CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

FROUIN GROUP

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

REVIEW ENGAGEMENT REPORT

We have reviewed the statement of assets and liabilities of Centre for Treatment of Sexual Abuse and Childhood Trauma as at September 30, 2018 and the statements of revenues and expenditures and 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.

Practitioner's Responsibility
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion
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, 2018, as well as current assets and net assets as at September 30, 2018.

Frouin Group Professional Corporation
Chartered Professional Accountants
2301 Carling Avenue, Suite 101, Ottawa, ON K2B 7G3
Tel: 613-230-1022 Fax: 613-230-2954

Qualified Conclusion
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.

Frouin Group

Frouin Group Professional Corporation
Ottawa, Ontario
March 5, 2019

CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Restricted Funds			Total	
	Subsidy Fund	Endowment Fund	General Fund	2018	2017
CURRENT ASSETS					
Cash	$ 6,300	$ 68	$ 37,966	$ 44,334	$ 51,088
Term deposits (Note 4)	0	6,932	0	6,932	6,932
HST receivable	0	0	5,977	5,977	3,919
Accounts receivable	0	0	377	377	140
Due from general fund	10,427	0	0	10,427	10,427
Prepaid expenses	0	0	3,282	3,282	3,397
	16,727	7,000	47,602	71,329	75,903
PROPERTY & EQUIPMENT (Note 2e and 5)	0	0	0	0	0
TOTAL ASSETS	$ 16,727	$ 7,000	$ 47,602	$ 71,329	$ 75,903
CURRENT LIABILITIES					
Accounts payable & accrued liabilities	$ 0	$ 0	$ 3,701	$ 3,701	$ 12,298
Government remittances	0	0	221	221	78
Due to subsidy fund	0	0	10,427	10,427	10,427
Deferred revenue (Note 6)	0	0	21,655	21,655	27,470
	0	0	36,004	36,004	50,273
NET ASSETS (Note 7)					
Invested in capital assets	0	0	0	0	0
Externally restricted	0	7,000	0	7,000	7,000
Internally restricted	16,727	0	0	16,727	16,727
Unrestricted	0	0	11,598	11,598	1,903
	16,727	7,000	11,598	35,325	25,630
TOTAL LIABILITIES AND NET ASSETS	$ 16,727	$ 7,000	$ 47,602	$ 71,329	$ 75,903

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, 2018

	Restricted Funds			Total	
	Subsidy Fund	Endowment Fund	General Fund	2018	2017
REVENUE					
Associates' contributions - rental income	$ 0	$ 0	$ 59,025	$ 59,025	$ 57,665
Conferences and workshops	0	0	34,726	34,726	15,915
Fundraising revenues	0	0	1,423	1,423	7,547
Cash donations	0	0	2,825	2,825	6,711
Contract revenues	0	0	0	0	7,780
Non-associate rental revenue	0	0	3,277	3,277	0
Miscellaneous revenues	0	0	0	0	311
Internship and supervision	0	0	8,173	8,173	6,670
Memberships and dues	0	0	0	0	875
Interest	0	0	0	0	66
TOTAL REVENUE	0	0	109,449	109,449	103,540
EXPENSES					
Rent	0	0	45,105	45,105	43,480
Conferences and workshops	0	0	17,278	17,278	18,649
Wages	0	0	21,411	21,411	5,788
Professional fees	0	0	2,500	2,500	2,826
Fundraising expenses	0	0	222	222	8,677
Office	0	0	1,390	1,390	2,131
Telephone	0	0	1,726	1,726	2,882
Amortization	0	0	0	0	321
Insurance	0	0	3,792	3,792	3,344
Internet	0	0	1,271	1,271	1,133
Bank charges	0	0	1,487	1,487	620
Advertising and promotion	0	0	537	537	1,710
Non-refundable portion of HST	0	0	3,035	3,035	1,961
Subsidies used (Note 1c)	0	0	0	0	12,591
TOTAL EXPENSES	0	0	99,754	99,754	106,113
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES	$ 0	$ 0	$ 9,695	$ 9,695	$ (2,573)
Balance, beginning of the year	$ 16,727	$ 7,000	$ 1,903	$ 25,630	$ 28,203
Excess/(deficiency) of revenue over expenses	0	0	9,695	9,695	(2,573)
Balance, end of the year	**$ 16,727**	**$ 7,000**	**$ 11,598**	**$ 35,325**	**$ 25,630**

(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, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess/(deficiency) of revenue over expenses	$ 9,695	$ (2,573)
Add: Amortization	0	321
	9,695	(2,252)
Cash flows from current operating items	(16,449)	37,135
	(6,754)	34,883
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in term deposits	0	(66)
INCREASE IN CASH	(6,754)	34,817
CASH, beginning of year	51,088	16,271
CASH, end of year	$ 44,334	$ 51,088
REPRESENTED BY		
Cash	$ 44,334	$ 51,088

(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, 2018

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, 2018

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 2019 bearing interest at 0.60%.

CENTRE FOR TREATMENT OF SEXUAL ABUSE AND CHILDHOOD TRAUMA

NOTES TO UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

5. PROPERTY & EQUIPMENT

	Cost	Accumulated Amortization	**Net Book Value 2018**	Net Book Value 2017
Furniture and Fixtures	$ 2,548	$ (2,548)	**$ 0**	$ 0
Computer	5,381	(5,381)	**0**	0
Projector	800	(800)	**0**	0
Website	2,100	(2,100)	**0**	0
TOTAL	$ 10,829	$ (10,829)	**$ 0**	$ 0

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.

	2018	2017
Invested in capital assets, beginning of the year	**$ 0**	$ 321
Amortization of capital assets	**0**	(321)
Invested in capital assets, end of the year	**$ 0**	$ 0

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

NOTES TO UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

7. NET ASSETS (continued)

Externally Restricted
Contributions (nil in 2018 and also in 2017) 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, 2018:

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

NOTES TO UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

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 associates of the Centre totals $147,066 and include the following payments over the next 4 years:

Year	Rent Payment	Associate contributions	Rent obligations net of associate contributions
2019	42,525	67,980	(25,455)
2020	42,525	67,980	(25,455)
2021	42,525	67,980	(25,455)
2022	19,491	31,158	(11,667)
Total	$ 147,066	$ 235,098	$ (88,032)

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.