

**ECOEQUITABLE INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**



## INDEPENDENT AUDITORS' REPORT

To the Members of  
EcoEquitable Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of EcoEquitable Inc., which comprise the statement of financial position as at December 31, 2016, and the statements of operations, 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. 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 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 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.

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Basis for Qualified Opinion**

In common with many charitable organizations, the Organization derives revenue from donations and the sale of donated goods, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenue from boutique sales, net revenue for the year ended December 31, 2016 and current assets and net asset balance - end of year as at December 31, 2016.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of EcoEquitable Inc. 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.

### **Other Matters**

The financial statements for the year ended December 31, 2015 were not subject to an audit engagement. As such, comparative figures have not been presented and we provide no assurance thereon.

*McCay Duff LLP*

McCay Duff LLP,  
Licensed Public Accountants.

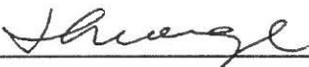
Ottawa, Ontario,  
July 13, 2017.

**ECOEQUITABLE INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2016**

<b>CURRENT</b>		<b>ASSETS</b>	
Cash		\$	47,095
Accounts receivable			5,771
Prepaid expenses			<u>733</u>
		\$	<u><u>53,599</u></u>
<b>CURRENT</b>		<b>LIABILITIES</b>	
Accounts payable and accrued liabilities		\$	8,975
Deferred revenue			10,088
Deferred contributions (note 4)			<u>33,620</u>
			52,683
<b>UNRESTRICTED</b>		<b>NET ASSETS</b>	
			<u>916</u>
		\$	<u><u>53,599</u></u>

Commitment (note 5)

Approved on behalf of the Board:

  
\_\_\_\_\_  
Heather George Director

  
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Ibrahima Soy Kandia Barry Director

**ECOEQUITABLE INC.**

**STATEMENT OF NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>BALANCE - BEGINNING OF YEAR - AS PREVIOUSLY STATED</b>	\$ 10,921
Correction of prior period errors (note 6)	<u>1,784</u>
<b>BALANCE - BEGINNING OF YEAR - AS RESTATED</b>	12,705
Net revenue (expenditure) for the year	( <u>11,789</u> )
<b>BALANCE - END OF YEAR</b>	\$ <u><u>916</u></u>

**ECOEQUITABLE INC.**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**REVENUE**

Grants and donations	\$ 183,273
Sewing	49,257
Class fees	24,388
Boutique sales	25,095
Fundraising	13,717
Other	<u>1,137</u>
	296,867

**COST OF GOODS SOLD**

27,088

269,779

**EXPENSES**

Salaries and wages	186,985
Rent	29,205
Office	20,414
Contractors	11,866
Professional fees	7,051
Training	6,950
Insurance	4,347
Supplies	4,124
Repairs and maintenance	2,434
Dues and subscriptions	1,255
Memberships and licenses	1,582
Advertising	1,495
Transportation	1,446
Miscellaneous	1,372
Telephone	1,022
Donations and contributions	<u>20</u>

281,568

**NET REVENUE (EXPENDITURE) FOR THE YEAR**

\$ ( 11,789 )

**ECOEQUITABLE INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**CASH PROVIDED BY (USED FOR)**

**OPERATING ACTIVITIES**

Net revenue for the year	\$( 11,789)
Changes in non-cash working capital	
- accounts receivable	400
- prepaid expenses	( 41)
- accounts payable and accrued liabilities	5,200
- deferred revenue	3,558
- deferred contributions	<u>28,684</u>

**INCREASE IN CASH DURING THE YEAR** 26,012

Cash - beginning of year 21,083

**CASH - END OF YEAR** \$ 47,095

**ECOEQUITABLE INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**1. ORGANIZATION**

EcoEquitable Inc. was incorporated without share capital under the Ontario Business Corporations Act. The purpose of the Organization is to provide a bridge to social and economic integration for people in need, especially immigrant women, while also promoting sustainable business practices. The Organization is a registered charity under the Income Tax Act and exempt from income taxes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Organization's significant accounting policies are as follows:

(a) Revenue Recognition

The Organizations follows the deferral method of accounting for contributors. Unrestricted contributions, including operating grants are recognized as revenue in the year in which they are received or receivable if the amount can be reasonable estimated, and collection is reasonable assured. Restricted contributions to fund a specific project are recognized as revenue in the year in which related restrictions are met.

Boutique sales and sewing revenues are recognized as revenue in the period in which the goods pass title to the customer or the services are performed.

Class fees are recognized in the period in which the class is held.

(b) Capital Assets and Amortization

Capital assets are expensed in the year of acquisition. Capital assets expensed during the year totaled \$2,124 which consisted of amounts for the purchase of a computer and sewing equipment.

(c) 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 amounts of assets, liabilities, revenues and expenditures and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue as appropriate in the year they become known.

**ECOEQUITABLE INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

(d) Financial Instruments

The Organization's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities.

*Measurement*

Financial instruments are recorded at fair value on initial recognition.

The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

*Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue for the year

(e) Volunteer Services

The Organization receives the services of many volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expenditure has been included in these financial statements.

(f) Donated Materials

The Organization receives donated sewing supplies, the cost of which cannot be reasonably estimated. Therefore, no representation of this expenditure has been included in these financial statements. These supplies are used both in the Organization's operations, as well as being sold in its boutique.

**3. FINANCIAL RISKS AND CONCENTRATION OF RISKS**

It is management's assessment that the Organization is not exposed to significant liquidity, interest rate, credit, market or currency risks arising from its financial instruments.

**ECOEQUITABLE INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**4. DEFERRED CONTRIBUTIONS**

	<b>Balance - Beginning of Year</b>	<b>Amounts Received</b>	<b>Revenue Recognized</b>	<b>Balance - End of Year</b>
Grants	\$ <u>5,064</u>	\$ <u>197,258</u>	\$ <u>168,702</u>	\$ <u>33,620</u>

**5. COMMITMENT**

The Corporation has leased office space for a one year period which expires March 31, 2017 at a fee of \$28,002 including HST.

**6. CORRECTION OF PRIOR PERIOD ERRORS**

The opening net assets as at January 1, 2016 have been restated to correct an overstatement of deferred contributions in the amount of \$5,064 and understatement of the following: accrued expenses in the amount of \$1,850, prepaid expenses in the amount of \$692 and deferred revenue in the amount of \$2,120. The corrections were required as a result of the change to the accrual method of accounting.

**7. ONTARIO TRILLIUM FOUNDATION, THE MINISTER OF  
ADVANCED EDUCATION AND SKILLS DEVELOPMENT, THE  
MINISTER OF EMPLOYMENT AND SOCIAL DEVELOPMENT  
AND THE FUTUREWORX SOCIETY**

Grants received from the Ontario Trillium Foundation, the Minister of Advanced Education and Skills Development, the Minister of Employment and Social Development and the Futureworx Society are subject to specific terms and conditions regarding the expenditure of the funds. The Organization's accounting records are subject to audit by the grant providers to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which therefore would be refundable. Adjustments, if any, to prior years' contributions are recorded in the year in which the grant providers request the adjustments. No audits were performed in the current fiscal year by the Ontario Trillium Foundation, the Minister of Advanced Education and Skills Development, the Minister of Employment and Social Development and the Futureworx Society.