

CHILD WITNESS CENTRE OF WATERLOO REGION
Financial Statements
Year Ended March 31, 2012

CHILD WITNESS CENTRE OF WATERLOO REGION

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Year Ended March 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Child Witness Centre of Waterloo Region

We have audited the accompanying financial statements of Child Witness Centre of Waterloo Region, which comprise the statement of financial position as at March 31, 2012 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations and events, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

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Independent Auditor's Report to the Directors of Child Witness Centre of Waterloo Region *(continued)*

Qualified Opinion

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects the financial position of Child Witness Centre of Waterloo Region as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads "Charles Starke & Riegel LLP". The signature is written in a cursive, flowing style.

Kitchener, Ontario
May 30, 2012

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

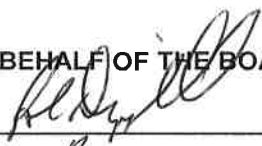
CHILD WITNESS CENTRE OF WATERLOO REGION

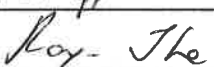
Statement of Financial Position

March 31, 2012

	2012	2011
ASSETS		
CURRENT		
Cash - unrestricted (Note 3)	\$ 118,434	\$ 84,382
Cash - restricted (Note 3)	8,470	8,663
Short term investments (Note 4)	207,946	36,421
Interest receivable	-	334
Sales tax recoverable	8,679	38,704
Prepaid expenses and deposits	9,277	4,285
	<u>352,806</u>	172,789
CAPITAL ASSETS (Note 5)	<u>403,112</u>	393,304
	<u>\$ 755,918</u>	<u>\$ 566,093</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 12,161	\$ 13,283
Employee deductions payable	6,264	5,210
Prepaid rent deposits	1,339	1,339
Deferred contributions (Note 6)	31,470	39,392
	<u>51,234</u>	59,224
NET ASSETS		
UNRESTRICTED	223,669	113,565
INTERNALLY RESTRICTED (Note 7)	77,903	-
INVESTMENT IN CAPITAL ASSETS	403,112	393,304
	<u>704,684</u>	506,869
	<u>\$ 755,918</u>	<u>\$ 566,093</u>

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

The accompanying notes form an integral part of these financial statements

CHILD WITNESS CENTRE OF WATERLOO REGION

Statement of Changes in Net Assets

Year Ended March 31, 2012

	Unrestricted	Internally Restricted	Investment in Capital Assets	2012	2011
BEGINNING OF YEAR	\$ 113,565	\$ -	\$ 393,304	\$ 506,869	\$ 489,530
Excess of revenue over expenses	197,815	-	-	197,815	17,339
Purchase of capital assets	(23,950)	-	23,950	-	-
Internal restriction of funds (Note 7)	(77,903)	77,903	-	-	-
Allocation of amortization	14,142	-	(14,142)	-	-
END OF YEAR	\$ 223,669	\$ 77,903	\$ 403,112	\$ 704,684	\$ 506,869

The accompanying notes form an integral part of these financial statements

CHILD WITNESS CENTRE OF WATERLOO REGION

Notes to Financial Statements

Year Ended March 31, 2012

1. DESCRIPTION OF ORGANIZATION

The Child Witness Centre of Waterloo Region is a not-for-profit agency incorporated under letters patent in the Province of Ontario and is a registered charity under the Income Tax Act. The agency works in partnership with the community and the justice system to provide court preparation, court accompaniment and advocacy for child victims and witnesses involved in the criminal justice system. Due to the agency's status under the Income Tax Act, it is not subject to tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Child Witness Centre of Waterloo Region 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 as revenue when received.

Government funding is recognized in income during the period in which the funded services were provided.

Investment income and other income are recognized into income when earned.

Contributed Services

Volunteers contribute a significant number of hours per year to assist Child Witness Centre of Waterloo Region in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

In-kind Donations

Donations of goods and services in-kind for which a tax receipt is issued are recorded at the fair market value of the goods and services received.

