

**VITA MANOR**  
operating as Vita Centre

**FINANCIAL STATEMENTS**

JUNE 30, 2015

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## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VITA MANOR

### **Report on the Financial Statements**

We have audited the financial statements of Vita Manor which comprise the statement of financial position as at June 30, 2015 and the statements of fund balances, revenue and expenditure 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

## INDEPENDENT AUDITOR'S REPORT *(continued)*

### **Basis for Qualified Audit Opinion**

In common with similar non-profit organizations, the Organization derives revenue from donations. The completeness of the records of such revenue is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to income, excess of revenue over expenditures and cash flows from operations for the years ended June 30, 2015 and 2014, current assets and liabilities as at June 30, 2015 and 2014 and fund balances at both the beginning and end of the years end June 30, 2015 and 2014. Our audit opinion on the financial statements for the year ended June 30, 2014 was modified accordingly because of the possible effects of this limitation in scope.

### **Qualified Audit 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 Vita Manor as at June 30, 2015 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Mississauga, Ontario  
September 3, 2015

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**VITA MANOR**  
operating as Vita Centre  
**STATEMENT OF FINANCIAL POSITION**

AS AT JUNE 30	2015			Total	2014
	Operating	Capital	Reserve		Total
<b>ASSETS</b>					
<b>Current</b>					
Cash and cash equivalents	\$ 184,135	\$ -	\$ 310,595	<b>\$ 494,730</b>	\$ 486,869
Investments	<i>note 3</i> 1,329	-	250,000	<b>251,329</b>	251,384
Accounts receivable	<i>note 4</i> 13,634	-	-	<b>13,634</b>	46,815
Sales tax recoverable	24,884	-	-	<b>24,884</b>	22,243
Prepaid expenses	18,215	-	-	<b>18,215</b>	12,804
	242,197	-	560,595	<b>802,792</b>	820,115
<b>Capital</b>	<i>note 5</i> -	38,393	-	<b>38,393</b>	38,155
	<b>\$ 242,197</b>	<b>\$ 38,393</b>	<b>\$ 560,595</b>	<b>\$ 841,185</b>	<b>\$ 858,270</b>
<b>LIABILITIES</b>					
<b>Current</b>					
Accounts payable	<i>note 7</i> \$ 60,505	\$ -	\$ -	<b>\$ 60,505</b>	\$ 49,590
Deferred leasehold incentive	<i>note 8</i> 615	-	-	<b>615</b>	2,463
Deferred revenue	<i>note 9</i> 172,896	-	-	<b>172,896</b>	67,132
	234,016	-	-	<b>234,016</b>	119,185
<b>Long term</b>					
Deferred leasehold incentive	<i>note 8</i> -	-	-	-	615
	234,016	-	-	<b>234,016</b>	119,800
<b>NET ASSETS</b>					
<b>Fund balance</b>	<i>page 5</i> (11,819)	38,393	580,595	<b>607,169</b>	738,470
	<b>\$ 222,197</b>	<b>\$ 38,393</b>	<b>\$ 580,595</b>	<b>\$ 841,185</b>	<b>\$ 858,270</b>

Commitments, *note 10*

***Approved on behalf of the Board:***

\_\_\_\_\_  
President

\_\_\_\_\_  
Treasurer

**VITA MANOR**  
operating as Vita Centre  
**STATEMENT OF FUND BALANCES**

**TRANSACTIONS FOR THE YEAR ENDING JUNE 30, 2015**

	<u>Operating</u>	<u>Capital</u>	<u>Reserve</u>	<u>Total</u>
Fund balances, beginning of year	\$ (20,280)	\$ 38,155	\$ 720,595	\$ 738,470
Excess (shortfall) of revenue over expenditure for the year	(137,339)	6,038	-	(131,301)
Capital asset purchases	(9,200)	9,200	-	-
Transfer	155,000	(15,000)	(140,000)	-
<b>Fund balances, end of year</b>	<b>\$ (11,819)</b>	<b>\$ 38,393</b>	<b>\$ 580,595</b>	<b>\$ 607,169</b>

