

VITA CENTRE
FINANCIAL STATEMENTS

JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VITA CENTRE

We have audited the financial statements of Vita Centre which comprise the statement of financial position as at June 30, 2019 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.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2019, 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.

Basis for Qualified 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, 2019 and 2018, current assets and liabilities as at June 30, 2019 and 2018 and fund balances at both the beginning and end of the years end June 30, 2019 and 2018. Our audit opinion on the financial statements for the year ended June 30, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Mississauga, Ontario
September 23, 2019

**CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**

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VITA CENTRE
STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30	2019				2018
	Operating	Capital	Reserve	Total	Total
ASSETS					
Current					
Cash and cash equivalents	\$ 87,510	\$ 1,723	\$ 26,433	\$115,666	\$ 30,223
Investments <i>note 3</i>	-	-	561,675	561,675	552,900
Accounts receivable <i>note 4</i>	4,839	-	-	4,839	5,355
Sales tax recoverable	9,723	-	-	9,723	17,040
Prepaid expenses	19,788	-	-	19,788	19,550
	121,860	1,723	588,108	711,691	625,068
Capital <i>note 5</i>	-	25,655	-	25,655	43,205
	\$ 121,860	\$ 27,378	\$ 588,108	\$737,346	\$ 668,273
LIABILITIES					
Current					
Accounts payable <i>note 6</i>	\$ 43,752	\$ -	\$ -	\$ 43,752	\$ 74,206
Deferred revenue <i>note 7</i>	143,065	-	-	143,065	96,908
	186,817	-	-	186,817	171,114
NET ASSETS					
Fund balance <i>page 5</i>	(64,957)	27,378	588,108	550,529	497,159
	\$ 121,860	\$ 27,378	\$ 588,108	\$ 737,346	\$ 668,273

Commitments, *note 9*

Approved on behalf of the Board:


President


Treasurer

The accompanying notes are an integral part of these financial statements

VITA CENTRE
STATEMENT OF FUND BALANCES

TRANSACTIONS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Operating</u>	<u>Capital</u>	<u>Reserve</u> <i>note 8</i>	<u>Total</u>
Fund balances, beginning of year	\$ (85,877)	\$ 44,928	\$ 538,108	\$ 497,159
Excess (shortfall) of revenue over expenditure for the year	70,920	(17,550)	-	53,370
Transfer to reserve	(50,000)	-	50,000	-
Fund balances, end of year	\$ (64,957)	\$ 27,378	\$ 588,108	\$ 550,529

TRANSACTIONS FOR THE YEAR ENDED JUNE 30, 2018

	<u>Operating</u>	<u>Capital</u>	<u>Reserve</u>	<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

VITA CENTRE
STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30		2019				2018	
		General	Capital	Total		Total	
					%		%
Revenue							
Fundraising activities	<i>schedule A</i>	\$ 75,892	\$ -	\$ 75,892	13.1	\$ 72,088	13.0
Donations	<i>schedule A</i>	59,712	-	59,712	10.3	66,338	12.0
Grants and recoveries	<i>schedule A</i>	435,756	-	435,756	75.1	413,333	74.6
Interest income		8,774	-	8,774	1.5	2,900	0.5
Memberships		200	-	200	0.0	260	0.0
		<u>580,334</u>	<u>-</u>	<u>580,334</u>	<u>100.0</u>	<u>554,919</u>	<u>100.0</u>
Expenditure							
Programs	<i>schedule B</i>	269,263	-	269,263	51.0	249,490	41.9
Fundraising	<i>schedule C</i>	21,079	-	21,079	4.0	28,762	4.8
Administration	<i>schedule C</i>	56,402	17,550	73,952	14.0	66,834	11.2
Administration - wages		69,828	-	69,828	13.3	151,412	25.4
Premises	<i>schedule C</i>	92,842	-	92,842	17.6	100,708	16.9
		<u>509,414</u>	<u>17,550</u>	<u>526,964</u>	<u>100.0</u>	<u>597,206</u>	<u>100.0</u>
Excess (shortfall) of revenue over expenditure for the year		\$ 70,920	\$ (17,550)	\$ 53,370		\$ (42,287)	

