CHILD WITNESS CENTRE OF WATERLOO REGION

Financial Statements

Year Ended March 31, 2014

CS&D CLARKE STARKE & DIEGEL LLP
CHARTERED ACCOUNTANTS

7 Union Street East
Waterloo, Ontario N2J 1B5
Telephone (519) 579-5520
Fax (519) 570-3611
www.csdca.com

INDEPENDENT AUDITOR'S REPORT

To the Members 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, 2014 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 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.

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 to 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.

(continues)

CHILD WITNESS CENTRE OF WATERLOO REGION

Statement of Financial Position

As at March 31, 2014

		2014		2013
ASSETS				
CURRENT				
Cash - unrestricted *(Note 3)*	$	83,388	$	134,272
Cash - restricted *(Note 3)*		6,046		8,903
Short term investments *(Note 4)*		213,479		203,807
Funding receivable *(Note 10)*		-		33,485
Interest receivable		424		2,139
Harmonized sales tax recoverable		6,411		11,291
Prepaid expenses		5,955		3,788
		315,703		397,685
CAPITAL ASSETS *(Note 5)*		420,027		434,898
	$	735,730	$	832,583
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	$	15,172	$	61,934
Employee deductions payable		6,600		6,092
Deferred contributions *(Note 6)*		27,746		25,403
		49,518		93,429
NET ASSETS				
UNRESTRICTED		241,185		279,256
INTERNALLY RESTRICTED *(Note 7)*		25,000		25,000
INVESTMENT IN CAPITAL ASSETS		420,027		434,898
		686,212		739,154
	$	735,730	$	832,583

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 Operations
Year Ended March 31, 2014

	2014	2013
REVENUE		
Individual donations	$ 19,617	$ 25,364
Community donations	10,897	9,604
Corporate donations	12,419	22,175
Rotary dream home lottery	-	82,597
Fundraising events	12,571	17,888
Program events	42,168	39,987
Government funding *(Note 8)*	175,356	175,356
Grants and foundations - United Way *(Note 9)*	77,044	77,040
Grants and foundations - Other	904	-
Child Advocacy funding *(Note 10)*	-	42,700
Other income - Break open lottery *(Note 11)*	17,375	6,957
Other income - Investment income	3,434	4,342
Other income - Raffle	133	-
Other income - Duke Street rent	-	12,366
	371,918	516,376
EXPENSES		
Facility *(Schedule 1)*	53,584	75,319
Administration *(Schedule 2)*	14,645	13,811
Resource Development and Marketing *(Schedule 3)*	8,096	12,859
Staffing *(Schedule 4)*	307,755	294,038
Programming *(Schedule 5)*	11,246	16,186
Fundraising events	1,451	8,713
Program events	28,083	23,650
Child Advocacy consulting *(Note 10)*	-	37,330
	424,860	481,906
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	$ (52,942)	$ 34,470

The accompanying notes form an integral part of these financial statements

CHILD WITNESS CENTRE OF WATERLOO REGION
Expense Schedule

	2014	2013
Programming Expenses		*(Schedule 5)*
Professional development	$ **3,108**	$ 5,004
Program	**3,624**	4,448
Travel	**4,514**	6,734
	$ **11,246**	$ 16,186

The accompanying notes form an integral part of these financial statements

1. DESCRIPTION OF ORGANIZATION

The Child Witness Centre of Waterloo Region is a not-for-profit agency incorporated under letters of 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

Basis of presentation

These financial statements are prepared in accordance with the Canadian accounting standards for not-for-profit organizations.

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 organization 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 harmonized sales tax 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.

(continues)

4. SHORT TERM INVESTMENTS

Short term investments include:

	2014	2013
Royal Bank Investment Savings Account	$ 44,398	$ 43,738
Toronto-Dominion Investment Savings Account	69,081	-
Toronto-Dominion Mortgage Corporation GIC, maturing June 11, 2014, with an interest rate of 1.40%	100,000	-
HSBC Trust Company GIC, matured February 28, 2014, with an interest rate of 1.55%	-	50,000
Canadian Western Bank GIC, matured April 1, 2013, with an interest rate of 1.90%	-	100,000
Equitable Trust GIC, matured September 26, 2013, with an interest rate of 1.75%	-	10,069
	$ 213,479	$ 203,807

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	2014 Net book value	2013 Net book value
Land	$ 96,000	$ -	$ 96,000	$ 96,000
Building	343,250	42,632	300,618	308,570
Paving	7,380	4,848	2,532	3,616
Furniture and fixtures	61,298	40,421	20,877	26,712
	$ 507,928	$ 87,901	$ 420,027	$ 434,898

