

CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Independent Auditors' Report
Statement of Financial Position
Statement of Revenue and Expenses and Changes in Net Assets
Statement of Cash Flows
Notes to Financial Statements



INDEPENDENT AUDITOR'S REPORT

To the Directors of:
Centre for Treatment of Sexual Abuse and Childhood Trauma

Report on the Financial Statements

We have audited the accompanying financial statements of Centre for Treatment of Sexual Abuse and Childhood Trauma, which comprise the statement of financial position as at September 30, 2014, and the statement of revenue and expenses, changes in net assets and cash flows for the years 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 audits. We conducted our audits 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amount 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with similar organizations, the Centre derives revenue from the general public in the form of contributions and donations, as well as cash contributions from interns for services provided, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to contribution and donation revenues, net expenses for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Centre for Treatment of Sexual Abuse and Childhood Trauma as at September 30, 2014, and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in dark ink that reads "Frouin Group".

Licensed Public Accountants
Ottawa, ON
February 3, 2015

Authorized to practice public accounting by the Institute of Chartered Accountants of Ontario

FROUIN GROUP PROFESSIONAL CORPORATION
CHARTERED ACCOUNTANTS

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CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA

AUDITED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2014

	Restricted Funds		General Fund	Total	
	Subsidy Fund	Endowment Fund		2014	2013
CURRENT ASSETS					
Cash	\$ 5,384	\$ 230	\$ 23,440	\$ 29,054	\$ 31,103
Term Deposits (Note 4)	0	6,770	0	6,770	6,716
HST Receivable	0	0	5,884	5,884	6,338
Receivable From General Fund	0	0	0	0	5,000
Prepaid Expenses	<u>0</u>	<u>0</u>	<u>4,277</u>	<u>4,277</u>	<u>4,238</u>
	5,384	7,000	33,601	45,985	53,395
PROPERTY & EQUIPMENT (Note 2e and 5)	<u>0</u>	<u>0</u>	<u>1,341</u>	<u>1,341</u>	<u>1,851</u>
TOTAL ASSETS	<u>\$ 5,384</u>	<u>\$ 7,000</u>	<u>\$ 34,942</u>	<u>\$ 47,326</u>	<u>\$ 55,246</u>
CURRENT LIABILITIES					
Accounts payable & accrued liabilities	\$ 0	\$ 0	\$ 3,496	\$ 3,496	\$ 5,749
Payable to the Subsidy Fund	0	0	0	0	5,000
Deferred revenue (Note 6)	<u>0</u>	<u>0</u>	<u>5,148</u>	<u>5,148</u>	<u>2,873</u>
	<u>0</u>	<u>0</u>	<u>8,644</u>	<u>8,644</u>	<u>13,622</u>
NET ASSETS (Note 7)					
Invested in capital assets	0	0	1,341	1,341	1,851
Externally restricted	0	7,000	0	7,000	7,000
Internally restricted	5,384	0	0	5,384	5,000
Unrestricted	<u>0</u>	<u>0</u>	<u>24,957</u>	<u>24,957</u>	<u>27,773</u>
	5,384	7,000	26,298	38,682	41,624
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,384</u>	<u>\$ 7,000</u>	<u>\$ 34,942</u>	<u>\$ 47,326</u>	<u>\$ 55,246</u>

APPROVED ON BEHALF OF THE BOARD :

Director _____

Director _____

(See accompanying Notes to Financial Statements)

CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA
AUDITED STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Restricted Funds		General Fund	Total	
	Subsidy Fund	Endowment Fund		2014	2013
REVENUE					
Associates' contributions - rental income	\$ 0	\$ 0	\$ 39,327	\$ 39,327	\$ 36,842
Conferences and workshops	0	0	28,674	28,674	48,411
Cash Donations	0	0	4,296	4,296	16,124
Miscellaneous	0	0	2,469	2,469	1,362
Internship and Supervision	0	0	5,476	5,476	7,621
Memberships and Dues	0	0	8,261	8,261	4,022
Interest	0	0	54	54	62
TOTAL REVENUE	<u>0</u>	<u>0</u>	<u>88,557</u>	<u>88,557</u>	<u>114,444</u>
EXPENSES					
Rent	0	0	41,279	41,279	35,100
Conferences and workshops	0	0	16,961	16,961	38,177
Wages	0	0	15,163	15,163	13,426
Professional fees	0	0	6,075	6,075	4,894
Repairs and Maintenance	0	0	0	0	62
Office	0	0	1,668	1,668	1,584
Telephone	0	0	1,939	1,939	2,269
Amortization	0	0	510	510	930
Insurance	0	0	3,479	3,479	3,558
Internet	0	0	1,001	1,001	1,064
Bank Charges	0	0	785	785	504
Advertising and promotion	0	0	405	405	419
Postage	0	0	39	39	76
Non-Refundable Portion of HST	0	0	2,195	2,195	2,756
TOTAL EXPENSES	<u>0</u>	<u>0</u>	<u>91,499</u>	<u>91,499</u>	<u>104,819</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,942)</u>	<u>\$ (2,942)</u>	<u>\$ 9,625</u>
 Balance, beginning of the year	 \$ 5,000	 \$ 7,000	 \$ 29,624	 \$ 41,624	 \$ 31,999
Excess (deficiency) of revenue over expenses as previously stated	0	0	(2,942)	(2,942)	9,625
Interfund transfer	384	0	(384)	0	0
Balance, end of the year, as previously stated	<u>\$ 5,384</u>	<u>\$ 7,000</u>	<u>\$ 26,298</u>	<u>\$ 38,682</u>	<u>\$ 41,624</u>

(See accompanying Notes to Financial Statements)

CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA

AUDITED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (2,942)	\$ 9,625
Add: Amortization	<u>510</u>	<u>930</u>
	(2,432)	10,555
Cash flows from current operating items	<u>437</u>	<u>6,905</u>
	<u>(1,995)</u>	<u>17,460</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	0	(678)
Increase in term deposits	<u>(54)</u>	<u>(62)</u>
	<u>(54)</u>	<u>(740)</u>
INCREASE / (DECREASE) IN CASH AND EQUIVALENTS	(2,049)	16,720
CASH AND EQUIVALENTS, beginning of year	<u>31,103</u>	<u>14,383</u>
CASH AND EQUIVALENTS, end of year	<u>\$ 29,054</u>	<u>\$ 31,103</u>
REPRESENTED BY		
Cash	<u>\$ 29,054</u>	<u>\$ 31,103</u>

(See accompanying Notes to Financial Statements)

CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA
NOTES TO AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

1. ORGANIZATION

The Centre for Treatment of Sexual Abuse and Childhood Trauma (the Centre) is a non-profit, charitable organization, incorporated November 30, 2002 without share capital, designed to provide comprehensive services for individuals who have experienced sexual abuse or other childhood trauma. The Centre also subsidizes the therapy of certain clients who are unable to meet the financial cost and this amount is reflected in the financial statements. The Centre is exempt from income taxes under Section 149 of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a. Use of estimates

The preparation of financial statements 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 income and expenditures during the reporting period. Actual results may differ from management's best estimates as additional information becomes available in the future

b. Term deposits

Term deposits are reported at fair value

c. Fund accounting

The General Fund accounts for the Centre's administration, workshop and conference expenses, group therapy services and reports the investment in capital assets.

The Subsidy Fund accounts for donations received by the Centre for the purpose of subsidizing therapy and the therapy delivered to clients approved for subsidy by the Centre.

The Endowment Fund reports resources contributed to the endowment. Investment income earned on the resources of the Endowment Fund is reported in the General Fund or Subsidy Fund depending on the nature of any restrictions imposed by contributors of the funds for the endowment.

CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA
NOTES TO AUDITED FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Revenue recognition

The Centre follows the restricted fund method of accounting for contributions. Restricted contributions for which there is a corresponding restricted fund are recognized as revenue of that fund when received or receivable. Restricted contributions for which there is no corresponding restricted fund are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions from donations and events are recognized as revenue when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured. Conference and workshop revenue is recognized when the event is held. Investment income is recognized as revenue when earned.

e. Capital Assets

Capital assets are recorded at cost. Amortization is recorded on a straight-line basis over the estimated useful life of five years, except in the year of acquisition, when a half year of amortization is taken.

f. Contributed materials and services

Contributions received in the form of materials and services are recorded at fair value at the date of contribution when the fair value can be reasonably estimated and when the materials and services are used in the normal course of operations.

