

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION

**FINANCIAL STATEMENTS
MARCH 31, 2015**

**M. GUERRERO AND ASSOCIATES LTD.
Chartered Professional Accountant**

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2015

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M. GUERRERO AND ASSOCIATES LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Members of the Downtown Eastside Women's Centre Association:

I have audited the accompanying financial statements of the the Downtown Eastside Women's Centre Association, which comprise of the statement of financial position as at March 31, 2015 and the statements of operations, changes in net assets, and of 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives a part of its revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Society and I was not able to determine whether any adjustments might be necessary to donations and fundraising activities revenues, excess of revenues over expenses, assets and net assets.

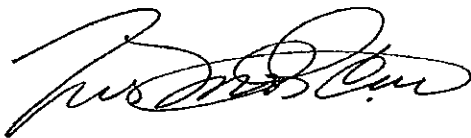
Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Downtown Eastside Women's Centre Association as at March 31, 2015 , and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society Act, I report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the previous year.

CHARTERED PROFESSIONAL ACCOUNTANT



Coquitlam, British Columbia

August 20, 2015

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Statement of Financial Position
As at March 31, 2015


	Legacy Fund	Operating Fund	Capital Asset Fund	2015	2014
ASSETS					
CURRENT					
Cash	\$ -	\$ 222,330	\$ -	\$ 222,330	\$ 341,631
Accounts receivable	-	32,035	-	32,035	27,651
Term deposits	40,000	170,000	-	210,000	140,000
Goods and services tax recoverable	-	9,266	-	9,266	6,212
Prepaid expenses	-	7,637	-	7,637	6,712
	40,000	441,268	-	481,268	522,206
CAPITAL ASSETS (Note 5)	-	-	64,174	64,174	80,571
	\$ 40,000	\$ 441,268	\$ 64,174	\$ 545,442	\$ 602,777


LIABILITIES AND NET ASSETS


CURRENT					
Accounts payable - trade	\$ -	\$ 111,393	\$ -	\$ 111,393	\$ 152,161
Accrued liabilities	-	9,500	-	9,500	9,635
Deferred revenue (Note 6)	-	181,001	-	181,001	154,874
Deferred contributions related to capital assets (Note 12)	-	25,080	-	25,080	29,260
	-	326,974	-	326,974	345,930
NET ASSETS					
Invested in capital assets	-	-	64,174	64,174	80,571
Unrestricted	-	114,294	-	114,294	136,276
Restricted (Note 4)	40,000	-	-	40,000	40,000
	40,000	114,294	64,174	218,468	256,847
	\$ 40,000	\$ 441,268	\$ 64,174	\$ 545,442	\$ 602,777

Lease commitments (Note 7)

APPROVED ON BEHALF OF THE BOARD:


 Director




 Director

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Statement of Operations and Changes in Net Assets
For the year ended March 31, 2015

	Legacy Fund	Operating Fund	Capital Asset Fund	2015	2014
					(Note 14)
REVENUE					
Charities & community groups (Note 10)	-	\$ 102,792	-	\$ 102,792	\$ 72,807
Donations	-	94,028	-	94,028	109,910
Donations in-kind	-	66,936	-	66,936	11,936
Elders council fund	-	3,553	-	3,553	259
Foundation revenue (Note 9)	-	66,293	-	66,293	53,854
Gaming revenue	-	140,000	-	140,000	143,000
Grants and contracts (Note 8)	-	1,993,232	\$ -	1,993,232	1,829,443
Legacy fund	-	-	-	-	1,000
Memorial fund (Note 11)	-	3,858	-	3,858	1,405
Other	-	11,915	-	11,915	21,327
Amortization of deferred contributions related to capital assets (Note 12)	-	-	4,180	4,180	4,180
	-	2,482,607	4,180	2,486,787	2,249,121
EXPENSES					
Amortization	-	-	28,923	28,923	30,739
Audit fees	-	9,500	-	9,500	9,400
Bookkeeping	-	30,007	-	30,007	27,171
Conferences, fees and staff development	-	579	-	579	229
Facilities	-	56,176	-	56,176	58,698
Food	-	368,564	-	368,564	220,608
Fundraising	-	1,807	-	1,807	3,429
Human resources	-	59,363	-	59,363	57,013
Insurance	-	8,208	-	8,208	7,520
Office and miscellaneous	-	34,292	-	34,292	27,096
Program costs	-	188,854	-	188,854	90,734
Salaries and compensation	-	1,723,363	-	1,723,363	1,694,755
Travel	-	15,530	-	15,530	26,621
	-	2,496,243	28,923	2,525,166	2,254,013
Loss on disposition of vehicle			-	-	90
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES		(13,636)	(24,743)	(38,379)	(4,982)
NET ASSETS, beginning of year	40,000	136,276	80,571	256,847	261,829
Capital asset acquisitions	-	(8,346)	8,346	-	-
NET ASSETS, end of year	\$ 40,000	\$ 114,294	\$ 64,174	\$ 218,468	\$ 256,847

