

**THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION**

**FINANCIAL STATEMENTS  
MARCH 31, 2016**

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

# THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION

## FINANCIAL STATEMENTS

MARCH 31, 2016

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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, 2016 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, 2016 , 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**

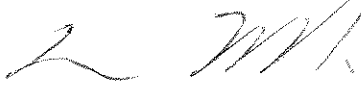
Coquitlam, British Columbia  
June 22, 2016


**THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION**  
**Statement of Financial Position**  
**As at March 31, 2016**

	Legacy Fund	Operating Fund	Capital Asset Fund	2016	2015
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ -	\$ 383,061	\$ -	\$ 383,061	\$ 222,330
Accounts receivable	-	29,300	-	29,300	32,035
Term deposits	40,000	470,000	-	510,000	210,000
Goods and services tax recoverable	-	7,817	-	7,817	9,266
Prepaid expenses	-	7,878	-	7,878	7,637
	40,000	898,056	-	938,056	481,268
<b>CAPITAL ASSETS (Note 5)</b>	-	-	56,954	56,954	64,174
	\$ 40,000	\$ 898,056	\$ 56,954	\$ 995,010	\$ 545,442
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT</b>					
Accounts payable - trade	\$ -	\$ 129,486	\$ -	\$ 129,486	\$ 111,393
Accrued liabilities	-	9,500	-	9,500	9,500
Deferred revenue (Note 6)	-	530,977	-	530,977	181,001
Deferred contributions related to capital assets ( Note 13)	-	20,900	-	20,900	25,080
	-	690,863	-	690,863	326,974
<b>NET ASSETS</b>					
Invested in capital assets	-	-	56,954	56,954	64,174
Unrestricted	-	207,193	-	207,193	114,294
Restricted (Note 4)	40,000	-	-	40,000	40,000
	40,000	207,193	56,954	304,147	218,468
	\$ 40,000	\$ 898,056	\$ 56,954	\$ 995,010	\$ 545,442

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, 2016**

	Legacy Fund	Operating Fund	Capital Asset Fund	2016	2015
					(Note15)
Charities & community groups (Note 10)	-	\$ 113,552	-	\$ 113,552	\$ 109,378
Donations	-	149,775	-	149,775	87,442
Donations in-kind	-	41,104	-	41,104	66,936
Elders council fund (Note 11)	-	3,749	-	3,749	3,553
Foundation revenue (Note 9)	-	56,037	-	56,037	66,293
Gaming revenue	-	140,000	-	140,000	140,000
Grants and contracts (Note 8)	-	2,354,182	\$ -	2,354,182	1,993,232
Memorial fund (Note 12)	-	1,870	-	1,870	3,858
Other	-	28,278	-	28,278	11,915
Amortization of deferred contributions related to capital assets (Note 13)		-	4,180	4,180	4,180
	-	2,888,547	4,180	2,892,727	2,486,787
<b>EXPENSES</b>					
Amortization	-	-	22,015	22,015	28,923
Audit fees	-	9,738	-	9,738	9,500
Bookkeeping	-	30,271	-	30,271	30,007
Conferences, fees and staff development	-	1,021	-	1,021	579
Facilities	-	68,792	-	68,792	56,176
Food	-	513,923	-	513,923	368,564
Fundraising	-	2,829	-	2,829	1,807
Human resources	-	73,097	-	73,097	59,363
Insurance	-	8,582	-	8,582	8,208
Office and miscellaneous	-	40,460	-	40,460	34,292
Program costs	-	235,115	-	235,115	188,854
Salaries and compensation	-	1,789,697	-	1,789,697	1,723,363
Travel	-	11,508	-	11,508	15,530
	-	2,785,033	22,015	2,807,048	2,525,166
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>		103,514	(17,835)	85,679	(38,379)
<b>NET ASSETS, beginning of year</b>	40,000	114,294	64,174	218,468	256,847
Capital asset acquisitions	-	(10,615)	10,615	-	-
<b>NET ASSETS, end of year</b>	\$ 40,000	\$ 207,193	\$ 56,954	\$ 304,147	\$ 218,468

