

VITA CENTRE
(formerly Vita Manor)

FINANCIAL STATEMENTS

JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VITA CENTRE

Report on the Financial Statements

We have audited the financial statements of Vita Centre which comprise the statement of financial position as at June 30, 2016 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, 2016 and 2015, current assets and liabilities as at June 30, 2016 and 2015 and fund balances at both the beginning and end of the years end June 30, 2016 and 2015. Our audit opinion on the financial statements for the year ended June 30, 2015 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 Centre as at June 30, 2016 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 26, 2016

**CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**

VITA CENTRE
(formerly Vita Manor)
STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30	2016				2015
	Operating	Capital	Reserve	Total	Total
ASSETS					
Current					
Cash and cash equivalents	\$ 59,313	\$ -	\$ 263,811	\$ 323,124	\$ 494,730
Investments	<i>note 3</i> 939	-	250,000	250,939	251,329
Accounts receivable	<i>note 4</i> 16,081	-	-	16,081	13,634
Sales tax recoverable	14,397	-	-	14,397	24,884
Prepaid expenses	20,446	-	-	20,446	18,215
	111,176	-	513,811	624,987	802,792
Capital	<i>note 5</i> -	34,683	-	34,683	38,393
	\$ 111,176	\$ 34,683	\$ 513,811	\$ 659,670	\$ 841,185

LIABILITIES

Current					
Accounts payable	<i>note 7</i> \$ 47,387	\$ -	\$ -	\$ 47,387	\$ 60,505
Deferred leasehold incentive	<i>note 8</i> -	-	-	-	615
Deferred revenue	<i>note 9</i> 107,071	-	-	107,071	172,896
	154,458	-	-	154,458	234,016

NET ASSETS

Fund balance	<i>page 5</i> (43,282)	34,683	513,811	505,212	607,169
	\$ 111,176	\$ 34,683	\$ 513,811	\$ 659,670	\$ 841,185

Commitments, *note 10*

Approved on behalf of the Board:

President

Treasurer

VITA CENTRE
(formerly Vita Manor)
STATEMENT OF FUND BALANCES

TRANSACTIONS FOR THE YEAR ENDED JUNE 30, 2016

	<u>Operating</u>	<u>Capital</u>	<u>Reserve</u>	<u>Total</u>
Fund balances, beginning of year	\$ (11,819)	\$ 38,393	\$ 580,595	\$ 607,169
Excess (shortfall) of revenue over expenditure for the year	(98,293)	(3,664)	-	(101,957)
Capital asset purchases	(8,231)	8,231	-	-
Transfer	75,061	(8,277)	(66,784)	-
Fund balances, end of year	\$ (43,282)	\$ 34,683	\$ 513,811	\$ 505,212

TRANSACTIONS FOR THE YEAR ENDED 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)	-
Fund balances, end of year	\$ (11,819)	\$ 38,393	\$ 580,595	\$ 607,169

VITA CENTRE

(formerly Vita Manor)

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30

	2016				2015	
	General	Capital	Total	%	Total	%
Revenue						
Fundraising activities	<i>schedule A</i> \$ 66,131	\$ -	\$ 66,131	9.6	\$ 53,661	8.2
Donations	<i>schedule A</i> 84,154	-	84,154	12.2	103,458	15.9
Grants and recoveries	<i>schedule A</i> 526,678	8,277	534,955	77.8	491,600	75.6
Interest income	1,686	-	1,686	0.2	2,022	0.3
Memberships	763	-	763	0.1	418	0.1
	679,412	8,277	687,689	100.0	651,159	100.0
Expenditure						
Programs	<i>schedule B</i> 457,579	-	457,579	57.8	418,381	53.6
Fundraising	<i>schedule C</i> 65,784	-	65,784	8.3	91,723	11.7
Administration	<i>schedule C</i> 42,583	11,941	54,524	6.9	38,943	5.0
Administration - wages	110,884	-	110,884	14.0	147,532	18.9
Premises	<i>schedule C</i> 100,875	-	100,875	12.8	85,881	11.0
	777,705	11,941	789,646	100.0	782,460	100.0
Excess (shortfall) of revenue over expenditure for the year	\$ (98,293)	\$ (3,664)	\$ (101,957)		\$ (131,301)	

