

FINANCIAL STATEMENTS
For
PLANNED PARENTHOOD TORONTO
For year ended
MARCH 31, 2015

INDEPENDENT AUDITOR'S REPORT

To the Trustees of

PLANNED PARENTHOOD TORONTO

We have audited the accompanying financial statements of Planned Parenthood Toronto, which comprise the statement of financial position as at March 31, 2015 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.

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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, Planned Parenthood Toronto derives revenue from donations and fundraising activities, 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. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, net revenue (expense), assets and net assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Planned Parenthood Toronto as at March 31, 2015 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.

Welch LLP

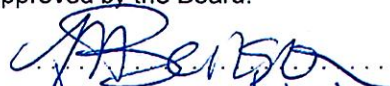

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 16, 2015.

PLANNED PARENTHOOD TORONTO
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015

	General	Internally Restricted			Restricted	2015 Total	2014 Total	
		Program Continuity	Projects	Mobile Health Unit	Capital			Health Services
ASSETS								
Current assets								
Cash	\$ 537,384	\$ -	\$ -	\$ -	\$ -	\$ 20,730	\$ 558,114	\$ 451,874
Short-term investments (note 4)	43,028	60,000	-	85,563	-	-	188,591	400,959
Receivables	129,050	-	-	-	-	-	129,050	42,977
Accrued HST rebate	43,064	-	-	-	-	-	43,064	50,760
Inventory	18,490	-	-	-	-	-	18,490	17,461
Prepaid expenses	21,558	-	-	-	-	-	21,558	16,017
	<u>792,574</u>	<u>60,000</u>	<u>-</u>	<u>85,563</u>	<u>-</u>	<u>20,730</u>	<u>958,867</u>	<u>980,048</u>
Investments (note 4)	16,209	-	200,000	-	-	-	216,209	-
Tangible capital assets (note 5)	-	-	-	-	252,430	-	252,430	282,030
	<u>\$ 808,783</u>	<u>\$ 60,000</u>	<u>\$ 200,000</u>	<u>\$ 85,563</u>	<u>\$ 252,430</u>	<u>\$ 20,730</u>	<u>\$ 1,427,506</u>	<u>\$ 1,262,078</u>
LIABILITIES								
Current liabilities								
Accounts payable and accrued liabilities	\$ 121,328	\$ -	\$ -	\$ -	\$ -	\$ 20,730	\$ 142,058	\$ 260,782
Deferred contributions (note 6)	77,519	-	-	-	-	-	77,519	18,000
	<u>198,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,730</u>	<u>219,577</u>	<u>278,782</u>
NET ASSETS								
Unrestricted (note 7)	609,936	-	-	-	-	-	609,936	325,512
Internally restricted	-	60,000	200,000	85,563	252,430	-	597,993	657,784
	<u>609,936</u>	<u>60,000</u>	<u>200,000</u>	<u>85,563</u>	<u>252,430</u>	<u>-</u>	<u>1,207,929</u>	<u>983,296</u>
	<u>\$ 808,783</u>	<u>\$ 60,000</u>	<u>\$ 200,000</u>	<u>\$ 85,563</u>	<u>\$ 252,430</u>	<u>\$ 20,730</u>	<u>\$ 1,427,506</u>	<u>\$ 1,262,078</u>

Approved by the Board:

 Director
 Director

(See accompanying notes)