The accompanying notes are an integral part of these financial statements

VITA CENTRE
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30	2019	2018
Cash provided by (used by)		
Operating activities		
Excess (shortfall) of revenue over expenditure for the year	\$ 53,370	\$ (42,287)
Items not involving cash -		
Amortization	17,550	8,853
Loss on disposal of capital assets	-	11,607
	<u>70,920</u>	<u>(21,827)</u>
Changes in non-cash working capital balances		
Accounts receivable	516	17,163
Sales tax recoverable	7,317	(10,293)
Prepaid expenses	(238)	(2,252)
Accounts payable	(30,454)	1,451
Deferred revenue	<u>46,157</u>	<u>25,752</u>
	<u>94,218</u>	<u>9,994</u>
Investing activities		
Purchase of capital assets	<u>-</u>	<u>(40,000)</u>
Increase (decrease) in cash for the year	<u>94,218</u>	<u>(30,006)</u>
Cash and investments, beginning of year	583,123	613,129
Cash and investments end of year	<u>\$ 677,341</u>	<u>\$ 583,123</u>
Represented by		
Cash and cash equivalents	\$ 115,666	\$ 30,223
Investments	<u>561,675</u>	<u>552,900</u>
	<u>\$ 677,341</u>	<u>\$ 583,123</u>

VITA CENTRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019

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, 2019

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 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	2019		2018	
	Carrying amount	%	Carrying amount	%
Cash	\$ 115,666	15.7%	\$ 30,223	4.5%
Investments	561,675	76.2%	552,900	82.8%
Other assets at cost	60,005	8.1%	85,150	12.7%
Total assets	<u>\$ 737,346</u>	<u>100.0%</u>	<u>\$ 668,273</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.

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, 2019

3. Investments

As at June 30	2019		2018	
	Cost	Fair Value	Cost	Fair Value
GIC - bearing interest at 1.5%				
due February 19, 2020	\$ 100,403	\$ 100,403	\$ 150,351	\$ 150,351
GIC - bearing interest at 1.55%				
due August 30, 2019	101,931	101,931	100,000	100,000
GIC - bearing interest at 2.25%				
due June 16, 2020	357,006	357,006	300,000	300,000
Accrued interest	2,334	2,334	2,549	2,549
	<u>\$ 561,674</u>	<u>\$ 561,674</u>	<u>\$ 552,900</u>	<u>\$ 552,900</u>

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

4. Accounts receivable

As at June 30	2019	2018
Bingo	\$ 4,839	\$ 5,092
Other	-	263
	<u>\$ 4,839</u>	<u>\$ 22,518</u>

5. Capital

As at June 30	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 33,948	\$ 33,949	\$ 33,948	\$ 31,891
Computer software	9,616	9,547	9,616	9,408
Furniture and equipment	19,085	18,772	19,085	18,145
Leasehold improvements	40,000	14,726	40,000	-
	<u>\$ 102,649</u>	<u>\$ 76,994</u>	<u>\$ 99,506</u>	<u>\$ 75,841</u>
Cost less accumulated amortization		<u>\$ 25,655</u>		<u>\$ 23,665</u>

VITA CENTRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

6. Accounts payable

As at June 30	2019	2018
Trade and other	\$ 37,312	\$ 64,822
Source deductions	6,440	9,384
	<u>\$ 43,752</u>	<u>\$ 72,755</u>

7. Deferred revenue

As at June 30	2019	2018
Community Foundation of Mississauga	\$ 15,000	\$ 3,000
Region of Peel - core funding	60,684	57,850
Dufferin Peel Catholic School Board	1,140	1,140
Ministry of Citizenship and Immigration	-	4,622
Ontario Trillium Foundation	45,621	26,097
Peter Gilgan Foundation	-	3,889
Archdiocese of Toronto	20,620	-
Other	-	310
	<u>\$ 143,065</u>	<u>\$ 96,908</u>

