

Scarborough Women's Centre

Financial Statements

For the Year Ended March 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Scarborough Women's Centre

We have audited the accompanying financial statements of Scarborough Women's Centre which comprise the statement of financial position as at March 31, 2017 and the statements of revenue and expenses and changes in fund balances 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 the auditor's 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, the auditor considers 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

In common with many charitable organizations, the Centre derives revenue from various levels of the government and general public in the form of grants, donations from foundations and individuals and fundraising activities, 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 Centre and we were not able to determine whether any adjustments might be necessary to grants, foundations and individual donation, and fundraising revenue, excess of revenue over expenses and cash flows from revenues and expenses for the year ended March 31, 2017, and current assets as at March 31, 2017 and net assets as at April 1, 2016, and March 31, 2017.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Scarborough Women's Centre as at March 31, 2017, 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 organizations.

Unaudited Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedule A through B is presented for additional analysis purposes and is not a required part of the financial statements. Although such supplementary information has been subject to the auditing procedures applied in the audit of the financial statements, these supplementary schedules are unaudited.

Yang Chartered Accountant P. C.

Yang Chartered Accountant Professional Corporation

Authorized to practice public accounting by
The Institute of Chartered Accountant of Ontario

July 12, 2017

Toronto, Ontario

**Scarborough Women's Centre
Statement of Financial Position
As at March 31, 2017**

| | 2017 | 2016 |
|--------------------------------------|---------|---------|
| Current | | |
| Cash | 78,223 | 98,172 |
| Short term investments (Note 3) | 51,568 | 51,278 |
| Grants/funding and other receivables | 4,737 | 17,621 |
| HST receivable | 3,114 | 6,656 |
| Prepaid expenses | 5,195 | 5,817 |
| | 142,837 | 179,544 |

Liabilities

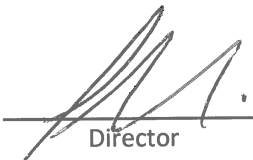
| | | |
|--|--------|---------|
| Current | | |
| Accounts payable and accrued liabilities | 15,717 | 18,838 |
| Deferred contributions (Note 4) | 59,928 | 97,784 |
| | 75,645 | 116,622 |

NET ASSETS

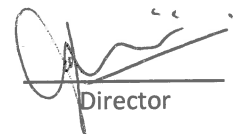
| | | |
|--------------|------------|------------|
| Unrestricted | 67,192 | 62,922 |
| | \$ 142,837 | \$ 179,544 |

Commitment (Note 6)

Approved by the Board



Director



Director

Scarborough Women's Centre
Statement of Revenue and Expenses and Changes In Fund Balances
Year Ended March 31, 2017

| | Core Operating (Schedule A) | Special Operating (Schedule B) | Total 2017 | Total 2016 |
|--|-----------------------------------|--------------------------------------|---------------|---------------|
| Revenue | | | | |
| Government- fees and grants | | | | |
| City of Toronto | 75,953 | - | 75,953 | 137,057 |
| Provincial | 97,019 | - | 97,019 | 97,019 |
| Federal | 7,962 | 7,044 | 15,006 | 9,238 |
| | 180,934 | 7,044 | 187,978 | 243,314 |
| United Way | - | - | - | - |
| Designated donations | 1,417 | - | 1,417 | 2,141 |
| | 1,417 | - | 1,417 | 2,141 |
| Other revenue | - | - | - | - |
| Foundations | 72,498 | 68,855 | 141,353 | 112,501 |
| Fundraising and donations | 42,851 | 23,100 | 65,951 | 50,015 |
| Membership fees | 404 | - | 404 | 160 |
| | - | - | - | 162,676 |
| Interest income (Note 3) | 117 | - | 117 | 430 |
| | 115,870 | 91,955 | 207,825 | 408,561 |
| | 298,221 | 98,999 | 397,220 | |
| Expenses | | | | |
| Personnel expenses | - | - | - | - |
| Salaries | 186,274 | 67,253 | 253,527 | 256,221 |
| Employee benefits | 24,109 | 10,702 | 34,811 | 32,960 |
| Staff travel and meeting | 796 | 150 | 946 | 1,162 |
| Staff training | 182 | 75 | 257 | 650 |
| | 211,361 | 78,180 | 289,541 | 290,993 |
| | - | - | - | - |
| Other expenses | | | | |
| Building occupancy | 40,754 | 2,480 | 43,234 | 42,294 |
| Purchased services | 35,853 | 432 | 36,285 | 40,311 |
| Program expenses | 3,088 | 3,302 | 6,390 | 9,347 |
| Promotion and publicity | 4,212 | 1,289 | 5,501 | 3,813 |
| Office expenses | 8,975 | 247 | 9,222 | 8,529 |
| Volunteer expenses | 245 | 100 | 345 | 788 |
| Office equipment purchased | - | - | - | 1,600 |
| Other expenditures | 1,233 | 135 | 1,368 | 1,335 |
| Fundraising expenses | 800 | 4 | 804 | 869 |
| Dues | 260 | - | 260 | 289 |
| Administration (recovery) | (12,830) | 12,830 | - | - |
| | 82,590 | 20,819 | 103,409 | 109,175 |
| | 293,951 | 98,999 | 392,950 | 400,168 |
| Excess of revenues over expenses (expenses over revenue) | 4,270 | - | 4,270 | 8,393 |
| | - | - | - | - |
| Unrestricted funds, beginning of year | 62,922 | - | 62,922 | 54,529 |
| Unrestricted funds, end of year | \$ 67,192 | \$ - | \$ 67,192 | \$ 62,922 |