The accompanying notes are an integral part of these financial statements

VITA CENTRE
(formerly Vita Manor)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30	2016	2015
Cash provided by (used by)		
Operating activities		
Excess (shortfall) of revenue over expenditure for the year	\$ (101,957)	\$ (131,301)
Item not involving cash - amortization	<u>11,941</u>	<u>8,962</u>
	(90,016)	(122,339)
Changes in non-cash working capital balances		
Accounts receivable	(2,447)	33,181
Sales tax recoverable	10,487	(2,641)
Prepaid expenses	(2,231)	(5,411)
Accounts payable	(13,118)	10,915
Deferred leasehold incentive	(615)	(2,463)
Deferred revenue	<u>(65,825)</u>	<u>105,764</u>
	<u>(163,765)</u>	<u>17,006</u>
Investing activities		
Purchase of capital assets	<u>(8,231)</u>	<u>(9,200)</u>
Increase in cash for the year	<u>(171,996)</u>	<u>7,806</u>
Cash and investments, beginning of year	746,059	738,253
Cash and investments end of year	<u>\$ 574,063</u>	<u>\$ 746,059</u>
Represented by		
Cash and cash equivalents	\$ 323,124	\$ 494,730
Investments	<u>250,939</u>	<u>251,329</u>
	<u>\$ 574,063</u>	<u>\$ 746,059</u>

The accompanying notes are an integral part of these financial statements

VITA CENTRE

(formerly Vita Manor)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

1. Nature of the organization

Vita Centre'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.

The name has been changed from Vita Manor to Vita Centre.

2. Significant accounting policies

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 - <ul style="list-style-type: none">Computer software and equipment - 33% straight lineFurniture and equipment - 20% declining balanceLeasehold 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 and major repairs to equipment. Interest earned on this fund is returned to the Operating Fund.
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VITA CENTRE

(formerly Vita Manor)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

2. Significant accounting policies *(continued)*

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 CENTRE

(formerly Vita Manor)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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	2016		2015	
	Carrying amount	%	Carrying amount	%
Cash	\$ 323,124	49.0%	\$ 494,730	58.8%
Investments	250,939	38.0%	251,329	29.9%
Other assets at cost	85,607	13.0%	95,126	11.3%
Total assets	<u>\$ 659,670</u>	<u>100.0%</u>	<u>\$ 841,185</u>	<u>100.0%</u>

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 CENTRE

(formerly Vita Manor)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

3. Investments

As at June 30	2016		2015	
	Cost	Fair Value	Cost	Fair Value
GIC - bearing interest at 0.6%				
due November 14, 2016	\$ 220,000	\$ 220,000	\$ -	\$ -
GIC - bearing interest at 0.55%				
due February 14, 2017	30,000	30,000	-	-
GIC - bearing interest at 0.8%				
due November 13, 2015	-	-	200,000	200,000
due November 13, 2015	-	-	50,000	50,000
Accrued interest	939	939	1,329	1,329
	\$ 250,939	\$ 250,939	\$ 251,329	\$ 251,329

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	2016	2015
Bingo	\$ 4,457	\$ 4,985
Region of Peel	6,140	-
Landlord rent refund	610	2,128
Other	4,874	6,521
	\$ 16,081	\$ 13,634

VITA CENTRE
(formerly Vita Manor)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

5. Capital

As at June 30	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 33,948	\$ 25,436	\$ 25,717	\$ 22,815
Computer software	9,200	3,827	9,200	767
Furniture and equipment	17,205	17,104	17,205	16,904
Leasehold improvements	36,857	16,160	36,857	10,100
	<u>\$ 97,210</u>	<u>\$ 62,527</u>	<u>\$ 88,979</u>	<u>\$ 50,586</u>
Cost less accumulated amortization		<u>\$ 34,683</u>		<u>\$ 38,393</u>

6. Line of credit

The Organization has an authorized line of credit of \$50,000 (of which \$Nil is outstanding at June 30, 2016 and 2015). A GIC of \$30,000 has been lodged as collateral for this line of credit.