PLANNED PARENTHOOD TORONTO

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2015

	2015					2014				
	General	Mobile Health Unit	Health Services	Capital	Total	General	Mobile Health Unit	Health Services	Capital	Total
Revenue										
Toronto Central LHIN										
- base	\$ -	\$ -	\$ 2,462,044	\$ -	\$ 2,462,044	\$ -	\$ -	\$ 2,540,639	\$ -	\$ 2,540,639
City of Toronto										
Department of Public Health	117,708	-	-	-	117,708	117,708	-	-	-	117,708
United Way of Greater Toronto	222,539	-	-	-	222,539	227,539	-	-	-	227,539
Project revenue										
Recovery of administration overhead	25,946	-	63,040	-	88,986	-	-	74,310	-	74,310
Ontario Trillium Foundation	53,065	-	-	-	53,065	-	-	-	-	-
Public Health Agency Canada	79,994	-	-	-	79,994	79,994	-	-	-	79,994
Other	53,899	-	35	-	53,934	28,630	-	2,911	-	31,541
Donations and Fundraising										
Individuals and corporations (note 8)	336,989	-	-	-	336,989	21,449	-	-	-	21,449
Foundations	1,000	-	-	-	1,000	5,664	-	-	-	5,664
Fundraising	-	-	200	-	200	1,164	-	-	-	1,164
United Way - Donor Choice	11,425	-	-	-	11,425	17,015	-	-	-	17,015
Productive enterprise										
Contraceptive sales	131,652	-	-	-	131,652	118,208	-	-	-	118,208
Workshops and training	1,821	-	100	-	1,921	1,788	-	125	-	1,913
Other income	334	-	-	-	334	1,125	-	-	-	1,125
Investment income	3,841	-	-	-	3,841	4,401	-	-	-	4,401
	<u>1,040,213</u>	<u>-</u>	<u>2,525,419</u>	<u>-</u>	<u>3,565,632</u>	<u>624,685</u>	<u>-</u>	<u>2,617,985</u>	<u>-</u>	<u>3,242,670</u>
Expenses										
Salaries and benefits	453,151	19,358	2,003,157	-	2,475,666	380,356	-	2,012,811	-	2,393,167
Building	22,737	-	60,210	-	82,947	5,640	-	55,025	-	60,665
Purchased and contractual services	4,296	-	172,275	-	176,571	3,000	-	222,129	-	225,129
Operating	12,167	27	121,625	-	133,819	13,353	38	106,351	-	119,742
Administrative	5,427	-	30,681	-	36,108	8,469	-	44,213	-	52,682
Cost of resale contraceptives	130,991	-	-	-	130,991	120,843	-	-	-	120,843
Fundraising	2,730	-	-	-	2,730	5,984	-	-	-	5,984
Programming	124,290	10,806	40,498	-	175,594	54,796	8,047	114,606	-	177,449
Non-insured	-	-	87,845	-	87,845	-	-	55,000	-	55,000
Amortization	-	-	-	29,600	29,600	-	-	-	30,578	30,578
	<u>755,789</u>	<u>30,191</u>	<u>2,516,291</u>	<u>29,600</u>	<u>3,331,871</u>	<u>592,441</u>	<u>8,085</u>	<u>2,610,135</u>	<u>30,578</u>	<u>3,241,239</u>
Net revenue (expense) before amount below	284,424	(30,191)	9,128	(29,600)	233,761	32,244	(8,085)	7,850	(30,578)	1,431
Amount refundable to LHIN for 2014/2015 (note 3)	-	-	(9,128)	-	(9,128)	-	-	(1,102)	-	(1,102)
Net revenue (expense)	<u>\$ 284,424</u>	<u>\$ (30,191)</u>	<u>\$ -</u>	<u>\$ (29,600)</u>	<u>\$ 224,633</u>	<u>\$ 32,244</u>	<u>\$ (8,085)</u>	<u>\$ 6,748</u>	<u>\$ (30,578)</u>	<u>\$ 329</u>

(See accompanying notes)

PLANNED PARENTHOOD TORONTO
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2015

	2015						Total
	General	Internally Restricted			Capital	Restricted Health Services	
		Program Continuity	Projects	Mobile Health Unit			
Balance, beginning of year	\$ 325,512	\$ 60,000	\$ 200,000	\$ 115,754	\$ 282,030	\$ -	\$ 983,296
Net revenue (expense)	<u>284,424</u>	<u>-</u>	<u>-</u>	<u>(30,191)</u>	<u>(29,600)</u>	<u>-</u>	<u>224,633</u>
Balance, end of year	<u>\$ 609,936</u>	<u>\$ 60,000</u>	<u>\$ 200,000</u>	<u>\$ 85,563</u>	<u>\$ 252,430</u>	<u>\$ -</u>	<u>\$1,207,929</u>

	2014						Total
	General	Internally Restricted			Capital	Restricted Health Services	
		Program Continuity	Projects	Mobile Health Unit			
Balance, beginning of year	\$ 293,268	\$ 60,000	\$ 200,000	\$ 123,839	\$ 305,860	\$ -	\$ 982,967
Net revenue (expense)	32,244	-	-	(8,085)	(30,578)	6,748	329
Fund transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,748</u>	<u>(6,748)</u>	<u>-</u>
Balance, end of year	<u>\$ 325,512</u>	<u>\$ 60,000</u>	<u>\$ 200,000</u>	<u>\$ 115,754</u>	<u>\$ 282,030</u>	<u>\$ -</u>	<u>\$ 983,296</u>

(See accompanying notes)

