

SAN ROMANOWAY REVITALIZATION ASSOCIATION
FINANCIAL STATEMENTS
MARCH 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Members of San Romanoway Revitalization Association

Report on the Financial Statements

We have audited the accompanying financial statements of San Romanoway Revitalization Association which comprise of the statement of financial position as at March 31, 2016 and the statements of operations, of 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 generally accepted accounting principals, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 about 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 auditor's judgement, 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 reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2016 and its financial performance for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Canada
June 3, 2016




KOPSTICK OSHER
Chartered Accountants, LLP
Licensed Public Accountants

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SAN ROMANOWAY REVITALIZATION ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016

	2016	2015
CURRENT ASSETS		
Cash & short term investments	\$ 40,263	\$ 110,775
GST/HST receivable	13,210	19,885
Grant receivable	9,509	5,567
EHT receivable	<u>17,403</u>	<u>7,800</u>
	80,384	144,026
Capital assets, net (note 2 & 4)	<u>1</u>	<u>1</u>
	<u>\$ 80,385</u>	<u>\$ 144,027</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 24,557	\$ 49,849
Deferred operating grants (note 2)	<u>-</u>	<u>5,361</u>
	<u>24,557</u>	<u>55,210</u>
COMPOSITION OF NET ASSETS		
Unrestricted	7,446	41,030
Internally restricted - note 7	42,269	41,069
Externally restricted - note 8	6,112	6,717
Invested in capital assets	<u>1</u>	<u>1</u>
	<u>55,828</u>	<u>88,817</u>
	<u>\$ 80,385</u>	<u>\$ 144,027</u>

APPROVED BY THE BOARD:



 Director



 Director

The accompanying notes form an integral part of these financial statements.

SAN ROMANOWAY REVITALIZATION ASSOCIATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015
REVENUES		
Operating grants (note 6)	\$ 854,169	\$ 879,720
Capital grants amortized	-	29,601
Donations	17,367	33,707
Other income	50,441	48,043
	<u>921,978</u>	<u>991,070</u>
 EXPENSES		
Staffing	\$ 726,509	\$ 736,835
Program supplies	105,073	121,569
Occupancy costs	47,947	41,062
Professional fees	13,951	11,300
Office supplies	27,061	10,563
Program consultants	8,198	1,000
Insurance	4,183	4,205
Evaluation & research	4,178	13,533
Telephone	11,704	12,904
Depreciation	-	29,600
	<u>948,805</u>	<u>982,571</u>
 Excess (deficiency) of revenues over expenses before under-noted	 (26,827)	 8,498
Net costs related to Ontario Labour Relations Board Application	<u>(6,162)</u>	<u>(109,812)</u>
Excess (deficiency) of revenues over expenses	(32,989)	(101,314)
Net assets - beginning of year	<u>88,817</u>	<u>190,131</u>
Net assets - end of year	<u>\$ 55,828</u>	<u>\$ 88,817</u>

The accompanying notes form an integral part of these financial statements.

SAN ROMANOWAY REVITALIZATION ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2016

	Unrestricted Resources	Internally Restricted Resources	Externally Restricted Resources	Invested In Capital Assets	Total 2016	Total 2015
Balances Beginning of Year	41,030	41,069	6,717	1	88,817	190,131
Excess of revenues over expenses	(32,989)	-	-	-	(32,989)	(101,314)
Transfer to salaries & benefits reserve	(1,200)	1,200	-	-	-	-
Scholarship fund activity	605	-	(605)	-	-	-
	<u>605</u>	<u>-</u>	<u>(605)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balances End of Year	<u>\$ 7,446</u>	<u>\$ 42,269</u>	<u>\$ 6,112</u>	<u>\$ 1</u>	<u>\$ 55,828</u>	<u>\$ 88,817</u>

The accompanying notes form an integral part of these financial statements.

SAN ROMANOWAY REVITALIZATION ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015
Cash flows from operating activities		
Excess of revenues over expenses	\$ (32,989)	\$ (101,314)
Changes in non-cash working capital balances		
Depreciation	-	29,600
GST/HST receivable	6,675	(7,885)
Grant receivable	(3,942)	40,573
EHT expenses	(9,603)	3,169
Accounts payable and accruals	(25,292)	23,945
Deferred revenues	<u>(5,361)</u>	<u>(47,873)</u>
Net cash used in operating activities	<u>(70,512)</u>	<u>(59,785)</u>
Cash flows from financing and investing activities		
Purchase of capital assets	-	-
Deferred capital grant	<u>-</u>	<u>(29,601)</u>
Net cash generated through financing and investing activities	<u>-</u>	<u>(29,601)</u>
Net increase (decrease) in cash	(70,512)	(89,386)
Cash & short term investments - beginning of the year	<u>110,773</u>	<u>200,160</u>
Cash & short term investments - end of the year	<u>\$ 40,260</u>	<u>\$ 110,773</u>

The accompanying notes form an integral part of these financial statements.

