

VITA CENTRE

FINANCIAL STATEMENTS

JUNE 30, 2018

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Fund Balances	5
Statement of Revenue and Expenditure	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 13
Schedule A - Fundraising activities	14
Donations	
Grants and recoveries	
Schedule B - Programs	15
Schedule C - Administration	16
Premises	
Fundraising	



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, 2018 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 and fund raising. 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, 2018 and 2017, current assets and liabilities as at June 30, 2018 and 2017 and fund balances at both the beginning and end of the years end June 30, 2018 and 2017. Our audit opinion on the financial statements for the year ended June 30, 2017 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, 2018 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 17, 2018

**CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**

VITA CENTRE
STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30	2018				2017
	Operating	Capital	Reserve	Total	Total
ASSETS					
Current					
Cash and cash equivalents	\$ 23,215	\$ 1,723	\$ 5,285	\$ 30,223	\$ 613,129
Investments	note 3 -	-	552,900	552,900	-
Accounts receivable	note 4 5,355	-	-	5,355	22,518
Sales tax recoverable	17,040	-	-	17,040	6,747
Prepaid expenses	19,550	-	-	19,550	17,298
	65,160	1,723	558,185	625,068	659,692
Capital	note 5 -	43,205	-	43,205	23,665
	\$ 65,160	\$ 44,928	\$ 558,185	\$ 668,273	\$ 683,357
LIABILITIES					
Current					
Accounts payable	note 6 \$ 74,206	\$ -	\$ -	\$ 74,206	\$ 72,755
Deferred revenue	note 7 96,908	-	-	96,908	71,156
	171,114	-	-	171,114	143,911
NET ASSETS					
Fund balance	page 5 (85,877)	44,928	538,108	497,159	539,446
	\$ 85,237	\$ 44,928	\$ 538,108	\$ 668,273	\$ 683,357

Commitments, *note 9*

Approved on behalf of the Board:

President

Treasurer

VITA CENTRE
STATEMENT OF FUND BALANCES

TRANSACTIONS FOR THE YEAR ENDED JUNE 30, 2018

	<u>Operating</u>	<u>Capital</u>	<u>Reserve</u> <i>note 8</i>	<u>Total</u>
Fund balances, beginning of year	\$ (44,127)	\$ 25,388	\$ 558,185	\$ 539,446
Excess (shortfall) of revenue over expenditure for the year	(21,827)	(20,460)	-	(42,287)
Capital asset purchases	(40,000)	40,000	-	-
Transfer	20,077	-	(20,077)	-
Fund balances, end of year	\$ (85,877)	\$ 44,928	\$ 538,108	\$ 497,159

TRANSACTIONS FOR THE YEAR ENDED JUNE 30, 2017

	<u>Operating</u>	<u>Capital</u>	<u>Reserve</u>	<u>Total</u>
Fund balances, beginning of year	\$ (43,282)	\$ 34,683	\$ 513,811	\$ 505,212
Excess (shortfall) of revenue over expenditure for the year	45,825	(11,591)	-	34,234
Capital asset purchases	(2,296)	2,296	-	-
Transfer	(44,374)	-	44,374	-
Fund balances, end of year	\$ (44,127)	\$ 25,388	\$ 558,185	\$ 539,446

VITA CENTRE
STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30

		2018			2017		
		General	Capital	Total		Total	
					%		%
Revenue							
Fundraising activities	<i>schedule A</i>	\$ 72,088	\$ -	\$ 72,088	13.0	\$ 59,770	7.7
Donations	<i>schedule A</i>	66,338	-	66,338	12.0	69,939	9.0
Grants and recoveries	<i>schedule A</i>	413,333	-	413,333	74.5	649,431	83.3
Interest income		2,900	-	2,900	0.5	578	0.1
Memberships		260	-	260	0.0	840	0.1
		<u>554,919</u>	<u>-</u>	<u>554,919</u>	<u>100.0</u>	<u>780,558</u>	<u>100.0</u>
Expenditure							
Programs	<i>schedule B</i>	249,490	-	249,490	41.7	339,248	45.6
Fundraising	<i>schedule C</i>	28,762	-	28,762	4.8	29,468	3.9
Administration	<i>schedule C</i>	46,374	20,460	66,834	11.2	87,667	11.7
Administration - wages		151,412	-	151,412	25.4	154,900	20.8
Premises	<i>schedule C</i>	100,708	-	100,708	16.9	135,041	18.1
		<u>576,746</u>	<u>20,460</u>	<u>597,206</u>	<u>100.0</u>	<u>746,324</u>	<u>100.0</u>
Excess (shortfall) of revenue over expenditure for the year		\$ (21,827)	\$ (20,460)	\$ (42,287)		\$ 34,234	

