

**VITA CENTRE**  
**Financial Statements**  
**Year Ended June 30, 2020**

**VITA CENTRE**  
**Index to Financial Statements**  
**Year Ended June 30, 2020**

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**PROFESSIONAL CORPORATION**  
Chartered Professional Accountants

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Vita Centre

### *Qualified Opinion*

I have audited the financial statements of Vita Centre (the Organization), which comprise the statement of financial position as at June 30, 2020, and the statements of changes in fund balances, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended June 30, 2020, current assets and fund balances as at June 30, 2020. The predecessor auditor's opinion on the financial statements for the year ended June 30, 2019 was modified accordingly because of the possible effects of this limitation of scope.

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

### *Other Matter*

The financial statements for the year ended June 30, 2019 were audited by another auditor who expressed a qualified opinion on those financial statements on September 23, 2019 for the reasons described in the *Basis for Qualified Opinion* section.

### *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 ASNPO, 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

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Independent Auditor's Report to the Members of Vita Centre *(continued)*

alternative but to do so.

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.



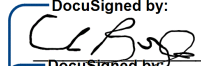
Mississauga, Ontario  
December 29, 2020

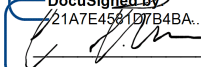
Chartered Professional Accountants  
Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario

**VITA CENTRE**  
**Statement of Financial Position**  
**June 30, 2020**

	Operating	Capital	Reserve	2020	2019
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ 108,713	\$ 12,797	\$ -	\$ 121,510	\$ 115,668
Investments	-	-	572,866	572,866	561,675
Accounts receivable	-	-	-	-	4,839
Sales tax recoverable	7,701	-	-	7,701	9,723
Prepaid expenses	19,875	-	-	19,875	19,789
	<u>136,289</u>	<u>12,797</u>	<u>572,866</u>	<u>721,952</u>	<u>711,694</u>
PROPERTY AND EQUIPMENT <i>(Notes 3, 4)</i>	<u>-</u>	<u>5,668</u>	<u>-</u>	<u>5,668</u>	<u>24,588</u>
	<u>\$ 136,289</u>	<u>\$ 18,465</u>	<u>\$ 572,866</u>	<u>\$ 727,620</u>	<u>\$ 736,282</u>
<b>LIABILITIES</b>					
<b>CURRENT</b>					
Account payable and accrued liabilities <i>(Note 4)</i>	\$ 30,312	\$ -	\$ -	\$ 30,312	\$ 26,238
Government remittances payable	6,459	-	-	6,459	6,441
Deferred revenues <i>(Note 5)</i>	67,377	-	-	67,377	143,066
	<u>104,148</u>	<u>-</u>	<u>-</u>	<u>104,148</u>	<u>175,745</u>
<b>FUND BALANCES</b>	<u>32,141</u>	<u>18,465</u>	<u>572,866</u>	<u>623,472</u>	<u>560,537</u>
	<u>\$ 136,289</u>	<u>\$ 18,465</u>	<u>\$ 572,866</u>	<u>\$ 727,620</u>	<u>\$ 736,282</u>

**ON BEHALF OF THE BOARD**

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 \_\_\_\_\_ Director

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See notes to financial statements

**VITA CENTRE**  
**Statement of Changes in Fund Balances**  
**Year Ended June 30, 2020**

	Operating	Capital	Reserve	2020	2019
<b>FUND BALANCES - BEGINNING OF YEAR</b>					
As previously reported	\$ (64,956)	\$ 27,378	\$ 588,108	\$ 550,530	\$ 462,158
Prior period adjustment ( <i>Note 4</i> )	-	10,007	-	10,007	-
As restated	(64,956)	37,385	588,108	560,537	462,158
Excess (deficit) of revenues over expenditures	81,855	(18,920)	-	62,935	63,379
Transfers in	15,242	-	-	15,242	-
Transfers out	-	-	(15,242)	(15,242)	35,000
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 32,141</b>	<b>\$ 18,465</b>	<b>\$ 572,866</b>	<b>\$ 623,472</b>	<b>\$ 560,537</b>

See notes to financial statements

**VITA CENTRE**  
**Statement of Revenues and Expenditures**  
**Year Ended June 30, 2020**

	Operating	Capital	Reserve	2020	2019
<b>REVENUES</b>					
Grant and recoveries <i>(Note 6)</i>	\$ 483,534	\$ -	\$ -	\$ 483,534	\$ 435,755
Donations	63,347	-	-	63,347	59,713
Fundraising	49,083	-	-	49,083	84,780
Interest	11,191	-	-	11,191	8,774
Memberships	220	-	-	220	200
	<u>607,375</u>	-	-	<u>607,375</u>	<u>589,222</u>
<b>EXPENDITURES</b>					
Salaries and wages <i>(Note 7)</i>	308,486	-	-	308,486	325,998
Premises	89,604	-	-	89,604	90,103
Program	37,605	-	-	37,605	29,383
Office	37,005	-	-	37,005	34,094
Professional fees	28,447	-	-	28,447	17,532
Amortization	-	18,920	-	18,920	7,543
Fundraising	13,543	-	-	13,543	11,744
Insurance	5,460	-	-	5,460	5,061
Telephone	4,370	-	-	4,370	3,459
Interest and bank charges	1,000	-	-	1,000	926
	<u>525,520</u>	<u>18,920</u>	-	<u>544,440</u>	<u>525,843</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 81,855</u>	<u>\$ (18,920)</u>	<u>\$ -</u>	<u>\$ 62,935</u>	<u>\$ 63,379</u>

