

**SISTERING - A WOMAN'S PLACE**

**(a charitable organization)**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2016**

## INDEX

1. Independent Auditors' Report
2. Statement of Financial Position
3. Statement of Changes in Net Assets
4. Statement of Operations
5. Statement of Cash Flows
- 6-9. Notes to Financial Statements

**BERMAN, LOFCHICK & LUM, LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

230 SHEPPARD AVENUE WEST  
SUITE 300  
TORONTO, ONTARIO M2N 1N1  
TELEPHONE: (416) 229-9360  
FAX: (416) 229-9375  
email: berman@cof.ca  
marsh31@rogers.com  
wilum@rogers.com

JERRY BERMAN, Bsc., CPA, CA  
MARSHALL LOFCHICK, B.A. (HONS.), CPA, CA  
WINSTON LUM, B.Comm., CPA, CA

**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of Sistering - A Woman's Place, which comprise the statement of financial position as at March 31, 2016, and the statements of changes in net assets, operations 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 our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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.

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

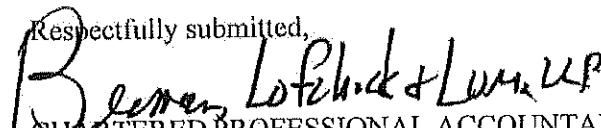
**Basis for Qualified Opinion**

As is the case of most organizations in receipt of funds by donations and fundraising, verification of such items was impractical beyond accounting for amounts recorded in the accounts of the organization, and we were not able to determine whether adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

**Qualified Opinion**

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations and fundraising 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 cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Respectfully submitted,

  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

Toronto, Ontario  
June 20, 2016

**SISTERING - A WOMAN'S PLACE**



**(a charitable organization)**

**STATEMENT OF FINANCIAL POSITION**

**MARCH 31, 2016**

	2016	2015
<b>ASSETS</b>		
Current		
Cash	\$ 855,453	\$ 541,462
Temporary investments	360,000	-
Grants receivable	76,603	-
Prepaid expenses and sundry assets	<u>170,982</u>	<u>118,423</u>
	1,463,038	659,885
Capital - at cost less accumulated amortization (note 2)	<u>1,055,204</u>	<u>725,549</u>
	\$ <u>2,518,242</u>	\$ <u>1,385,434</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 744,234	\$ 110,146
Deferred revenue (note 3)	241,023	78,551
Current portion of deferred capital contributions (note 4)	<u>181,628</u>	<u>101,843</u>
	1,166,885	290,540
Long-term		
Deferred capital contributions (note 4)	<u>884,123</u>	<u>635,231</u>
	<u>2,051,008</u>	<u>925,771</u>
<b>NET ASSETS</b>		
Net assets invested in capital	1,055,204	725,549
Unrestricted net assets	<u>(587,970)</u>	<u>(265,886)</u>
	<u>467,234</u>	<u>459,663</u>
	\$ <u>2,518,242</u>	\$ <u>1,385,434</u>

Approved on behalf of the Board:

 Director  
 Director

Lease Commitments (Note 5)

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

**SISTERING - A WOMAN'S PLACE**

**(a charitable organization)**

**STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED MARCH 31, 2016**

	Invested in capital assets	Unrestricted	2016 Total	2015 Total
<b>BALANCE - Beginning of year</b>	\$ 725,549	\$(265,886)	\$ 459,663	\$ 432,481
- Excess (deficiency) of revenues over expenses	(193,139)	200,710	7,571	27,182
- Investment in capital assets - net	<u>522,794</u>	<u>(522,794)</u>	<u>-</u>	<u>-</u>
<b>BALANCE - End of year</b>	\$ <u>1,055,204</u>	\$ <u>(587,970)</u>	\$ <u>467,234</u>	\$ <u>459,663</u>

