

DOORSTEPS NEIGHBOURHOOD SERVICES

(a non-profit organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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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, 2015, and the statements of financial position, 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 December 31, 2015, 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,

Berman, Lofchick & Lum, LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

Toronto, Ontario
May 17, 2016.

DOORSTEPS NEIGHBOURHOOD SERVICES

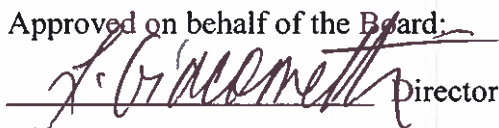
(a non-profit organization)


STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

	2015	2014
ASSETS		
Current		
Cash	\$ 91,895	\$ 124,945
Accounts receivable	25,457	-
Temporary investments	9,153	9,063
Grants receivable	9,171	50,632
Prepaid expenses and sundry assets	<u>17,904</u>	<u>23,991</u>
	153,580	208,631
Capital - at cost less accumulated amortization (note 3)	<u>6,112</u>	<u>12,225</u>
	\$ <u>159,692</u>	\$ <u>220,856</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 39,597	\$ 34,588
Deferred revenue (note 4)	17,039	85,438
Current portion of capital contributions from funders	<u>6,112</u>	<u>6,113</u>
	62,748	126,139
Capital contributions from funders (note 5)	<u>-</u>	<u>6,112</u>
	<u>62,748</u>	<u>132,251</u>
NET ASSETS		
Contingency reserve	42,000	42,000
Unrestricted net assets	<u>54,944</u>	<u>46,605</u>
	<u>96,944</u>	<u>88,605</u>
	\$ <u>159,692</u>	\$ <u>220,856</u>

Approved on behalf of the Board:

 Director

 Director

Lease Commitment (note 6)

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

DOORSTEPS NEIGHBOURHOOD SERVICES

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STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED TO DECEMBER 31, 2015

	Contingency reserve	Unrestricted net assets	2015 Total	2014 Total
BALANCE - Beginning of year	\$ 42,000	\$ 46,605	\$ 88,605	\$ 80,251
- Excess of revenues over expenses	<u>-</u>	<u>8,339</u>	<u>8,339</u>	<u>8,354</u>
BALANCE - End of year	\$ <u>42,000</u>	\$ <u>54,944</u>	\$ <u>96,944</u>	\$ <u>88,605</u>

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

DOORSTEPS NEIGHBOURHOOD SERVICES

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STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2015

	2015	2014
REVENUES		
Grants		
Federal - Human Resources Development	\$ 9,705	\$ 16,956
- New Horizons for Seniors	-	6,249
Provincial - Ministry of Tourism, Culture and Sport	90,155	121,189
City of Toronto		
Community Service Partnerships (CSP) Program	125,350	122,755
Children's Services (see Schedule of Supplementary Information)	90,211	87,582
Toronto Employment Social Services	43,843	26,262
Other	20,548	2,464
United Way of Greater Toronto		
Membership allocation	205,802	200,802
Foundations	95,936	109,314
Other funders	26,297	25,918
Fees from users	23,408	20,780
Fundraising and donations	20,749	12,479
Memberships	550	2,765
Investment income	91	560
Other income - net	<u>700</u>	<u>(5,756)</u>
	<u>753,345</u>	<u>750,319</u>
EXPENSES		
Wages and wage costs	582,464	493,487
Professional fees	56,930	99,578
Program expenses	37,738	53,932
Office and general	19,367	18,928
Building occupancy	19,041	38,179
Staff expenses	9,229	9,553
Telecommunications	8,933	12,389
Insurance	5,799	5,506
Bank charges	2,966	4,889
Organizational meetings	2,515	4,605
Volunteer expenses	24	446
Fundraising expenses	<u>-</u>	<u>473</u>
	<u>745,006</u>	<u>741,965</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u>8,339</u>	\$ <u>8,354</u>

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

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SCHEDULE OF SUPPLEMENTARY INFORMATION

CITY OF TORONTO - CHILDREN'S SERVICES

YEAR ENDED DECEMBER 31, 2015

	2015	2014
REVENUES		
Program	\$ 62,455	\$ 61,141
Pay equity	15,104	14,457
Wage subsidy	<u>12,652</u>	<u>11,984</u>
	<u>90,211</u>	<u>87,582</u>
EXPENSES		
Salaries	84,792	67,030
Program	3,665	15,750
Administration	<u>1,890</u>	<u>4,802</u>
	<u>90,347</u>	<u>87,582</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ <u>(136)</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, 2015

	2015	2014
Cash and cash equivalents provided (used):		
Operating activities:		
Excess of revenues over expenses	\$ <u>8,339</u>	\$ <u>8,354</u>
Changes in non-cash working capital		
Increase in accounts receivable	(25,457)	-
(Increase) decrease in funding receivable	41,461	(34,393)
Increase (decrease) in accounts payable and accrued liabilities	5,009	(11,422)
Increase (decrease) in deferred revenue	(68,399)	24,415
(Increase) decrease in prepaid expenses and sundry assets	<u>6,087</u>	<u>(8,871)</u>
	<u>(41,299)</u>	<u>(30,271)</u>
Cash flow from operating activities:	<u>(32,960)</u>	<u>(21,917)</u>
Cash flow from investing activities:		
(Increase) decrease in temporary investments	<u>(90)</u>	<u>5,937</u>
Net decrease in cash and cash equivalents	(33,050)	(15,980)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>124,945</u>	<u>140,925</u>
CASH AND CASH EQUIVALENTS - End of year	\$ <u>91,895</u>	\$ <u>124,945</u>

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

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DOORSTEPS NEIGHBOURHOOD SERVICES

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

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

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, 2015

...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 year 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.

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DOORSTEPS NEIGHBOURHOOD SERVICES

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

...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 Amortization	2015 Net	2014 Net
Leaseholds	\$ 18,100	\$ 14,480	\$ 3,620	\$ 7,240
Computers	11,425	9,140	2,285	4,570
Equipment	<u>1,039</u>	<u>832</u>	<u>207</u>	<u>415</u>
	\$ <u>30,564</u>	\$ <u>24,452</u>	\$ <u>6,112</u>	\$ <u>12,225</u>

4. DEFERRED REVENUE

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

	2015	2014
Provincial - Seniors Affairs	\$ 8,000	\$ -
City of Toronto - student nutrition	1,751	-
- family resource centre	-	14,678
- wage subsidy and pay equity	-	5,939
TD Friends of the Environment	5,000	-
Fundraising and donations	2,288	-
The Ontario Trillium Foundation	-	59,750
Jane/Finch Community and Family Centre (YWOEY)	<u>-</u>	<u>5,071</u>
	\$ <u>17,039</u>	\$ <u>85,438</u>

Continued.

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DOORSTEPS NEIGHBOURHOOD SERVICES

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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, 2015 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:

2016 -	\$ 18,265
2017 -	16,743

7. PAY EQUITY

The Centre received \$29,014; 2014 - \$26,441 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. SUBSEQUENT EVENT

The organization is currently in settlement with a former employee. The amount of the settlement is \$50,000, terms are being negotiated.