

**WYCHWOOD OPEN DOOR DROP-IN  
CENTRE**

*Financial Statements*

*December 31, 2017*

**WYCHWOOD OPEN DOOR DROP-IN CENTRE**

**Index to Financial Statements**

**Year Ended December 31, 2017**

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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, 2017 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, 2017 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**

**CHARTERED PROFESSIONAL ACCOUNTANTS**

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

Toronto, Ontario  
June 19, 2018

WYCHWOOD OPEN DOOR DROP-IN CENTRE

Statement of Financial Position

December 31, 2017

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 44,633	\$ 58,516
HST recoverable	8,416	5,689
Prepaid expenses	306	1,665
	<b>\$ 53,355</b>	<b>\$ 65,870</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 6,926	\$ 7,632
Deferred income	12,058	45,813
	<b>18,984</b>	<b>53,645</b>
Net assets	<b>34,371</b>	<b>12,225</b>
	<b>\$ 53,355</b>	<b>\$ 65,870</b>

APPROVED BY THE DIRECTOR:

Bill [Signature] Director

Koppie Cornick Director

See accompanying notes to financial statements.

**WYCHWOOD OPEN DOOR DROP-IN CENTRE**

**Statement of Operations and Net Assets**

**Year Ended December 31, 2017**

	2017	2016
<b>REVENUE</b>		
Grants - Unrestricted	\$ 156,964	\$ 147,297
Fund-raising income	29,925	18,821
Donations	24,573	30,351
Grants - Restricted	21,332	13,655
Other income	784	68
	<b>233,578</b>	<b>210,192</b>
<b>EXPENSES</b>		
Salaries and wages	\$ 132,401	\$ 134,072
Program costs	35,865	63,173
Rental	22,908	22,440
Fund raising expenses	6,898	5,828
Office	5,910	4,320
Professional fees	4,877	3,638
Repairs and maintenance	1,322	3,275
Membership	515	548
Insurance	502	508
Interest and bank charges	234	1,306
	<b>211,432</b>	<b>239,108</b>
<b>EXCESS (DEFICIT OF) REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>22,146</b>	<b>( 28,916)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>12,225</b>	<b>41,141</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 34,371</b>	<b>\$ 12,225</b>

See accompanying notes to financial statements.

**WYCHWOOD OPEN DOOR DROP-IN CENTRE**

**Statement of Cash Flows**

**Year Ended December 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess (deficit of) revenue over expenses for the year	\$ 22,146	\$( 28,916)
Changes in non-cash working capital items:		
HST recoverable	( 2,727)	( 4,404)
Prepaid expenses	1,360	( 1,400)
Accounts payable and accrued liabilities	( 907)	1,961
Deferred income	( 33,755)	37,502
	( 36,029)	33,659
Cash flow from (used by) operating activities	( 13,883)	4,743
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>( 13,883)</b>	<b>4,743</b>
CASH AND CASH EQUIVALENT - Beginning of year	58,516	53,773
<b>CASH AND CASH EQUIVALENT - End of year</b>	<b>\$ 44,633</b>	<b>\$ 58,516</b>
<b>CASH AND CASH EQUIVALENT CONSISTS OF:</b>		
Cash	\$ 44,633	\$ 58,516

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, 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 \$23,484 for its premises beginning on January 1, 2018, and expires on December 31, 2018. 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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