

VICTIM SERVICES OF WATERLOO REGION
FINANCIAL STATEMENTS
MARCH 31, 2021



INDEPENDENT AUDITOR'S REPORT

To the Directors of Victim Services of Waterloo Region

Qualified Opinion

I have audited the financial statements of Victim Services of Waterloo Region, which comprise the statement of financial position as at March 31, 2021, and the statement of operations and changes in net assets, and the statement of cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion the accompanying financial statements present fairly, in all material respects, the financial position of Victim Services of Waterloo Region as at March 31, 2021 and its results of operations, changes in net assets, and cash flows, for the year then ended, in accordance with Canadian Accounting Standards for Not-for-profit Organizations.

Basis of Opinion

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 entity in accordance with the 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 opinion.

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

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

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 auditors' 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 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 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 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.

E.M. Simon CPA

September 29, 2021

E.M. Simon CPA Professional Corporation

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

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VICTIM SERVICES OF WATERLOO REGION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

(with comparative figures as at March 31, 2020)

(the accompany notes are an integral part of these financial statements)

| | <u>2021</u> | | | <u>2020</u> | | |
|------------------------------------|-----------------|--------------------|------------------|-----------------|--------------------|-----------------|
| | <u>General</u> | <u>Fundraising</u> | <u>Total</u> | <u>General</u> | <u>Fundraising</u> | <u>Total</u> |
| ASSETS | | | | | | |
| CURRENT | | | | | | |
| Cash | 34,138 | 28,744 | 62,882 | 4,868 | 13,457 | 18,325 |
| Investments (note 2) | 0 | 32,344 | 32,344 | 0 | 32,344 | 32,344 |
| Grants and HST receivable (note 3) | 22,755 | 0 | 22,755 | 16,852 | 0 | 16,852 |
| Prepaid expenses | 1,020 | 0 | 1,020 | 1,538 | 0 | 1,538 |
| | <u>\$57,913</u> | <u>\$61,088</u> | <u>\$119,001</u> | <u>\$23,258</u> | <u>\$45,801</u> | <u>\$69,059</u> |
| LIABILITIES | | | | | | |
| CURRENT | | | | | | |
| Accounts payable | 12,381 | 0 | 12,381 | 14,922 | 0 | 14,922 |
| Deferred revenue (note 4) | 51,917 | 0 | 51,917 | 0 | 0 | 0 |
| | <u>64,298</u> | <u>0</u> | <u>64,298</u> | <u>14,922</u> | <u>0</u> | <u>14,922</u> |
| NET ASSETS (DEFICIT) | | | | | | |
| Unrestricted | (6,385) | 61,088 | 54,703 | 8,336 | 45,801 | 54,137 |
| | <u>\$57,913</u> | <u>\$61,088</u> | <u>\$119,001</u> | <u>\$23,258</u> | <u>\$45,801</u> | <u>\$69,059</u> |

Approved on behalf of the Board

VICTIM SERVICES OF WATERLOO REGION
STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021

(with comparative figures for the year ended March 31, 2020)

(the accompany notes are an integral part of these financial statements)