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

8. Reserve fund

As at June 30	2019	2018
Operating	\$ 300,000	\$ 300,000
New programs - bequest	238,108	238,108
New programs	15,000	-
Legal	15,000	-
Computer systems	20,000	-
	<u>\$ 588,108</u>	<u>\$ 538,108</u>

The reserve fund includes \$300,000 (2018 - \$300,000) set aside by the Board of Directors to safeguard six months operating expenses and \$238,108 (2018 - \$238,108) 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, 2019

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
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Storage unit

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

SCHEDULE A

FOR THE YEAR ENDED JUNE 30

2019

2018

FUNDRAISING ACTIVITIES

	Revenue	Expenditure	Net	Net
Bingo hall	\$ 73,799	\$ 7,200	\$ 66,599	\$ 68,109
Other	-	1,689	(1,689)	(416)
Third party events	10,982	-	10,982	4,395
	\$ 84,781	\$ 8,889	\$ 75,892	\$ 59,770

DONATIONS

Catholic Women's League	\$ 475	\$ 2,225
General	46,537	48,547
Knights of Columbus	12,700	15,566
	\$ 59,712	\$ 69,939

GRANTS AND RECOVERIES

Brampton Community Foundation	\$ -	\$ 3,000
Catholic Charities - Core funding	140,623	122,400
Community Foundation of Mississauga	3,000	3,000
Green Shield Canada	-	25,000
Ministry of Citizenship and Immigration	4,622	1,778
Ontario Trillium Foundation	95,476	31,403
Parenting and Catholic Education (PACE) License fees	13,687	18,768
Region of Peel		
Core funding	95,866	98,009
United Way of Peel		
Growing as Parents	34,088	45,450
Supper Connection	29,456	39,275
Counselling	18,938	25,250
	\$ 435,756	\$ 649,431

VITA CENTRE
SCHEDULE B
PROGRAM EXPENDITURES

FOR THE YEAR ENDED JUNE 30	2019			2018		
	Costs	Wages	Total	Costs	Wages	Total
Growing As Parents	\$ 1,820	\$ 11,997	\$ 13,817	\$ 2,733	\$ 42,644	\$ 45,377
Me, My Baby, Our World	10,434	15,109	25,543	1,733	5,279	7,012
Nobody's Perfect	6,974	34,804	41,778	2,548	18,451	20,999
One To One Counselling	4,685	80,193	84,878	4,688	93,066	97,754
Supper Connection	3,294	14,787	18,081	12,403	37,404	49,807
Volunteers	220	84,946	85,166	680	27,861	28,541
	\$ 27,427	\$ 241,836	\$ 269,263	\$ 24,785	\$ 224,705	\$ 249,490

The accompanying notes are an integral part of these financial statements

VITA CENTRE

SCHEDULE C

FOR THE YEAR ENDED JUNE 30

2019

2018

ADMINISTRATION

Amortization	\$ 17,550	\$ 8,853
Annual general meeting, board	1,175	766
Anniversary	-	4,050
Audit	5,984	5,556
Bank charges	926	1,137
Bookkeeping services	11,548	-
Equipment lease	4,736	4,716
IT services	900	6,662
Insurance	2,337	2,191
Legal	-	962
Loss on disposal of capital assets	-	11,607
Office	25,347	16,446
Telephone	3,449	3,888
	<u>\$ 73,952</u>	<u>\$ 66,834</u>

PREMISES

Insurance	\$ 2,724	\$ 2,684
Rent	81,911	87,251
Repairs and maintenance	364	941
Utilities	7,843	9,832
	<u>\$ 92,842</u>	<u>\$ 135,041</u>

FUNDRAISING

Bank charges	\$ 353	\$ 409
Postage	742	1,108
Public relations	821	679
Travel	938	1,123
Wages and benefits	18,225	25,443
	<u>\$ 21,079</u>	<u>\$ 29,468</u>

The accompanying notes are an integral part of these financial statements