

416 COMMUNITY SUPPORT FOR WOMEN

FINANCIAL STATEMENTS

MARCH 31, 2016

HILBORNLLP

Independent Auditor's Report

To the Board of Directors of
416 Community Support for Women

We have audited the accompanying financial statements of 416 Community Support for Women, which comprise the statement of financial position as at March 31, 2016, and the statements of operations 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 Organization'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 Organization'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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities and donations, 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 and we are not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of such adjustments, if any, which might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue from fundraising activities and donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2016, and the results of its operations and its cash flows for the year ended in accordance with Canadian Accounting Standards for not-for-profit organizations.

Toronto, Ontario
June 21, 2016



Chartered Professional Accountants
Licensed Public Accountants

416 COMMUNITY SUPPORT FOR WOMEN

Statement of Financial Position

March 31, 2016

	General Fund \$	416 Drop In Fund \$	Outreach Fund \$	Externally Restricted Fund \$	2016 Total \$
ASSETS	<i>(note 7)</i>	<i>(note 7)</i>			
Current Assets					
Cash	38,496	22,325	113,302	-	174,123
Short-term investments	290,374	-	-	-	290,374
HST recoverable	6,918	-	609	-	7,527
Prepaid expenses	14,440	9,778	5,367	-	29,585
Inter-fund receivable (payable)	108,141	-	(108,141)	-	-
	458,369	32,103	11,137	-	501,609
Capital assets (note 4)	130,726	-	-	108,331	239,057
	<u>589,095</u>	<u>32,103</u>	<u>11,137</u>	<u>108,331</u>	<u>740,666</u>
LIABILITIES					
Accounts payable and accrued liabilities	7,204	32,103	11,137	-	50,444
	<u>7,204</u>	<u>32,103</u>	<u>11,137</u>	<u>-</u>	<u>50,444</u>
NET ASSETS	581,891	-	-	108,331	690,222
	<u>589,095</u>	<u>32,103</u>	<u>11,137</u>	<u>108,331</u>	<u>740,666</u>

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board:

Director

416 COMMUNITY SUPPORT FOR WOMEN

Statement of Financial Position

March 31, 2015

	General Fund \$	416 Drop In Fund \$	Outreach Fund \$	Externally Restricted Fund \$	2015 Total \$
ASSETS	<i>(note 7)</i>	<i>(note 7)</i>			
Current Assets					
Cash	53,068	25,319	71,638	-	150,025
Short-term investments	276,690	-	-	-	276,690
HST recoverable	6,507	-	1,105	-	7,612
Prepaid expenses	16,965	-	5,748	-	22,713
Inter-fund receivable (payable)	65,280	-	(65,280)	-	-
	418,510	25,319	13,211	-	457,040
Capital assets (note 4)	129,051	-	-	128,867	257,918
	547,561	25,319	13,211	128,867	714,958
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	26,399	25,319	13,211	-	64,929
	26,399	25,319	13,211	-	64,929
NET ASSETS	521,162	-	-	128,867	650,029
	547,561	25,319	13,211	128,867	714,958

The accompanying notes are an integral part of these financial statements.

416 COMMUNITY SUPPORT FOR WOMEN

Statement of Operations and Changes in Net Assets

Year ended March 31, 2016

	General Fund \$	416 Drop In Fund \$	Outreach Fund \$	Externally Restricted Fund \$	2016 Total \$
Revenues	<i>(note 7)</i>	<i>(note 7)</i>			
Ministry of Health Base	-	734,190	343,803	-	1,077,993
Donations and bequests	143,851	-	-	-	143,851
Fundraising and other	44,108	-	-	-	44,108
MCSS	8,249	-	-	-	8,249
	<u>196,208</u>	<u>734,190</u>	<u>343,803</u>	<u>-</u>	<u>1,274,201</u>
Expenses					
Program costs	22,194	695,589	296,025	-	1,013,808
Occupancy	56,747	14,700	35,848	-	107,295
Administration, office and general	31,574	23,901	11,930	-	67,405
Donations and fundraising	20,408	-	-	-	20,408
Amortization	4,556	-	-	20,536	25,092
	<u>135,479</u>	<u>734,190</u>	<u>343,803</u>	<u>20,536</u>	<u>1,234,008</u>
Excess of revenues over expenses	60,729	-	-	(20,536)	40,193
Net assets, beginning of year	<u>521,162</u>	-	-	128,867	650,029
Net assets, end of year	<u><u>581,891</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>108,331</u></u>	<u><u>690,222</u></u>

The accompanying notes are an integral part of these financial statements.