**TRANSACTIONS FOR THE YEAR ENDING JUNE 30, 2014**

	<u>Operating</u>	<u>Capital</u>	<u>Reserve</u>	<u>Total</u>
Fund balances, beginning of year	\$ 132,451	\$ -	\$ 250,000	\$ 382,451
Excess of revenue over expenditure for the year	(69,468)	4,892	420,595	356,019
Board reserve	(50,000)	-	50,000	-
Capital asset purchases	(43,263)	43,263	-	-
Transfer	10,000	(10,000)	-	-
<b>Fund balances, end of year</b>	<b>\$ (20,280)</b>	<b>\$ 38,155</b>	<b>\$ 720,595</b>	<b>\$ 738,470</b>

## VITA MANOR

operating as Vita Centre

### STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30

		2015				2014		
		General	Capital	Reserve	Total	Total	%	
<b>Revenue</b>								
Fundraising activities	<i>schedule A</i>	\$ 53,661	\$ -	\$ -	\$ 53,661	8.2	\$ 70,964	7.2
Donations	<i>schedule A</i>	122,396	-	-	122,396	18.8	65,092	6.6
Estate donation		-	-	-	-	-	420,595	43.0
Grants and recoveries	<i>schedule A</i>	457,662	15,000	-	472,662	72.6	421,298	43.1
Interest income		2,022	-	-	2,022	0.3	753	0.1
Memberships		418	-	-	418	0.1	320	0.0
		636,159	15,000	-	651,159	100.0	979,022	100.0
<b>Expenditure</b>								
Programs	<i>schedule B</i>	418,381	-	-	418,381	53.4	325,432	52.3
Fundraising	<i>schedule C</i>	91,723	-	-	91,723	11.7	37,626	6.0
Administration	<i>schedule C</i>	29,981	8,962	-	38,943	5.0	52,401	8.4
Administration - wages		147,532	-	-	147,532	18.9	139,152	22.3
Premises	<i>schedule C</i>	85,881	-	-	85,881	11.0	68,392	11.0
		773,498	8,962	-	782,460	100.0	623,003	100.0
<b>Excess (shortfall) of revenue over expenditure for the year</b>		\$(137,339)	\$ 6,038	\$ -	\$ (131,301)		\$ 356,019	

*The accompanying notes are an integral part of these financial statements*

**VITA MANOR**  
operating as Vita Centre  
**STATEMENT OF CASH FLOWS**

<b>FOR THE YEAR ENDED JUNE 30</b>	<b>2015</b>	<b>2014</b>
<b>Cash provided by (used by)</b>		
<b>Operating activities</b>		
Excess (shortfall) of revenue over expenditure for the year	\$ (131,301)	\$ 356,019
Item not involving cash - amortization	<u>8,962</u>	<u>5,108</u>
	(122,339)	361,127
Changes in non-cash working capital balances		
Accounts receivable	33,181	(40,901)
Sales tax recoverable	(2,641)	(6,843)
Prepaid expenses	(5,411)	(1,663)
Accounts payable	10,915	37,546
Deferred leasehold incentive	(2,463)	(2,462)
Deferred revenue	<u>105,764</u>	<u>31,461</u>
	<u>17,006</u>	<u>378,265</u>
<b>Investing activities</b>		
Purchase of capital assets	<u>(9,200)</u>	<u>(43,263)</u>
<b>Increase in cash for the year</b>	<u>7,806</u>	<u>335,002</u>
Cash and investments, beginning of year	738,253	403,251
<b>Cash and investments end of year</b>	<u>\$ 746,059</u>	<u>\$ 738,253</u>
<b>Represented by</b>		
Cash and cash equivalents	\$ 494,730	\$ 486,869
Investments	<u>251,329</u>	<u>251,384</u>
	<u>\$ 746,059</u>	<u>\$ 738,253</u>

*The accompanying notes are an integral part of these financial statements*

# VITA MANOR

operating as Vita Centre

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### 1. Nature of the organization

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Vita Manor's purpose is to provide pregnant women and their children with opportunities to enhance their well-being and live to their fullest potential through support programs, education and advocacy and to assist pregnant women to function independently in the community.

