

# **Scarborough Women's Centre**

**Financial Statements**

**For the Year Ended March 31, 2020**

## **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, 2020 and the statement of operations and changes in fund balances and statement of 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, 2020, and current assets as at March 31, 2020 and net assets as at April 1, 2019, and March 31, 2020.

*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, 2020, 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 16, 2020

Toronto, Ontario

**Scarborough Women's Centre  
Statement of Financial Position  
As at March 31, 2020**

	2020	2019
<b>Assets</b>		
Cash	\$ 119,776	\$ 151,925
Short term investments (Note 3)	125,444	96,444
Grants/funding and other receivables	9,438	9,301
HST receivable	4,555	3,795
Prepaid expenses	6,513	5,282
	<u>265,726</u>	<u>266,747</u>

**Liabilities**

Accounts payable and accrued liabilities	61,455	39,194
Deferred contributions (Note 4)	78,828	102,110
	<u>140,283</u>	<u>141,304</u>

**Net Assets**

Unrestricted funds	125,443	125,443
	<u>\$ 265,726</u>	<u>\$ 266,747</u>

Commitment (Note 6)

See accompanying notes to the financial statements.

**Approved by the Board**

*D. Tsagaris*  
Director

*Samuel*  
Director

**Scarborough Women's Centre**  
**Statement of Operations and Changes in Fund Balances**  
**Year Ended March 31, 2020**

	Core Operations (Schedule A)	Special Projects (Schedule B)	Total 2020	Total 2019
<b>Revenue</b>				
Government- fees and grants				
City of Toronto	\$ 84,914	\$ -	\$ 84,914	\$ 69,927
Provincial	97,019	-	97,019	97,019
Federal	4,374	196,641	201,015	107,881
	186,307	196,641	382,948	274,827
United Way				
United Way Grant	52,805	-	52,805	47,195
Designated donations	1,456	-	1,456	2,019
	54,261	-	54,261	49,214
Other revenue				
Foundations	66,259	14,387	80,646	155,137
Fundraising and donations	68,366	1,359	69,725	79,753
Membership fees	-	-	-	160
Miscellaneous revenue	2,147	-	2,147	420
	136,772	15,746	152,518	235,470
Interest income (Note 3)	1,620	-	1,620	1,201
	138,392	15,746	154,138	236,671
<b>Total revenue</b>	<b>378,960</b>	<b>212,387</b>	<b>591,347</b>	<b>560,712</b>
<b>Expenses</b>				
Personnel expenses				
Salaries	242,684	95,266	337,950	341,629
Employee benefits	36,218	10,529	46,747	48,105
Travel, conferences and meetings	1,356	5,117	6,473	8,077
Staff training	1,431	-	1,431	335
	281,689	110,912	392,601	398,146
Other expenses				
Building occupancy	45,826	5,445	51,271	44,454
Purchased services	46,655	42,979	89,634	53,946
Program expenses	3,605	8,433	12,038	9,384
Promotion and publicity	4,940	8,209	13,149	9,315
Office expenses	20,159	17	20,176	12,004
Volunteer expenses	150	-	150	268
Office equipment purchased	1,875	-	1,875	774
Directors and officers liability insurance	1,389	-	1,389	1,743
Fundraising expenses	900	-	900	999
Dues	580	-	580	679
Accommodation	-	7,584	7,584	-
Administration (recovery)	(28,808)	28,808	-	-
	97,271	101,475	198,746	133,566
<b>Total expenses</b>	<b>378,960</b>	<b>212,387</b>	<b>591,347</b>	<b>531,712</b>
Excess of revenues over expenses (shortfall)	-	-	-	29,000
Unrestricted funds, beginning of year	125,443	-	125,443	96,443
<b>Unrestricted funds, end of year</b>	<b>\$ 125,443</b>	<b>\$ -</b>	<b>\$ 125,443</b>	<b>\$ 125,443</b>