Volunteers contribute a significant amount of time in carrying out the Centre's activities. Since these services are not normally purchased by the organization and because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

3. FINANCIAL INSTRUMENTS

The carrying value of cash, term deposits, accounts receivable, accounts payable and accrued liabilities, approximate their fair value because of the relatively short period to maturity of the instruments. It is management's opinion that the Centre is not exposed to significant interest, currency or credit risks.

4. TERM DEPOSITS

The Term deposits consists of a Guaranteed Investment Certificate, maturing in May, 2015 bearing interest at 0.08%

CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA
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FOR THE YEAR ENDED SEPTEMBER 30, 2014

5. PROPERTY & EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value 2014	Net Book Value 2013
Furniture and Fixtures	\$ 2,548	\$ (1,207)	\$ 1,341	\$ 1,851
Computer	5,381	(5,381)	0	0
Projector	800	(800)	0	0
Website	2,100	(2,100)	0	0
TOTAL	\$ 10,829	\$ (9,488)	\$ 1,341	\$ 1,851

6. DEFERRED REVENUE

Deferred revenue consists of prepaid memberships, workshops and conferences. Funds received for workshops and conferences will be recognized in the year in which the event is held.

Memberships with the centre are based on the calendar year and are due at the beginning of the year. Membership fees from October to December of that calendar year are deferred and recognized as revenue in the following fiscal year.

7. NET ASSETS

Invested in Capital Assets

The investment in capital assets has been included in the General Fund for presentation purposes.

	2014	2013
Invested in capital assets, beginning of the year	\$ 1,851	\$ 2,103
Purchases of capital assets	0	678
Amortization of capital assets	(510)	(930)
Invested in capital assets, end of the year	<u>\$ 1,341</u>	<u>\$ 1,851</u>

Internally Restricted

Donations received by the Centre for the purpose of subsidizing therapy are reported in the General Fund and then inter-fund loans and transfers are made to the Subsidy Fund as required. Interest income earned on Subsidy Fund assets is reported as an increase to the Subsidy Fund.

CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA
NOTES TO AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

7. NET ASSETS (continued)

Externally Restricted

Contributions (nil in 2014 and also in 2013) are reported as increases to the Endowment Fund. Interest on Endowment Fund investments is reported as interest revenue in the General Fund.

8. FINANCIAL RISK MANAGEMENT POLICY

The Centre is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at September 30, 2014

a) Credit risk

Cash and term deposits are held with Canadian chartered banks. Credit risk associated with receivables is minimal since they primarily consist of HST rebates receivables which are expected to be fully collectible. Consequently, the overall exposure to credit risk is considered to be low.

b) Currency risk

The Centre's functional currency is the Canadian dollar. The Centre does not enter into foreign currency transactions and does not use foreign exchange forward contracts.

c) Liquidity risk

The Centre manages its liquidity risk by regularly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash. Accounts payable are normally paid within 30 days.

d) Interest rate risk

The Centre is exposed to interest rate risk with regards to its cash and investments. The Centre has no interest-bearing liability. Fluctuations in market rates of interest on cash do not have a significant impact on the organization's results of operations. Term deposits are not exposed to significant interest rate risk due to their short-term nature.

e) Market Risk

The market risk associated with term deposits is minimal since these assets are invested in short-term Guaranteed Investment Certificates.

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9. CONTRACTUAL OBLIGATIONS

The Centre has entered a lease agreement to rent its premises starting November 15, 2012 which expires November 14, 2016 with the option to renew. The lease obligation is reduced by sublease payments received from associates of the Centre for their part time use of office space. The future minimum rent payments, net of expected sublease income totals \$2,270 and include the following payments over the next 3 years:

Year	Rent Payment	Sublease Income	Net Rent Obligation
2015	\$ 34,690	\$ 33,600	\$ 1,090
2016	34,690	33,600	1,090
2017	<u>2,890</u>	<u>2,800</u>	<u>90</u>
Total	<u>\$ 72,270</u>	<u>\$ 70,000</u>	<u>\$ 2,270</u>

10. COMPARATIVE FIGURES

The prior year comparative figures have been reclassified to conform to this year's presentation.