The Organization was incorporated July 30, 1991 without share capital under the laws of Ontario and is exempt from income taxes as a registered charity under the Income Tax Act. The Organization has met all of the requirements to maintain its tax exempt status.

### 2. Significant accounting policies

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#### Disclosure and use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

#### Fund Accounting

The Organization follows the principles of fund accounting whereby funds are segregated and their use restricted. The Organization has no donor restricted funds. The funds are held in accordance with the policies set by the Board.

Operating Fund	This fund includes the day-to-day programs of the Organization
Capital Fund	Equipment is recorded at cost and are amortized over their estimated lives as follows -  Computer software and equipment - 33% straight line Furniture and equipment - 20% declining balance Leasehold improvements - straight line over lease term  Capital assets are tested for impairment if events or changes in circumstances indicate that the carrying amount exceeds the fair value. The impairment test consists of a comparison of the fair value of the unamortized assets with their carrying amount. When the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to the excess.
Reserve Fund	The purpose of a reserve is to safeguard a minimum of six months operating funds to ensure mission and service continuance and to prepare against unexpected contingencies, such as shortfalls in the annual budget, major repairs to equipment. Interest earned on this fund is returned to the Operating Fund.



**VITA MANOR**  
operating as Vita Centre  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2015

**2. Significant accounting policies** *(continued)*

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**Revenue recognition**

The Organization follows the accrual basis of accounting except that donations are recorded when received.

**Donations in kind**

Volunteers contribute their time to assist the Organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

The Organization receives contributed materials, the fair value of which may or may not be reasonably determinable. Contributed materials are recognized as donations when fair value can be determined.

**Cash and cash equivalents**

Cash and cash equivalents include cash, and those short-term money market instruments that are readily convertible to cash with an original term of less than 90 days.

**Financial instruments - recognition and measurement**

The Organization records financial assets and financial liabilities at fair value with changes in fair value recognized in the statement of operations. Financial assets and financial liabilities are initially recognized at fair value and subsequently at amortized cost which approximates fair value. Financial assets are tested for impairment when change in circumstances indicate that the asset could be impaired. Write downs, if any, are recognized in the statement of operations and may be subsequently reversed to the extent that the effect after the reversal is the same as if there had been no write down. Transaction costs are expensed for items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

**VITA MANOR**  
operating as Vita Centre  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2015

**2. Significant accounting policies** *(continued)*

**Financial instruments - recognition and measurement** *(continued)*

**Risk disclosures**

The main risks to which the Organization's financial instruments are exposed are as follows -

**Credit risk**

The Organization is exposed to credit risk. The Organization's receivables are grants, bingo receipts and sales taxes receivable; accordingly, the risk of non-collectability is low.

**Liquidity risk**

The Organization is exposed to liquidity risk. Liquidity risk is the risk that the Organization is not able to meet its financial obligations as they fall due. Management has assessed liquidity risk as low given the makeup of its accounts payable and has provided sufficient funding to fulfill its obligations.

**Market risk**

The Organization is exposed to market risk. Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Organization. The Organization's short term investments are in an interest bearing account; accordingly, market risk is considered low.

**Interest rate risk**

The Organization is exposed to interest rate risk. The Organization has minor cash balances and no interest bearing debt. The Organization's current policy is to invest excess cash in a money market fund issued by its banking institutions; accordingly, there is exposure to interest rate fluctuations which are considered minor.

**Sensitivity analysis**

Assets as at June 30	2015		2014	
	Carrying amount	%	Carrying amount	%
Cash	\$ 494,730	58.8%	\$ 486,869	56.7%
Investments	251,329	29.9%	251,384	29.3%
Other assets at cost	95,126	11.3%	120,017	14.0%
<b>Total assets</b>	<b>\$ 841,185</b>	<b>100.0%</b>	<b>\$ 858,270</b>	<b>100.0%</b>

The Organization manages its risk through the overseeing of these investments by both the board and the Organization's external advisors. Changes are made to the investments as required.