PLANNED PARENTHOOD TORONTO

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net revenue	\$ 224,633	\$ 329
Items not requiring a current cash outlay:		
Amortization	<u>29,600</u>	<u>30,578</u>
	254,233	30,907
Changes in level of:		
Receivables	(86,073)	(1,492)
Accrued HST rebate	7,696	72,506
Inventory	(1,029)	5,591
Prepaid expenses	(5,541)	(11,675)
Accounts payable and accrued liabilities	(127,823)	101,175
Accounts payable to Toronto Central LHIN/Ministry of Health and Long-Term Care (note 3)	9,099	(3,231)
Deferred contributions	<u>59,519</u>	<u>18,000</u>
	<u>110,081</u>	<u>211,781</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible capital assets	-	(6,748)
Purchase of investments	<u>(3,841)</u>	<u>(3,996)</u>
	<u>(3,841)</u>	<u>(10,744)</u>
INCREASE IN CASH	106,240	201,037
CASH, BEGINNING OF YEAR	<u>451,874</u>	<u>250,837</u>
CASH, END OF YEAR	\$ <u>558,114</u>	\$ <u>451,874</u>

(See accompanying notes)

PLANNED PARENTHOOD TORONTO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

1. OPERATIONS

Planned Parenthood Toronto is incorporated under the laws of Ontario as a non-profit corporation without share capital. The organization is also a registered charity.

Planned Parenthood Toronto is a community-based voluntary agency whose purpose is to promote healthy sexuality by educating, supporting and encouraging women and youth in informed decision making.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) Fund accounting

Planned Parenthood of Toronto follows the restricted fund method of accounting for contributions whereby all contributions are recognized as revenue when received or receivable.

i) Health Services Fund

The Health Services Fund is an externally restricted fund and accounts for all contributions and expenses towards the operation of a community health centre. All unexpended funds are repayable to the Toronto Central LHIN as outlined in note 3.

ii) Capital Fund

The Capital Fund reports the assets and expenses related to the organization's land and building assets.

iii) Other Programs Funds

The Other Programs Funds account for all of the organization's activities other than those funded by the Toronto Central LHIN /Ministry of Health and Long-Term Care. During the year there was no activity in the Program Continuity and Projects Funds.

General Fund

This fund reports various purchase of service agreements, grants, donations, fundraising, product sales and investment income activities.

Program Continuity Fund

The Reserve Fund for Program Continuity was established as an internally restricted fund to provide an operating reserve for non-LHIN funded programs of approximately two months of operating costs. The reserve was created by a transfer from the General Fund.

Projects Fund

This internally restricted fund has been established for future projects and/or new project expenses. The reserve was created by a transfer from the General Fund.

Mobile Health Unit

This fund was established as an internally restricted fund to manage the gift received from the Estate of Catherine Cragg.

PLANNED PARENTHOOD TORONTO
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

b) Financial instruments

i) Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value adjusted by transaction costs in the case where a financial asset or financial liability is subsequently measured at amortized cost.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost except for cash and investments which are measured at fair market value.

c) Inventory

Inventory is recorded at the lower of cost and net realizable value with cost determined on a first in and first out basis.

d) Tangible capital assets

The costs of tangible capital assets are capitalized upon meeting the criteria for recognition as a capital asset, otherwise, costs are expensed as incurred. The cost of a tangible capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

A tangible capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statement of operations when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the tangible capital asset exceeds its fair value.

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

Tangible capital assets are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization is provided on a straight-line basis at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Building	- 25 years straight-line
Mobile health unit	- 10 years straight-line
Equipment	- 5 years straight-line
Computer equipment	- 3 years straight-line

e) Management estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Management makes estimates when determining the useful life of its tangible capital assets and significant accrued liabilities. Actual results could differ from those estimates, the impact of which would be recorded in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

f) Contributed materials and services

Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

PLANNED PARENTHOOD TORONTO
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2015

3. DUE TO TORONTO CENTRAL LOCAL HEALTH INTEGRATION NETWORK/MINISTRY OF HEALTH AND LONG-TERM CARE

Any liability is due on demand and represents the unspent portion of operating grants received from the Toronto Central LHIN/Ministry of Health and Long-Term Care to support the operations of the community health centre. Funds held as cash and short-term investments required to meet this obligation are not available for current operations and the interest earned on these funds is credited to the Toronto Central LHIN.

The balance due is included in accounts payable and accrued liabilities and comprised as follows:

Approved funding for 2014/2015 Toronto Central LHIN	\$ 2,462,044
Recovery of administrative overhead	63,040
Project revenue	35
Fundraising	200
Workshop	<u>100</u>
Total health services revenue for year	2,525,419
Deduct: eligible expenses	<u>(2,516,291)</u>
Excess of funding over expenses for year	9,128
Total amount due, beginning of year	11,631
Amount repaid during year	<u>(29)</u>
Total amount due, end of year	<u>\$ 20,730</u>

4. INVESTMENTS

The guaranteed investment certificates bear interest at rates ranging from 0.65% to 0.85% and mature between September 25, 2015 and March 2, 2017.

