

SEXUAL ASSAULT CENTRE KINGSTON INC.
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

Independent Auditor's Report
Statement of Financial Position
Statement of Operations
Statement of Change in Net Assets
Statement of Cash Flow
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Schedules

INDEPENDENT AUDITOR'S REPORT

To the Members of Sexual Assault Centre Kingston Inc.

Qualified Opinion

We have audited the accompanying financial statements of Sexual Assault Centre Kingston Inc. (the "Entity"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations, change in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the 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 Entity as at March 31, 2019, and its financial performance 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 many charitable organizations, the Entity derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, the excess of revenues over expenses and cash flow from operations for the year ended March 31, 2019, current assets and net assets at April 1, 2018 and March 31, 2019.

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 Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Secker Ross & Perry^{LLP}

chartered professional accountants
tax and business advisors

- 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 Entity'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 Entity 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.

Secker Ross: Perry LLP

Chartered Professional Accountants
Licensed Public Accountants
Kingston, Ontario
August 20, 2019

SEXUAL ASSAULT CENTRE KINGSTON INC.
(Incorporated under the laws of Ontario)

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash (note 7)	\$ 57,661	\$ 83,384
Accounts and other amounts receivable	39,972	13,329
Prepaid expenses	<u>4,670</u>	<u>4,670</u>
	<u>102,303</u>	<u>101,383</u>
Capital Assets (note 3)	36,725	36,725
Less accumulated depreciation	<u>22,546</u>	<u>15,334</u>
	<u>14,179</u>	<u>21,391</u>
	<u>\$ 116,482</u>	<u>\$ 122,774</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 31,959	\$ 43,593
Deferred Capital Contributions (note 4)	<u>11,189</u>	<u>16,906</u>
	<u>43,148</u>	<u>60,499</u>
Net Assets		
Unrestricted	<u>73,334</u>	<u>62,275</u>
	<u>\$ 116,482</u>	<u>\$ 122,774</u>

Lease commitment (note 5)
Economic dependence (note 9)

Approved on behalf of the Board:

Director

Director

See accompanying notes to financial statements.

SEXUAL ASSAULT CENTRE KINGSTON INC.

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2019

	<u>Budget</u> <u>2019</u> (note 10)	<u>Actual</u> <u>2019</u>	<u>Actual</u> <u>2018</u>
Revenues			
Grants			
Ministry of Attorney General	\$ 343,532	\$ 343,532	\$ 340,989
Addictions & Mental Health Services-Ministry of Health and Long-Term Care	98,506	98,506	105,506
United Way - Operating	45,000	45,000	45,000
- Designated Donations	500	9,133	1,142
Queen's University	44,000	48,340	44,765
Status for Women	-	25,000	-
Department of Justice	-	6,223	-
Community Foundation	-	5,917	-
Fundraising	5,500	230	7,326
Memberships, donations and other	11,000	25,070	27,268
Nevada	900	2,687	2,261
Bingo	6,000	5,966	4,927
Miscellaneous	10,300	11,350	10,800
Employment grants	-	1,000	1,800
Amortization of deferred capital contributions (note 4)	-	5,717	4,515
	<u>565,238</u>	<u>633,671</u>	<u>596,299</u>
Expenses			
Amortization of capital assets	-	7,212	6,011
Community events	1,500	334	1,416
Crisis line fees	3,580	3,832	3,391
Fundraising	-	972	3,541
Grant expenditures	-	24,753	4,508
Insurance	5,853	5,955	5,693
Membership	2,200	2,066	2,570
Nevada	-	1,710	1,349
Office supplies and technology	11,260	14,495	12,516
Printing and advertising	4,450	978	5,856
Professional fees and costs	10,950	10,512	10,623
Program expense	2,000	4,039	2,431
Rent and occupancy (note 5)	65,174	65,046	65,656
Service user support	6,500	8,392	5,818
Telephone and internet	11,536	12,539	12,943
Travel	6,005	4,071	5,636
Wages and benefits	434,230	455,706	415,260
	<u>565,238</u>	<u>622,612</u>	<u>565,218</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ 11,059</u>	<u>\$ 31,081</u>

See accompanying notes to financial statements.