7. Accounts payable

As at June 30	2016	2015
Trade	\$ 39,339	\$ 52,766
Source deductions	8,048	7,739
	<u>\$ 47,387</u>	<u>\$ 60,505</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 CENTRE

(formerly Vita Manor)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

9. Deferred revenue

As at June 30	2016	2015
Community Foundation of Mississauga	\$ 19,748	\$ 27,680
Ontario Trillium Foundation	2,500	2,500
Region of Peel - collaborative	-	90,227
Region of Peel - core funding	56,038	46,515
Region of Peel - small CAP	1,723	-
Region of Peel - organizational effectiveness	5,974	5,974
Greenshield	15,655	-
Other	5,433	-
	<u>\$ 107,071</u>	<u>\$ 172,896</u>

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, 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

March 1, 2016 to February 28, 2017 - \$529 per month base rent

11. Comparative figures

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

	As previously reported	Reclassification	As currently reported
General donations	\$ 104,719	\$ (20,938)	\$ 83,781
Grants	472,662	18,938	491,600
Sifton Family Foundation	-	2,000	2,000

VITA CENTRE
(formerly Vita Manor)
SCHEDULE A

FOR THE YEAR ENDED JUNE 30 **2016** **2015**

FUNDRAISING ACTIVITIES

	Revenue	Expenditure	Net	Net
Bingo hall	\$ 55,489	\$ 7,200	\$ 48,289	\$ 45,390
Donations in kind	12,480	11,980	500	1,000
Golf tournament	22,376	11,120	11,256	2,336
Other	-	2,186	(2,186)	(179)
Third party events	5,272	-	5,272	2,400
Trivia night	4,141	1,141	3,000	2,714
	<u>\$ 99,758</u>	<u>\$ 33,627</u>	<u>\$ 66,131</u>	<u>\$ 53,661</u>

DONATIONS

Catholic Women's League	\$ 1,040	\$ 1,500
General	50,794	83,781
Knights of Columbus	12,320	16,177
Sifton Family Foundation	20,000	2,000
	<u>\$ 84,154</u>	<u>\$ 103,458</u>

GRANTS AND RECOVERIES

Brampton Community Foundation	\$ -	\$ 1,500
Catholic Charities		
Core funding	120,000	120,000
Community Foundation of Mississauga	27,680	50,000
Federal Employment	4,605	4,000
Green Shield Canada	59,345	15,000
Ontario Trillium Foundation	-	15,000
Program fees	6,000	3,938
Region of Peel		
Core funding	102,553	93,235
Parenting collaborative	96,520	59,335
Organizational effectiveness	-	20,434
Capital	8,277	-
United Way of Peel		
Growing as Parents	45,450	45,090
Supper Connection	39,275	38,973
Counselling	25,250	25,095
	<u>\$ 534,955</u>	<u>\$ 491,600</u>

The accompanying notes are an integral part of these financial statements

VITA CENTRE
(formerly Vita Manor)
SCHEDULE B
PROGRAM EXPENDITURES

FOR THE YEAR ENDED JUNE 30

	2016			2015		
	Costs	Wages	Total	Costs	Wages	Total
Growing As Parents	\$ 6,551	\$ 71,056	\$ 77,607	\$ 8,460	\$ 71,130	\$ 79,590
Me, My Baby, Our World	831	4,638	5,469	-	725	725
Nobody's Perfect	1,258	4,720	5,978	-	-	-
Navigator	2,087	22,252	24,339	-	-	-
One To One Counselling	6,011	118,127	124,138	7,386	117,339	124,725
Parenting And Catholic Education	21,569	-	21,569	25,882	-	25,882
Peel Parenting Collaboration	96,656	-	96,656	59,042	-	59,042
Service Delivery Program Manager	-	-	-	-	13,251	13,251
Supper Connection	20,871	48,473	69,344	25,431	46,203	71,634
Volunteers	166	32,313	32,479	2,324	41,208	43,532
	\$ 156,000	\$ 301,579	\$ 457,579	\$ 128,525	\$ 289,856	\$ 418,381

The accompanying notes are an integral part of these financial statements

VITA CENTRE
(formerly Vita Manor)
SCHEDULE C

FOR THE YEAR ENDED JUNE 30	2016	2015
ADMINISTRATION		
Amortization	\$ 11,941	\$ 8,962
Annual general meeting, board	303	197
Audit	5,757	7,640
Bank charges	1,691	1,363
Data base implementation and training	-	7,089
Equipment lease	5,020	9,333
IT services	4,500	-
Insurance	1,897	1,834
Legal	8,499	(12,052)
Office	11,974	8,029
Telephone	2,942	6,548
	\$ 54,524	\$ 38,943
PREMISES		
Insurance	\$ 2,583	\$ 1,950
Rent	87,852	71,786
Repairs and maintenance	581	1,209
Utilities	9,859	10,936
	\$ 100,875	\$ 85,881
FUNDRAISING		
Bank charges	\$ 67	\$ 82
Postage	1,969	238
Public relations	1,069	2,096
Travel	389	913
Wages and benefits	62,290	88,394
	\$ 65,784	\$ 91,723