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

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ (38,379)	\$ (4,982)
Add non-cash transaction - amortization	28,923	30,739
Amortization of deferred contributions related to capital assets	4,180	4,180
	<u>(5,276)</u>	<u>29,937</u>
Changes in non-cash working capital items:		
Accounts receivable	(4,384)	20,489
Goods and services tax recoverable	(3,054)	13,567
Prepaid expenses	(925)	(1,563)
Accounts payable - trade	(40,769)	20,250
Accrued liabilities	(135)	510
Deferred revenue	26,128	4,896
	<u>(28,415)</u>	<u>88,086</u>
INVESTING ACTIVITIES		
Term deposits	(70,000)	(100,000)
Deferred contributions related to capital assets	(8,360)	(8,360)
Acquisition of capital assets	(12,526)	(1,493)
	<u>(90,886)</u>	<u>(109,853)</u>
Net cash derived from (used in) investing activities	(90,886)	(109,853)
NET CHANGE IN CASH DURING THE YEAR	(119,301)	(21,767)
CASH AND CASH EQUIVALENTS, beginning of year	341,631	363,398
CASH AND CASH EQUIVALENTS, end of year	\$ 222,330	\$ 341,631
CASH AND CASH EQUIVALENTS REPRESENTED BY:		
Petty cash	\$ 2,036	\$ 2,400
VanCity - Operating	196,366	335,645
VanCity - Legacy fund	3,810	2,489
VanCity - HOP	19,000	-
Vancity Gaming	297	304
Vancity Gaming shares	821	793
	<u>\$ 222,330</u>	<u>\$ 341,631</u>

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

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Notes to the Financial Statements
March 31, 2015

1. PURPOSES OF THE SOCIETY

The Downtown Eastside Women's Centre Association (the "Society"), was incorporated on March 21, 1978 under the laws of the Society Act of British Columbia as a not-for-profit organization. The purposes of the Society are to provide a comfortable environment for women in the Downtown Eastside area of Vancouver which includes an alternative to poor housing, recreation, and self help rehabilitation programs; to provide resource referrals; to educate the general public as to conditions and issues concerning women in the area, and to work toward constructive social change.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Fund accounting

The Society uses the deferral method with fund accounting. The major funds are described below:

Operating Fund - The operating fund accounts for the Society's program delivery and administrative activities, including all fundraising revenues and costs. This fund represents unrestricted resources.

Capital Asset Fund - Expenditures of an enduring nature have been recorded as expenditures in the operating fund and as additions to the capital asset fund where they are amortized over their expected useful lives.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Amortization

Amortization is recorded in the capital asset fund using the declining balance method at the following annual rates:

Furniture and equipment	20%
Computer equipment	30% - 55%
Leasehold improvements	5 year straight line
Vehicles	30%
Telephone system	5 year straight line
Musical instruments	5 year straight line

In the year of acquisition, amortization is recorded at one-half the normal rate.

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Notes to the Financial Statements
March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments

The Society classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired or liability incurred. The Society's accounting policy for each category is as follows:

Assets held for trading

Financial instruments classified as assets held for trading are reported at fair value at each balance sheet date, and any change in fair value is recognized in net income(loss) in the period during which the change occurs. Transaction costs are expensed when incurred. In these statements, there are no assets classified as held for trading.

Available for sale investments

Financial instruments classified as available-for-sale are reported at fair value at each balance sheet date, and any change in fair value is recognized in net assets in the period in which the change occurs. In these financial statements, there are no assets as available-for-sale investments.

Held to maturity investments

Financial instruments classified as held to maturity are financial assets with fixed or determinable payments and fixed maturities that the organization's management has the positive intention and ability to hold to maturity. These assets are initially recorded at fair value and subsequently carried at amortized cost, using the effective interest rate method. Transaction costs are included in the amount initially recognized. In these financial statements, term deposits are classified as held to maturity.