SAN ROMANOWAY REVITALIZATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

1. Purpose of the corporation

San Romanoway Revitalization Association is a community based organization, the object of which is to develop and foster community spirit, promote organized athletics, arts, recreation, civic emergency social services and other community endeavours, promote adult educational, recreational and athletic facilities and equipment for benefit to the community. The direct focus of the corporation is on crime prevention, health and safety for residents residing in the San Romanoway neighbourhood of Toronto. The corporation is a registered charity incorporated without share capital under the Laws of Ontario on January 23, 2002. Its income is not subject to income taxes.

2. Significant accounting policies

Fund accounting

The corporation operates with three types of restrictions on its resources:

- a unrestricted resources that can be used for any purposes that are consistent with the objectives of the corporation.
- b internally restricted resources that can be used only for the purposes specified by the board of directors, and
- c externally restricted resources that can be used only for the purposes specified by the contributors of the resources and otherwise are refundable to the contributors. The unexpended portions of restricted contributions are recorded as deferred grants.

Revenue recognition

Programs receive program specific grants the use of which is restricted to the specific programs. In order to ensure observance of the limitations and restrictions placed on the resources, the corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when they are received or become receivable if the amount to be received can reasonably be estimated and collection is reasonably assured

Donations materials and services

The value of donated materials and services is not recorded.

Depreciation

The cost of office equipment is being depreciated at 20% per annum using the straight line method.

SAN ROMANOWAY REVITALIZATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

2. Significant accounting policies (continued)

Management estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Financial instruments

The corporation's financial instruments consist of cash and cash equivalents, HST receivable, sundry assets and accounts payable. The fair values of these financial instruments approximate their carrying values because of their short term maturity dates. In the opinion of management the corporation is not exposed to significant interest rate, currency, or credit risks arising from these financial instruments.

The corporation manages its guaranteed investment certificates according to its cash needs and in such a way as to maximize interest income.

4. Capital assets

Capital assets are comprised as follows:

	Cost	Accumulated Depreciation	Net Book Value
<u>2016</u>			
Equipment	\$ 103,939	\$ 103,938	\$ 1
Leasehold improvements	562,367	562,367	-
	<u>\$ 666,306</u>	<u>\$ 666,305</u>	<u>\$ 1</u>
<u>2015</u>			
Equipment	\$ 103,939	\$ 103,938	\$ 1
Leasehold improvements	562,367	562,367	-
	<u>\$ 666,306</u>	<u>\$ 666,305</u>	<u>\$ 1</u>

5. Occupancy lease

The corporation rents office and program space at 10 San Romanoway, Toronto. The current lease has been renewed and extended for a three year term commencing on October 1, 2015 and ending on September 30, 2018. The gross rent for the Extension Term is \$16,200 per annum.

SAN ROMANOWAY REVITALIZATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

6. Operating grants

Operating grants are comprised as follows:

	2016		2015
Received or accrued during the year			
Health Canada	\$ 305,259	\$	333,758
City of Toronto	82,398		76,465
Ministry of Sport, Recreation and Culture	102,916		103,064
Ministry of Small Business	-		11,750
Jane Finch Comm & Family Ctr	56,928		52,467
HRSDC New Horizons Grant	-		25,000
HRDC - Summer Student Grant	9,328		10,001
Royal Bank of Canada Foundation	23,000		29,000
Gooder Foundation	50,000		-
Trillium Foundation	-		15,922
City of Toronto - Investing in Neighborhoods	42,367		27,714
Tropicana Community Services	15,000		15,750
Toronto Foundation for Student Success	41,746		44,439
Toronto Fresh Air Fund	4,000		4,000
Toronto District School Board	121,227		130,390
	<u>\$ 854,169</u>	\$	<u>879,720</u>

7. Internally restricted resources

During the year ended March 31, 2007, the board of directors established a reserve for salaries and benefits to pay up to three months salaries and employer payroll remittances in the event that there are insufficient funds available from current operating revenues. The amount of \$1,200 is to be contributed annually to the reserve from unrestricted resources until the amount required is reached. Thereafter, the reserve shall be adjusted annually in an amount to be determined by the board of directors. Reserve funds shall be held in a separate term deposit account.

The reserve is funded by guaranteed investment certificates, maturing monthly throughout the fiscal period. The certificates are classified as a held to maturity financial assets. They are measured at cost.

SAN ROMANOWAY REVITALIZATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

8. Externally restricted resources

During the year ended March 31, 2008, the corporation established The Allen Benn Scholarship Fund to assist community members in the Jane and Finch area of Toronto. The fund's cash balances are held in a separate bank current account. Each scholarship is valued at \$1,000. The scholarship fund is comprised as follows:

	2016	2015
Donations	\$ <u>1,500</u>	\$ <u>1,000</u>
Disbursements:		
Scholarships	2,000	2,000
Bank charges	<u>105</u>	<u>96</u>
	<u>2,105</u>	<u>2,096</u>
(Deficiency) excess of donations over disbursements	(605)	(1,096)
Adjustment	-	-
Balance beginning of year	<u>6,717</u>	<u>7,813</u>
	<u>6,112</u>	<u>6,717</u>