prime plus 1.75% per annum. As at March 31, 2018, the Centre has not drawn on this credit facility.

**6. COMMITMENT**

The Centre is committed to an operating lease agreement for office space. The term of the lease is for a period of five years from July 1, 2018 to June 30, 2023. The minimum rent under the agreement for the upcoming fiscal years is as follows:

2019	41,703
2020	41,875
2021	42,012
2022	42,150
2023	42,184
	<b>\$ 209,924</b>

**7. FINANCIAL RISK FACTORS**

The Centre's financial risk exposure and the impact of the Centre's financial instruments are summarized below:

**(a) Credit Risk**

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss.

The Centre's credit risk is attributed to its grants/funding and other receivable. Grants/funding and other receivables consist of amount due from fundraising activities, and a portion of grants held back. Management considers credit risk to be low.

**(b) Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in raising the funds to meet commitment associated with financial instruments.

The Centre ensures that there is sufficient cash and other short-term assets readily convertible into cash in order to meet its liabilities as they come due. The Centre's cash is held in accounts with a Canadian bank. Management considers liquidity risk to be low.

Scarborough Women's Centre  
Schedule A - Core Operating Revenues and Expenses (unaudited)  
Year Ended March 31, 2018

	Administration	Education	Information	Social Action	Support	2018 Total	2017 Total
<b>Revenue</b>							
<b>Government- fees and grants</b>							
City of Toronto	44,974	14,151	5,122	-	32,140	95,787	75,953
Provincial	6,316	54,661	-	-	56,042	117,019	97,019
Federal	-	5,323	5,323	-	5,390	15,976	7,962
	50,890	74,135	10,445	-	93,512	228,782	180,934
<b>United Way</b>							
Designated donations	2,417	-	-	-	-	2,417	1,417
	2,417	-	-	-	-	2,417	1,417
<b>Other revenue</b>							
Foundations	35,254	14,609	4,312	3,704	40,788	98,667	72,498
Fundraising and donations	44,210	2,123	-	4,970	-	51,303	42,851
Membership fees	80	-	-	-	-	80	404
Misc revenue	-	-	-	-	280	280	-
	-	-	-	-	-	-	-
Interest income	654	-	-	-	-	654	117
	80,198	16,732	4,312	8,674	41,068	150,984	115,870
	139,905	90,867	14,757	8,674	134,580	382,183	296,221
<b>Expenses</b>							
<b>Personnel expenses</b>							
Salaries	70,510	44,585	12,597	7,618	91,678	226,988	186,274
Employee benefits	9,326	5,489	1,946	998	11,274	28,433	24,109
Staff travel and meeting	978	11	-	18	9	1,016	796
Staff training	-	27	-	-	150	177	182
	80,814	50,112	14,543	8,634	109,111	256,614	211,361
<b>Other expenses</b>							
Building occupancy	15,039	19,635	-	-	19,635	42,903	40,754
Purchased services	22,488	12,746	-	-	3,747	38,981	35,833
Office expenses	4,786	2,437	-	20	2,590	9,833	8,975
Program expenses	-	1,522	814	20	866	3,222	3,088
Promotion and publicity	-	2,312	-	-	2,161	4,473	4,212
Other expenditures	324	459	-	-	459	1,242	1,233
Office equipment purchased	1,000	7,642	-	-	7,642	16,284	-
Fundraising expenses	928	2	-	-	-	930	800
Volunteer expenses	251	-	-	-	150	401	245
Dues	500	-	-	-	219	719	260
Administration (recovery)	(22,070)	-	-	-	-	(22,070)	(12,830)
	23,240	40,755	814	40	31,469	96,318	82,590
	104,054	90,867	14,757	8,674	134,580	352,932	293,951
<b>Excess of revenues over expenses</b>	\$ 29,251	\$ -	\$ -	\$ -	\$ -	\$ 29,251	\$ 4,270

**Scarborough Women's Centre**  
**Schedule B -Special Projects Revenues and Expenses (unaudited)**  
**Year Ended March 31, 2018**

	Expanding the Reach: Outreach to Women with Disabilities Program		Building Strong Futures: Young Women's Outreach	2018 Total	2017 Total
	Status of Women Canada	WomensXChange			
<b>Revenue</b>					
<b>Government- fees and grants</b>					
City of Toronto	-	-	-	-	-
Provincial	-	-	-	-	-
Federal	87,798	-	5,323	93,121	7,044
	<b>87,798</b>	<b>-</b>	<b>5,323</b>	<b>93,121</b>	<b>7,044</b>
<b>Other revenue</b>					
Foundations	-	780	58,997	59,777	68,855
Fundraising and donations	-	-	250	250	29,100
	<b>-</b>	<b>780</b>	<b>59,247</b>	<b>60,027</b>	<b>91,955</b>
	<b>87,798</b>	<b>780</b>	<b>64,570</b>	<b>153,148</b>	<b>98,999</b>
<b>Expenses</b>					
<b>Personnel expenses</b>					
Salaries	48,020	-	47,880	95,900	67,253
Employee benefits	6,708	-	7,292	18,940	10,702
Staff travel and meeting	939	-	128	461	150
Staff training	-	-	-	-	75
	<b>55,061</b>	<b>-</b>	<b>55,240</b>	<b>110,301</b>	<b>78,180</b>
<b>Other expenses</b>					
Program expenses	457	49	895	1,395	3,302
Administration	18,000	675	9,395	22,070	12,890
Promotion and publicity	55	62	1,396	1,513	1,289
Building occupancy	-	-	1,895	1,895	2,480
Volunteer expenses	-	-	-	-	100
Purchased services	14,225	-	-	14,225	492
Office equipment purchased	-	-	1,424	1,424	-
Office expenses	-	-	190	190	247
Other expenditures	-	-	195	195	195
Fundraising expenses	-	-	-	-	4
	<b>32,757</b>	<b>780</b>	<b>9,390</b>	<b>42,847</b>	<b>20,819</b>
	<b>87,798</b>	<b>780</b>	<b>64,570</b>	<b>153,148</b>	<b>98,999</b>
<b>Excess of revenues over expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Note: The grants received for the operation of the various special projects are restricted for the use of the individual project and are not available for general operation.