See notes to financial statements

**VITA CENTRE**  
**Statement of Cash Flows**  
**Year Ended June 30, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 62,935	\$ 63,379
Item not affecting cash:		
Amortization of property and equipment	18,920	7,543
	<u>81,855</u>	<u>70,922</u>
Changes in non-cash working capital:		
Accounts receivable	4,839	516
Account payable and accrued liabilities	4,074	(27,510)
Deferred revenues	(75,689)	46,157
Prepaid expenses	(86)	(239)
Sales tax recoverable	2,022	7,317
Government remittances payable	18	(2,943)
	<u>(64,822)</u>	<u>23,298</u>
Cash flow from operating activities	<u>17,033</u>	<u>94,220</u>
<b>INVESTING ACTIVITY</b>		
Investments	<u>(11,191)</u>	<u>(8,775)</u>
Cash flow used by investing activity	<u>(11,191)</u>	<u>(8,775)</u>
<b>INCREASE IN CASH</b>	<b>5,842</b>	<b>85,445</b>
Cash - beginning of year	<u>115,668</u>	<u>30,223</u>
<b>CASH - END OF YEAR</b>	<b><u>\$ 121,510</u></b>	<b><u>\$ 115,668</u></b>

See notes to financial statements



**VITA CENTRE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

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1. PURPOSE OF THE ORGANIZATION

Vita Centre (the "Organization") is a not-for-profit organization incorporated provincially under the laws of Ontario by Letters Patent. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Organization operates 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Fund accounting

Vita Centre follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Fund reports the assets, liabilities, revenues and expenditures related to Vita Centre's property and equipment.

The Reserve Fund reports the assets, liabilities, revenues and expenditures related to Vita Centre's reserve balance. The purpose of this Fund is to provide a minimum of six months operating reserve to ensure mission and service continuance and to plan 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.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenditures are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund with the exception of the Reserve Fund as noted above.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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**VITA CENTRE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Computer equipment	3 years	straight-line method
Furniture and fixtures	3 years	straight-line method
Leasehold improvements	term of the lease	straight-line method

The Organization regularly reviews its property and equipment to eliminate obsolete items.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Donated services and materials

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements. Donated materials are recorded at fair value at the time of donation when such fair value can be determined.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer equipment	\$ 43,564	\$ 43,564	\$ -	\$ 68
Furniture and fixtures	19,085	19,085	-	313
Leasehold improvements	65,783	60,115	<b>5,668</b>	24,207
	<b>\$ 128,432</b>	<b>\$ 122,764</b>	<b>\$ 5,668</b>	<b>\$ 24,588</b>

4. PRIOR PERIOD ADJUSTMENT

During the year the Organization recognized a prior period adjustment as follows:

In the prior year, leasehold improvement was overstated by \$11,074 due to the capitalization of costs that was not paid and is not owed. Prior year account payable was overstated by \$11,074 and prior year leasehold improvement accumulated amortization was overstated by \$10,007.

A prior period adjustment of \$10,007 is therefore reflected in both the statement of financial position and the statement of changes in net assets. Prior year amortization expense is decreased by \$10,007 and prior year net property and equipment balance is decreased by \$1,067.

**VITA CENTRE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

5. DEFERRED REVENUE

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 143,066	\$ 96,909
Less: Amounts recognized as revenue during the year	(277,620)	(210,036)
Plus: Amounts received during the year	<u>201,931</u>	<u>256,193</u>
Balance, end of year	<u>\$ 67,377</u>	<u>\$ 143,066</u>

6. GRANTS AND RECOVERIES

	<u>2020</u>	<u>2019</u>
Catholic Charities	\$ 226,691	\$ 140,623
Region of Peel	110,684	95,866
Ontario Trillium Foundation	99,265	95,476
Community Foundation of Mississauga	16,986	3,000
Parenting and Catholic Education (PACE) License fees	13,687	13,687
Pandemic Emergency Funds	7,750	-
United Way of Peel	6,871	82,481
Green Shield Canada	1,600	4,622
	<u>\$ 483,534</u>	<u>\$ 435,755</u>

7. SALARIES AND WAGES

Included in salaries and wages is \$30,450 (2019 - \$nil) of wage subsidy received during the year under the Canada Emergency Wage Subsidy ("CEWS") program as supported by the Government of Canada.

8. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of June 30, 2020.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate short term investments.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit risk, market risk, currency risk or other price risks arising from these financial instruments.

**VITA CENTRE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

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9. FUND TRANSFERS

As approved by the Board of Directors, \$40,000 will be transferred from the Operating fund to the Reserve fund subsequent to the year end.

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10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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11. SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus, the "COVID-19 Outbreak". In March 2020, the WHO classified the COVID-19 Outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve throughout the world including Canada. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the impact on the Organization operation will not be known with certainty for months to come.

Although the Organization cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Organization's results of future operations, financial position, and liquidity in the fiscal year 2021.

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