

INTER AGENCY COMMITTEE FOR CHILDREN AND FAMILIES

FINANCIAL STATEMENTS

JUNE 30, 2021

(UNAUDITED)



Arthur Morris & Company Limited
Chartered Professional Accountants

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Inter Agency Committee for Children and Families

We have reviewed the accompanying financial statements of Inter Agency Committee for Children and Families (the "Organization"), which comprise the balance sheet as at June 30, 2021, and related statements of operations and 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 the CPA Canada Handbook – Part III, Accounting Standards for Not-for-Profit Organizations ("ASNPO"), 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 an conclusion on these 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's perform 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 opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that caused us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Organization as at June 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Arthur Morris + Company Limited

Hamilton, Bermuda
September 23, 2021

INTER AGENCY COMMITTEE FOR CHILDREN AND FAMILIES

BALANCE SHEET

JUNE 30, 2021

(Expressed in Bermuda dollars)

(UNAUDITED)

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 170,010	\$ 199,344
Accounts Receivable	10,000	5,600
Prepaid expenses and other current assets	<u>2,541</u>	<u>1,086</u>
	182,551	206,030
PROPERTY, PLANT AND EQUIPMENT (note 5)	<u>3,206</u>	<u>-</u>
	\$ <u>185,757</u>	\$ <u>206,030</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses (note 4)	\$ 14,605	\$ 35,366
Deferred revenue (note 6)	<u>78,825</u>	<u>167,202</u>
	<u>93,430</u>	<u>202,568</u>
NET ASSETS	\$ <u>92,327</u>	\$ <u>3,462</u>

On behalf of the Organization:

Director

Director

The accompanying notes form an integral part of these unaudited financial statements.

INTER AGENCY COMMITTEE FOR CHILDREN AND FAMILIES

STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2021

(Expressed in Bermuda dollars)

(UNAUDITED)

	2021	2020
REVENUES		
Grants and donations	\$ 282,200	\$ 114,813
Training fees	27,010	14,700
Donated services (note 4)	6,500	6,500
Membership fees	6,065	2,555
Other income	-	763
Interest income	<u>-</u>	<u>272</u>
	<u>321,775</u>	<u>139,603</u>
EXPENSES		
Salaries and wages expenses	115,787	73,686
Professional services	48,400	19,178
Consulting services	43,546	17,207
Review fees (note 4)	8,500	8,500
Computer expenses	8,186	6,469
Advertising	2,591	106
Other general expenses	2,480	1,765
Rent	2,250	7,050
Bank charges	666	707
Depreciation expense	504	-
DYA Mirrors program	<u>-</u>	<u>5,000</u>
	<u>232,910</u>	<u>139,668</u>
NET INCOME (LOSS)	88,865	(65)
NET ASSETS, beginning of year	<u>3,462</u>	<u>3,527</u>
NET ASSETS, end of year	\$ <u><u>92,327</u></u>	\$ <u><u>3,462</u></u>

The accompanying notes form an integral part of these unaudited financial statements.

INTER AGENCY COMMITTEE FOR CHILDREN AND FAMILIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

(Expressed in Bermuda dollars)

(UNAUDITED)

	2021	2020
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net income (loss)	\$ 88,865	\$ (65)
Adjustments to reconcile net income to net cash		
Depreciation expense	504	-
Changes in non-cash operating balances:		
Accounts receivable	(4,400)	(5,600)
Prepaid expenses and other current assets	(1,455)	(1,086)
Accounts payable and accrued expenses	(20,761)	34,066
Deferred revenue	<u>(88,377)</u>	<u>82,202</u>
Net cash (used for) provided by operating activities	<u>(25,624)</u>	<u>109,517</u>
INVESTING ACTIVITIES		
Purchases of fixed assets	<u>(3,710)</u>	<u>-</u>
Net cash used for investing activities	<u>(3,710)</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH	<u>(29,334)</u>	<u>109,517</u>
CASH, beginning of year	<u>199,344</u>	<u>89,827</u>
CASH, end of year	<u>\$ 170,010</u>	<u>\$ 199,344</u>

The accompanying notes form an integral part of these unaudited financial statements.

INTER AGENCY COMMITTEE FOR CHILDREN AND FAMILIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

(Expressed in Bermuda dollars)

(UNAUDITED)

1. PURPOSE OF THE ORGANIZATION

The Inter Agency Committee for Children and Families (“IAC”) is a not for profit organization that is registered as a charitable organization (Reg. #979) under the Charities Act 2014 on May 11, 2018.

IAC’s mission is to unify and strengthen the capacity of agencies to respond to the changing needs of children, families and community through training, collaboration, advocacy and research. IAC helps social sector agencies strengthen their services and improve their impact. IAC offers connected network and professional development, with focus on collaboration and advocating for social change to improve the lives of children, families, and the community.

The Organization’s continuance is dependent upon the receipt of continuing corporate and public support.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the CPA Canada Handbook Accounting Part III – Canadian Accounting Standards for Not-for-Profit Organizations (“ASNPO”).