**Scarborough Women's Centre**  
**Statement of Cash Flows**  
**Year Ended March 31, 2020**

	2020	2019
<b>Operating</b>		
Excess of revenue over expenses	\$ -	\$ 29,000
Net changes in non-cash working capital items		
Grants/funding and other receivables	(137)	4,620
HST receivable	(760)	1,774
Prepaid expenses	(1,231)	837
Accounts payable and accrued liabilities	22,261	(6,633)
Deferred contributions	(23,282)	19,454
	<b>(3,149)</b>	<b>49,052</b>
<b>Investing</b>		
Short term investments sold	96,444	67,192
Short term investments purchased	(125,444)	(96,444)
	<b>(29,000)</b>	<b>(29,252)</b>
<b>Net cash outflow</b>	<b>(32,149)</b>	<b>19,800</b>
<b>Cash, beginning of year</b>	<b>151,925</b>	<b>132,125</b>
<b>Cash, end of year</b>	<b>\$ 119,776</b>	<b>\$ 151,925</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 is a summary of the significant accounting policies followed by 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 from various levels of the government and general public in the form of grants, donations from foundations and individuals, membership fees and fundraising restricted to operational activities.

The Centre operates various Special Projects (Restricted) funds for which it receives grants from the federal government, 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 per Schedule A and B. Overhead and administration expenses are allocated to special projects based on a reasonable estimate of time spent and resources used based on contractual terms of agreement with funders.

## **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 organizations 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 results 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. Due to 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 value or carrying amount.

The Centre subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

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 and accrued liabilities.

## **3. SHORT TERM INVESTMENTS**

The Centre holds \$125,444 (2019- \$96,444) in a guaranteed investment certificate yielding interest of 1.43% per annum and with a maturity date of October 15, 2020. As at March 31, 2020, interest accrued on the short-term investments is \$823 (2019- \$925) and is included in grants/funding and other receivables.



**Scarborough Women's Centre**  
**Notes to Financial Statements**  
**March 31, 2020**

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**4. DEFERRED CONTRIBUTIONS**

	2020	2019
<b>Funding for special projects:</b>		
Balance, beginning of year	\$ 99,305	\$ 67,852
Less: Amount recognized as revenue in the year	(212,387)	(178,717)
Plus: Amount received related to the special projects	176,140	210,170
Balance, end of year	63,058	99,305
<b>Funding for core operations:</b>		
	2,805	14,804
Balance, beginning of year		
Less: Amount recognized as revenue in the year from The City of Toronto	-	(14,804)
Less: Amount recognized as revenue in the year from United Way	(52,805)	(48,695)
Plus: Amount received in the year from United Way	50,000	51,500
Plus: Amount received in the year from City of Toronto	15,770	-
Balance, end of year	15,770	2,805
Total deferred contributions	\$ 78,828	\$ 102,110

**5. LINE OF CREDIT**

The Centre has a line of credit with the bank in the amount of \$10,000 (2019 - \$10,000), which bears interest at the rate of prime plus 1.75% per annum. As at March 31, 2020, the Centre has not drawn on this line of credit.

**6. COMMITMENT**

The Centre is committed to an operating lease agreement for office space that expires on June 30, 2023. The minimum rent under the agreement for the upcoming fiscal years is as follows:

2021	\$ 42,012
2022	42,150
2023	42,184
	<u>\$ 126,346</u>

## **7. FINANCIAL RISKS**

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 receivables. Grants/funding and other receivables consists of amounts due from fundraising activities and a portion of grants held back. The Centre 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 commitments associated with financial instruments.

The Centre mitigates this risk by maintaining 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. The Centre considers liquidity risk to be low.

## **8. COVID-19**

On March 11, 2020, the COVID -19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. The Centre was deemed an essential service by the Ontario government and continues to support women through the pandemic while taking the appropriate measures as recommended by government and international agencies. The current challenging economic climate could lead to potential decreases in revenue from government and general public grants, donations from foundations and individuals, and fundraising activities, which may also have a direct impact on the Centre's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Centre is not known at this time.

