

**CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**Review Engagement Report**  
**Statement of Financial Position**  
**Statement of Revenue and Expenses and Changes in Net Assets**  
**Statement of Cash Flows**  
**Notes to Financial Statements**



## REVIEW ENGAGEMENT REPORT

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

We have reviewed the statement of financial position of the Centre for Treatment of Sexual Abuse and Childhood Trauma as at September 30, 2017, and the statement of revenue and expenses, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit, and consequently, we do not express an audit opinion on these financial statements.

In common with many not-for-profit organizations, Centre for Treatment of Sexual Abuse and Childhood Trauma derives revenue from donations and cash receipts, the completeness of which is not susceptible to satisfactory review procedures. Accordingly, review of these revenues was limited to the amounts recorded in the records of Centre for Treatment of Sexual Abuse and Childhood Trauma. Therefore, we were not able to determine whether any adjustments might be necessary to cash donation revenues, internship and supervision revenues and excess of revenues over expenses for the year ended September 30, 2017, as well as current assets and net assets as at September 30, 2017.

Based on our review, except for the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

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

Frouin Group Professional Corporation  
Ottawa, ON  
March 23, 2018

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

**CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2017**

	<u>Restricted Funds</u>			<u>Total</u>	
	<u>Subsidy Fund</u>	<u>Endowment Fund</u>	<u>General Fund</u>	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>					
Cash	\$ 6,300	\$ 68	\$ 44,720	\$ 51,088	\$ 16,271
Term deposits (Note 4)	0	6,932	0	6,932	6,866
HST receivable	0	0	3,919	3,919	9,384
Accounts receivable	0	0	140	140	3,442
Due from general fund	10,427	0	0	10,427	3,684
Prepaid expenses	<u>0</u>	<u>0</u>	<u>3,397</u>	<u>3,397</u>	<u>3,130</u>
	16,727	7,000	52,176	75,903	42,777
<b>PROPERTY &amp; EQUIPMENT (Note 2e and 5)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>321</u>
<b>TOTAL ASSETS</b>	<u>\$ 16,727</u>	<u>\$ 7,000</u>	<u>\$ 52,176</u>	<u>\$ 75,903</u>	<u>\$ 43,098</u>
<b>CURRENT LIABILITIES</b>					
Accounts payable & accrued liabilities	\$ 0	\$ 0	\$ 12,298	\$ 12,298	\$ 5,306
Government remittances	0	0	78	78	529
Due to subsidy fund	0	0	10,427	10,427	3,684
Deferred revenue (Note 6)	<u>0</u>	<u>0</u>	<u>27,470</u>	<u>27,470</u>	<u>5,376</u>
	<u>0</u>	<u>0</u>	<u>50,273</u>	<u>50,273</u>	<u>14,895</u>
<b>NET ASSETS (Note 7)</b>					
Invested in capital assets	0	0	0	0	321
Externally restricted	0	7,000	0	7,000	7,000
Internally restricted	16,727	0	0	16,727	15,500
Unrestricted	<u>0</u>	<u>0</u>	<u>1,903</u>	<u>1,903</u>	<u>5,382</u>
	16,727	7,000	1,903	25,630	28,203
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 16,727</u>	<u>\$ 7,000</u>	<u>\$ 52,176</u>	<u>\$ 75,903</u>	<u>\$ 43,098</u>

**APPROVED ON BEHALF OF THE BOARD :**

Director \_\_\_\_\_

Director \_\_\_\_\_

(See accompanying Notes to Financial Statements)

**CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA**  
**UNAUDITED STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Restricted Funds</u>			<u>Total</u>	
	<u>Subsidy Fund</u>	<u>Endowment Fund</u>	<u>General Fund</u>	<u>2017</u>	<u>2016</u>
<b>REVENUE</b>					
Associates' contributions - rental income	\$ 0	\$ 0	\$ 57,665	\$ 57,665	\$ 39,396
Conferences and workshops	0	0	15,915	15,915	17,978
Fundraising revenues	6,038	0	1,509	7,547	9,034
Cash donations	0	0	6,711	6,711	4,755
Contract revenues	7,780	0	0	7,780	1,680
Miscellaneous revenues	0	0	311	311	1,217
Internship and supervision	0	0	6,670	6,670	1,422
Memberships and dues	0	0	875	875	5,988
Interest	0	0	66	66	44
<b>TOTAL REVENUE</b>	<u>13,818</u>	<u>0</u>	<u>89,722</u>	<u>103,540</u>	<u>81,514</u>
<b>EXPENSES</b>					
Rent	0	0	43,480	43,480	34,341
Conferences and workshops	0	0	18,649	18,649	13,104
Wages	0	0	5,788	5,788	7,598
Professional fees	0	0	2,826	2,826	4,299
Fundraising expenses	0	0	8,677	8,677	3,763
Office	0	0	2,131	2,131	4,276
Telephone	0	0	2,882	2,882	2,935
Amortization	0	0	321	321	510
Insurance	0	0	3,344	3,344	3,608
Internet	0	0	1,133	1,133	1,552
Bank charges	0	0	620	620	518
Advertising and promotion	0	0	1,710	1,710	160
Non-refundable portion of HST	0	0	1,961	1,961	1,777
Subsidies used (Note 1c)	12,591	0	0	12,591	0
<b>TOTAL EXPENSES</b>	<u>12,591</u>	<u>0</u>	<u>93,522</u>	<u>106,113</u>	<u>78,441</u>
<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 1,227</u>	<u>\$ 0</u>	<u>\$ (3,800)</u>	<u>\$ (2,573)</u>	<u>\$ 3,073</u>
<b>Balance, beginning of the year</b>	\$ 15,500	\$ 7,000	\$ 5,703	\$ 28,203	\$ 25,130
Excess/(deficiency) of revenue over expenses	1,227	0	(3,800)	(2,573)	3,073
<b>Balance, end of the year</b>	<u>\$ 16,727</u>	<u>\$ 7,000</u>	<u>\$ 1,903</u>	<u>\$ 25,630</u>	<u>\$ 28,203</u>

