

SEXUAL ASSAULT CENTRE KINGSTON INC.
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

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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, 2023 and the statements of operations, changes 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, 2023, 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 years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022 and net assets at as at April 1 and March 31 for both the 2023 and 2022 fiscal years. Our opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation of 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 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 qualified 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 23, 2023

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

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash (note 8)	\$ 460,715	\$ 272,428
Accounts and other amounts receivable	31,043	30,318
Prepaid expenses	<u>6,670</u>	<u>4,670</u>
	<u>498,428</u>	<u>307,416</u>
Capital Assets (note 3)		
Less accumulated depreciation	233,200	220,289
	<u>138,169</u>	<u>93,051</u>
	<u>95,031</u>	<u>127,238</u>
	<u>\$ 593,459</u>	<u>\$ 434,654</u>
 Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 66,438	\$ 60,356
Deferred revenue (note 4)	<u>202,960</u>	<u>69,902</u>
	269,398	130,258
Deferred Capital Contributions (note 5)		
	<u>85,669</u>	<u>119,872</u>
	<u>355,067</u>	<u>250,130</u>
 Net Assets		
Unrestricted	186,030	154,158
Internally Restricted (note 9)	43,000	23,000
Invested in Capital Assets	<u>9,362</u>	<u>7,366</u>
	<u>238,392</u>	<u>184,524</u>
	<u>\$ 593,459</u>	<u>\$ 434,654</u>

Lease Commitment (note 6)
Economic Dependence (note 12)

Approved on behalf of the Board:

Director

Director

SEXUAL ASSAULT CENTRE KINGSTON INC.

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2023

	<u>Budget 2023</u> (unaudited)	<u>Actual 2023</u>	<u>Actual 2022</u>
Revenues			
Grants			
Ministry of Children, Community and Social Services - Core	\$ 343,531	\$ 343,531	\$ 343,532
Addictions & Mental Health Services-Ministry of Health and Long-Term Care	101,759	102,333	101,758
Other federal grants (note 10)	182,120	181,736	125,768
United Way - operating	50,000	38,750	45,000
- other	92,500	92,803	70,315
Queen's University	42,000	53,126	53,108
Department for Women and Gender Equality	239,114	232,419	156,640
Ministry of Children, Community and Social Services - Anti-Human Trafficking	29,000	29,000	29,000
Community Foundation	14,740	14,740	2,000
Fundraising	-	3,889	-
Memberships, donations and other	31,000	48,399	20,425
Nevada	-	-	3,158
Crisis line fees and other revenues	66,000	87,227	63,240
Amortization of deferred capital contributions (note 5)	-	42,072	40,498
	<u>1,191,764</u>	<u>1,270,025</u>	<u>1,054,442</u>
Expenses			
Amortization of capital assets	-	45,118	42,536
Community events	6,500	6,678	9,125
Crisis line fees	16,150	15,621	15,117
Grant expenditures	105,512	100,789	31,487
Insurance	8,325	8,719	7,893
Membership	2,305	2,620	2,568
Nevada	-	1,513	1,305
Office supplies and technology	23,500	18,849	13,405
Printing and advertising	3,500	9,775	2,759
Professional fees and costs	10,500	16,798	18,615
Program expense	13,450	11,114	4,493
Rent and occupancy (note 6)	98,529	99,732	98,189
Service user support	5,340	9,714	15,466
Strategic planning	-	-	2,137
Telephone and internet	16,400	14,500	15,557
Travel	2,800	3,186	594
Wages and benefits (note 7)	878,953	851,431	717,090
	<u>1,191,764</u>	<u>1,216,157</u>	<u>998,336</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ 53,868</u>	<u>\$ 56,106</u>

SEXUAL ASSAULT CENTRE KINGSTON INC.
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2023

	<u>2023</u>				<u>2022</u>
	<u>Unrestricted</u>	<u>Internally Restricted</u>	<u>Invested in Capital Assets</u>	<u>Total</u>	
Net assets at beginning of year	\$ 154,158	\$ 23,000	\$ 7,366	\$ 184,524	\$ 128,418
Excess (deficiency) of revenues over expenses	56,914	-	(3,046)	53,868	56,106
Transfers (note 13)	<u>(25,042)</u>	<u>20,000</u>	<u>5,042</u>	<u>-</u>	<u>-</u>
Net assets at end of year	<u>\$ 186,030</u>	<u>\$ 43,000</u>	<u>\$ 9,362</u>	<u>\$ 238,392</u>	<u>\$ 184,524</u>

SEXUAL ASSAULT CENTRE KINGSTON INC.