**Capital disclosure**

The Organization is dependent on grants, donations and investment returns to fund its charitable activities and the Board manages these activities and makes adjustments to them based on the funds available.

There were no changes in the Organization's approach to capital management during the current year.

The Organization has no externally imposed restrictions on its activities.

**VITA MANOR**  
operating as Vita Centre  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2015

**3. Investments**

As at June 30	2015		2014	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
<b>GIC - bearing interest at 0.8%</b>				
due November 13, 2015	\$ 200,000	\$ 200,000	\$ -	\$ -
due November 13, 2015	50,000	50,000	-	-
due November 13, 2014	-	-	170,000	170,000
due November 13, 2014	-	-	50,000	50,000
<b>GIC - bearing interest at 0.9%</b>				
due October 14, 2014	-	-	30,000	30,000
<b>Accrued interest</b>	<u>1,329</u>	<u>1,329</u>	<u>1,384</u>	<u>1,384</u>
	<b>\$ 251,329</b>	<b>\$ 251,329</b>	<b>\$ 251,384</b>	<b>\$ 251,384</b>

The fair values are included in Level 1 (in accordance with CPA Canada Handbook Section 3862) and have been determined by reference to quoted prices in active markets for identical investments.

**4. Accounts receivable**

As at June 30	2015	2014
Bingo	\$ 4,985	\$ 4,134
Catholic Charities collaborative funding initiative	-	18,356
Landlord rent refund	2,128	-
Landlord leasehold improvement subsidy	-	22,035
Other	<u>6,521</u>	<u>2,290</u>
	<b>\$ 13,634</b>	<b>\$ 46,815</b>

**VITA MANOR**  
operating as Vita Centre  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2015

**5. Capital**

As at June 30	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 25,717	\$ 22,815	\$ 25,717	\$ 20,881
Computer software	9,200	767	-	-
Furniture and equipment	17,205	16,904	17,205	16,703
Leasehold improvements	36,857	10,100	36,857	4,040
	<u>\$ 88,979</u>	<u>\$ 50,586</u>	<u>\$ 79,779</u>	<u>\$ 41,624</u>
Cost less accumulated amortization		<u>\$ 38,393</u>		<u>\$ 38,155</u>

**6. Line of credit**

The Organization has an authorized line of credit of \$50,000 (of which \$Nil is outstanding at June 30, 2015 and 2014). A GIC of \$30,000 has been lodged as collateral for this line of credit.

**7. Accounts payable**

As at June 30	2015	2014
Trade	\$ 52,766	\$ 49,590
Source deductions	7,739	-
	<u>\$ 60,505</u>	<u>\$ 49,590</u>

**8. Deferred leasehold incentive**

The Organization received a leasehold incentive from the landlord which is brought into income over the term of the lease.

**VITA MANOR**  
operating as Vita Centre  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2015

**9. Deferred revenue**

As at June 30	2015	2014
Community Foundation of Mississauga	\$ 27,680	\$ -
Ontario Trillium Foundation	2,500	-
Region of Peel - collaborative	90,227	36,439
Region of Peel - core funding	46,515	30,693
Region of Peel - organizational effectiveness	5,974	-
	<b>\$ 172,896</b>	<b>\$ 67,132</b>

During the year, the Organization received grants which relate to next year's operations and projects.

**10. Commitments**

The Organization has entered into a lease commitments as follows -

**Mississauga location**

November 1, 2013 to October 31, 2015	-	\$3,028 per month base rent
November 1, 2015 to October 31, 2020	-	\$3,497 per month base rent

**Brampton location**

March 1, 2015 to February 29, 2016	-	\$429 per month base rent
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**11. Comparative figures**

Certain figures have been reclassified to conform with the presentation adopted during the current year.