(See accompanying Notes to Financial Statements)

**CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA**

**UNAUDITED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess/(deficiency) of revenue over expenses	\$ (2,573)	\$ 3,073
Add: Amortization	<u>321</u>	<u>510</u>
	(2,252)	3,583
Cash flows from current operating items	<u>37,135</u>	<u>17</u>
	<b>34,883</b>	3,600
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in term deposits	<u>(66)</u>	<u>(42)</u>
 <b>INCREASE IN CASH</b>		
	34,817	3,558
<b>CASH, beginning of year</b>	<u>16,271</u>	<u>12,713</u>
<b>CASH, end of year</b>	\$ <u>51,088</u>	\$ <u>16,271</u>
 <b>REPRESENTED BY</b>		
Cash	\$ <u>51,088</u>	\$ <u>16,271</u>

(See accompanying Notes to Financial Statements)

**CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**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 restricted 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 UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**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.

**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 consist of a Guaranteed Investment Certificate, maturing in May, 2018 bearing interest at 0.45%.

**CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
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**5. PROPERTY & EQUIPMENT**

	Cost	Accumulated Amortization	Net Book Value 2017	Net Book Value 2016
Furniture and Fixtures	\$ 2,548	\$ (2,548)	\$ 0	\$ 321
Computer	5,381	(5,381)	0	0
Projector	800	(800)	0	0
Website	<u>2,100</u>	<u>(2,100)</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>\$ 10,829</u></b>	<b><u>\$ (10,829)</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 321</u></b>

**6. DEFERRED REVENUE**

Deferred revenue consists of prepaid workshops, and lease inducement. Funds received for workshops will be recognized in the year in which the event is held and the services performed.

Lease inducements are accounted for as a reduction of the lease expense over the term of the lease.

**7. NET ASSETS**Invested in Capital Assets

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

	2017	2016
Invested in capital assets, beginning of the year	\$ 321	\$ 831
Amortization of capital assets	<u>(321)</u>	<u>(510)</u>
Invested in capital assets, end of the year	<b><u>\$ 0</u></b>	<b><u>\$ 321</u></b>

Internally Restricted

Restricted donations received by the Centre for the purpose of subsidizing therapy are reported in the Subsidy Fund. 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**  
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**7. NET ASSETS (continued)**

Externally Restricted

Contributions (nil in 2017 and also in 2016) 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, 2017

**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.

**CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA**  
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**9. CONTRACTUAL OBLIGATIONS**

The Centre has entered a lease agreement to rent its premises starting August 15, 2016 which expires March 14, 2022. The lease obligation is reduced by associate contributions received from associates of the Centre for their part time use of office space. The future minimum rent payments, without taking into account the sublease payments received from associated of the Centre totals \$189,591 and include the following payments over the next 5 years:

Year	Rent Payment	Associate contributions	Rent obligations net of associate contributions
1	42,525	67,980	(25,455)
2	42,525	67,980	(25,455)
3	42,525	67,980	(25,455)
4	42,525	67,980	(25,455)
5	<u>19,491</u>	<u>31,158</u>	<u>(11,667)</u>
Total	<u>\$ 189,591</u>	<u>\$ 303,078</u>	<u>\$ (113,487)</u>

The associate contributions are an estimate and may fluctuate depending on the associates' commitment to leasing office space from the Centre. Should the associates decide to end their lease with the Centre, the Centre is still committed to the future minimum rent payments.

The Centre received the following lease inducement if all the terms, covenants and conditions of the lease has not been in default:

- (a) no proportionate share of operating costs of taxes shall be due or payable for the first month of the lease
- (b) no basic rent shall be due or payable for the first 12 months of the lease

Lease inducements are accounted for as a reduction of the lease expense over the term of the lease.