

**DOORSTEPS NEIGHBOURHOOD SERVICES**

**(a non-profit organization)**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2014**

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**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of Doorsteps Neighbourhood Services, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, 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 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 December 31, 2014, 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.

Toronto, Ontario.  
June 12, 2015.

Respectfully submitted,  
  
CHARTERED ACCOUNTANTS.  
Licensed Public Accountants.

**DOORSTEPS NEIGHBOURHOOD SERVICES**

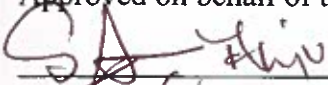
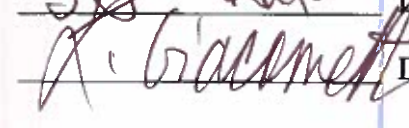
(a non-profit organization)

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2014**

|  | 2014              | 2013              |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| Current  |                   |                   |
| Cash   | \$ 124,945        | \$ 140,925        |
| Temporary investments                                    | 9,063             | 15,000            |
| Grants receivable  | 50,632            | 16,239            |
| Prepaid expenses and sundry assets                       | <u>23,991</u>     | <u>15,120</u>     |
|  | 208,631           | 187,284           |
| Capital - at cost less accumulated amortization (note 3) | <u>12,225</u>     | <u>18,338</u>     |
|  | <u>\$ 220,856</u> | <u>\$ 205,622</u> |
| <b>LIABILITIES</b>                                       |                   |                   |
| Current  |                   |                   |
| Accounts payable and accrued liabilities                 | \$ 34,588         | \$ 46,010         |
| Deferred revenue (note 4)                                | 85,438            | 61,023            |
| Current portion of capital contributions from funders    | <u>6,113</u>      | <u>6,113</u>      |
|  | 126,139           | 113,146           |
| Capital contributions from funders (note 5)              | <u>6,112</u>      | <u>12,225</u>     |
|  | <u>132,251</u>    | <u>125,371</u>    |
| <b>NET ASSETS</b>  |                   |                   |
| Contingency reserve                                      | 42,000            | 42,000            |
| Unrestricted net assets                                  | <u>46,605</u>     | <u>38,251</u>     |
|  | <u>88,605</u>     | <u>80,251</u>     |
|  | <u>\$ 220,856</u> | <u>\$ 205,622</u> |

Approved on behalf of the Board:

 Director  
 Director

Lease Commitment (note 6)

Contingent Liability (note 9)

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

**DOORSTEPS NEIGHBOURHOOD SERVICES**

**(a non-profit organization)**

**STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED TO DECEMBER 31, 2014**

|                                    | Contingency<br>reserve | Unrestricted<br>net assets | 2014<br>Total    | 2013<br>Total    |
|------------------------------------|------------------------|----------------------------|------------------|------------------|
| <b>BALANCE</b> - Beginning of year | \$ 42,000              | \$ 38,251                  | \$ 80,251        | \$ 68,731        |
| - Excess of revenues over expenses | <u>-</u>               | <u>8,354</u>               | <u>8,354</u>     | <u>11,520</u>    |
| <b>BALANCE</b> - End of year       | \$ <u>42,000</u>       | \$ <u>46,605</u>           | \$ <u>88,605</u> | \$ <u>80,251</u> |

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

# DOORSTEPS NEIGHBOURHOOD SERVICES

(a non-profit organization)

## STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2014

|   | 2014            | 2013             |
|---|-----------------|------------------|
| <b>REVENUES</b>   |                 |                  |
| Grants  |                 |                  |
| Federal - Human Resources Development                           | \$ 16,956       | \$ 20,423        |
| - New Horizons for Seniors                                      | 6,249           | 18,750           |
| Provincial - Ministry of Tourism, Culture and Sport             | 121,189         | 74,577           |
| City of Toronto   |                 |                  |
| Community Service Partnerships (CSP) Program                    | 122,755         | 120,095          |
| Children's Services (see Schedule of Supplementary Information) | 87,582          | 80,564           |
| Toronto Employment Social Services                              | 26,262          | 47,601           |
| Other   | 2,464           | 20,788           |
| United Way of Greater Toronto                                   |                 |                  |
| Membership allocation   | 200,802         | 200,899          |
| Other short-term grants   | -               | 8,700            |
| Foundations   | 109,314         | 175,055          |
| Other funders   | 25,918          | 36,951           |
| Fees from users   | 20,780          | 24,286           |
| Fundraising and donations                                       | 12,479          | 30,226           |
| Memberships   | 2,765           | 860              |
| Investment income   | 560             | 111              |
| Other income - net  | <u>(5,756)</u>  | <u>1,245</u>     |
|   | <u>750,319</u>  | <u>861,131</u>   |
| <b>EXPENSES</b>   |                 |                  |
| Wages and wage costs  | 493,487         | 642,917          |
| Professional fees   | 99,578          | 42,843           |
| Program expenses  | 53,932          | 58,058           |
| Building occupancy  | 38,179          | 41,150           |
| Office and general  | 18,928          | 18,453           |
| Telecommunications  | 12,389          | 13,515           |
| Staff expenses  | 9,553           | 10,575           |
| Insurance   | 5,506           | 6,020            |
| Bank charges  | 4,889           | 4,836            |
| Organizational meetings   | 4,605           | 2,921            |
| Fundraising expenses  | 473             | 4,099            |
| Volunteer expenses  | 446             | 1,864            |
| Small equipment   | -               | <u>2,360</u>     |
|   | <u>741,965</u>  | <u>849,611</u>   |
| <b>EXCESS OF REVENUES OVER EXPENSES</b>                         | <u>\$ 8,354</u> | <u>\$ 11,520</u> |

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

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**DOORSTEPS NEIGHBOURHOOD SERVICES**

**(a non-profit organization)**

**SCHEDULE OF SUPPLEMENTARY INFORMATION**

**CITY OF TORONTO - CHILDREN'S SERVICES**

**YEAR ENDED DECEMBER 31, 2014**

|   | 2014          | 2013          |
|---|---------------|---------------|
| <b>REVENUES</b>                         |               |               |
| Program                                 | \$ 61,141     | \$ 52,808     |
| Pay equity                              | 14,457        | 15,104        |
| Wage subsidy                            | <u>11,984</u> | <u>12,652</u> |
|   | <u>87,582</u> | <u>80,564</u> |
| <b>EXPENSES</b>                         |               |               |
| Salaries                                | 67,030        | 73,803        |
| Program                                 | 15,750        | 5,261         |
| Administration                          | <u>4,802</u>  | <u>1,500</u>  |
|   | <u>87,582</u> | <u>80,564</u> |
| <b>EXCESS OF REVENUES OVER EXPENSES</b> | <u>\$ -</u>   | <u>\$ -</u>   |

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

**DOORSTEPS NEIGHBOURHOOD SERVICES**

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**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2014**

|   | 2014              | 2013              |
|---|-------------------|-------------------|
| Cash and cash equivalents provided (used):                      |                   |                   |
| Operating activities:   |                   |                   |
| Excess (deficiency) of revenues over expenses                   | \$ <u>8,354</u>   | \$ <u>11,520</u>  |
| Changes in non-cash working capital                             |                   |                   |
| (Increase) decrease in funding receivable                       | (34,393)          | 46,655            |
| Increase (decrease) in accounts payable and accrued liabilities | (11,422)          | 28,860            |
| Increase (decrease) in deferred revenue                         | 24,415            | (358)             |
| (Increase) decrease in prepaid expenses and sundry assets       | <u>(8,871)</u>    | <u>4,938</u>      |
|   | <u>(30,271)</u>   | <u>80,895</u>     |
| Cash flow from operating activities:                            | <u>(21,917)</u>   | <u>91,615</u>     |
| Cash flow from investing activities:                            |                   |                   |
| Increase in temporary investments                               | <u>5,937</u>      | <u>35,000</u>     |
| Net increase (decrease) in cash and cash equivalents            | (15,980)          | 126,615           |
| <b>CASH AND CASH EQUIVALENTS - Beginning of year</b>            | <u>140,925</u>    | <u>14,310</u>     |
| <b>CASH AND CASH EQUIVALENTS - End of year</b>                  | \$ <u>124,945</u> | \$ <u>140,925</u> |

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



# **DOORSTEPS NEIGHBOURHOOD SERVICES**

**(a non-profit organization)**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

### **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 CICA Handbook.

#### **(a) PURPOSE OF THE ORGANIZATION**

The purpose of the Centre is to establish and operate community and family centres in the northwest area of the City of Toronto, Ontario, providing services, including but not limited to the following:

Supportive services for seniors, youth, children and families, shut-ins and the disabled;

Education, language, employment and counselling services for needy immigrants;

Employment, training and supportive services for the unemployed, particularly sole-support parents and other re-entering the job market after a term of absence; and

Workshops, programs and recreation for the benefit of the general public.