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, 2016**

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 85,679	\$ (38,379)
Add non-cash transaction - amortization	22,015	28,923
Amortization of deferred contributions related to capital assets	4,180	4,180
	<b>111,874</b>	<b>(5,276)</b>
Changes in non-cash working capital items:		
Accounts receivable	2,735	(4,384)
Goods and services tax recoverable	1,449	(3,054)
Prepaid expenses	(241)	(925)
Accounts payable - trade	18,094	(40,769)
Accrued liabilities	-	(135)
Deferred revenue	349,975	26,128
<b>Net cash derived from operating activities</b>	<b>483,886</b>	<b>(28,415)</b>
<b>INVESTING ACTIVITIES</b>		
Term deposits	(300,000)	(70,000)
Deferred contributions related to capital assets	(8,360)	(8,360)
Acquisition of capital assets	(14,795)	(12,526)
<b>Net cash derived from (used in) investing activities</b>	<b>(323,155)</b>	<b>(90,886)</b>
<b>NET CHANGE IN CASH DURING THE YEAR</b>	<b>160,731</b>	<b>(119,301)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>222,330</b>	<b>341,631</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 383,061</b>	<b>\$ 222,330</b>
<b>CASH AND CASH EQUIVALENTS REPRESENTED BY:</b>		
Petty cash	\$ 2,996	\$ 2,036
VanCity - Operating	338,270	196,366
VanCity - Legacy fund	4,413	3,810
VanCity - HOP	36,242	19,000
Vancity Gaming	293	297
Vancity Gaming shares	847	821
	<b>\$ 383,061</b>	<b>\$ 222,330</b>

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, 2016**

**1. PURPOSES OF THE SOCIETY**

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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**

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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, 2016**

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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**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, 2016**

**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, 2016.

**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**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2016 Net</b>	<b>2015 Net</b>
Furniture and equipment	\$ 211,931	\$ 195,278	\$ 16,653	\$ 20,816
Shelter - furniture and equipment	41,091	24,332	16,759	19,864
Computer equipment	61,268	51,538	9,730	6,426
Leasehold improvements	78,220	74,427	3,793	6,555
Telephone system	20,721	10,700	10,021	10,513
	<b>\$ 413,231</b>	<b>\$ 356,275</b>	<b>\$ 56,956</b>	<b>\$ 64,174</b>

**THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION**  
**Notes to the Financial Statements**  
**March 31, 2016**

**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, 2016, there were funds received and deferred as follows:

	<b>2016</b>	<b>2015</b>
BC Housing	\$ 160,511	\$ 127,648
BOCCI Design & Manufacturing Inc.	83,000	-
City of Vancouver	27,345	-
Elders Counsel Fund	218	3,150
MBC	\$ 200,000	-
New Horizons	24,750	-
Newman's Own Foundation	12,946	12,470
The M.A.C.AIDS Fund	6,000	-
The Winnipeg Foundation	8,750	-
VCHA	-	31,943
Women's Memorial March Fund	6,484	5,790
Women's Philharmonic Advocacy	973	-
	<b>\$ 530,977</b>	<b>\$ 181,001</b>

**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 Society is responsible for its share of common costs. The current lease expires on April 30, 2016. At the moment a new lease has not been signed due to certain changes that are being negotiated.

**THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION**  
**Notes to the Financial Statements**  
**March 31, 2016**

**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.

	<b>2016</b>	<b>2015</b>
BC Housing	\$1,421,142	\$1,120,241
City of Vancouver	133,188	136,832
Employment & Social Dev Canada Summer Jobs	-	6,015
Government of Canada - Canadian Heritage	-	49,037
Ministry of Public Safety	30,000	-
Ministry of Justice BC (DI)	73,387	73,559
Ministry of Justice BC (VS)	56,057	56,570
Service Canada - Housing	253,914	143,029
Service Canada - New Horizon	-	20,425
Vancouver Coastal Health	386,494	387,524
	<b>\$ 2,354,182</b>	<b>\$1,993,232</b>

