

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2014

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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, 2014 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, 2014, 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.

CERTIFIED GENERAL ACCOUNTANT

North Vancouver, British Columbia

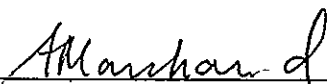
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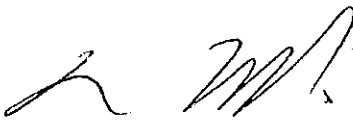
THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Statement of Financial Position
As at March 31, 2014

	Legacy Fund	Operating Fund	Capital Asset Fund	2014	2013
ASSETS					
CURRENT					
Cash	\$ -	\$ 341,631	\$ -	\$ 341,631	\$ 363,398
Accounts receivable	-	27,651	-	27,651	48,140
Term deposits	40,000	100,000	-	140,000	40,000
Goods and services tax recoverable	-	6,212	-	6,212	19,779
Prepaid expenses	-	6,712	-	6,712	5,149
	40,000	482,206	-	522,206	476,466
CAPITAL ASSETS (Note 5)	-	-	80,571	80,571	109,817
	\$ 40,000	\$ 482,206	\$ 80,571	\$ 602,777	\$ 586,283
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable - trade	\$ -	\$ 152,161	\$ -	\$ 152,161	\$ 131,911
Accrued liabilities	-	9,635	-	9,635	9,125
Deferred revenue (Note 6)	-	154,874	-	154,874	149,978
Deferred contributions related to capital assets (Note 12)	-	29,260	-	29,260	33,440
	-	345,930	-	345,930	324,454
NET ASSETS					
Invested in capital assets	-	-	80,571	80,571	109,817
Unrestricted	-	136,276	-	136,276	112,012
Restricted (Note 4)	40,000	-	-	40,000	40,000
	40,000	136,276	80,571	256,847	261,829
	\$ 40,000	\$ 482,206	\$ 80,571	\$ 602,777	\$ 586,283

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, 2014

	Legacy Fund	Operating Fund	Capital Asset Fund	2014	2013 (Note 14)
REVENUE					
Grants and contracts (Note 8)	\$ -	\$1,829,443	\$ -	\$1,829,443	\$1,741,103
Donations	-	155,808	-	155,808	141,532
Gaming revenue	-	143,000	-	143,000	140,000
Foundation revenue (Note 9)	-	53,854	-	53,854	131,202
Charities & community groups (Note 10)	-	26,909	-	26,909	36,269
Other	-	21,327	-	21,327	4,838
Donations in-kind	-	11,936	-	11,936	19,890
Memorial fund (Note 11)	-	1,405	-	1,405	7,784
Legacy fund	-	1,000	-	1,000	-
Elders council fund	-	259	-	259	-
Amortization of deferred contributions related to capital assets (Note 12)	-	-	4,180	4,180	4,180
	-	2,244,941	4,180	2,249,121	2,226,798
EXPENSES					
Amortization	-	-	30,739	30,739	30,470
Audit fees	-	9,400	-	9,400	9,125
Auto expenses	-	3,102	-	3,102	366
Bank charges and interest	-	2,067	-	2,067	2,197
Bookkeeping	-	27,171	-	27,171	29,486
Conferences, fees and staff development	-	10,900	-	10,900	5,199
Food	-	220,608	-	220,608	209,414
Fundraising	-	3,429	-	3,429	1,513
Insurance	-	7,520	-	7,520	8,434
Maintenance and repairs	-	16,613	-	16,613	19,012
Office and miscellaneous	-	17,004	-	17,004	20,323
Program costs	-	159,800	-	159,800	157,894
Rent and utilities	-	42,085	-	42,085	36,003
Staff remuneration and benefits	-	1,694,755	-	1,694,755	1,584,271
Telephone	-	8,820	-	8,820	9,329
	-	2,223,274	30,739	2,254,013	2,123,036
Loss on disposition of vehicle			90	90	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES		21,667	(26,649)	(4,982)	103,762
NET ASSETS, beginning of year	40,000	112,012	109,817	261,829	158,066
Capital asset acquisitions	-	2,597	(2,597)	-	-
NET ASSETS, end of year	\$ 40,000	\$ 136,276	\$ 80,571	\$ 256,847	\$ 261,828