416 COMMUNITY SUPPORT FOR WOMEN

Statement of Operations and Changes in Net Assets

Year ended March 31, 2015

	General Fund \$	416 Drop In Fund \$	Outreach Fund \$	Externally Restricted Fund \$	2015 Total \$
Revenues	<i>(note 7)</i>	<i>(note 7)</i>			
Ministry of Health					
Base	-	731,949	343,803	-	1,075,752
Other		2,437			2,437
Donations and bequests	144,413	21,499	-	-	165,912
Fundraising and other	35,981	-	-	-	35,981
MCSS	-	17,221	-	-	17,221
Change in deferred revenue	-	-	-	129,207	129,207
	<u>180,394</u>	<u>773,106</u>	<u>343,803</u>	<u>129,207</u>	<u>1,426,510</u>
Expenses					
Program costs	37,734	757,993	286,872	-	1,082,599
Occupancy	72,407	11,100	40,159	-	123,666
Administration, office and general	49,264	4,013	16,772	-	70,049
Donations and fundraising	11,984	-	-	-	11,984
Amortization	2,652	-	-	20,536	23,188
	<u>174,041</u>	<u>773,106</u>	<u>343,803</u>	<u>20,536</u>	<u>1,311,486</u>
Excess of revenues over expenses (expenses over revenues)	6,353	-	-	108,671	115,024
Inter-fund transfer (note 5)	(6,645)	-	-	6,645	-
Net assets, beginning of year	521,454	-	-	13,551	535,005
Net assets, end of year	<u>521,162</u>	<u>-</u>	<u>-</u>	<u>128,867</u>	<u>650,029</u>

The accompanying notes are an integral part of these financial statements.

416 COMMUNITY SUPPORT FOR WOMEN

Statements of Cash Flows

Year ended March 31	2016 \$	2015 \$
Cash flows from operating activities		
Excess of revenues over expenses for year	40,193	115,024
Item not affecting cash		
Amortization	25,092	23,188
Unrealized gain on short-term investments	(2,099)	(1,077)
Gain on sale of capital assets	-	(567)
	<u>63,186</u>	<u>136,568</u>
Changes in non-cash working capital		
Decrease in accounts receivable	-	4,856
Decrease in HST recoverable	85	11,014
Decrease (increase) in prepaid expenses	(6,872)	867
Decrease in accounts payable and accrued liabilities	(14,485)	(10,442)
Decrease in deferred revenue	-	(129,207)
	<u>41,914</u>	<u>13,656</u>
Cash flows from investing activities		
Proceeds on sale of short-term investments	-	11,935
Purchase of short-term investments	(11,585)	-
Proceeds on sale of capital assets	-	1,000
Purchase of capital assets	(6,231)	(9,978)
	<u>(17,816)</u>	<u>2,957</u>
Increase in cash	24,098	16,613
Cash, beginning of year	150,025	133,412
Cash, end of year	<u>174,123</u>	<u>150,025</u>

The accompanying notes are an integral part of these financial statements.

416 COMMUNITY SUPPORT FOR WOMEN

Notes to Financial Statements

March 31, 2016

Nature of Operations

416 Community Support for Women (the "Organization") is a registered charitable organization, incorporated under the laws of Ontario without share capital, and qualifies as a not-for-profit organization under the Income Tax Act and is exempt from corporate income tax.

The Organization operates a drop-in-centre in downtown Toronto, providing social services for women in need. This program is funded partially by the Ontario Ministry of Health and Long-Term Care, (the "Ministry") and the use of this funding is restricted to expenditures of the 416 program.

The Organization organizes a drug counselling program (the "Outreach Program") that receives funding exclusively from the Ministry of Health. The use of this funding is restricted to expenditures of the Outreach program.

1. Significant accounting policies

These financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Part III of the CPA Canada Handbook - Accounting, and in accordance with Canadian generally accepted accounting principles. The financial statements have been prepared within the framework of significant accounting policies summarized below:

a) Fund accounting

The Organization uses the restricted fund method of accounting to separate its various project and program activities.

i) General Fund

The General Fund receives grant funding, donations and fundraising revenues for unrestricted purposes. The funds are used to provide services such as meals, social/recreational activities, support and educational groups, trustee, medical, and wellness programs.

ii) 416 Drop In Fund

The 416 Drop in Fund receives a grant from the Ontario Ministry of Health and Long-Term Care through the Toronto Central Local Health Integration Network (the "LHIN"). The funds are used to provide administrative and drop in staffing, and programming supplies to operate some group, and one-to-one Mental Health Case Manager and Crisis supports.

iii) Outreach Fund

The Outreach Fund receives a grant from the Ontario Ministry of Health and Long-Term Care through the LHIN. The funds are used to provide administrative, group and one-to-one support in Addiction Case Manager areas.

iv) Externally Restricted Fund

The Externally Restricted Fund represents contributions to the Organization for capital purchases and significant capital repairs.