Loans, receivables and other financial liabilities

Financial instruments classified as loans, receivables and other financial liabilities are carried at amortized cost using the effective interest rate method. Transaction costs are expensed when incurred.

In these financial statements, accounts receivable have been classified as loans and receivables and accounts payable and accrued liabilities have been classified as other financial liabilities.

The carrying value of cash and term deposits, accounts receivable, deferred revenue, accounts payable and accrued liabilities approximate fair value because of the short maturity of these financial instruments. The Society is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and liabilities. The Society is not exposed to significant credit risk with respect to its receivables as they were substantially received by the audit report date.

Deferred revenue

Gaming funds received are earmarked for certain projects and are recognized as revenue when the project expenditures are incurred. Grants, contracts and foundation revenue are treated in the same manner.

Volunteers and donated goods

The operation of the Downtown Eastside Women's Centre is dependent on both voluntary services and donated goods from members and other individuals and organizations. Donated services are not recognized in these financial statements.

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Notes to the Financial Statements
March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Use of estimates

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's knowledge of current events and actions the Society may undertake in the future, actual results may differ from the estimates.

Income taxes

Income taxes are not reflected in the financial statements as the Society is a charitable organization and is exempt from income tax under Section 149(1)(l) of the Income Tax Act.

3. LINE OF CREDIT

The Society has an authorized line of credit in the amount of \$50,000 with Vancity City Savings Credit Union. Advances on the line of credit are payable on demand and bear interest at prime plus 1.50% per annum. The line of credit has not been used as at March 31, 2015.

4. RESTRICTED NET ASSETS - LEGACY FUND

In 2010, the 10 year trust with the Vancity Community Foundation expired and the funds were transferred in to the operating bank account of the Society. The Board of Directors established a Legacy account for this fund, in order that the original purpose of the monies be maintained. The purpose of the fund is to help build financial independence. The fund is therefore restricted and cannot be used for the day to day operational costs.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2015 Net	2014 Net
Furniture and equipment	\$ 211,931	\$ 191,115	\$ 20,816	\$ 26,019
Shelter - furniture and equipment	40,127	20,263	19,864	23,661
Computer equipment	53,967	47,541	6,426	5,972
Leasehold improvements	73,478	66,923	6,555	21,251
Telephone system	18,932	8,419	10,513	3,668
	\$ 398,435	\$ 334,261	\$ 64,174	\$ 80,571

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Notes to the Financial Statements
March 31, 2015

6. DEFERRED REVENUE

Deferred revenue are funds received for certain projects and are recognized as revenue when the project expenditures are incurred. As at March 31, 2015, there were funds received and deferred as follows:

	2015	2014
BC Housing	\$ 127,648	\$ 78,833
Central City Foundation	-	5,600
Elders Counsel Fund	3,150	3,093
Government of Canada	-	20,425
Newman's Own Foundation	12,470	11,022
VCHA	31,943	31,766
Women's Memorial March Fund	5,790	4,135
	\$ 181,001	\$ 154,874

7. LEASE COMMITMENTS

Required payments for leased office equipment over the next 12 months total \$3,696 (taxes excluded). The Society renewed its premise lease in 2011 for a nominal annual rent of \$1. The new lease expires on April 30, 2016. The Society is responsible for its share of common costs.

8. GRANTS AND CONTRACTS

The amounts recognized as income represent the amount of funds received less any amount deferred to a future period if grant expenditures are not complete.

	2015	2014
BC Housing	\$1,120,241	\$ 945,996
City of Vancouver	136,832	131,988
Employment & Social Dev Canada Summer Jobs	6,015	-
Government of Canada - Canadian Heritage	49,037	63,660
HRDC	-	6,478
Ministry of Justice	-	4,969
Ministry of Justice BC (DI)	73,559	73,221
Ministry of Justice BC (VS)	56,570	55,932
Service Canada - Housing	143,029	139,356
Service Canada - New Horizon	20,425	28,587
VCHA - Advocacy and Drop in	186,639	185,825
VCHA - HIV Outreach	200,885	193,431
	\$ 1,993,232	\$1,829,443

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Notes to the Financial Statements
March 31, 2015

9. FOUNDATION REVENUE

The amounts recognized as income represent the amount of funds received less any amount deferred to a future period if planned expenditures are not complete.