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

-3-

**SISTERING - A WOMAN'S PLACE**

**(a charitable organization)**

**STATEMENT OF OPERATIONS**

**YEAR ENDED MARCH 31, 2016**

	2016	2015
<b>REVENUES</b>		
Ontario Ministry of Health		
- Local Health Integration Network	\$ 1,297,367	\$ 1,387,367
City of Toronto	1,019,644	347,350
United Way of Greater Toronto	430,568	424,689
Donations	280,336	294,632
West Neighbourhood House (LHIN Peer)	107,916	126,200
Foundations	90,718	94,077
Ontario Women's Directorate	90,000	90,000
Fundraising	66,310	63,709
Ontario Seniors Secretariat	49,224	61,569
Miscellaneous	40,475	21,230
Trillium Foundation	25,000	8,333
Federal Grant	4,620	-
Interest	3,841	2,048
Regent Park	900	3,825
Bequests	-	2,000
Youth Challenge Fund	-	92,354
Amortization on deferred capital contributions	<u>181,628</u>	<u>101,841</u>
	<u>3,688,547</u>	<u>3,121,224</u>
<b>EXPENSES</b>		
Wages and benefits	2,192,924	1,926,407
Purchased services	366,826	236,586
Programs	292,532	237,081
Building occupancy costs	290,280	246,907
Repairs and maintenance	124,680	61,997
Fundraising	96,667	114,491
Office and general	61,691	36,253
Professional fees	43,722	13,155
Insurance	16,109	17,147
Promotion and publicity	1,663	3,308
Volunteer	743	242
Youth Challenge Project	-	92,354
Amortization	<u>193,139</u>	<u>108,114</u>
	<u>3,680,976</u>	<u>3,094,042</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ <u>7,571</u></b>	<b>\$ <u>27,182</u></b>

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

-4-

**SISTERING - A WOMAN'S PLACE**

(a charitable organization)

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31, 2016**

	2016	2015
Cash and cash equivalents provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ <u>7,571</u>	\$ <u>27,182</u>
Adjustment for:		
Amortization	<u>193,139</u>	<u>108,114</u>
Changes in non-cash working capital:		
Decrease in accounts receivable	(76,129)	52,449
(Increase) decrease in prepaid expenses and sundry assets	(53,034)	12,492
Increase (decrease) in accounts payable and accrued liabilities	634,087	(30,081)
Increase (decrease) in government remittances payable	-	(22,984)
Increase (decrease) in deferred revenue	162,473	33,385
Increase (decrease) in deferred capital contributions	<u>328,678</u>	<u>35,047</u>
	<u>996,075</u>	<u>80,308</u>
Cash flow from operating activities:	<u>1,196,785</u>	<u>215,604</u>
Cash flow from investing activities:		
Purchase of capital assets	<u>(522,794)</u>	<u>(123,561)</u>
Net increase (decrease) in cash and cash equivalents	673,991	92,043
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<u>541,462</u>	<u>449,419</u>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<u>\$ 1,215,453</u>	<u>\$ 541,462</u>
<b>REPRESENTED BY:</b>		
Cash	\$ 855,453	\$ 541,462
Temporary investments	<u>360,000</u>	<u>-</u>
	<u>\$ 1,215,453</u>	<u>\$ 541,462</u>

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

**SISTERING - A WOMAN'S PLACE**

**(a charitable organization)**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit organizations in Part III of the CPA Handbook.

**(a) PURPOSE OF THE ORGANIZATION**

Sistering is a women's organization that offers practical and emotional support to women through programs which enable them to take greater control over their lives. Sistering - A Woman's Place is incorporated under the laws of the Province of Ontario as a not-for profit charitable organization without share capital. The organization is incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act, registration number 107983009 RR0001 and is exempt from income taxes under Section 149 of the Income Tax Act.

**(b) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of highly liquid bank accounts and marketable investments with an original maturity date of 90 days or less.

**(c) ACCOUNTS RECEIVABLE**

Accounts receivable include amounts due from government contracts as well as rental receivables. Unless otherwise provided for, all receivables are expected to be collected within 90 days.