**Scarborough Women's Centre**  
**Schedule A - Core Operations Revenues and Expenses (unaudited)**  
**Year Ended March 31, 2020**

	Administration	Education	Information	Social Action	Support	2020 Total	2019 Total
<b>Revenue</b>							
Government- fees and grants							
City of Toronto	\$ 8,475	\$ 36,812	\$ 29,602	\$ -	\$ 10,025	\$ 84,914	\$ 69,927
Provincial	2,019	46,000	-	-	49,000	97,019	97,019
Federal	-	-	-	-	4,374	4,374	7,492
	10,494	82,812	29,602	-	63,399	186,307	174,438
United Way							
United Way Grant	-	-	-	-	52,805	52,805	47,195
Designated donations	1,456	-	-	-	-	1,456	2,019
	1,456	-	-	-	52,805	54,261	49,214
Other revenue							
Foundations	1,434	15,564	3,826	1,530	43,905	66,259	77,487
Fundraising and donations	56,123	3,736	-	6,731	1,776	68,366	79,075
Membership fees	-	-	-	-	-	-	160
Misc revenue	2,042	-	-	-	105	2,147	420
Interest income	1,619	1	-	-	-	1,620	1,201
	61,218	19,301	3,826	8,261	45,786	138,392	158,343
<b>Total revenue</b>	<b>73,168</b>	<b>102,113</b>	<b>33,428</b>	<b>8,261</b>	<b>161,990</b>	<b>378,960</b>	<b>381,995</b>
<b>Expenses</b>							
Personnel expenses							
Salaries	41,630	57,666	29,947	7,197	106,244	242,684	240,119
Employee benefits	8,672	6,677	2,673	1,018	17,178	36,218	32,685
Travel, conferences and meetings	1,040	10	-	6	300	1,356	1,280
Staff training	-	-	-	-	1,431	1,431	335
	51,342	64,353	32,620	8,221	125,153	281,689	274,419
Other expenses							
Building occupancy	16,212	14,807	-	-	14,807	45,826	41,579
Purchased services	27,988	14,920	-	-	3,747	46,655	39,965
Program expenses	-	2,149	708	20	728	3,605	5,960
Promotion and publicity	-	2,500	-	-	2,440	4,940	6,459
Office expenses	14,921	2,751	100	20	2,367	20,159	11,804
Volunteer expenses	-	-	-	-	150	150	268
Office equipment purchased	-	70	-	-	1,805	1,875	608
Directors and officers liability insurance	463	463	-	-	463	1,389	1,377
Fundraising expenses	900	-	-	-	-	900	990
Dues	150	100	-	-	330	580	591
Administration (recovery)	(38,808)	-	-	-	10,000	(28,808)	(31,025)
	21,826	37,760	808	40	36,837	97,271	78,576
<b>Total expenses</b>	<b>73,168</b>	<b>102,113</b>	<b>33,428</b>	<b>8,261</b>	<b>161,990</b>	<b>378,960</b>	<b>352,995</b>
<b>Excess of revenues over expenses</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,000</b>

**Scarborough Women's Centre**  
**Schedule B -Special Projects Revenues and Expenses (unaudited)**  
**Year Ended March 31, 2020**

	Expanding the Reach: Outreach to Women with Disabilities Program	Building Strong Futures: Young Women's Outreach	Strategically Advancing Gender Equality	2020 Total	2019 Total
<b>Revenue</b>					
Government- fees and grants					
Federal	\$ 156,234	\$ 4,374	\$ 36,033	\$ 196,641	\$ 100,389
	156,234	4,374	36,033	196,641	100,389
Other revenue					
Foundations	-	14,387	-	14,387	77,650
Fundraising and donations	-	1,359	-	1,359	678
	-	15,746	-	15,746	78,328
<b>Total revenue</b>	156,234	20,120	36,033	212,387	178,717
<b>Expenses</b>					
Personnel expenses					
Salaries	57,858	15,957	21,451	95,266	101,510
Employee benefits	8,488	1,178	863	10,529	15,420
Travel, conferences and meetings	5,059	-	58	5,117	6,797
	71,405	17,135	22,372	110,912	123,727
Other expenses					
Building occupancy	5,000	445	-	5,445	2,875
Purchased services	34,664	-	8,315	42,979	13,981
Program expenses	7,706	505	222	8,433	3,424
Promotion and publicity	7,875	248	86	8,209	2,856
Office expenses	-	17	-	17	200
Office equipment purchased	-	-	-	-	166
Other expenditures	-	-	-	-	366
Fundraising expenses	-	-	-	-	9
Dues	-	-	-	-	88
Accommodation	7,584	-	-	7,584	-
Administration	22,000	1,770	5,038	28,808	31,025
	84,829	2,985	13,661	101,475	54,990
<b>Total expenses</b>	156,234	20,120	36,033	212,387	178,717
<b>Excess of revenues over expenses</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 operations.