416 COMMUNITY SUPPORT FOR WOMEN

Notes to Financial Statements (continued)

March 31, 2016

1. **Significant accounting policies (continued)**

b) **Revenue recognition**

The Organization follows the restricted fund method of accounting for contributions. Contributions made for restricted purposes are recognized as revenue of the externally restricted fund at the time they are made. Membership fees, donations and other receipts are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants from ministries and municipalities are recorded when granted. Grants received from the Ministry, which are designated for specific expenditures, are refundable to the Ministry to the extent that they have not been spent for those purposes.

c) **Capital assets**

The costs of capital assets are capitalized upon meeting the criteria for recognition as a capital asset, otherwise, costs are expensed as incurred. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use. Contributed capital assets are recorded at their fair value at the donation date.

A 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 statements 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 capital asset exceeds its fair value.

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

Capital assets, consisting of building, computer and equipment and automobile, are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization is provided for at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Building	5% declining balance
Computer and equipment	30% declining balance
Automobile	30% declining balance

Building improvements are amortized on a straight line basis over a period of ten years, the corresponding deferred revenue is recognized as revenue over the same term.

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Notes to Financial Statements (continued)

March 31, 2016

1. Significant accounting policies (continued)

d) 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 investments which are carried at fair value.

Financial assets measured at amortized cost include cash.

Financial assets measured at fair value include short-term investments.

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

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a writedown is recognized in the statement of operations. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

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. 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.

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Notes to Financial Statements (continued)

March 31, 2016

1. Significant accounting policies (continued)

f) Contributed materials and services

Volunteers contribute numerous hours each year to assist the Organization in carrying out its activities. The fair value of the contributed services cannot be reasonably estimated and is not recognized in the financial statements.

2. Financial instruments risk management

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at March 31, 2016.

The financial instruments of the Organization and the nature of the risks to which it may be subject are as follows:

Financial instrument	Risks				
	Credit	Liquidity	Market risk		
Currency			Interest rate	Other price	
Cash	X				
Short-term investments	X			X	
Accounts payable and accrued liabilities		X			

a) Credit risk

The Organization is exposed to credit risk resulting from the possibility 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 minimizes its credit risk by holding its cash and short-term investments with a Canadian Chartered Bank. The Organization does not hold directly any collateral as security for financial obligations of counterparties.

416 COMMUNITY SUPPORT FOR WOMEN

Notes to Financial Statements (continued)

March 31, 2016

2. Financial instruments risk management (continued)

b) 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 of the Organization not being 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 and holds assets that can be readily converted into cash.

c) 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.

i) 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 Organization is not exposed to currency risk.

ii) 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 Organization's short-term investments include term deposits which are subject to interest rate risk. The Organization has no significant interest rate risk.

iii) Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Organization is not exposed to other price risk.

Changes in risk

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

416 COMMUNITY SUPPORT FOR WOMEN

Notes to Financial Statements (continued)

March 31, 2016

3. Economic dependence

The Organization derives the majority of its revenues from the Ontario Ministry of Health and Long-Term Care and currently has an agreement to with the Ministry to receive funding through to the period ended March 31, 2017.

4. Capital assets

	Cost \$	Accumulated Amortization \$	2016 Net \$ <i>(note 7)</i>
General Fund			
Land	100,000	-	100,000
Building	56,501	37,144	19,357
Computer and equipment	27,732	22,300	5,432
Automobile	9,978	4,041	5,937
	<u>194,211</u>	<u>63,485</u>	<u>130,726</u>

Externally restricted			
Building improvements	205,355	97,024	108,331
	<u>410,065</u>	<u>171,008</u>	<u>239,057</u>

	Cost \$	Accumulated Amortization \$	2015 Net \$ <i>(note 7)</i>
General Fund			
Land	100,000	-	100,000
Building	56,501	36,125	20,376
Computer and equipment	21,501	21,307	194
Automobile	9,978	1,497	8,481
	<u>187,980</u>	<u>58,929</u>	<u>129,051</u>

Externally restricted			
Building improvements	205,355	76,488	128,867
	<u>403,834</u>	<u>145,916</u>	<u>257,918</u>

416 COMMUNITY SUPPORT FOR WOMEN

Notes to Financial Statements (continued)

March 31, 2016

5. **Inter-fund transfer**

By board resolution, the General Fund (previously included in the 416 Drop In Fund) transferred \$6,645 to the Externally Restricted to forgive the inter-fund payable balance.

6. **Commitments**

The Organization has entered into a lease agreement for premises until December 2017. Minimum lease payments are as follows:

2017	\$	31,629
2018		<u>23,772</u>
Total	\$	<u>55,401</u>

7. **Comparative figures**

During the year, the Board approved the change in financial statement presentation to separate the General Fund and the 416 Drop In Fund to better reflect the individual components of each fund. The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenues over expenses and net assets.

HILBORN

LISTENERS. THINKERS. DOERS.