Scarborough Women's Centre
Statement of Cash Flows
Year Ended March 31, 2017

| | 2017 | 2016 |
|---|-----------|-----------|
| Operating | | |
| Excess of revenue over expenses | 4,270 | 8,393 |
| Net changes in non-cash working capital items | | |
| Grants/funding and other receivables | 12,884 | (3,170) |
| HST receivable | 3,542 | 89 |
| Prepaid expenses | 622 | (832) |
| Accounts payable and accrued liabilities | (3,121) | 1,191 |
| Deferred contributions | (37,856) | 20,928 |
| | (19,659) | 26,599 |
| Investing | | |
| Short term investments sold | 51,278 | 50,645 |
| Short term investments purchased | (51,568) | (51,278) |
| | (290) | (633) |
| Net cash outflow | (19,949) | 25,966 |
| Cash, beginning of year | 98,172 | 72,206 |
| Cash, end of year | \$ 78,223 | \$ 98,172 |

1. NATURE OF ORGANIZATION

Scarborough Women's Centre (the "Centre") is an organization that delivers programs and services to promote positive change for women in a safe, inclusive and welcoming environment. The Centre empowers women to become economically and emotionally independent for future success and to strengthen their local communities, free from violence. The Centre was incorporated under the laws of the Ontario Business Corporations Act as a not-for-profit organization in 1983 and amalgamated with The SWAN Shelter for Women and Their Children Inc. in 1999. The Centre is a registered charity under the Income Tax Act and as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant to the Centre:

Revenue Recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue when the related expenses are incurred and unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fund Accounting

The Core Operations (General Operating Fund) accounts for the Centre's program delivery and administrative activities. This fund reports unrestricted resources and grants from foundations, fundraising, donations and membership fees restricted to operational activities.

The Centre operates various Special Projects (Restricted) funds for which it receives grants from Foundations, Fundraising and donations, which are restricted for the specific use of a project.

Allocation of expenses

The Centre records a number of its expenses by function as disclosed in the supplementary financial information. Overhead and administration expenses to special projects are allocated based on reasonable estimate of time spent and resources allocated.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Capital assets

Capital assets are recorded as expenses in the year they are acquired.

Use of estimates

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

Significant areas requiring the use of management estimates relate to the determination of expense allocations.

Contributed services

Volunteers contribute an undeterminable, but substantial number of hours during the year to assist the Centre in carrying out its mission. Because of the difficulty in determining their fair market value, contributed services are not recognized in these financial statements.

Financial instruments

The Centre initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions which are measured at either the exchange or carrying amount.

The Centre subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value are recognized in excess of revenues over expenses.

Financial assets measured at cost or amortized cost include cash, short term investments and grants/funding and other receivables. Financial liabilities measured at cost or amortized cost include accounts payable, accrued liabilities.