STATEMENT OF CASH FLOW

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
Cash flow from (used in) operating activities		
Excess of revenues over expenses	\$ 53,868	\$ 56,106
Items which do not involve cash		
Amortization of capital assets	45,118	42,536
Amortization of deferred capital contributions	<u>(42,072)</u>	<u>(40,498)</u>
	56,914	58,144
Changes in non-cash working capital balances		
Accounts and other amounts receivable	(725)	2,601
Prepaid expenses	(2,000)	-
Accounts payable and accrued liabilities	6,082	17,965
Deferred revenue	<u>133,058</u>	<u>(39,055)</u>
	<u>193,329</u>	<u>39,655</u>
Cash flow used in investing activities		
Purchase of capital assets	<u>(12,911)</u>	<u>(114,953)</u>
Cash flow from financing activities		
Deferred capital contributions received	<u>7,869</u>	<u>107,501</u>
Net increase in cash	188,287	32,203
Cash at beginning of year	<u>272,428</u>	<u>240,225</u>
Cash at end of year	<u>\$ 460,715</u>	<u>\$ 272,428</u>

SEXUAL ASSAULT CENTRE KINGSTON INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

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.

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

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
Leasehold improvements	Term of lease

(d) Donations and Fundraising

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

SEXUAL ASSAULT CENTRE KINGSTON INC.
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED MARCH 31, 2023

2. Significant Accounting Policies (continued)

(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.

(f) Deferred Capital Contributions

Deferred capital contributions represent financial assistance received for the purchase of capital assets. This financial assistance is deferred and amortized to income on the same basis as the related capital assets.

(g) 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

	2023		2022
	Cost	Accumulated Depreciation	Net
Furniture and fixtures	\$ 75,651	\$ 46,054	\$ 29,597
Computer hardware	67,774	44,793	22,981
Leasehold improvements	89,775	47,322	42,453
	<u>\$ 233,200</u>	<u>\$ 138,169</u>	<u>\$ 95,031</u>
			<u>\$ 127,238</u>

SEXUAL ASSAULT CENTRE KINGSTON INC.
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED MARCH 31, 2023

4. Deferred Revenue

Deferred revenue consists of the following:

	<u>2023</u>	<u>2022</u>
Kinsmen Club	\$ -	\$ 25,000
United Way - waitlist reduction and diverse communities	25,000	23,125
Canadian Women's Foundation	15,000	-
Women and Gender Equality Canada	7,800	5,787
Canadian Red Cross	32,110	-
United Way - other	12,500	1,250
Community Foundation for Kingston & Area	-	14,740
Ontario Trillium Foundation	37,050	-
Sexual Misconduct Reporting Centre	73,500	-
	<u>\$ 202,960</u>	<u>\$ 69,902</u>

5. Deferred Capital Contributions

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

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 119,872	\$ 52,869
Contributions received	7,869	107,501
Amount recognized in revenue	<u>(42,072)</u>	<u>(40,498)</u>
Balance at end of year	<u>\$ 85,669</u>	<u>\$ 119,872</u>

During the prior year, the corporation received a grant from the Ontario Trillium Foundation in the amount of \$111,000. A total of \$107,501 of the funds received were used to acquire furniture, fixtures and leasehold improvements. In accordance with its accounting policies, the portion of the grant received corresponding to the amount of assets acquired was added to deferred capital contributions.

6. Lease Commitment

The corporation occupies its premises under a lease expiring May 31, 2025. The agreement calls for an annual base rent of \$52,800, plus a share of common costs and applicable taxes.

7. 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 \$11,147 (2022 - \$9,984) is included as expense in the statement of operations.

SEXUAL ASSAULT CENTRE KINGSTON INC.

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED MARCH 31, 2023

8. Restricted Cash

Included in cash is approximately \$1,276 (2022 - \$2,856) 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.