Sales tax recoverable

The agency is eligible to receive an annual refund from the Canada Revenue Agency in the amount of 50% of the federal portion and 82% of the provincial portion of HST paid.

Cash and cash equivalents

The organization considers cash deposited in financial institutions and term deposits with maturities of less than 90 days to be cash and cash equivalents.

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CHILD WITNESS CENTRE OF WATERLOO REGION

Notes to Financial Statements

Year Ended March 31, 2012

3. CASH

(a) Cash - Restricted

Break open ticket and lottery trust monies are held in separate accounts at the Bank of Montreal as required by government regulation. Restricted cash must be used only for child witness program expenses.

(b) Cash - Unrestricted

Unrestricted cash (ie. bank balances net of outstanding cheques) include a chequing account at the Bank of Montreal and a savings account at Manulife Bank. The savings account earns interest at a rate that varies according to changes in the bank prime rate. The current rate is 1.5%.

4. SHORT TERM INVESTMENTS

Short term investments include:

Royal Bank Investment Savings Account	\$	97,946
Toronto-Dominion Mortgage Corporation GIC, maturing September 26, 2012, with an interest rate of 1.40%		10,000
Canadian Western Bank GIC, maturing April 1, 2013, with an interest rate of 1.90%		<u>100,000</u>
	\$	<u>207,946</u>

All financial institutions with whom Child Witness Centre deals are CDIC member institutions, which means the investments with each of them are insured up to \$100,000 per institution.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value
Land	\$ 96,000	\$ -	\$ 96,000	\$ 96,000
Building	320,372	18,027	302,345	290,494
Furniture and fixtures	31,235	26,468	4,767	6,810
	<u>\$ 447,607</u>	<u>\$ 44,495</u>	<u>\$ 403,112</u>	<u>\$ 393,304</u>

CHILD WITNESS CENTRE OF WATERLOO REGION

Notes to Financial Statements

Year Ended March 31, 2012

9. BREAK OPEN LOTTERY PROCEEDS

The Child Witness Centre of Waterloo Region receives proceeds from a Break Open lottery site in a local mall. The net proceeds from these lottery sales are restricted to providing funding for public education and/or victims assistance in the form of counselling payments and are used to pay a portion of caseworker wages through the year. Analysis of the net proceeds is as follows:

	2012	2011
Break Open Lottery sales (gross)	\$ 34,593	\$ 20,354
Break Open Lottery expenses	(17,297)	(11,921)
Break Open Lottery sales (net)	17,296	8,433
Change in deferred contributions	512	1,656
Net Break Open Lottery revenue for the period	\$ 17,808	\$ 10,089

Net proceeds are maintained in a trust bank account and are recorded on the balance sheet as deferred contributions. The total amount of Break Open deferred contributions drawn down in the 2011-2012 fiscal year for caseworker wages totalled \$18,391. The balance of the Break Open account as at March 31, 2012 was \$7,790.

10. FUNDING FROM THE MINISTRY OF THE ATTORNEY GENERAL

The Child Witness Centre received child witness program funding of \$165,000 from the Ontario Ministry of the Attorney General, in four quarterly payments over the fiscal year 2011-2012. The Ministry has renewed this level of funding for 2012-2013.

Actual expenditures in respect of those amounts correspond very closely with budgets submitted to the Ministry, as follows:

Telephone/Communication	\$ 6,000
Staff Expenses	6,000
Salaries and Benefits	119,400
Purchases of Services (eg. audit)	5,000
Office Expenses	6,000
Insurance	7,600
Building Occupancy	15,000
	<u>\$ 165,000</u>

CHILD WITNESS CENTRE OF WATERLOO REGION

Notes to Financial Statements

Year Ended March 31, 2012

13. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash and cash equivalents, short term investments, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant currency or credit risks arising from these financial instruments.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The organization is mainly exposed to interest rate risk through its investments as outlined in Note 4.

The organization's carrying value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates its fair value due to the immediate or short term maturity of these instruments.