

**WYCHWOOD OPEN DOOR DROP-IN  
CENTRE**

***Financial Statements***

***December 31, 2016***

**WYCHWOOD OPEN DOOR DROP-IN CENTRE**

**Index to Financial Statements**

**Year Ended December 31, 2016**

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**INDEPENDENT AUDITORS' REPORT**

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To the Members of Wychwood Open Door Drop-in Centre,

We have audited the accompanying statement of financial position of Wychwood Open Door Drop-in Centre as at December 31, 2016 and the statements of operations and 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. Except as explained in the following paragraph, 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 an audit to obtain reasonable assurance whether the financial statements are free of 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 auditors' 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.

Except as explained in the following paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, Wychwood Open Door Drop-in Centre derives revenue from donations and fund-raising and the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amount recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to statements of operations and net assets.

**Qualified Opinion**

In our opinion, except for the adjustment, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues referred in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Senathi & Associates*

**Senathi Associates**  
professional corporation

**CHARTERED PROFESSIONAL ACCOUNTANTS**

(Authorized to practise public accounting by the Chartered Professional Accountants of Ontario)

Toronto, Ontario  
July 12, 2017


**WYCHWOOD OPEN DOOR DROP-IN CENTRE**

**Statement of Financial Position**

**December 31, 2016**

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 58,516	\$ 39,358
GIC deposits	-	14,415
HST recoverable	5,689	1,285
Prepaid expenses	1,665	266
	<b>\$ 65,870</b>	<b>\$ 55,324</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 7,832	\$ 5,872
Deferred income	45,813	8,311
	<b>53,645</b>	<b>14,183</b>
<b>NET ASSETS</b>	<b>12,225</b>	<b>41,141</b>
	<b>\$ 65,870</b>	<b>\$ 55,324</b>

**APPROVED BY THE DIRECTOR:**

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

See accompanying notes to financial statements.

**WYCHWOOD OPEN DOOR DROP-IN CENTRE****Statement of Operations and Net Assets****Year Ended December 31, 2016**

	2016	2015
<b>REVENUE</b>		
Grants - Unrestricted	\$ 147,297	\$ 133,804
Grants - Restricted	13,655	21,300
Fund-raising income	18,821	24,162
Donations	30,351	14,331
Other income - interest	68	227
	<b>210,192</b>	<b>193,824</b>
<b>EXPENSES</b>		
Salaries and wages	\$ 134,072	\$ 105,169
Program costs	63,173	45,037
Rental	22,440	21,780
Fund raising expenses	5,828	11,131
Office	4,320	3,880
Professional fees	3,638	3,878
Repairs and maintenance	3,275	545
Interest and bank charges	1,306	351
Membership	548	342
Insurance	508	530
	<b>239,108</b>	<b>192,643</b>
<b>EXCESS (DEFICIT OF) REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>( 28,916)</b>	<b>1,181</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>41,141</b>	<b>39,960</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 12,225</b>	<b>\$ 41,141</b>

See accompanying notes to financial statements.

**WYCHWOOD OPEN DOOR DROP-IN CENTRE**

**Statement of Cash Flows**

**Year Ended December 31, 2016**

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess (deficit of) revenue over expenses for the year	\$( 28,916)	\$ 1,181
Changes in non-cash working capital items:		
Accounts receivable	-	1,665
HST recoverable	( 4,404)	205
Prepaid expenses	( 1,399)	( 134)
Accounts payable	1,960	567
Deferred income	37,502	( 30,004)
	<b>33,659</b>	<b>( 27,701)</b>
Cash flow from (used by) operating activities	4,743	( 26,520)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>4,743</b>	<b>( 26,520)</b>
CASH AND CASH EQUIVALENT - Beginning of year	53,773	80,293
<b>CASH AND CASH EQUIVALENT - End of year</b>	<b>\$ 58,516</b>	<b>\$ 53,773</b>
<b>CASH AND CASH EQUIVALENT CONSISTS OF:</b>		
Cash	\$ 58,516	\$ 39,358
GIC deposits	-	14,415
	<b>\$ 58,516</b>	<b>\$ 53,773</b>

See accompanying notes to financial statements.

DESCRIPTION OF OPERATIONS

Wychwood Open Door Drop-in Centre (the "Centre") is a not-for-profit corporation without share capital incorporated on November 28, 1994 under laws of Canada under letters of patent. The Centre is a not-for-profit organization and is exempt under the Canadian Income Tax act.

The Centre's primary objectives are to boost nutrition, reduce isolation and help develop skills among homeless and socially isolated people in the St. Clair Avenue West area of Toronto.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following policies:

Cash and cash equivalent

Cash and cash equivalent consists of cash on hand and fixed income investments with maturities of less than 120 days.

Financial instruments

Financial instruments consists of cash, prepaid expenses, HST rebate receivable, accounts payable and accrued liabilities and deferred income.

The Centre initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost, except for short-term investments which is measured at fair value.

Revenue recognition

The Centre uses the deferral method of accounting for grants and donations. Unrestricted grants and donations are recognized into revenue in the period in which they are received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted grants are deferred and recognized as revenue in the same period in which the related expenses are incurred.

Recognition is given to donations-in-kind that are used in the normal course of business, when a reasonable estimate of value can be made. Donations-in-kind related to food and for fund raising purposes are not recognized.

Capital assets

Capital assets additions are expensed in the year of acquisition.

*(continues)*

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed services

Volunteers contribute in carrying out the Centre's activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for accrued liabilities. Actual results could differ from these estimates.

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2. COMMITMENTS

The Centre has committed to a one year lease agreement for \$22,908 for its premises beginning on January 1, 2017, and expires on December 31, 2017. There is an option to renew each year with terms to be negotiated before January 1st of each year.

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3. FINANCIAL INSTRUMENTS RISK EXPOSURE

**Liquidity risk**

Liquidity risk is the risk that the Centre will encounter difficulty in meeting obligations associated with financial liabilities.

The Centre expects to meet these obligations as they come due with available resources and additional cash from operations and fund-raising activities. The management does not believe that the Centre is exposed to liquidity risk.

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