9. Internally Restricted Assets

	<u>2023</u>	<u>2022</u>
Human resources fund	\$ 20,000	\$ 20,000
Board governance	3,000	3,000
Software and French Language Services	<u>20,000</u>	<u>-</u>
	<u>\$ 43,000</u>	<u>\$ 23,000</u>

10. Other Federal Grants

	<u>2023</u>	<u>2022</u>
Sexual Misconduct Reporting Centre	\$ 52,216	\$ 57,360
Minds Building Digital Bridges	-	8,957
Canada Summer Jobs Grant	4,520	4,451
Canada Women's Foundation	<u>125,000</u>	<u>55,000</u>
	<u>\$ 181,736</u>	<u>\$ 125,768</u>

11. 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.

The commencement of the COVID-19 pandemic in the latter part of the corporation's 2020 fiscal year has resulted in a general economic slowdown in most of the world. In response to various federal, provincial and local public health guidelines, the corporation has significantly modified delivery of most of its services and has moved many of its staff and volunteers to remote work arrangements. The corporation has invested in equipment to facilitate provision of services using various means, has carefully managed operating costs and has sought grants and other government assistance to assist with pandemic challenges. It is not possible to reliably estimate the duration or severity of the effects that the pandemic may have on the corporation's operations in future periods.

SEXUAL ASSAULT CENTRE KINGSTON INC.
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED MARCH 31, 2023

12. Economic Dependence

The corporation is economically dependant on various funding partners for the majority of its operating funding, including Ontario Health, Addictions and Mental Health Services - KFLA and the Ministry of Children, Community and Social Services, who together provided approximately 37% (2022 - 43%) of the corporation's funding. The extent of the corporation's dependence on these traditional funding sources has been declining due to additional grants obtained from other granting agencies.

13. Transfers

During the year, the corporation transferred \$5,042 of unrestricted net assets to the investment in capital assets and also transferred a total of \$20,000 from unrestricted net assets into internally restricted net assets.

14. Budget Amounts

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

15. 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 CHILDREN, COMMUNITY AND SOCIAL SERVICES
YEAR ENDED MARCH 31, 2023

	<u>Budget</u> <u>2023</u> (unaudited)	<u>Actual</u> <u>2023</u>	<u>Actual</u> <u>2022</u>
A. Core Funding - Victim Services			
Revenues			
Grant - operating	\$ 343,531	\$ 343,531	\$ 343,532
Expenses			
Wages and benefits	231,898	234,584	286,339
Other operating expense			
Building occupancy	52,250	55,477	36,474
Administrative	34,390	31,942	10,898
Travel and communication	17,193	15,975	3,982
Office/program supplies/equipment	7,800	6,753	5,839
	<u>343,531</u>	<u>344,731</u>	<u>343,532</u>
Excess (deficiency) of revenues over expenses	<u>\$ -</u>	<u>\$ (1,200)</u>	<u>\$ -</u>
B. Anti-Human Trafficking			
Revenues			
Grant - operating	\$ 29,000	\$ 29,000	\$ 29,000
Expenses			
Wages and benefits	13,760	13,543	5,090
Building occupancy	10,750	11,216	7,205
Administrative	2,890	2,962	16,705
Travel and communication	1,600	1,475	-
	<u>29,000</u>	<u>29,196</u>	<u>29,000</u>
Excess (deficiency) of revenues over expenses	<u>\$ -</u>	<u>\$ (196)</u>	<u>\$ -</u>

SEXUAL ASSAULT CENTRE KINGSTON INC.
SCHEDULE OF REVENUES AND EXPENSES
ADDICTIONS & MENTAL HEALTH SERVICES - MINISTRY OF HEALTH GRANT
YEAR ENDED MARCH 31, 2023

	<u>Budget</u> <u>2023</u>	<u>Actual</u> <u>2023</u>	<u>Actual</u> <u>2022</u>
	(unaudited)		
Revenues			
Grant - operating	\$ 101,758	\$ 101,758	\$ 101,758
- one time funding	-	8,444	-
- other, including amortization	-	4,098	2,212
	<u>101,758</u>	<u>114,300</u>	<u>103,970</u>
Expenses			
Wages and Benefits			
Wages	81,054	70,784	72,417
Benefits	-	10,271	10,494
Other Operating Expense			
Building occupancy	22,429	20,801	20,680
Supplies and sundry	8,806	10,434	8,884
Amortization of capital assets	-	3,277	1,704
	<u>112,289</u>	<u>115,567</u>	<u>114,179</u>
Excess (deficiency) of revenues over expenses	<u>\$ (10,531)</u>	<u>\$ (1,267)</u>	<u>\$ (10,209)</u>