**(d) CAPITAL ASSETS**

Capital assets are recorded at cost when purchased and are subsequently measured at cost less accumulated amortization. They are amortized over their estimated useful lives using the declining balance method over the following periods:

Leasehold improvements	- over the term the of lease (minimum 5 years)
Office furniture and equipment	- 20% of unamortized cost
Computer equipment	- 20% of unamortized cost
Automobile	- 20% of unamortized cost

**(e) REVENUE RECOGNITION**

- (i) The organization uses the deferral method in accounting for contributions. Accordingly, contributions subject to externally imposed restrictions are initially recorded as deferred revenue and are subsequently recognized as revenue in the year in which the related expenses are incurred.

Continued

-6-



**SISTERING - A WOMAN'S PLACE**

**(a charitable organization)**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

...Continued

- (ii) Donated goods and services are not recorded in the accounts of the organization, except when a fair value of such goods and services can be reasonably estimated and when the goods and services are normally purchased by the organization and would be paid for if not donated. Volunteers contribute significant amounts of time to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in these statements.
- (iii) Donations and fundraising are recorded when the amounts are measurable and collection is assured.

**(f) USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting standards for not-for-profit organizations requires the organization's management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from these estimates.

**(g) FINANCIAL INSTRUMENTS**

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and temporary investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, government remittances payable, deferred revenue and deferred capital contributions from funders.

**(h) RESERVE FUNDS**

Reserve funds have been accumulated from various sources such as proceeds from fundraising events, undesignated bequests and gifts and through capital investments. The use of these funds must be approved by the Board of Directors.

**2. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2016 Net	2015 Net
Leasehold improvements	\$ 1,809,405	\$ 857,385	\$ 952,020	\$ 673,209
Office furniture and equipment	165,951	117,050	48,901	32,730
Computer equipment	127,285	80,413	46,872	10,347
Automobile	<u>47,118</u>	<u>39,707</u>	<u>7,411</u>	<u>9,263</u>
	<u>\$ 2,149,759</u>	<u>\$ 1,094,555</u>	<u>\$ 1,055,204</u>	<u>\$ 725,549</u>

Continued...

**SISTERING - A WOMAN'S PLACE**

(a charitable organization)

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

...Continued

**3. DEFERRED REVENUE**

	2016	2015
City of Toronto		
Evening and overnight	\$ 125,000	\$ -
Harm reduction	21,848	21,834
Foundations	64,166	40,000
Miscellaneous	<u>30,009</u>	<u>16,717</u>
	<u>\$ 241,023</u>	<u>\$ 78,551</u>

**4. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. The changes in deferred capital contributions are as follows:

	2016	2015
Balance - Beginning of year	\$ 737,074	\$ 702,027
Additions	510,305	136,888
Amortization	<u>(181,628)</u>	<u>(101,841)</u>
Balance - End of year	<u>\$ 1,065,751</u>	<u>\$ 737,074</u>
Represented by:		
Current portion	\$ 181,628	\$ 101,843
Long-term portion	<u>884,123</u>	<u>635,231</u>
	<u>\$ 1,065,751</u>	<u>\$ 737,074</u>

**5. LEASE COMMITMENTS**

The organization has committed to rental payments for its premises. Minimum annual rental payments over the term of the leases, net of HST, are as follows:

2017 -	\$ 289,117
2018 -	282,846
2019 -	260,980
2020 -	260,980
Thereafter -	<u>628,112</u>
	<u>\$ 1,722,035</u>

Continued...

**SISTERING - A WOMAN'S PLACE**

**(a charitable organization)**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

...Continued

**6. FINANCIAL INSTRUMENTS**

**(a) Liquidity Risk**

Liquidity risk is a risk that the organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The organization is exposed to liquidity risk arising primarily from the requirement to pay its payables and government remittances. The organization's ability to meet these obligations depends on the receipt of funds from its operations, which it monitors closely.

**(b) Other Risks**

The organization believes that it is not exposed to significant interest, currency, credit, market or other price risks arising from holding financial instruments.

