



Financial Statements

Sistering – A Woman's Place

March 31, 2021

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11

# Independent Auditor's Report

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To the Members of  
Sistering – A Woman's Place

## Qualified Opinion

We have audited the financial statements of Sistering – A Woman's Place ("Sistering"), which comprise the statement of financial position as at March 31, 2021, 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 possible 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 Sistering – A Woman's Place as at March 31, 2021, and the results of its operations 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 not-for-profit organizations, Sistering derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Sistering. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2021 and March 31, 2020, current assets as at March 31, 2021 and March 31, 2020, and net assets as at April 1, 2019, March 31, 2020 and March 31, 2021 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in 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 Sistering 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 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.

In preparing the financial statements, management is responsible for assessing Sistering's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate Sistering or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing Sistering'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 Sistering'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 Sistering'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 Sistering 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.

Toronto, Canada  
June 2, 2021

Chartered Professional Accountants  
Licensed Public Accountants

# Sistering – A Woman’s Place

## Statement of Operations

Year ended March 31

2021

2020

### Revenues

Grant revenue		
City of Toronto	\$ 2,846,205	\$ 2,541,543
Local Health Integration Network	1,364,322	1,352,275
United Way of Greater Toronto	448,248	356,530
Foundations	423,629	180,822
Other grants	292,793	156,248
West Neighbourhood House (LHIN Peer)	98,892	123,223
Ontario Women’s Directorate	94,348	90,000
Ontario Seniors Secretariat	53,114	38,317
Donations and fundraising	1,189,120	852,082
COVID-19 funding (Note 10)	958,965	-
Amortization of deferred capital contributions	166,413	151,914
Miscellaneous	51,618	59,634
Interest	2,248	9,759
	<u>7,989,915</u>	<u>5,912,347</u>

### Expenses

Wages and benefits	4,546,829	3,858,388
Programs	720,319	774,650
Building occupancy costs	529,783	332,694
Office and general	431,416	188,421
Amortization	338,565	318,182
Purchased services	197,820	188,269
Security	110,260	-
Repairs and maintenance	85,961	282,623
Professional fees	67,184	19,932
Fundraising	48,697	103,781
Promotion and publicity	31,659	5,666
Insurance	17,170	19,181
	<u>7,125,663</u>	<u>6,091,787</u>

Excess (deficiency) of revenues over expenses	<u>\$ 864,252</u>	<u>\$ (179,440)</u>
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## Sistering – A Woman’s Place

### Statement of Changes in Net Assets

Year ended March 31

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	<u>Unrestricted</u>	<u>Reserve</u>	<u>Total 2021</u>	<u>Total 2020</u>
Net assets (deficiency), beginning of year	\$ (1,790)	\$ 813,481	<b>\$ 811,691</b>	\$ 991,131
Excess (deficiency) of revenues over expenses	864,252	-	<b>864,252</b>	(179,440)
Transfers	<u>(2,780)</u>	<u>2,780</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 859,682</u>	<u>\$ 816,261</u>	<u><b>\$ 1,675,943</b></u>	<u>\$ 811,691</u>

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See accompanying notes to the financial statements.

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## Sistering – A Woman’s Place Statement of Financial Position

March 31

2021

2020

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### Assets

#### Current

Cash and cash equivalents	\$ 2,140,739	\$ 954,206
Accounts receivable	105,423	213,319
HST receivable	83,185	119,576
Prepaid expenses	103,529	42,647
	<u>2,432,876</u>	<u>1,329,748</u>

#### Capital assets (Note 3)

472,484      714,353

\$ 2,905,360      \$ 2,044,101

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### Liabilities

#### Current

Accounts payable and accrued liabilities (Note 4)	\$ 359,386	\$ 522,381
Deferred revenue (Note 5)	538,597	247,018
	<u>897,983</u>	<u>769,399</u>

#### Deferred capital contributions (Note 6)

331,434      463,011  
1,229,417      1,232,410

### Net assets

Reserve	816,261	813,481
Unrestricted net assets (deficiency)	859,682	(1,790)
	<u>1,675,943</u>	<u>811,691</u>
	<u>\$ 2,905,360</u>	<u>\$ 2,044,101</u>

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Commitments (Note 7)