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, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ (4,982)	\$ 103,762
Add non-cash transaction - amortization	30,739	30,470
Amortization of deferred contributions related to capital assets	4,180	4,180
	<u>29,937</u>	<u>138,412</u>
Changes in non-cash working capital items:		
Accounts receivable	20,489	(18,337)
Goods and services tax recoverable	13,567	(1,382)
Prepaid expenses	(1,563)	379
Accounts payable - trade	20,250	30,913
Accrued liabilities	510	(633)
Deferred revenue	4,896	202
	<u>88,086</u>	<u>149,554</u>
INVESTING ACTIVITIES		
Term deposits	(100,000)	-
Deferred contributions related to capital assets	(8,360)	(8,360)
Acquisition of capital assets	(1,493)	(36,800)
	<u>(109,853)</u>	<u>(45,160)</u>
NET CHANGE IN CASH DURING THE YEAR	(21,767)	104,394
CASH AND CASH EQUIVALENTS, beginning of year	363,398	259,004
	<u>\$ 341,631</u>	<u>\$ 363,398</u>
CASH AND CASH EQUIVALENTS REPRESENTED BY:		
Petty cash	\$ 2,400	\$ 2,650
VanCity - Operating	335,645	357,973
VanCity - Legacy fund	2,489	1,607
Vancity Gaming	304	406
Vancity Gaming shares	793	762
	<u>\$ 341,631</u>	<u>\$ 363,398</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, 2014

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, 2014

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, 2014

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, 2014.

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 account of DEWC. 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	2014 Net	2013 Net
Furniture and equipment	\$ 211,931	\$ 185,912	\$ 26,019	\$ 30,744
Shelter - furniture and equipment	39,088	15,427	23,661	29,576
Computer equipment	50,901	44,929	5,972	8,876
Leasehold improvements	73,478	52,227	21,251	35,947
Vehicles	-	-	-	89
Telephone system	10,511	6,843	3,668	4,585
Musical instruments	550	550	-	-
	\$ 386,459	\$ 305,888	\$ 80,571	\$ 109,817

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Notes to the Financial Statements
March 31, 2014

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, 2014 there were funds received and deferred as follows:

	2014	2013
BC Housing	\$ 78,833	\$ 71,666
VCHA	31,766	30,973
City of Vancouver	-	27,597
Government of Canada	20,425	-
Canadian Breast Cancer Foundation	-	14,453
Newman's Own Foundation	11,022	-
Central City Foundation	5,600	-
Ministry of Justice	-	4,969
Women's Memorial March Fund	4,135	320
Elders Counsel Fund	3,093	-
	\$ 154,874	\$ 149,978

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.

	2014	2013
BC Housing	\$ 945,996	\$ 886,365
VCHA - HIV Outreach	193,431	202,229
VCHA - Advocacy and Drop in	185,825	190,403
Service Canada - Housing	139,356	127,921
City of Vancouver	131,988	119,610
Ministry of Justice BC (DI)	73,221	72,761
Government of Canada - Canadian Heritage	63,660	54,963
Ministry of Justice BC (VS)	55,932	55,579
Service Canada - New Horizon	28,587	-
HRDC	6,478	6,472
Ministry of Justice	4,969	24,800
	\$ 1,829,443	\$1,741,103

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Notes to the Financial Statements
March 31, 2014

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.

	2014	2013
Canadian Breast Cancer Foundation	14,452	-
Rockefeller Philanthropy Advisors	10,069	9,683
The Winnipeg Foundation	10,000	15,000
M.A.C AIDS funds	8,300	8,640
Connor, Clark & Lunn Foundation	5,000	-
Freedonia	4,500	-
Other Foundations	1,533	27,005
Cedar Springs Foundation	-	\$ 15,000
Vancity Community Foundation	-	14,000
Frank J Flamman Foundation	-	12,000
Life Foundation	-	10,069
Law Foundation of BC	-	10,000
Central City Foundation	-	9,805
	\$ 53,854	\$ 131,202

10. CHARITIES AND OTHER COMMUNITY GROUPS

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

	2014	2013
The General Synod of the Anglican Church	\$ 15,000	\$ 15,000
Health Sciences Association of BC	6,909	4,000
The Community Arts Council of Vancouver	5,000	-
Shoppers Drug Mart/ Pharmaprix L. Found	-	10,069
Provincial Employees Community	-	7,200
	\$ 26,909	\$ 36,269

THE DOWNTOWN EASTSIDE WOMEN'S CENTRE ASSOCIATION
Notes to the Financial Statements
March 31, 2014

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:

	2014	2013
Revenue	\$ 1,405	\$ 9,004
Expenses:		
Program supplies	1,305	4,065
Subcontractors	100	4,002
Office expenses	-	17
Rent	-	523
Auto expenses and travel	-	397
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:

	2014	2013
BALANCE, BEGINING OF THE YEAR	\$ 33,440	\$ 37,620
Less: amounts amortized to revenue	(4,180)	(4,180)
BALANCE, END OF THE YEAR	\$ 29,260	\$ 33,440

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, 2014

	2014	2013
REVENUE		
BC Housing	\$ 945,996	\$ 886,365
In-Kind Donations	793	
	946,789	886,365
EXPENSES		
Administration	48,422	51,181
Human resources	12,068	10,576
Maintenance and repairs	6,592	2,597
Office expenses	3,387	1,819
Professional fees	7	372
Program expenses	157,837	136,376
Salaries	717,283	679,808
Travel	1,193	3,636
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ -	\$ -

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