8. GOVERNMENT FUNDING *(continued)*

Building Occupancy (rent/lease/utilities)	**10,500**	15,000
	$ 165,000	$ 165,000

9. UNITED WAY FUNDING

United Way grants were as follows:

	2014	2013
United Way of Kitchener-Waterloo & Area	**$ 61,000**	$ 61,000
United Way of Cambridge and North Dumfries	**11,044**	11,040
United Way of Guelph and Wellington	**5,000**	5,000
	$ 77,044	$ 77,040

10. CHILD ADVOCACY FUNDING

The Child Advocacy Centre research project was funded by a grant from the Department of Justice. The funds were used to conduct a Child Advocacy Centre needs assessment and feasibility study for Waterloo Region. The organization hired Social Innovation Research Group (SIRG) of the Wilfrid Laurier University Faculty of Social Work to complete the research. In addition, some of the funds were applied to Child Witness Centre staff costs for leadership and financial oversight of this project. As of March 31, 2013, $42,700 had been spent on the project. The organization received $9,215 of the funding during the year and $33,485 is receivable at March 31, 2013. The balance of funding receivable at March 31, 2013 was collected during fiscal 2014.

The funding was spent as follows:

	2013
Consulting (SIRG)	**$ 36,550**
Professional fees	**799**
Salaries, benefits and travel	**5,351**
	$ 42,700

All revenues and expenses for the project have been recognized in the 2012-2013 statements.

13. 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 March 31, 2014.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting a demand for cash or funding its obligations as they come due. The organization meets its liquidity requirements by monitoring the cash flow from operations, investment performance and the anticipated cash flows from investing and financing activities.

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 investments as outlined in Note 4.

The extent of the organization's exposure to the above risks did not change significantly during fiscal 2014.

CHILD WITNESS CENTRE OF WATERLOO REGION

Financial Statements

Year Ended March 31, 2015

CLARKE STARKE
& DIEGEL LLP
CHARTERED ACCOUNTANTS

7 Union Street East
Waterloo, Ontario N2J 1B5
Telephone (519) 579-5520
Fax (519) 570-3611
www.csdca.com

INDEPENDENT AUDITOR'S REPORT

To the Members 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, 2015 and the statements of revenues and expenditures, 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 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.

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.

(continues)

CHILD WITNESS CENTRE OF WATERLOO REGION

Statement of Financial Position

As at March 31, 2015

		2015		2014
ASSETS				
CURRENT				
Cash - unrestricted *(Note 3)*	**$**	**44,441**	$	83,865
Cash - restricted *(Note 3)*		**6,798**		5,569
Short-term investments *(Note 4)*		**195,967**		213,479
Accounts receivable		**533**		-
Interest receivable		**1,381**		424
Harmonized sales tax recoverable		**7,892**		6,411
Prepaid expenses		**7,519**		5,955
		264,531		315,703
INVESTMENTS *(Note 4)*		**226,200**		-
CAPITAL ASSETS *(Note 5)*		**402,295**		420,027
		628,495		420,027
	$	**893,026**	$	735,730
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	**$**	**9,435**	$	15,172
Employee deductions payable		**9,264**		6,600
Deferred contributions *(Note 6)*		**27,709**		27,746
		46,408		49,518
DEFERRED CONTRIBUTIONS *(Note 6)*		**226,200**		-
		272,608		49,518
NET ASSETS				
Unrestricted		**193,123**		241,187
Internally restricted *(Note 7)*		**25,000**		25,000
Investment in capital assets		**402,295**		420,025
		620,418		686,212
	$	**893,026**	$	735,730

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 Revenues and Expenditures
Year Ended March 31, 2015

	2015	2014
REVENUE		
Individual donations *(Note 2)*	$ **30,736**	$ 19,617
Community donations	**10,537**	10,897
Corporate donations	**18,927**	12,419
Fundraising events	**23,753**	12,571
Program events	**37,760**	42,168
Government funding *(Note 9)*	**175,356**	175,356
Grants and foundations - United Way *(Note 8)*	**76,844**	77,044
Grants and foundations - Other	**4,000**	904
Other income - Break open lottery *(Note 10)*	**6,428**	17,375
Other income - Investment income	**3,505**	3,434
Other income - Raffle	**164**	133
Other income - Property tax rebate	**4,834**	-
	392,844	371,918
EXPENSES		
Facility Expenses *(Schedule 1)*	**46,619**	53,584
Administration Expenses *(Schedule 2)*	**22,334**	14,645
Resource Development and Marketing Expenses *(Schedule 3)*	**24,612**	8,096
Staffing Expenses *(Schedule 4)*	**323,906**	307,755
Programming Expenses *(Schedule 5)*	**12,735**	11,246
Fundraising events	**1,993**	1,451
Program events	**26,439**	28,083
	458,638	424,860
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR	$ **(65,794)**	$ (52,942)