The accompanying notes are an integral part of these financial statements

VITA CENTRE
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30	2018	2017
Cash provided by (used by)		
Operating activities		
Excess (shortfall) of revenue over expenditure for the year	\$ (42,287)	\$ 34,234
Items not involving cash -		
Amortization	8,853	13,314
Loss on disposal of capital assets	11,607	-
	<u>(21,827)</u>	<u>47,548</u>
Changes in non-cash working capital balances		
Accounts receivable	17,163	(6,437)
Sales tax recoverable	(10,293)	7,650
Prepaid expenses	(2,252)	3,148
Accounts payable	1,451	25,368
Deferred revenue	25,752	(35,915)
	<u>9,994</u>	<u>41,362</u>
Investing activities		
Purchase of capital assets	<u>(40,000)</u>	<u>(2,296)</u>
Increase (decrease) in cash for the year	<u>(30,006)</u>	<u>39,066</u>
Cash and investments, beginning of year	613,129	574,063
Cash and investments end of year	<u>\$ 583,123</u>	<u>\$ 613,129</u>
Represented by		
Cash and cash equivalents	\$ 30,223	\$ 613,129
Investments	552,900	-
	<u>\$ 583,123</u>	<u>\$ 613,129</u>

VITA CENTRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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.

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 - 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 and major repairs to equipment. Interest earned on this fund is returned to the Operating Fund.

VITA CENTRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

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 investments; 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	2018		2017	
	Carrying amount	%	Carrying amount	%
Cash	\$ 30,223	4.5%	\$ 613,129	89.7%
Investments	552,900	82.8%	-	0.0%
Other assets at cost	85,150	12.7%	70,228	10.3%
Total assets	\$ 668,273	100.0%	\$ 683,357	100.0%

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.

Funding 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 funding during the current year.

The Organization has no externally imposed restrictions on its activities.

VITA CENTRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

3. Investments

As at June 30	2018		2017	
	Cost	Fair Value	Cost	Fair Value
GIC - bearing interest at 1.1%				
due August 14, 2018	\$ 150,351	\$ 150,351	\$ -	\$ -
GIC - bearing interest at 0.4%				
due February 16, 2019	100,000	100,000	-	-
GIC - bearing interest at 2.0%				
due April 17, 2019	300,000	300,000	-	-
Accrued interest	2,549	2,549	-	-
	<u>\$ 552,900</u>	<u>\$ 552,900</u>	<u>\$ -</u>	<u>\$ -</u>

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	2018	2017
Bingo	\$ 5,092	\$ 4,600
Legal fees recoverable	-	12,793
Other	263	5,125
	<u>\$ 5,355</u>	<u>\$ 22,518</u>

5. Capital

As at June 30	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 33,948	\$ 31,891	\$ 33,948	\$ 29,147
Computer software	9,616	9,408	9,616	6,956
Furniture and equipment	19,085	18,145	19,085	17,518
Leasehold improvements	40,000	-	36,857	22,220
	<u>\$ 102,649</u>	<u>\$ 59,444</u>	<u>\$ 99,506</u>	<u>\$ 75,841</u>
Cost less accumulated amortization		<u>\$ 43,205</u>		<u>\$ 23,665</u>

VITA CENTRE
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

6. Accounts payable

As at June 30	2018	2017
Trade and other	\$ 64,822	\$ 60,692
Source deductions	9,384	12,063
	\$ 74,206	\$ 72,755

7. Deferred revenue

As at June 30	2018	2017
Community Foundation of Mississauga	\$ 3,000	\$ 3,000
Region of Peel - collaborative	-	6,060
Region of Peel - core funding	57,850	57,159
Dufferin Peel Catholic School Board	1,140	2,437
Ministry of Citizenship and Immigration	4,622	-
Ontario Trillium Foundation	26,097	-
Peter Gilgan Foundation	3,889	-
Other	310	2,500
	\$ 96,908	\$ 71,156

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

8. Reserve fund

As at June 30	2018	2017
Operating	\$ 300,000	\$ 300,000
New programs	238,108	258,185
	\$ 538,108	\$ 558,185

The reserve fund consists of \$300,000 (2017 - \$300,000) set aside by the Board of Directors to safeguard six months operating expenses and \$238,108 (2017 - \$258,185) from a bequest to be used for general purposes. At the direction of the Board of Directors, the bequest is being used to expand new programs and for other purposes judged appropriate.