SEXUAL ASSAULT CENTRE KINGSTON INC.
STATEMENT OF CHANGE IN NET ASSETS
YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
Net assets at beginning of year	\$ 62,275	\$ 31,194
Excess of revenues over expenses	<u>11,059</u>	<u>31,081</u>
Net assets at end of year	<u>\$ 73,334</u>	<u>\$ 62,275</u>

See accompanying notes to financial statements.

SEXUAL ASSAULT CENTRE KINGSTON INC.

STATEMENT OF CASH FLOW

YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
Cash flow from (used in) operating activities		
Excess of revenues over expenses	\$ 11,059	\$ 31,081
Items which do not involve cash		
Amortization of capital assets	7,212	6,011
Amortization of deferred capital contributions	<u>(5,717)</u>	<u>(4,515)</u>
	12,554	32,577
Changes in non-cash working capital balances		
Accounts and other amounts receivable	(26,643)	6,006
Accounts payable and accrued liabilities	(11,634)	10,835
Deferred revenue	<u>-</u>	<u>(13,780)</u>
	<u>(25,723)</u>	<u>35,638</u>
Cash flow used in investing activities		
Purchase of capital assets	<u>-</u>	<u>(6,674)</u>
Cash flow from financing activities		
Deferred capital contributions received	<u>-</u>	<u>6,672</u>
Net increase (decrease) in cash	(25,723)	35,636
Cash at beginning of year	<u>83,384</u>	<u>47,748</u>
Cash at end of year	<u>\$ 57,661</u>	<u>\$ 83,384</u>

See accompanying notes to financial statements.

SEXUAL ASSAULT CENTRE KINGSTON INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

1. Nature of Organization

Sexual Assault Centre Kingston Inc. is incorporated without share capital under the laws of Ontario and is a registered charity exempt from income tax under the Income Tax Act. The corporation provides support services to survivors of sexual assault. In addition, it educates the public, conducts research into sexual violence and lobbies to improve legislation dealing with sexual violence.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook - Accounting Standards for Not-for-Profit Organizations. Significant accounting policies include the following:

(a) Financial Instruments

Financial instruments are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statement of operations in the period in which the gain or loss occurs.

(b) Revenue Recognition

The corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

All other revenues and expenses are recorded on the accrual basis.

(c) Capital Assets

Capital assets are recorded at cost. Amortization is provided on a straight-line basis using the following annual rates:

Computer hardware	5 years
Furniture and fixtures	5 years

(d) Donations and Fundraising

Donations, fundraising revenue, bingo, Nevada and interest revenues are recognized when received.

(e) Contributed Services

The corporation relies on the services of the many volunteers who donate a considerable number of hours. Because of the difficulty in compiling and valuing these hours, contributed services are not recognized in the financial statements.

SEXUAL ASSAULT CENTRE KINGSTON INC.

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED MARCH 31, 2019

2. Significant Accounting Policies (continued)

(f) 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting period. A significant item subject to such estimates and assumptions is the valuation of accounts receivable. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Capital Assets

	2019		2018
	Cost	Accumulated Depreciation	Net
Furniture and fixtures	\$ 17,972	\$ 11,897	\$ 6,075
Computer hardware	18,753	10,649	8,104
	<u>\$ 36,725</u>	<u>\$ 22,546</u>	<u>\$ 14,179</u>
			<u>\$ 21,391</u>

4. Deferred Capital Contributions

The changes in the deferred capital contributions balance are as follows:

	2019	2018
Balance at beginning of year	\$ 16,906	\$ 14,749
Contributions received	-	6,672
Amount recognized in revenue	<u>(5,717)</u>	<u>(4,515)</u>
Balance at end of year	<u>\$ 11,189</u>	<u>\$ 16,906</u>

5. Lease Commitment

The corporation occupies its premises under a lease expiring May 31, 2024. The agreement calls for an annual base rent of \$35,400, increasing in year 6 by \$3,540, plus a share of common costs and applicable taxes.