# VITA MANOR

operating as Vita Centre

## SCHEDULE A

**FOR THE YEAR ENDED JUNE 30**

**2015**

**2014**

### FUNDRAISING ACTIVITIES

	Revenue	Expenditure	Net	Net
Bingo hall	\$ 52,796	\$ 7,406	\$ 45,390	\$ 44,243
Donations in kind	9,163	8,163	1,000	-
Golf tournament	18,235	15,899	2,336	9,085
Other	1,942	2,121	(179)	9,878
Raffle	-	-	-	1,450
Third party events	2,400	-	2,400	1,215
Trivia night	4,523	1,809	2,714	5,093
	<b>\$ 89,059</b>	<b>\$ 35,398</b>	<b>\$ 53,661</b>	<b>\$ 70,964</b>

### DONATIONS

Catholic Women's League	\$ 1,500	\$ 550
General	104,719	62,242
Knights of Columbus	16,177	2,300
	<b>\$ 122,396</b>	<b>\$ 65,092</b>

### GRANTS AND RECOVERIES

Brampton Community Foundation	\$ 1,500	\$ -
Catholic Charities		
Core funding	120,000	120,000
Partnership initiative	-	67,128
Community Foundation of Mississauga	50,000	12,500
Federal Employment	4,000	4,047
Ontario Trillium Foundation	15,000	-
Region of Peel		
Core funding	93,235	80,338
Parenting collaborative	59,335	18,400
Organizational effectiveness	20,434	-
Capital	-	10,000
United Way of Peel		
Growing as Parents	45,090	44,969
Supper Club	38,973	38,872
Counselling	25,095	25,044
	<b>\$ 472,662</b>	<b>\$ 421,298</b>

*The accompanying notes are an integral part of these financial statements*

**VITA MANOR**  
operating as Vita Centre  
SCHEDULE B  
PROGRAM EXPENDITURES

**FOR THE YEAR ENDED JUNE 30**

	2015			2014		
	Costs	Wages	Total	Costs	Wages	Total
One To One Counselling	\$ 7,386	\$ 117,339	\$ 124,725	\$ 8,063	\$ 75,569	\$ 83,632
Growing As Parents	8,460	71,130	79,590	14,689	66,047	80,736
Me, My Baby, My World	-	725	725	12	6,822	6,834
Peel Parenting Partnership	-	-	-	6,133	-	6,133
Parenting And Catholic Education	25,882	-	25,882	25,807	-	25,807
Service Delivery Program Manager	-	13,251	13,251	-	-	-
Supper Connection Club	25,431	46,203	71,634	22,564	-	22,564
Catholic Family Services Peel Dufferin Initiative	-	-	-	57,378	-	57,378
Peel Parenting Collaboration	59,042	-	59,042	14,913	-	14,913
Volunteers	2,324	41,208	43,532	676	26,759	27,435
	<b>\$ 128,525</b>	<b>\$ 289,856</b>	<b>\$ 418,381</b>	<b>\$ 150,235</b>	<b>\$ 175,197</b>	<b>\$ 325,432</b>

*The accompanying notes are an integral part of these financial statements*

**VITA MANOR**  
operating as Vita Centre  
SCHEDULE D

<b>FOR THE YEAR ENDED JUNE 30</b>	<b>2015</b>	<b>2014</b>
<b>ADMINISTRATION</b>		
Amortization	\$ 8,962	\$ 5,108
Annual general meeting, board	197	1,094
Audit	7,640	4,500
Bank charges	1,363	1,100
Equipment lease	9,333	2,684
Data base implementation and training	7,089	-
Insurance	1,834	1,399
Legal	(12,052)	20,000
Office	8,029	10,445
Telephone	6,548	6,071
	<b>\$ 38,943</b>	<b>\$ 52,401</b>
<b>PREMISES</b>		
Insurance	\$ 1,950	\$ 1,543
Rent	71,786	59,145
Repairs and maintenance	1,209	-
Utilities	10,936	7,704
	<b>\$ 85,881</b>	<b>\$ 68,392</b>
<b>FUNDRAISING</b>		
Bank charges	\$ 82	\$ 243
Postage	238	10
Public relations	2,096	2,263
Travel	913	876
Wages and benefits	88,394	34,234
	<b>\$ 91,723</b>	<b>\$ 37,626</b>

*The accompanying notes are an integral part of these financial statements*