The Centre 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 892944190RR0001 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) GRANTS RECEIVABLE**

Receipts for all grants are recorded in these financial statements on the accrual basis. Therefore, the amounts recorded in these financial statements may or may not correspond to the actual amounts received during the fiscal year.

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# DOORSTEPS NEIGHBOURHOOD SERVICES

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## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

...Continued

### (d) AMORTIZATION

Amortization of the capital assets has been provided at the following annual rates, consistent with those of the prior year:

|            |   |                            |
|------------|---|----------------------------|
| Leaseholds | - | 5 year straight-line basis |
| Equipment  | - | 5 year straight-line basis |
| Computers  | - | 5 year straight-line basis |

### (e) AMORTIZATION OF CAPITAL CONTRIBUTIONS FROM FUNDERS

Funds received for the acquisition of capital assets are deferred in the accounts and amortized on the same basis as the related capital assets.

### (f) CONTRIBUTED MATERIALS AND SERVICES

The organization does not account for contributed materials and services.

### (g) 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.

### (h) REVENUE RECOGNITION

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

### (i) 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, temporary investments and grants receivable.

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

Continued...

# DOORSTEPS NEIGHBOURHOOD SERVICES

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## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

...Continued

### 2. 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.

### 3. CAPITAL ASSETS

|            | Cost             | Accumulated<br>Amortization | 2014<br>Net      | 2013<br>Net      |
|------------|------------------|-----------------------------|------------------|------------------|
| Leaseholds | \$ 18,100        | \$ 10,860                   | \$ 7,240         | \$ 10,860        |
| Computers  | 11,425           | 6,855                       | 4,570            | 6,855            |
| Equipment  | <u>1,039</u>     | <u>624</u>                  | <u>415</u>       | <u>623</u>       |
|            | \$ <u>30,564</u> | \$ <u>18,339</u>            | \$ <u>12,225</u> | \$ <u>18,338</u> |

### 4. DEFERRED REVENUE

Deferred revenue represents grants received relating to future periods and consists of the following:

|  | 2014             | 2013             |
|--|------------------|------------------|
| Federal - New Horizon For Seniors Program      | \$ -             | \$ 6,250         |
| Provincial - After School Program              | -                | 25,000           |
| City of Toronto - family resource centre       | 14,678           | 13,202           |
| - wage subsidy and pay equity                  | 5,939            | 6,939            |
| The Ontario Trillium Foundation                | 59,750           | 5,000            |
| Jane/Finch Community and Family Centre (YWOEY) | <u>5,071</u>     | <u>4,632</u>     |
|  | \$ <u>85,438</u> | \$ <u>61,023</u> |

As per explanation provided by the management, the funding received from The Ontario Trillium Foundation has been deferred to the extent of \$59,750 as it was not utilized in 2014. Some programs were not running from September to December, 2014 due to delays in partnership agreements. Currently all the programs have been running successfully since January, 2015.

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**DOORSTEPS NEIGHBOURHOOD SERVICES**

**(a non-profit organization)**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

...Continued

**5. DEFERRED CAPITAL CONTRIBUTIONS FROM FUNDERS**

Deferred capital contributions from funders represents the unamortized amount of contributions received for the purchase of capital assets.

**6. LEASE COMMITMENT**

As at December 31, 2014 the organization is obligated under the terms of its lease on its premises requiring annual aggregate payments, exclusive of HST, and additional rent as follows:

|        |           |
|--------|-----------|
| 2015 - | \$ 24,686 |
| 2016 - | 18,265    |
| 2017 - | 16,743    |

**7. PAY EQUITY**

The Centre received \$26,441; 2013 - \$27,756 in pay equity funding which was distributed to employees. The amounts are included in revenue with an offsetting amount included in salaries and benefits.

**8. RECLASSIFICATION OF ACCOUNTS**

Certain of the 2013 comparative figures have been reclassified to conform with the 2014 financial statement presentation. There is no effect on the excess of revenues over expenses.

**9. CONTINGENT LIABILITY**

The organization is contingently liable for a potential claim by a former employee for wrongful dismissal, the amount of the former employee's demand is approximately \$120,000. However, a formal claim has not yet been commenced against the organization and the amount of actual damages the organization may be liable for cannot be determined as of the date of these financial statements.