6. Pension Plan

The corporation is a participant in a defined contribution pension plan. The corporation contributes, on behalf of each eligible employee, an amount equal to the employee's contribution to a maximum of 2.5% of earnings. The corporation's contribution of \$6,617 (\$6,511 in 2018) is included as expense in the statement of operations.

SEXUAL ASSAULT CENTRE KINGSTON INC.

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED MARCH 31, 2019

7. Restricted Cash

Included in cash is approximately \$1,453 (2018 - \$1,469) arising from proceeds of activities regulated by the Alcohol and Gaming Commission of Ontario (e.g., sale of Nevada tickets). The use of these funds is restricted by the regulator to certain expenditures.

8. Financial Risks

The corporation manages its exposure to risks associated with financial instruments that have potential to affect its operating and financial performance. The corporation manages its financial instruments to ensure it has adequate capital to continue to provide its services to the public. It is management's opinion that the corporation is not exposed to significant interest, currency, liquidity, market or credit risks arising from its financial instruments. There has been no change to the risk exposure from 2018 and there is expected to be no substantive change in the next fiscal period.

9. Economic Dependence

The corporation is economically dependant on various funding partners for the majority of its operating funding, including the South East LHIN, Addictions and Mental Health Services - KFLA and the Ministry of Attorney General.

10. Budget Amounts

The budget amounts, as presented for comparison purposes, are as approved by the board of directors and are not subject to audit.

11. Comparative Figures

Certain comparative figures have been restated in order to conform to the financial statement presentation adopted for the current year.

SEXUAL ASSAULT CENTRE KINGSTON INC.
 SCHEDULE OF REVENUES AND EXPENSES
 MINISTRY OF ATTORNEY GENERAL GRANTS
 YEAR ENDED MARCH 31, 2019

	<u>Budget 2019</u> (unaudited)	<u>Actual 2019</u>	<u>Actual 2018</u>
Revenues			
Grant - operating	\$ 343,532	\$ 343,532	\$ 340,989
Expenses			
Wages and Benefits			
Wages	233,625	237,018	239,104
Benefits	44,507	40,783	26,316
Other Operating Expense			
Board volunteer expense	250	517	1,941
Building occupancy	40,832	40,043	38,947
Client expense			
Insurance	4,389	4,467	4,000
Office/program supplies/equipment	1,941	2,275	4,777
Other	5,643	5,503	7,702
Public education/promotion	1,000	379	2,286
Purchased services	5,100	5,233	4,442
Staff expense	1,000	1,887	6,855
Telephone and communication	5,245	5,427	4,619
	<u>343,532</u>	<u>343,532</u>	<u>340,989</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SEXUAL ASSAULT CENTRE KINGSTON INC.

SCHEDULE OF REVENUES AND EXPENSES

ADDICTIONS & MENTAL HEALTH SERVICES-MINISTRY OF HEALTH
AND LONG-TERM CARE GRANT

YEAR ENDED MARCH 31, 2019

	<u>Budget</u> <u>2019</u> (unaudited)	<u>Actual</u> <u>2019</u>	<u>Actual</u> <u>2018</u>
Revenues			
Grant - operating	\$ 98,506	\$ 98,506	\$ 98,506
- one time funding - French language	-	-	7,000
- other, including amortization	-	5,717	4,515
	<u>98,506</u>	<u>104,223</u>	<u>110,021</u>
Expenses			
Wages and Benefits			
Wages	71,681	65,728	66,737
Benefits	4,226	5,676	6,190
Other Operating Expense			
Building occupancy	12,581	13,728	16,581
Supplies and sundry	10,018	11,308	8,998
Amortization of capital assets	-	7,212	6,011
French language one time	-	-	4,894
	<u>98,506</u>	<u>103,652</u>	<u>109,411</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ 571</u>	<u>\$ 610</u>