

**SAN ROMANOWAY REVITALIZATION ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

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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, 2015 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

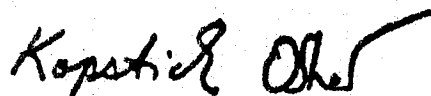
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance 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, 2015 and its financial performance for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



KOPSTICK OSHER  
Chartered Accountants, LLP  
Licensed Public Accountants

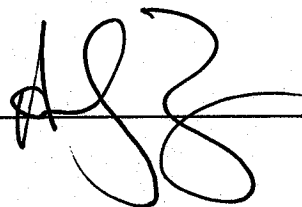
Toronto, Canada  
May 26, 2015

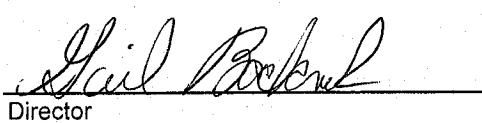
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**SAN ROMANOWAY REVITALIZATION ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2015**

	<b>2015</b>	<b>2014</b>
<b>CURRENT ASSETS</b>		
Cash & short term investments	\$ 110,775	\$ 200,160
HST receivable	19,885	12,000
Grant receivable - Health Canada	5,567	46,140
EHT receivable	<u>7,800</u>	<u>10,969</u>
	144,026	269,269
<b>Capital assets, net (note 2 &amp; 4)</b>	<u>1</u>	<u>29,601</u>
	<u>\$ 144,027</u>	<u>\$ 298,870</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 49,849	\$ 25,904
Deferred operating grants (note 2)	<u>5,361</u>	<u>53,234</u>
	<u>55,210</u>	<u>79,138</u>
<b>Deferred capital grants (note 6)</b>	<u>-</u>	<u>29,601</u>
<b>Contingent Liability (note 10)</b>		
<b>COMPOSITION OF NET ASSETS</b>		
Unrestricted	41,030	142,448
Internally restricted - note 7	41,069	39,869
Externally restricted - note 8	6,717	7,813
Invested in capital assets	<u>1</u>	<u>1</u>
	<u>88,817</u>	<u>190,131</u>
	<u>\$ 144,027</u>	<u>\$ 298,870</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, 2015**

	<b>2015</b>	<b>2014</b>
<b>REVENUES</b>		
Operating grants (note 5)	\$ 879,720	\$ 711,114
Capital grants amortized (note 6)	29,601	34,380
Donations	33,707	15,521
Other income	<u>48,043</u>	<u>42,095</u>
	<u>991,070</u>	<u>803,110</u>
 <b>EXPENSES</b>		
Staffing	\$ 736,835	\$ 548,528
Program supplies	121,569	122,150
Occupancy costs	41,062	27,931
Professional fees	11,300	13,162
Office supplies	10,563	8,733
Program consultants	1,000	5,189
Insurance	4,205	4,205
Evaluation & research	13,533	5,059
Telephone	12,904	10,175
Depreciation	<u>29,600</u>	<u>34,380</u>
	<u>982,571</u>	<u>779,513</u>
 <b>Excess revenues over expenses before the under-noted</b>	 8,498	 23,598
Legal fees re Ontario Labour Relations Board Application (note 10)	<u>(109,812)</u>	<u>(23,276)</u>
<b>Excess (deficiency) of revenues over expenses</b>	 (101,314)	 322
<b>Net assets - beginning of year</b>	 <u>190,131</u>	 <u>189,809</u>
<b>Net assets - end of year</b>	 <u>\$ 88,817</u>	 <u>\$ 190,131</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, 2015**

	Unrestricted Resources	Internally Restricted Resources	Externally Restricted Resources	Invested In Capital Assets	Total 2015	Total 2014
<b>Balances Beginning of Year</b>	142,448	39,869	7,813	1	190,131	189,809
Excess of revenues over expenses	(101,314)	-	-	-	(101,314)	322
Transfer to salaries & benefits reserve	(1,200)	1,200	-	-	-	-
Scholarship fund activity	1,096	-	(1,096)	-	-	-
<b>Balances End of Year</b>	<u>\$ 41,030</u>	<u>\$ 41,069</u>	<u>\$ 6,717</u>	<u>\$ 1</u>	<u>\$ 88,817</u>	<u>\$ 190,131</u>

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

# SAN ROMANOWAY REVITALIZATION ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

### 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, 2015**

**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>2015</u>			
Equipment	\$ 103,939	\$ 103,938	\$ 1
Leasehold improvements	<u>562,367</u>	<u>562,367</u>	<u>-</u>
	<u>\$ 666,306</u>	<u>\$ 666,305</u>	<u>\$ 1</u>
<u>2014</u>			
Equipment	\$ 103,939	\$ 98,524	\$ 5,415
Leasehold improvements	<u>562,367</u>	<u>538,181</u>	<u>24,186</u>
	<u>\$ 666,306</u>	<u>\$ 636,705</u>	<u>\$ 29,601</u>

**SAN ROMANOWAY REVITALIZATION ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2015**

**5. Operating grants**

Operating grants are comprised as follows:

	<b>2015</b>		<b>2014</b>
Received or accrued during the year			
Health Canada	\$ 333,758	\$	46,140
City of Toronto	76,465		73,790
Ministry of Sport, Recreation and Culture	103,064		107,771
Ministry of Small Business	11,750		11,750
Jane Finch Comm & Family Ctr	52,467		54,936
HRSDC New Horizons Grant	25,000		24,658
HRDC - Summer Student Grant	10,001		11,419
Royal Bank of Canada Foundation	29,000		30,000
Greenshields Foundation	-		15,000
United Way	-		7,000
Trillium Foundation	15,922		155,375
City of Toronto - Investing in Neighborhoods	27,714		-
Tropicana Community Services	15,750		-
Wage Subsidy	-		1,398
Loblaw Foundation	-		4,000
Toronto Foundation for Student Success	44,439		48,322
Toronto Fresh Air Fund	4,000		4,000
Toronto District School Board	130,390		115,555
	<u>\$ 879,720</u>	\$	<u>711,114</u>

**6. Deferred capital grant**

Deferred capital grants are comprised as follows:

	<b>2015</b>		<b>2014</b>
Received during the year	\$ -	\$	-
Balance beginning of year	29,601		63,981
Recognized as income during the year	<u>(29,601)</u>		<u>(34,380)</u>
Ending balance	<u>\$ -</u>	\$	<u>29,601</u>



**SAN ROMANOWAY REVITALIZATION ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2015**

**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.

**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:

	2015	2014
Donations	\$ <u>2,500</u>	\$ <u>2,500</u>
Disbursements:		
Scholarships	2,000	2,000
Bank charges	<u>96</u>	<u>96</u>
	<u>2,096</u>	<u>2,096</u>
(Deficiency) excess of donations over disbursements	404	404
Adjustment	(2,493)	(2,493)
Balance beginning of year	<u>9,902</u>	<u>9,902</u>
	<u>7,813</u>	<u>7,813</u>

**9. Occupancy lease**

The corporation rents office and program space at 10 San Romanoway, Toronto. The current lease has been renewed and extended for a one year term commencing on October 1, 2013 and ending on September 30, 2014. The gross rent for the Extension Term is \$16,200 per annum.

**10. Contingent Liability**

On September 27, 2013, an application was brought to the Ontario Labour Relations Board (OLRB) by SRRA's Union for unfair labour practices. On May 26, 2015, the OLRB found SRRA in contravention of certain sections of the Labour Relations Act, 1995 and the Union's application was granted. Appropriate remedies are still to be determined and due to inherent uncertainties, no accurate quantification of such costs can be made.