

WOMEN IN FILM AND TELEVISION - TORONTO INC.

Financial Statements

December 31, 2020

WOMEN IN FILM AND TELEVISION - TORONTO INC.

Financial Statements
For the year ended December 31, 2020

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Independent Auditors' Report

To the Members of Women In Film and Television - Toronto Inc.

Qualified Opinion

We have audited the financial statements of **Women In Film and Television - Toronto Inc.**, which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Qualified Opinion

Women In Film and Television - Toronto Inc., in common with many not-for-profit organizations, derives revenue from various sources which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenues was limited to the amounts recorded in the records of Women In Film and Television - Toronto Inc. and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association 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 the financial statements in accordance with Canadian accounting standards for private enterprises, 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 the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Independent Auditors' Report (continued)

Auditors' 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 auditors' 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 the Association'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 the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Association 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 15, 2021

Fruitman Kates LLP

Chartered Professional Accountants
Licensed Public Accountants

WOMEN IN FILM AND TELEVISION - TORONTO INC.

Statement of Financial Position As at December 31, 2020

	2020	2019
Assets		
Current		
Cash	\$ 478,556	\$ 136,210
Short term investments	-	150,000
Accounts receivable (note 2)	150,048	105,977
Advances to related entity (note 3)	45,662	29,370
Prepaid expenses and sundry assets	7,794	3,339
	<u>682,060</u>	<u>424,896</u>
Capital assets (note 4)	1,998	3,431
	<u>\$ 684,058</u>	<u>\$ 428,327</u>
Liabilities and Net Assets		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 69,442	\$ 19,267
Government remittances payable	15,683	22,842
Deferred revenue (note 5)	19,434	42,395
	<u>104,559</u>	<u>84,504</u>
Long-term		
Loan payable (note 6)	30,000	-
	<u>134,559</u>	<u>84,504</u>
Net assets	<u>549,499</u>	<u>343,823</u>
	<u>\$ 684,058</u>	<u>\$ 428,327</u>

Approved on behalf of the board

_____ Director

_____ Director

WOMEN IN FILM AND TELEVISION - TORONTO INC.

Statement of Operations
For the year ended December 31, 2020

	2020	2019
Revenues		
Government funding	\$ 186,750	\$ 97,739
Sponsorships	195,575	284,006
Programming and events	91,341	145,313
Membership	78,692	115,752
Interest and other income	13,150	2,941
	<u>565,508</u>	<u>645,751</u>
Expenditures		
Salaries and benefits	172,076	291,289
Programming and events	74,500	201,021
Occupancy costs	39,527	51,239
Contract services	20,330	1,520
Office and general	15,732	19,816
Professional fees	13,200	6,904
Telephone and communications	11,532	9,968
Interest and bank charges	6,391	8,226
Insurance	4,728	4,652
Amortization	1,433	2,750
Committees and meetings	383	2,059
	<u>359,832</u>	<u>599,444</u>
Excess of revenues over expenditures	\$ 205,676	\$ 46,307

WOMEN IN FILM AND TELEVISION - TORONTO INC.

Statement of Changes in Net Assets
For the year ended December 31, 2020

	2020	2019
Net assets, beginning of year	\$ 343,823	\$ 297,516
Excess of revenues over expenditures	205,676	46,307
Net assets, end of year	\$ 549,499	\$ 343,823

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Statement of Cash Flows For the year ended December 31, 2020

	2020	2019
Cash flows from (used in):		
Operating activities		
Excess of revenues over expenditures	\$ 205,676	\$ 46,307
Adjustment for		
Amortization	1,433	2,750
	207,109	49,057
Change in non-cash working capital items		
Accounts receivable	(44,071)	(47,270)
Prepaid expenses and sundry assets	(4,455)	(388)
Accounts payable and accrued liabilities	50,175	8,179
Government remittances payable	(7,159)	(1,334)
Deferred revenue	(22,961)	(16,974)
	178,638	(8,730)
Investing activities		
Short term investments	150,000	-
Capital assets	-	(1,444)
	150,000	(1,444)
Financing activities		
Loan payable	30,000	-
Advances to related entity	(16,292)	23,476
	13,708	23,476
Increase in cash	342,346	13,302
Cash, beginning of year	136,210	122,908
Cash, end of year	\$ 478,556	\$ 136,210

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Notes to Financial Statements
For the year ended December 31, 2020

General

Women in Film and Television - Toronto Inc. (the "Association") was incorporated without share capital under the provisions of the Ontario Corporations Act as a not-for-profit corporation. The Association's principal objective is to promote women in film and television to its membership, without monetary gain.