	2015	2014
BC Masonic Foundation	\$ 5,000	\$ -
Canadian Breast Cancer Foundation	-	14,452
Central City Foundation	6,400	-
CHIMP Foundation	1,884	-
Freedonia	-	4,500
Leon Judah Blackmore Foundation	1,000	-
M.A.C AIDS fund	8,300	8,300
Newman's Own Foundation at Rockefeller Philanthropy Advisors	11,022	10,069
Other Foundations	77	1,533
Spencercreo Foundation	1,860	-
The Connor, Clark & Lunn Foundation	4,000	5,000
The Winnipeg Foundation	13,750	10,000
Young Foundation	13,000	-
	\$ 66,293	\$ 53,854

10. CHARITIES AND OTHER COMMUNITY GROUPS

This year the Society received donations from charities and other community groups as follows:

	2015	2014
Amme Saranam Centre for Women	\$ 27,035	\$ -
Canada Helps	33,153	28,942
Generocksity	5,649	-
Health Sciences Association of BC	6,000	6,909
Other Charities and Community Groups	15,955	16,956
The Community Arts Council of Vancouver	-	5,000
The General Synod of the Anglican Church	15,000	15,000
	\$ 102,792	\$ 72,807

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Notes to the Financial Statements
March 31, 2015

11. MEMORIAL FUND

The Memorial fund is set aside for the annual Memorial March which commemorates the missing women of the Downtown Eastside. The following is a breakdown of current and prior year expenditures:

	2015	2014
Revenue	\$ 3,858	\$ 1,405
Expenses:		
Program supplies	2,913	1,305
Subcontractors	400	100
Rent	540	-
Auto expenses and travel	5	-
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ -

12. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets present contributed capital assets and restricted contributions with which capital assets were acquired. The balance in the account is as follows:

	2015	2014
BALANCE, BEGINNING OF THE YEAR	\$ 29,260	\$ 33,440
Less: amounts amortized to revenue	(4,180)	(4,180)
BALANCE, END OF THE YEAR	\$ 25,080	\$ 29,260

13. ECONOMIC DEPENDENCE

The Society's continued activities are dependent on the year-to-year renewal of its grants and contracts with government bodies. Under the contracts, those bodies may recover surplus funds to the extent that they are not required to meet approved planned expenditures.

14. COMPARATIVE FIGURES

Comparative figures have been reclassified where applicable to conform to the current presentation.

**THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
 BC HOUSING MANAGEMENT COMMISSION
 Schedule of Revenues and Expenses
 For the year ended March 31, 2015**

	2015	2014
REVENUE		
BC Housing	\$1,120,241	\$ 945,996
In-Kind Donations		793
	1,120,241	946,789
EXPENSES		
Administration	60,707	48,422
Human resources	10,029	12,068
Maintenance and repairs	834	6,592
Office supplies	5,670	3,387
Professional fees		7
Program expenses	359,628	157,837
Salaries and compensation	680,209	717,283
Travel	3,164	1,193
	1,120,241	946,789
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ -	\$ -

NOTE: As per financial review made by BC Housing on the fiscal year ending March 31, 2013 an adjustment on the subsidy in the amount of \$921 will be reflected in the year ending March 31, 2016. The adjustment was done due to an overpayment of HST for the Small Capital Improvement Funding and the Extraordinary Expense Payment.

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
GREATER VANCOUVER REGIONAL DISTRICT ("METRO VANCOUVER")
HOUSING - SERVICE CANADA - HPS
Schedule of Revenues and Expenses
For the year ended March 31, 2015

	2015
REVENUE	
Service Canada (HPS)	\$ 143,028
Donations	24,282
	167,310
EXPENSES	
Administration	24,283
Facilities	2,779
Office supplies	3,401
Professional and consulting fees	1,962
Program costs	343
Salaries and compensation	130,626
Travel	3,916
	167,310
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ -

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

**THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
ELDERS COUNCIL FUND
Schedule of Revenues and Expenses
For the year ended March 31, 2015**

	2015
REVENUE	
Elders Council Fund	\$ 3,553
Donations	350
	3,903
EXPENSES	
Human resources	780
Professional and consulting fees	50
Program costs	2,070
Travel	1,003
	3,903
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ -

The accompanying Notes are an Integral part of these financial statements.