

WOMEN IN FILM AND TELEVISION - TORONTO INC.

Financial Statements
December 31, 2022

WOMEN IN FILM AND TELEVISION - TORONTO INC.

Financial Statements
For the year ended December 31, 2022

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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, 2022, 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, 2022 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 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, the completeness of 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 expenditures, assets and net assets.

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 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 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 26, 2023

Fruitman Kates LLP
Chartered Professional Accountants
Licensed Public Accountants

WOMEN IN FILM AND TELEVISION - TORONTO INC.

Statement of Financial Position As at December 31, 2022

	2022	2021
Assets		
Current		
Cash	\$ 796,738	\$ 493,904
Short term investments	-	200,667
Accounts receivable (note 2)	159,346	89,244
Government remittances receivable	-	3,053
Prepaid expenses and sundry assets	2,047	32,227
	958,131	819,095
Capital assets (note 3)	37,978	5,748
	\$ 996,109	\$ 824,843
Liabilities and Net Assets		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 99,731	\$ 41,881
Government remittances payable	26,064	10,199
Deferred revenue (note 4)	76,298	90,804
Loan payable (note 5)	30,000	-
Advances from related entity (note 6)	7,714	-
	239,807	142,884
Long-term		
Loan payable (note 5)	-	30,000
	239,807	172,884
Contingent liability (note 8)		
	756,302	651,959
Net assets	\$ 996,109	\$ 824,843

Approved on behalf of the board

_____ Director

_____ Director

See accompanying notes to the financial statements

WOMEN IN FILM AND TELEVISION - TORONTO INC.

Statement of Operations For the year ended December 31, 2022

	2022	2021
Revenues		
Sponsorships	\$ 397,886	\$ 213,663
Government funding	203,861	146,050
Programming and events	192,067	98,425
Membership	105,048	79,495
Government assistance	12,235	48,973
Interest and other income	2,491	669
	913,588	587,275
Expenditures		
Salaries and benefits	406,725	283,550
Programming and events	257,063	84,074
Occupancy costs	48,442	36,647
Office and general	40,560	25,377
Professional fees	20,661	10,990
Telephone and communications	12,715	10,921
Interest and bank charges	9,755	9,110
Amortization	6,770	2,437
Insurance	3,874	4,033
Contract services	2,000	17,533
Committees and meetings	680	143
	809,245	484,815
Excess of revenues over expenditures	\$ 104,343	\$ 102,460

WOMEN IN FILM AND TELEVISION - TORONTO INC.Statement of Changes in Net Assets
For the year ended December 31, 2022

	2022	2021
Net assets, beginning of year	\$ 651,959	\$ 549,499
Excess of revenues over expenditures	104,343	102,460
Net assets, end of year	\$ 756,302	\$ 651,959

WOMEN IN FILM AND TELEVISION - TORONTO INC.

Statement of Cash Flows For the year ended December 31, 2022

	<u>2022</u>	<u>2021</u>
Cash flows from (used in):		
Operating activities		
Excess of revenues over expenditures	\$ 104,343	\$ 102,460
Adjustment for		
Amortization	6,770	2,437
	111,113	104,897
Change in non-cash working capital items		
Accounts receivable	(70,102)	60,804
Government remittances receivable	3,053	(3,053)
Prepaid expenses and sundry assets	30,180	(24,433)
Accounts payable and accrued liabilities	57,850	(27,561)
Government remittances payable	15,865	(5,484)
Deferred revenue	(14,506)	71,370
	133,453	176,540
Investing activities		
Short term investments	200,667	(200,667)
Capital assets	(39,000)	(6,187)
	161,667	(206,854)
Financing activity		
Advances to/ from related entity	7,714	45,662
Increase in cash	302,834	15,348
Cash, beginning of year	493,904	478,556
Cash, end of year	\$ 796,738	\$ 493,904

WOMEN IN FILM AND TELEVISION - TORONTO INC.

Notes to Financial Statements
For the year ended December 31, 2022

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 not-for-profit 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 using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Software and website	5 years Straight-line
Computer equipment	55% Declining balance
Furniture and fixtures	20% Declining balance

(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 others 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.

WOMEN IN FILM AND TELEVISION - TORONTO INC.

Notes to Financial Statements
For the year ended December 31, 2022

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, investments, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, loan payable and advances from related entity.

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 \$Nil (2021 - \$3,000) of government assistance.

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Notes to Financial Statements
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3. Capital assets

	2022		2021	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Software and website	\$ 39,000	\$ 3,900	\$ -	\$ -
Computer equipment	20,518	18,305	20,518	15,601
Furniture and fixtures	1,444	779	1,444	613
	60,962	22,984	21,962	16,214
Net book value	\$ 37,978		\$ 5,748	

4. 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:

	2022	2021
Balance beginning of year	\$ 90,804	\$ 19,434
Add: amounts received in the year	81,984	90,804
Less: amounts recognized as revenue	(90,804)	(19,434)
	\$ 81,984	\$ 90,804

5. Loan payable

In 2020, the Association received \$40,000 from the Canada Emergency Business Account ("CEBA"), which is an interest-free loan offered to assist entities whose operating costs were impacted by COVID-19. The loan provides terms for forgiveness of \$10,000, provided that the loan is fully repaid on or before December 31, 2023. It is management's intention to fully repay this loan by December 31, 2023 and thus, the \$10,000 forgiven amount has been recognized as income in 2020.

6. Advances from related entity

The advances from an entity related by virtue of common control are unsecured, non-interest bearing and have no set terms of repayment.

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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, 2022 was \$Nil (2021 - \$Nil).

8. Contingent liability

The Association is a defendant in a lawsuit in the amount of approximately \$48,000. The Association believes the claim to be without significant merit and expects settlement costs, if any, to be minimal. Any costs associated with the claim will be recorded in the year of settlement.

9. Related party transactions

During the year, the Association received funds of approximately \$63,000 (2021 - \$45,200) from the Foundation and paid \$48,400 (2021 - \$36,500) in 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.

10. 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.