**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.

	<b>2016</b>	<b>2015</b>
BC Masonic Foundation	\$ -	\$ 5,000
Best Western-Better World Foundation	5,000	-
Central City Foundation	-	6,400
CHIMP Foundation	-	1,884
Leon Judah Blackmore Foundation	1,000	1,000
M.A.C AIDS fund	4,000	8,300
Newman's Own Foundation at Rockefeller Philanthropy Advisors	12,470	11,022
Other Foundations	1,567	77
Spencercreo Foundation	1,500	1,860
The Connor, Clark & Lunn Foundation	4,000	4,000
The Winnipeg Foundation	17,500	13,750
Young Foundation	9,000	13,000
	<b>\$ 56,037</b>	<b>\$ 66,293</b>

**THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION**  
**Notes to the Financial Statements**  
**March 31, 2016**

**10. CHARITIES AND OTHER COMMUNITY GROUPS**

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

	<b>2016</b>	<b>2015</b>
Amme Saranam Centre for Women	\$ -	\$ 27,035
Canada Helps	<b>63,457</b>	33,153
Generocksity	-	5,649
Health Sciences Association of BC	<b>4,300</b>	6,000
The General Synod of the Anglican Church	<b>15,000</b>	15,000
United Way	<b>11,275</b>	6,586
Various Charities and Community Groups	<b>19,520</b>	15,955
	<b>\$ 113,552</b>	<b>\$ 109,378</b>

**11. ELDERS COUNCIL FUND**

The Elder's Council Fund is set aside for the Elder's Council. This fund is derived directly from the efforts of members of the Elders Council through the sale of their arts and crafts. It is held to fund Elder's Council group activities and outings. The following is a breakdown of current and prior year expenditures:

	<b>2016</b>	<b>2015</b>
Revenue:		
Elders Council Fund	<b>\$ 3,749</b>	<b>\$ 3,553</b>
Donations		350
	<b>3,749</b>	<b>3,903</b>
Expenses:		
Human resources	-	780
Professional and consulting fees	-	50
Program costs	<b>1,191</b>	<b>2,070</b>
Travel	<b>2,558</b>	<b>1,003</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>

**THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION**  
**Notes to the Financial Statements**  
**March 31, 2016**

**12. 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:

	<b>2016</b>	<b>2015</b>
Revenue	\$ 1,870	\$ 3,858
Expenses:		
Program supplies	1,220	2,913
Subcontractors	650	400
Rent	-	540
Auto expenses and travel	-	5
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>

**13. 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:

	<b>2016</b>	<b>2015</b>
BALANCE, BEGINNING OF THE YEAR	\$ 25,080	\$ 29,260
Less: amounts amortized to revenue	(4,180)	(4,180)
<b>BALANCE, END OF THE YEAR</b>	<b>\$ 20,900</b>	<b>\$ 25,080</b>

**14. 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.

**15. 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, 2016**

	<b>2016</b>	<b>2015</b>
<b>REVENUE</b>		
BC Housing	\$1,422,835	\$1,120,241
<b>EXPENSES</b>		
Administration	102,586	60,707
Human resources	18,532	10,029
Rent, maintenance and repairs	14,802	834
Office supplies	5,098	5,670
Program expenses	501,114	359,628
Salaries and compensation	779,358	680,209
Travel	2,428	3,164
Capital assets	3,530	-
	<b>1,427,448</b>	<b>1,120,241</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (4,613)</b>	<b>\$ -</b>

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

**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, 2016**

	<b>2016</b>	<b>2015</b>
<b>REVENUE</b>		
Service Canada (HPS)	\$ 253,913	\$ 143,028
Donations		24,282
	<b>253,913</b>	<b>167,310</b>
<b>EXPENSES</b>		
Administration	21,820	24,283
Facilities	6,459	2,779
Office supplies	4,737	3,401
Professional and consulting fees	3,838	1,962
Program costs	1,661	343
Salaries and compensation	209,912	130,626
Travel	5,486	3,916
	<b>253,913</b>	<b>167,310</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>

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