3. SHORT TERM INVESTMENTS

The Centre holds \$51,568 in a guaranteed investment certificate ("GIC") yielding interest of 0.5% per annum and with a maturity date of August 26, 2017. As at March 31, 2017, interest accrued on the short term investments is \$154 (2016- \$173) and is included in grants/funding and other receivables.

Scarborough Women's Centre
Notes to Financial Statements
March 31, 2017

4. DEFERRED CONTRIBUTIONS

| | 2017 | 2016 |
|---|-----------|-----------|
| Funding for special projects: | | |
| Balance, beginning of year | 88,784 | 64,356 |
| Less: Amount recognized as revenue in the year | (99,000) | (129,692) |
| Plus: Amount received related to the special projects | 70,144 | 154,120 |
| Balance, end of year | 59,928 | 88,784 |
| Funding for core activities: | | |
| Balance, beginning of year | 9,000 | 12,500 |
| Less: Amount recognized as revenue in the year | (9,000) | (12,500) |
| Plus: Amount received related to the following year | 0.00 | 9,000 |
| Balance, end of year | 0.00 | 9,000 |
| Total deferred revenue | \$ 59,928 | \$ 97,784 |

5. LINE OF CREDIT

The Centre has a credit line facility with the bank in the amount of \$10,000, which bears interest at the rate of prime plus 1.75% per annum. As at March 31, 2017, the Centre has not drawn on this credit facility.

6. COMMITMENT

The Centre is committed to an operating lease agreement for office space. The term of the lease is for a period of five years from July 1, 2013 to June 30, 2018. The minimum rent under the agreement for the upcoming fiscal years is as follows:

| | |
|------|-----------|
| 2017 | 40,385 |
| 2018 | 40,385 |
| 2019 | 10,096 |
| | \$ 90,866 |

7. FINANCIAL RISK FACTORS

The Centre's financial risk exposure and the impact of the Centre's financial instruments are summarized below:

(a) Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss.

The Centre's credit risk is attributed to its grants/funding and other receivable. Grants/funding and other receivables consist of amount due from fundraising activities, and a portion of grants held back. Management considers credit risk to be low.

(b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising the funds to meet commitment associated with financial instruments.

The Centre ensures that there is sufficient cash and other short-term assets readily convertible into cash in order to meet its liabilities as they come due. The Centre's cash is held in accounts with a Canadian bank. Management considers liquidity risk to be low.

Scarborough Women's Centre
Schedule A - Core Operating Revenues and Expenses (unaudited)
Year Ended March 31, 2017