| | 2021 | | | | 2020 | | | |
|----------------------------------|--------------------------|---------------|-----------------|-----------------|--------------------------|---------------|-----------------|-----------------|
| | ----- General Fund ----- | | Fundraising | | ----- General Fund ----- | | Fundraising | |
| | Victim | Human | Fund | Total | Victim | Human | Fund | Total |
| | Crisis | Trafficking | | | Crisis | Trafficking | | |
| | Assistance | | | | Assistance | | | |
| REVENUES: | | | | | | | | |
| Ministry of the Attorney General | 290,068 | 8,169 | 0 | 298,237 | 219,543 | 23,000 | 0 | 242,543 |
| Donations and grants | 40,144 | 20,938 | 5,138 | 66,220 | 0 | 0 | 10,918 | 10,918 |
| Interest | 0 | 0 | 36 | 36 | 0 | 0 | 598 | 598 |
| | <u>330,212</u> | <u>29,107</u> | <u>5,174</u> | <u>364,493</u> | <u>219,543</u> | <u>23,000</u> | <u>11,516</u> | <u>254,059</u> |
| EXPENSES: | | | | | | | | |
| Salaries | 225,372 | 26,289 | 0 | 251,661 | 159,426 | 11,650 | 0 | 171,076 |
| Employee benefits | 24,728 | 676 | 0 | 25,404 | 16,444 | 524 | 0 | 16,968 |
| Office supplies | 2,228 | 0 | 0 | 2,228 | 2,880 | 0 | 0 | 2,880 |
| Telecommunications | 10,691 | 349 | 0 | 11,040 | 8,550 | 1,311 | 0 | 9,861 |
| Office equipment | 7,383 | 0 | 0 | 7,383 | 720 | 0 | 0 | 720 |
| Advertising | 2,514 | 0 | 0 | 2,514 | 1,003 | 0 | 0 | 1,003 |
| Promotion | 2,608 | 0 | 4,084 | 6,692 | 3,219 | 0 | 0 | 3,219 |
| Workshops, meetings, events | 0 | 500 | 0 | 500 | 617 | 1,197 | 0 | 1,814 |
| Staff expenses | 14,555 | 293 | 0 | 14,848 | 7,066 | 1,164 | 0 | 8,230 |
| Front line volunteers | 0 | 0 | 0 | 0 | 2,654 | 2,675 | 0 | 5,329 |
| Governing body / volunteers | 0 | 0 | 0 | 0 | 120 | 0 | 0 | 120 |
| Client expenses | 25,603 | 1,000 | 0 | 26,603 | 5,507 | 977 | 6,019 | 12,503 |
| Professional fees | 3,368 | 0 | 0 | 3,368 | 3,690 | 500 | 0 | 4,190 |
| Bookkeeping | 5,501 | 0 | 0 | 5,501 | 2,489 | 3,002 | 0 | 5,491 |
| Insurance | 4,078 | 0 | 520 | 4,598 | 3,970 | 0 | 359 | 4,329 |
| Bank and service charges | 1,583 | 0 | 4 | 1,587 | 1,188 | 0 | 21 | 1,209 |
| | <u>330,212</u> | <u>29,107</u> | <u>4,608</u> | <u>363,927</u> | <u>219,543</u> | <u>23,000</u> | <u>6,399</u> | <u>248,942</u> |
| EXCESS (DEFICIT) OF | | | | | | | | |
| REVENUES OVER EXPENSES | 0 | 0 | 566 | 566 | 0 | 0 | 5,117 | 5,117 |
| NET ASSETS - opening | 8,336 | 0 | 45,801 | 54,137 | (4,329) | 0 | 53,349 | 49,020 |
| INTERFUND TRANSFERS | | | | | | | | |
| General Fund expenses | (14,721) | 0 | 14,721 | 0 | 12,665 | 0 | (12,665) | 0 |
| NET ASSETS - closing | <u>(\$6,385)</u> | <u>\$0</u> | <u>\$61,088</u> | <u>\$54,703</u> | <u>\$8,336</u> | <u>\$0</u> | <u>\$45,801</u> | <u>\$54,137</u> |

VICTIM SERVICES OF WATERLOO REGION**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31, 2021**

(with comparative figures for the year ended March 31, 2020)

(the accompany notes are an integral part of these financial statements)

| | <u>2021</u> | | | <u>2020</u> | | |
|---|-----------------|--------------------|-----------------|----------------|--------------------|-----------------|
| SOURCES (USES) OF CASH: | <u>General</u> | <u>Fundraising</u> | <u>Total</u> | <u>General</u> | <u>Fundraising</u> | <u>Total</u> |
| OPERATING ACTIVITIES | | | | | | |
| Excess (deficit) for the year | 0 | 566 | 566 | 0 | 5,117 | 5,117 |
| Change in non-cash current assets and liabilities: | | | | | | |
| Investments (note 2) | 0 | 0 | 0 | 0 | (530) | (530) |
| Grants and HST receivable (note 3) | (5,903) | 0 | (5,903) | (8,425) | 0 | (8,425) |
| Prepaid expenses | 518 | 0 | 518 | (663) | 0 | (663) |
| Accounts payable | (2,541) | 0 | (2,541) | 242 | 0 | 242 |
| Deferred revenue (note 4) | 51,917 | 0 | 51,917 | 0 | 0 | 0 |
| | <u>43,991</u> | <u>566</u> | <u>44,557</u> | <u>(8,846)</u> | <u>4,587</u> | <u>(4,259)</u> |
| INVESTING ACTIVITIES | 0 | 0 | 0 | 0 | 0 | 0 |
| FINANCING ACTIVITIES | | | | | | |
| Interfund transfers | (14,721) | 14,721 | 0 | 12,665 | (12,665) | 0 |
| CHANGE IN FUNDS | <u>29,270</u> | <u>15,287</u> | <u>44,557</u> | <u>3,819</u> | <u>(8,078)</u> | <u>(4,259)</u> |
| CASH ON HAND - opening | <u>4,868</u> | <u>13,457</u> | <u>18,325</u> | <u>1,049</u> | <u>21,535</u> | <u>22,584</u> |
| CASH ON HAND - closing | <u>\$34,138</u> | <u>\$28,744</u> | <u>\$62,882</u> | <u>\$4,868</u> | <u>\$13,457</u> | <u>\$18,325</u> |