On behalf of the Board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# Sistering – A Woman’s Place

## Statement of Cash Flows

Year ended March 31

2021

2020

Increase (decrease) in cash and cash equivalents

### Operating

Excess (deficiency) of revenues over expenses	\$ 864,252	\$ (179,440)
Non-cash items		
Loss on disposal of capital assets	-	17,665
Recognition of deferred capital contributions	(131,577)	(151,914)
Amortization of capital assets	<u>338,565</u>	<u>318,182</u>
	<u>1,071,240</u>	4,493

Net change in non-cash working capital items

Accounts receivable	107,897	(36,562)
HST receivable	36,391	13,651
Prepaid expenses	(60,882)	-
Accounts payable and accrued liabilities	(162,995)	206,197
Deferred revenue	<u>291,279</u>	<u>31,279</u>
	<u>1,283,230</u>	219,058

### Investing

Purchase of capital assets	<u>(96,697)</u>	<u>(144,345)</u>
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Increase in cash and cash equivalents during the year

1,186,533                      74,713

Cash and cash equivalents

Beginning of year	<u>954,206</u>	<u>879,493</u>
End of year	<u>\$ 2,140,739</u>	<u>\$ 954,206</u>

Cash and cash equivalents consists of:

Cash and cash equivalents	\$ 1,324,478	\$ 140,725
Restricted cash – reserve fund	<u>816,261</u>	<u>813,481</u>
	<u>\$ 2,140,739</u>	<u>\$ 954,206</u>



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# Sistering – A Woman’s Place

## Notes to Financial Statements

March 31, 2021

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### 1. Mission and purpose

Sistering – A Woman’s Place (“Sistering” and the “Organization”) is a not-for-profit woman’s organization that offers practical and emotional support to women through programs which enable them to take greater control over their lives.

Sistering is incorporated under the laws of the Province of Ontario without share capital. Sistering is a registered Canadian charity under the Income Tax Act (Canada) and its registration number is 107983009 RR0001. As a charitable organization, Sistering is exempt from income tax under the Income Tax Act (Canada).

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### 2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, the more significant of which are outlined below.

#### Fund accounting

Separate funds are maintained to account for and to report on the separate activities or objectives as determined by donors or by resolution of the Board of Directors (the “Board”). For financial statement purposes, the funds have been grouped into the following categories:

##### Operating fund

This fund includes the day-to-day operating transactions for the Organization. The results of the operating fund have been separated and presented under the main functional departments of Sistering.

##### Internally restricted fund

This includes the following Board restricted fund:

##### *Reserve fund*

Reserve funds have been accumulated from a variety of sources including proceeds from fundraising events, unrestricted contributions undesignated bequests and through capital investments. The use of these funds must be approved by the Board of Directors.

The reserve net asset fund is internally restricted by the Board. The reserve reflects the accounts that have been formally set aside by the Organization to be used to support the Organization’s day to day operations in the event of unforeseen shortfalls. In addition, the reserve may also be used from one-time, non-recurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure. Operating reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. The use of these funds must be approved by the Board of Directors.

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# Sistering – A Woman’s Place

## Notes to Financial Statements

March 31, 2021

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### 2. Summary of significant accounting policies (continued)

#### Revenue recognition

Sistering follows the deferral method in accounting for contributions, including grants received from various agencies. Accordingly, contributions subject to externally imposed restrictions are initially recorded as deferred revenue and are subsequently recorded as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year received, or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Interest income and miscellaneous revenue is recorded in the period earned.

#### Deferred revenue

Funding received in the form of subject to grants external conditions, from various agencies for operational externally restricted purposes in advance of the year in which it will be applied is classified as deferred revenue. Funding is recognized as revenue in the year in which the related expenses are incurred.

Revenue received for the purchase of capital assets is deferred and amortized over the useful lives of the related capital assets so that revenue recognition corresponds with the related amortization expense.

#### Contributed goods and services

Donated goods and services are not recorded in the accounts of the Organization, except where the fair value of such goods and services can be reasonably estimated and where such goods and services would normally be purchased by the Organization.

The Organization receives donations in the form of services from volunteers and its Board. The fair value of these services cannot be reasonably estimated and is not recorded in the financial statements.