| | Administration | Education | Information | Social Action | Support | 2017 Total | 2016 Total |
|---|----------------|-----------|-------------|---------------|---------|------------|------------|
| Revenue | | | | | | | |
| Government- fees and grants | | | | | | | |
| City of Toronto | 27,266 | 13,870 | 5,020 | - | 29,797 | 75,953 | 65,275 |
| Provincial | 1,500 | 47,519 | - | - | 48,000 | 97,019 | 97,019 |
| Federal | 4,448 | - | 3,514 | - | - | 7,962 | 9,238 |
| | 33,214 | 61,389 | 8,534 | - | 77,797 | 180,934 | 171,532 |
| United Way | | | | | | | |
| Designated donations | 1,417 | - | - | - | - | 1,417 | 2,141 |
| | 1,417 | - | - | - | - | 1,417 | 2,141 |
| Other revenue | | | | | | | |
| Foundations | 35,683 | 10,845 | 2,957 | 833 | 22,180 | 72,498 | 59,711 |
| Fundraising and donations | 20,421 | 1,990 | - | 6,690 | 13,750 | 42,851 | 44,895 |
| Membership fees | 404 | - | - | - | - | 404 | 160 |
| Interest income | 117 | - | - | - | - | 117 | 430 |
| | 56,625 | 12,835 | 2,957 | 7,523 | 35,930 | 115,870 | 105,196 |
| | 91,256 | 74,224 | 11,491 | 7,523 | 113,727 | 298,221 | 278,869 |
| Expenses | | | | | | | |
| Personnel expenses | | | | | | | |
| Salaries | 55,765 | 34,551 | 9,764 | 6,488 | 79,706 | 186,274 | 181,462 |
| Employee benefits | 6,111 | 5,117 | 1,228 | 983 | 10,670 | 24,109 | 20,560 |
| Staff travel and meeting | 711 | 61 | 6 | 12 | 6 | 796 | 865 |
| Staff training | - | - | - | - | 182 | 182 | 550 |
| | 62,587 | 39,729 | 10,998 | 7,483 | 90,564 | 211,361 | 203,437 |
| Other expenses | | | | | | | |
| Building occupancy | 13,287 | 13,734 | - | - | 13,733 | 40,754 | 38,314 |
| Purchased services | 19,339 | 12,767 | - | - | 3,747 | 35,853 | 38,943 |
| Office expenses | 3,254 | 3,207 | - | 20 | 2,494 | 8,975 | 8,529 |
| Program expenses | - | 1,725 | 493 | 20 | 850 | 3,088 | 2,954 |
| Promotion and publicity | - | 2,551 | - | - | 1,661 | 4,212 | 3,082 |
| Other expenditures | 321 | 456 | - | - | 456 | 1,233 | 1,335 |
| Office equipment purchased | - | - | - | - | - | - | 1,000 |
| Fundraising expenses | 795 | 5 | - | - | - | 800 | 865 |
| Volunteer expenses | 83 | - | - | - | 162 | 245 | 378 |
| Dues | 150 | 50 | - | - | 60 | 260 | 289 |
| Administration (recovery) | (12,830) | - | - | - | - | (12,830) | (28,650) |
| | 24,399 | 34,495 | 493 | 40 | 23,163 | 82,590 | 67,039 |
| | 86,986 | 74,224 | 11,491 | 7,523 | 113,727 | 293,951 | 270,476 |
| Excess of revenues over expenses | \$ 4,270 | \$ - | \$ - | \$ - | \$ - | \$ 4,270 | \$ 8,393 |

Scarborough Women's Centre
Schedule B - Special Projects Revenues and Expenses (unaudited)
Year Ended March 31, 2017

| | Young Women's Outreach | Expanding the Reach | 2017 Total | 2016 Total |
|---|---------------------------|------------------------|------------|------------|
| Revenue | | | | |
| Government- fees and grants | | | | |
| City of Toronto | - | - | - | 71,782 |
| Federal | 3,514 | 3,530 | 7,044 | - |
| | 3,514 | 3,530 | 7,044 | 71,782 |
| Other revenue | | | | |
| Foundations | 39,553 | 29,302 | 68,855 | 52,790 |
| Fundraising and donations | 23,000 | 100 | 23,100 | 5,120 |
| | 62,553 | 29,402 | 91,955 | 57,910 |
| | 66,067 | 32,932 | 98,999 | 129,692 |
| Expenses | | | | |
| Personnel expenses | | | | |
| Salaries | 46,175 | 21,078 | 67,253 | 74,759 |
| Employee benefits | 7,087 | 3,615 | 10,702 | 12,400 |
| Staff travel and meeting | 150 | - | 150 | 297 |
| Staff training | 75 | - | 75 | 100 |
| | 53,487 | 24,693 | 78,180 | 87,556 |
| Other expenses | | | | |
| Program expenses | 877 | 2,425 | 3,302 | 6,393 |
| Administration | 8,210 | 4,620 | 12,830 | 28,650 |
| Promotion and publicity | 1,011 | 278 | 1,289 | 731 |
| Building occupancy | 2,130 | 350 | 2,480 | 3,980 |
| Volunteer expenses | - | 100 | 100 | 410 |
| Purchased services | - | 432 | 432 | 1,368 |
| Office equipment purchased | - | - | - | 600 |
| Office expenses | 217 | 30 | 247 | - |
| Other expenditures | 135 | - | 135 | - |
| Fundraising expenses | - | 4 | 4 | 4 |
| | 12,580 | 8,239 | 20,819 | 42,136 |
| | 66,067 | 32,932 | 98,999 | 129,692 |
| Excess of revenues over expenses | \$ - | \$ - | \$ - | \$ - |

Note: The grants received for the operation of the various special projects are restricted for the use of the individual project and are not available for general operations.