5. TANGIBLE CAPITAL ASSETS

	2015			2014		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Land	\$ 184,220	\$ -	\$ 184,220	\$ 184,220	\$ -	\$ 184,220
Building	178,539	164,237	14,302	178,539	157,095	21,444
Mobile health unit	124,650	74,790	49,860	124,650	62,325	62,325
Computer equipment	95,466	95,466	-	95,466	86,823	8,643
Equipment	<u>6,748</u>	<u>2,700</u>	<u>4,048</u>	<u>6,748</u>	<u>1,350</u>	<u>5,398</u>
	<u>\$ 589,623</u>	<u>\$ 337,193</u>	<u>\$ 252,430</u>	<u>\$ 589,623</u>	<u>\$ 307,593</u>	<u>\$ 282,030</u>

PLANNED PARENTHOOD TORONTO
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2015

6. DEFERRED CONTRIBUTIONS

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 18,000	\$ -
Add: Funds received	166,518	49,541
Less: Amounts recognized as revenue	<u>(106,999)</u>	<u>(31,541)</u>
Balance, end of year	<u>\$ 77,519</u>	<u>\$ 18,000</u>

7. GENERAL FUNDS BALANCE

The general funds balance is comprised as follows:

	<u>2015</u>	<u>2014</u>
Trillium Foundation - PPT Training Centre	\$ 16,668	\$ 16,668
Sally Bowen Fund	13,034	13,034
Reserve for Pill Sales	4,946	4,285
Unrestricted	<u>575,288</u>	<u>291,525</u>
	<u>\$ 609,936</u>	<u>\$ 325,512</u>

8. BEQUEST DONATION REVENUE

During the year, the organization received a bequest in the amount of \$313,250 from a private donor. There are no restrictions attached to the bequest and therefore it has been included in donations and fundraising revenues as part of the General Fund. As at the year-end, most of the bequest had not been spent.

9. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the organization's financial instruments.

The organization manages its exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance in accordance with its risk management policy. The objective of the policy is to reduce volatility in cash flow and earnings. The organization monitors compliance with risk management policies and reviews risk management policies and procedures on an annual basis.

The organization also has a specific investment policy which restricts the types of eligible investments. The policy permits investments in securities issued or guaranteed by the federal government or a provincial government and other investments approved by Board on the advice of the Finance Committee.

The organization does not use derivative financial instruments to manage its risks.

Changes in risk

There have been no changes in the organization's risk exposures from the prior year.

PLANNED PARENTHOOD TORONTO
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2015

9. **FINANCIAL INSTRUMENTS - Cont'd.**

Credit risk

The organization is exposed to credit risk resulting from the possibility is the risk that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the organization could incur a financial loss. The organization does not hold directly any collateral as security for financial obligations of counterparties.

The maximum exposure of the organization to credit risk at March 31, 2015 is as follows:

	<u>2015</u>	<u>2014</u>
Cash	\$ 558,114	\$ 451,874
Investments	404,800	400,959
Receivables	<u>172,114</u>	<u>93,737</u>
	<u>\$ 1,135,028</u>	<u>\$ 946,570</u>

Credit risk associated with cash and investments is minimized substantially by ensuring that these assets are invested in financial obligations of governments and major financial institutions that have been accorded investment grade ratings by a primary rating agency and/or other credit-worthy parties.

In management's opinion the organization is not exposed to significant credit risk on its receivables as they are primarily from government funders.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk that the organization will not be able to liquidate assets in a timely manner at a reasonable price.

The organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The functional currency of the organization is the Canadian dollar. The organization does not enter into transactions in foreign currencies.

PLANNED PARENTHOOD TORONTO
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2015

9. **FINANCIAL INSTRUMENTS - Cont'd.**

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The exposure of the organization to interest rate risk arises from its interest bearing assets.

The organization's cash includes amounts on deposit with financial institutions that earn interest at market rates.

The organization manages its exposure to the interest rate risk of its cash by maximizing the interest income earned on excess funds while maintaining the minimum liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the organization's results of operations.

The primary objective of the organization with respect to its investments in fixed income investments is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory investment return.

The organization manages the interest rate risk exposure of its fixed income investments by using a laddered portfolio with varying terms to maturity. The laddered structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations.

10. **LINE OF CREDIT**

The organization has a \$100,000 operating line of credit at prime plus 1.50% of which none was utilized at year-end (2014 - \$nil). As security, the Organization has pledged a Guarantee Investment Certificate with a value of \$121,500.

11. **ECONOMIC DEPENDENCE**

The majority of organization's revenue is from Toronto Central LHIN. In 2015, approximately 69% (2014 - 78%) of all funding was contributed by Toronto Central LHIN.