#### Allocation of expenses

The Organization incurs general support expenses including salaries and benefits, staff training, office expenses and occupancy that are common to the administration of each of its programs. The Organization allocates its general support expenses to each program based on the signed contracts with the respective funder.

#### Interfund transfers

Transfers between funds are required when resources of one fund have been authorized by the Board of Directors to finance activities and acquisitions in another fund.

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# Sistering – A Woman’s Place

## Notes to Financial Statements

March 31, 2021

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### 2. Summary of significant accounting policies (continued)

#### Cash and cash equivalents and funded reserve

Cash and cash equivalents include cash on deposit, money market funds, and Guaranteed Investment Certificates (GICs) with maturities less than 90 days.

#### Capital assets

Sistering amortizes the cost of capital assets over their estimated useful lives on a straight-line basis as follows:

Leasehold improvements	Term of the lease
Office furniture and equipment	20% of unamortized cost
Computer equipment	20% of unamortized cost
Automobiles	20% of unamortized cost

Capital assets are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable, if any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the capital asset to its fair value. Any impairment of capital assets is recognized in income in the year in which the impairment occurs.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

#### Financial instruments

The Organization’s financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable.

Financial assets or liabilities obtained at arm’s length are initially measured at their fair value. Sistering subsequently measures all of its financial assets and financial liabilities at amortized cost.

#### Use of estimates

In preparing the Organization’s financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. Significant estimates include asset useful lives and accruals.

# Sistering – A Woman’s Place

## Notes to Financial Statements

March 31, 2021

### 3. Capital assets

			<u>2021</u>	<u>2020</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold improvements	\$ 2,296,764	\$ 1,998,708	\$ 298,056	\$ 568,086
Office furniture and equipment	231,392	182,665	48,727	44,530
Computer equipment	259,471	159,285	100,186	69,843
Automobiles	<u>38,484</u>	<u>12,969</u>	<u>25,515</u>	<u>31,894</u>
	<u>\$ 2,826,111</u>	<u>\$ 2,353,627</u>	<u>\$ 472,484</u>	<u>\$ 714,353</u>

### 4. Accounts payable and accrued liabilities

The total portion of accounts payable and accrued liabilities that are government remittances payable as at March 31, 2021 is \$45,731 (2020 – \$59,609).

### 5. Deferred revenue

	<u>2021</u>	<u>2020</u>
Restricted fundraising and donations	\$ 356,842	\$ 191,808
City of Toronto – Equity Action Plan	89,854	-
Toronto Central Local Health Integration Network – Back to Home	68,883	-
City of Toronto – Urban Health Funding	23,018	35,210
Canada Mortgage & Housing Corporation	<u>-</u>	<u>20,000</u>
	<u>\$ 538,597</u>	<u>\$ 247,018</u>

### 6. Deferred capital contributions

	<u>2021</u>	<u>2020</u>
Deferred capital contributions, beginning of year	\$ 463,011	\$ 614,925
Additions (disposals)	96,697	(17,665)
Amortization of deferred capital contribution	<u>(228,274)</u>	<u>(134,249)</u>
Deferred capital contributions, end of year	<u>\$ 331,434</u>	<u>\$ 463,011</u>

### 7. Commitments

The Organization is committed to operating leases for the rental of premises to June 2022. The minimum commitments over the next two years are approximately as follows:

2022	\$ 281,845
2023	68,668

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# Sistering – A Woman’s Place

## Notes to Financial Statements

March 31, 2021

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### 8. Financial instruments

#### Liquidity risk

Liquidity risk is a risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization is exposed to liquidity risk arising primarily from the requirement to pay its payables, including government remittances. The Organization’s ability to meet these obligations depends on the receipt of funds from its operations, which it monitors closely.

#### Other risks

The Organization believes that it is not exposed to significant interest, currency, credit, market and other price risks arising from holding financial instruments.

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### 9. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

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### 10. COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

During the year, the Organization received additional government funding to operate within the COVID-19 restrictions. Total government assistance totalled \$958,965 to assist with salaries and wages, COVID-19 mandates and additional funding need to assist the community.

The duration and impact of the pandemic, as well as the effectiveness of government and central bank responses remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position of the Organization for future periods.