The accompanying notes form an integral part of these financial statements

CHILD WITNESS CENTRE OF WATERLOO REGION
Expense Schedule
Year Ended March 31, 2015

Programming Expenses *(Schedule 5)*

Professional development	$	**3,372**	$	3,108
Program		**4,193**		3,624
Travel		**5,170**		4,514
	$	**12,735**	$	11,246

The accompanying notes form an integral part of these financial statements

1. DESCRIPTION OF ORGANIZATION

The Child Witness Centre of Waterloo Region is a not-for-profit agency incorporated under letters of 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

Basis of presentation

These financial statements are prepared in accordance with the Canadian accounting standards for not-for-profit organizations.

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. Included in computer equipment and supplies during the year is $1,300 for services received in-kind (2013 - nil).

Sales tax recoverable

The organization 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 harmonized sales tax 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.

(continues)

4. INVESTMENTS

	2015	2014
Royal Bank Investment Savings Account	$ 45,047	$ 44,398
Toronto-Dominion Investment Savings Account	277,120	69,081
Toronto-Dominion Mortgage Corporation GIC, maturing July 3, 2015, with an interest rate of 1.86%	100,000	-
Toronto-Dominion Mortgage Corporation GIC, maturing June 11, 2014, with an interest rate of 1.40%	-	100,000
	$ 422,167	$ 213,479

Included in the investment balance above is $226,200 received for Youth Symposium expenses to be incurred in fiscal 2016 and onwards as described in Note 6. Therefore these funds are presented as long-term. The allocation between short-term and long-term is as follows:

	2015	2014
Short-term investments	$ 195,967	$ 213,479
Long-term investments	226,200	-
	$ 422,167	$ 213,479

At March 31, 2015, the organization had cash deposited in two financial institutions of approximately $177,120 (2014 - nil) in excess of the Canada Deposit Insurance Corporation (CDIC) limits of $100,000 per institution. This is a temporary situation pending the investment of $226,200 and therefore the organization does not believe it is exposed to any significant credit risk on these deposits.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Land	$ 96,000	$ -	$ 96,000	$ 96,000
Building	343,250	54,657	288,593	300,618
Software	1,549	232	1,317	-
Furniture and fixtures	61,297	46,684	14,613	20,877
Paving	7,380	5,608	1,772	2,532
	$ 509,476	$ 107,181	$ 402,295	$ 420,027

9. GOVERNMENT FUNDING

Government funding was as follows:

	2015	2014
Ministry of the Attorney General	**$ 165,000**	$ 165,000
Region of Waterloo	**9,156**	9,156
City of Cambridge	**1,200**	1,200
	$ 175,356	$ 175,356

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 2014-2015. The Ministry has renewed this level of funding for 2015-2016.

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

Telephone/Communication	**$ 4,000**	$ 4,000
Staff Expenses	**6,000**	6,000
Salaries and Benefits	**125,000**	125,000
Purchases of Services (eg. audit/bookkeeping)	**8,000**	8,000
Office Expenses	**2,500**	2,500
Insurance	**9,000**	9,000
Building Occupancy (rent/lease/utilities)	**10,500**	10,500
	$ 165,000	$ 165,000

10. 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:

	2015	2014
Break Open Lottery sales (gross)	**$ 19,345**	$ 26,699
Break Open Lottery expenses	**(11,822)**	(12,041)
Break Open Lottery sales (net)	**7,523**	14,658
Change in deferred contributions	**(1,095)**	2,717
Net Break Open Lottery revenue for the period	**$ 6,428**	$ 17,375

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 2014-2015 fiscal year for caseworker wages totaled $6,428. The balance of the Break Open account as at March 31, 2015 was $6,798.

12. 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 March 31, 2015.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting a demand for cash or funding its obligations as they come due. The organization meets its liquidity requirements by monitoring the cash flow from operations, investment performance and the anticipated cash flows from investing and financing activities.

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 investments as outlined in Note 4.

The extent of the organization's exposure to the above risks did not change significantly during fiscal 2015.