VICTIM SERVICES OF WATERLOO REGION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

Victim Services of Waterloo Region (VSWR) was incorporated without share capital on October 11, 2002 under the laws of Ontario. The organization is a charity registered with Canada Revenue Agency (#86033 7823 RR0001) and as such is exempt from income tax under the Income Tax Act.

PURPOSE

VSWR's purpose is to provide support and education services to victims of crime, trauma and tragic circumstances in partnership with community and emergency services.

1. SIGNIFICANT ACCOUNT POLICIES

Basis of Presentation - These financial statements have been prepared using Canadian Accounting Standards for Not-for-profit Organizations.

Fund Accounting - VSWR maintains its accounts in accordance with the principles of fund accounting, wherein resources for various purposes are classified in accordance with activities or objectives as specified by the Board, management or donors.

The **General Fund** reflects activity, assets and liabilities related to its outreach program, ACCESS, the organization's public education program and human trafficking program.

Donations which are not designated for the General Fund, and investment income, are accumulated and invested in the **Fundraising Fund**. Amounts are transferred between the Fundraising Fund and the General Fund depending on cash flow needs of the programs within the General Fund.

Revenue Recognition - VSWR uses the deferral method of accounting for revenues. Restricted revenues are reflected as deferred revenue on the statement of financial position and only recognized as revenue on the statement of operations when spent as designated. Unrestricted revenues are reflected as revenue when received or receivable. All revenues, whether deferred or recognized, are only reflected when collection is reasonably assured and amounts reasonably estimable.

VSWR receives many hours of service from many volunteers. The monetary value of these contributed services is not reflected in these statements because determination of a fair value cannot be reasonably established.

Capital Assets - As VSWR has revenues of less than \$500,000 it meets the criteria of a 'small organization' as defined in the Canadian Accounting Standards for Not-for-profit organizations. As such, VSWR has chosen to expense capital assets when purchased.

Office equipment purchased and expensed in the current year: \$7,383

Financial Instruments - A financial instrument is a contract that creates a financial asset for one entity and a financial liability or equity instrument of another. VSWR initially measures its financial assets and liabilities at fair value, except for non-arm's length transactions, if any. VSWR subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments with quoted fair values in an active market, if any, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized on the statement of operations and changes in net assets. Any previously recognized impairment losses may be reversed and reflected income to the extent of improvement, provided they are no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. VSWR recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption. .

VICTIM SERVICES OF WATERLOO REGION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

2. FINANCIAL INSTRUMENTS

2021

2020

Financial assets reflected at amortized cost:

Guaranteed investment certificate, .65%, .70%, .75% annually in successive years, maturing February 2023

32,344

32,344

Other financial assets reflected at amortized cost (cash and accounts receivable)

76,443

24,197

\$108,787

\$56,541

VSWR has no investments in equity instruments which have been adjusted to reflect their fair value, nor any equity instruments measured at amortized cost less a reduction for impairment.

As in the prior year, management believes that VSWR does face some interest rate risk, in that changes in market interest rates could impact the value of the investments it holds, and that the VSWR does not face any significant credit, currency, liquidity or market risk with respect to any of its financial instruments

3. GRANTS AND HST RECEIVABLE

Grants and HST receivable are reflected net of the following allowance for doubtful collections:

Allowance for doubtful collection of accounts receivable:

\$3,314

4. DEFERRED REVENUE

Deferred revenue consists of unspent Ministry of the Attorney General funding.

5. ECONOMIC DEPENDENCE

VSWR receives the vast majority of its funding from government sources. The continuance of these programs in their present form is dependent on continued funding from these or similar entities.

6. SIGNIFICANT EVENT

During and subsequent to the current fiscal year, the world-wide COVID19 pandemic had a significant impact on all activities around the world. To protect clients, staff and other stakeholders, management accordingly took all necessary steps to comply with government regulations and recommendations. At the date of issuance of these financial statements, the COVID19 pandemic continued. While the pandemic has affected the organization's financial results subsequent to the current yearend, it was impractical to quantify that impact at the time of issuance of these financial statements.

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to comply with financial statement presentation adopted in the current year.