VITA CENTRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

9. Commitments

The Organization has entered into lease commitments as follows -

Mississauga location

November 1, 2015 to October 31, 2020	-	\$2,580 per month base rent
--------------------------------------	---	-----------------------------

Storage unit

January 1, 2018 to October 31, 2020	-	\$719 per month base rent
-------------------------------------	---	---------------------------

VITA CENTRE

SCHEDULE A

FOR THE YEAR ENDED JUNE 30

2018

2017

FUNDRAISING ACTIVITIES

	Revenue	Expenditure	Net	Net
Bingo hall	\$ 75,609	\$ 7,500	\$ 68,109	\$ 53,700
Donations in kind	269	269	-	-
Other	-	416	(416)	(3,134)
Third party events	4,395	-	4,395	9,204
	\$ 80,273	\$ 8,185	\$ 72,088	\$ 59,770

DONATIONS

Catholic Women's League	\$ 2,225	\$ 900
General	48,547	53,539
Knights of Columbus	15,566	15,500
	\$ 66,338	\$ 69,939

GRANTS AND RECOVERIES

Brampton Community Foundation	\$ 3,000	\$ 2,748
Catholic Charities - Core funding	122,400	121,200
Community Foundation of Mississauga	3,000	19,748
Federal Employment	-	1,972
Green Shield Canada	25,000	65,655
Ministry of Citizenship and Immigration	1,778	-
Ontario Trillium Foundation	31,403	-
Program fees	-	2,000
Parenting and Catholic Education (PACE) License fees	18,768	129,410
Region of Peel		
Core funding	98,009	113,198
Parenting collaborative	-	75,828
Organizational effectiveness	-	5,974
Capital	-	1,723
United Way of Peel		
Growing as Parents	45,450	45,450
Supper Connection	39,275	39,275
Counselling	25,250	25,250
	\$ 413,333	\$ 649,431

The accompanying notes are an integral part of these financial statements

VITA CENTRE
SCHEDULE B
PROGRAM EXPENDITURES

FOR THE YEAR ENDED JUNE 30

	2018			2017		
	Costs	Wages	Total	Costs	Wages	Total
Growing As Parents	\$ 2,733	\$ 42,644	\$ 45,377	\$ 2,649	\$ 44,771	\$ 47,420
Me, My Baby, Our World	1,733	5,279	7,012	173	1,111	1,284
Nobody's Perfect	2,548	18,451	20,999	1,732	17,918	19,650
Navigator	-	-	-	883	9,396	10,279
One To One Counselling	4,688	93,066	97,754	3,352	97,440	100,792
Peel Parenting Collaboration	-	-	-	75,828	-	75,828
Supper Connection	12,403	37,404	49,807	17,353	38,099	55,452
Volunteers	680	27,861	28,541	147	28,396	28,543
	\$ 24,785	\$ 224,705	\$ 249,490	\$ 102,117	\$ 237,131	\$ 339,248

The accompanying notes are an integral part of these financial statements

VITA CENTRE

SCHEDULE C

FOR THE YEAR ENDED JUNE 30	2018	2017
ADMINISTRATION		
Amortization	\$ 8,853	\$ 13,314
Annual general meeting, board	766	173
Anniversary	4,050	-
Audit	5,556	7,626
Bank charges	1,137	1,370
Equipment lease	4,716	6,817
IT services	6,662	5,861
Consulting	-	13,299
Insurance	2,191	2,007
Legal	962	(2,863)
Loss on disposal of capital assets	11,607	-
Office	16,446	35,243
Telephone	3,888	4,820
	<u>\$ 66,834</u>	<u>\$ 87,667</u>
PREMISES		
Insurance	\$ 2,684	\$ 3,497
Rent	87,251	115,486
Repairs and maintenance	941	996
Utilities	9,832	15,062
	<u>\$ 100,708</u>	<u>\$ 135,041</u>
FUNDRAISING		
Bank charges	\$ 409	\$ 215
Postage	1,108	1,385
Public relations	679	1,424
Travel	1,123	796
Wages and benefits	25,443	25,648
	<u>\$ 28,762</u>	<u>\$ 29,468</u>