The significant accounting policies have been consistently applied to all the years presented in the financial statements, unless otherwise stated and are as follows:

a) Revenue recognition

The IAC collects membership dues at an individual and organizational level. Membership provides access to a network of resources including professional development and training.

Membership fees as of June 30, 2021 are as follows:

Individual: \$35 per person

Small organization up to 24 employees \$100

Large organization 25+ employees \$200

IAC follows the deferral method of accounting. Grants, donations, training fees and membership fees are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Grants for specific projects where the expenses have not yet been incurred are deferred and recorded as revenue when the expenses are incurred.

INTER AGENCY COMMITTEE FOR CHILDREN AND FAMILIES

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED JUNE 30, 2020

(Expressed in Bermuda dollars)

(UNAUDITED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Capital assets and depreciation

Capital assets are carried at cost less accumulated depreciation and impairments, if any. Depreciation is calculated on a straight-line basis at the following annual rates designed to write off the cost of the assets over their estimated useful lives:

Computer equipment	5 years
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c) Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While management believes that the amounts included in the financial statements reflect IAC's best estimates and assumptions, actual results could differ from these estimates.

3. DONATED SERVICES

The work of IAC is dependent, in part, on the voluntary service of members and the public. Since these services are not normally purchased by IAC and because of the difficulty in determining its fair value, volunteered services, except for donated services described below are not recorded in these financial statements.

Review fees are recorded at their fair value of \$8,500 of which \$6,500 is donated and is included in revenues and expenses at the recorded value for service rendered.

INTER AGENCY COMMITTEE FOR CHILDREN AND FAMILIES

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED JUNE 30, 2020

(Expressed in Bermuda dollars)

(UNAUDITED)

4. ACCOUNTS PAYABLE

Accounts payable and accrued expenses include an aggregate amount of \$1,069 (2020 - \$1,824) due to government agencies relating to payroll tax and social insurance obligations.

5. CAPITAL ASSETS

Capital assets are comprised of the following:

	2021		2020	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer equipment	\$ 3,710	\$ 504	\$ 3,206	\$ -

6. DEFERRED REVENUE

Deferred contributions represent amounts received from donors which are to be used for specific purposes. Deferred contributions comprise as follows:

	2021		2020	
Restricted for future operating activities				
Beginning balance	\$ 167,202		\$ 85,000	
Add amount received relating to subsequent years		146,732		162,202
Less amount recognized as revenue during the year		<u>(235,109)</u>		<u>(80,000)</u>
Ending balance		\$ <u>78,825</u>		\$ <u>167,202</u>

Deferred contributions are comprised of amounts restricted for:

Program delivery	\$ 45,271	\$ 149,167
Training	28,554	13,035
DYA Mirrors program	<u>5,000</u>	<u>5,000</u>
	\$ <u>78,825</u>	\$ <u>167,202</u>

INTER AGENCY COMMITTEE FOR CHILDREN AND FAMILIES

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED JUNE 30, 2020

(Expressed in Bermuda dollars)

(UNAUDITED)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Organization's financial instrument consists of cash, accounts receivable and accounts payable and accrued expenses.

Fair values

Cash, accounts receivable and accounts payable and accrued expenses approximate fair value due to their short-term nature.

Credit risk

Cash and accounts receivable potentially expose IAC to credit risk. In IAC's opinion, the risk of loss due to credit risk is not significant as cash is held with financial institutions which have a high credit rating and accounts receivable are assessed for impairments.

Liquidity risk

Liquidity risk is the risk that IAC will not be able to meet its financial obligations as they fall due. IAC manages its liquidity risk by ensuring it always has sufficient cash to meet its obligations when due and IAC is always continuously monitoring and reviewing cash flow.

Capital management

IAC's objectives when managing capital is to maintain sufficient resources to ensure IAC can meet all anticipated liabilities and fund projected daily and capital expenditures.

INTER AGENCY COMMITTEE FOR CHILDREN AND FAMILIES

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED JUNE 30, 2020

(Expressed in Bermuda dollars)

(UNAUDITED)

8. EVENTS AFTER THE REPORTING PERIOD

Management has evaluated subsequent events for recognition and disclosure to September 23, 2021, which is the date that the financial statements were available to be issued.

Unless otherwise indicated, all information included in these financial statements is as of June 30, 2021 and you should not assume that matters are current as of any later date. On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (“COVID-19”) a pandemic. As a result, economic uncertainties have continued to have serious and adverse consequences to business conditions around the globe. The COVID-19 outbreak has resulted in limitations on travel, transportation, education, production of goods, provision of services and businesses operations generally. Although the long-term economic fallout of COVID-19 is difficult to predict, the conditions currently faced by IAC are likely to have effects on the financial performance through the economic status of donors, and, as a result, likely to adversely impact IAC for future periods, which may be material. At the current time, we are unable to quantify the potential effects of the pandemic on future financial statements.