Pursuant to the Income Tax Act (Canada), the Association is classified as a not-for-profit organization and therefore, is not subject to income tax.

1. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises. The significant accounting policies are detailed as follows:

(a) Revenue recognition

The Association follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the year when they are received or become receivable, are measurable, and collection is reasonably assured.

Restricted contributions are recorded as deferred contributions when received and recognized as revenue when the related expense is incurred.

Sponsorships are recognized as revenue when earned and collection is assured.

Memberships are recognized as revenue over the time period in which the service is provided and collection is reasonably assured.

Income from programming and events are recognized as revenue when the service is provided.

Interest and other income is recognized as revenue on the accrual basis.

(b) Short term investments

Short term investments consist of guaranteed investment certificates with an initial maturity between three months and one year or less.

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1. Significant accounting policies (continued)

(c) Government assistance

Government assistance related to current revenues and expenses is included in the determination of net income if there is reasonable assurance of collection and it can be reasonably concluded that the Association will meet the criteria required to qualify for the assistance.

(d) Capital assets

Capital assets are recorded at cost and amortized on a declining balance basis, over their estimated useful lives at the following annual rates:

Computer equipment	55%
Furniture and fixtures	20%

(e) Impairment of long-lived assets

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(f) Contributed services

Members of the Association's board of directors and other contribute their time or services without monetary compensation. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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1. Significant accounting policies (continued)

(g) Financial instruments

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value and subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and advances to related entity.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and loan payable.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures.

(h) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 statement of financial position date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Accounts receivable

Included in accounts receivable is approximately \$12,000 (2019 - \$nil) of government assistance.

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3. **Advances to related entity**

The advances to Foundation for Women in Film and Television - Toronto ("Foundation"), related by virtue of common board members, are non-interest bearing and have no fixed terms of repayment.

During the year, the Association received funds of approximately \$18,000 (2019 - \$44,000) from the Foundation and paid \$40,000 (2019 - \$47,500) occupancy costs to the Foundation. The occupancy cost was a reimbursement of the office rent paid by the Foundation to an arm's length party.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

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4. Capital assets

	2020		2019	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 14,331	\$ 13,372	\$ 14,331	\$ 12,199
Furniture and fixtures	1,444	405	1,444	145
	15,775	13,777	15,775	12,344
Net book value	\$ 1,998		\$ 3,431	

5. Deferred revenue

Deferred revenue represents funds received in the current year that relate to a subsequent period. The changes in the deferred revenue are as follows:

	2020	2019
Balance beginning of year	\$ 42,395	\$ 59,369
Add: amounts received in the year	19,434	42,395
Less: amounts recognized as revenue	(42,395)	(59,369)
	\$ 19,434	\$ 42,395

6. Loan payable

Loan payable, Canada Emergency Business Account - The amount of \$30,000 represents the unforgivable balance of the \$40,000 interest-free loan received under the Government of Canada COVID response programs. 25% of the loan will be eligible for loan forgiveness, up to \$10,000, if the loan is fully repaid on or before December 31, 2022. As at the year end date, \$10,000 has been included in other income and represents the maximum forgivable portion of the loan. If the unforgiven balance of the loan is not fully repaid by December 31, 2022 the remaining principal balance will be repayable and will bear interest at a rate of 5% per annum beginning on January 1, 2023. The loan is due in full December 31, 2025.

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7. Banking facility

The Association has an operating credit facility of \$60,000 which bears interest at the bank's prime rate plus 1.55% per annum and is secured by a general security agreement over the assets of the Association. The balance as at December 31, 2020 was \$Nil (2019 - \$Nil).

8. Government assistance

The Association was the recipient of the Canada Emergency Wage Subsidy ("CEWS") and Temporary Wage Subsidy for Employers, programs designed to subsidize employee wages in response to the novel coronavirus ("COVID 19"). The Association recorded approximately \$94,000 of CEWS (2019 - \$Nil) in the current year as a reduction to the salaries and benefit expense.

9. Financial instruments

The Association is exposed to the following risk in respect of certain financial instruments held:

(a) Credit risk

Financial instruments that potentially expose the Association to concentrations of credit risk consist primarily of accounts receivable. The Association performs periodic credit evaluations of the financial condition of its customers. If necessary, allowances are maintained for potential credit losses consistent with the credit risk of specific customers.

10. COVID - 19

In March 2020, the World Health Organization characterized the outbreak of the strain of COVID-19 as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID - 19 is unknown at this time and it is not possible to estimate the impact, length, and severity that these developments will have on the financial results and conditions of the Association in the future.