Renate Willms
Supervisor of Administration
Community Services Department, City of Kitchener
200 King Street West, 7th Floor, P.O. Box 1118
Kitchener ON N2G 4G7

Greetings Ms. Willms (Renate):

This letter is to confirm our intent to apply for 2017 Tier 1 funding from the City of Kitchener For 2017, we are requesting again that the City invest in our full mandate by restoring funding to the level it was at prior to 2010 which, adjusted for cost of living increases, would now be $100,000.

This funding is essential to support core operations so we can continue the inclusive, accessible and knowledgeable social planning and development support for which we are known and valued.

To ensure that funding from the City of Kitchener benefits the Kitchener community directly, we will continue to partner with the City in the Festival of Neighbourhoods and also work directly in more Kitchener neighbourhoods. We will build a year round **Neighbourhood Connection Program** to scale up the current contributions we make to the Festival of Neighbourhoods through the annual *Neighbourhood Connections Award* and neighbourhood engagement blitzes. In this enhanced program, we will systematically engage and support in less advantaged neighbourhoods with a focus on renters as these residents are less likely to get involved in civic life. The program will:

- Reach out to encourage involvement in the Festival of Neighbourhoods;
- Support renters to form tenant associations;
- Provide training and support so tenant groups can be peer supports, on tenant issues and for navigating community support systems; and
- Connect tenant groups with other community supports to further build their capacity to engage and help their fellow tenants.

To anchor this field work in the broader community and social policy environments, we will continue:

- **Citizen Forums;**
- **Social Policy Analysis;** and
- **Tracking Decent Lives and Strong Neighbourhoods.**

These are described further in Attachment A.

While somewhat of a change compared to previous funding requests, this work builds on:

- Priorities set with community and City leader input since 2014: *poverty elimination, strong neighbourhoods and access to information*;
- Previously identified community need for more system navigation guidance and training;
- Established activities, structure and networks; and
- Our technical and knowledge infrastructure and expertise using emerging open source technologies.

We know that strong neighbourhoods are essential to a thriving city. This is the basis of neighbourhood work we have done since 1971 and the rationale for our being a partner with the City

and John MacDonald Architect Inc. for the Festival of Neighbourhoods. The City has long supported neighbourhoods and we are pleased that the City is developing its first *Neighbourhood Strategy*. Enhancing the neighbourhood work done by the Social Development Centre fits well with this partnership and, the City's future strategy.

From our work on *Decent Lives, Strong Neighbourhoods* we know not everyone experiences a 'decent life' and not all neighbourhoods are equally able to support citizens to do so. From an analysis of barriers to living a decent life in local neighbourhoods, we found that 24 Kitchener neighbourhoods (56% of all formally defined neighbourhoods in the City) score high on a standardized index of *barriers to a decent life*. Also, from this preliminary analysis, we know that direct engagement initiatives and active participation are indicators of a strong neighbourhood. Our aim is to build these proactively and to monitor changes over time.

When the Social Development Centre works in fragile neighbourhoods we apply our full social development mandate, knowledge and expertise. With the requested investment from the City, we can leverage our capacity to increase support in Kitchener neighbourhoods. There is much that can be done to create a supportive infrastructure to ensure all neighbourhoods are strong.

The year 2017 marks our 50th anniversary since incorporation. From our earliest days, the City has encouraged, supported and partnered with us. The annual investment from the City, since 1970, has supported the service we provided each year for a range of social needs in the areas of social planning, community development and community information. Over the course of time doing this work, we have gained significant knowledge management expertise and a knowledge base that comprises the social history of Waterloo Region.

The Community Information Centre is the most recognizable of our services whereas other work such as social research, planning and policy analysis are more behind the scenes and most often in partnership with others. It is common that our leadership role is unrecognized or underestimated. See Attachment B for a list of initiatives for which we have provided significant leadership.
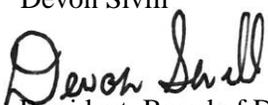
We are disappointed a decision was made last year to de-fund our organization based on misunderstanding or misinterpretation about the *community information service* we provide with City funding support. A statement regarding this decision is in Attachment C. Restoring annual funding to previous levels sends a clear message that social development is important in the eyes of our civic leaders and that the Social Development Centre is still a trusted partner in engaging and supporting civic life. We are the only community based social planning body that is accountable to the local Kitchener community. Our role is unique and our expertise proven.

With a sustained investment from the City, we can continue to find solutions that improve quality of life for everyone in Kitchener and ensure that everyone, particularly those with limited resources, can play a role in addressing current problems and in working with others to prepare for the future.

Please find attached/enclosed the documents that have been requested.

We thank staff and Council for your thoughtful consideration of our request.

Trudy Beaulne,   Devon Sivill
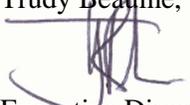
Executive Director   President, Board of Director

List of Enclosures:

Attachment A: Service Structure Details
Attachment B: List of Initiatives
Attachment C: Comment on 2016 Funding Decision
Attachment D: Progress on Priorities
Attachment E: 2015 Statistical Summary
Attachment F: 2017 Budget
Attachment G: 2015 Audited Financial Statement
Certificate of Insurance – sent previously

Attachment A: Social Development Centre 2017 Service Structure

Service Area	Description	2017 Focus

Neighbourhood Connection http://www.waterlooregion.org/neighbourhood-connection	• Annual Festival of Neighbourhoods Neighbourhood Connections Award: a neighbourhood is selected each year based on interest and need to develop social conditions.	• Continue engagement of current Festival of Neighbourhoods award recipients:
		  o Traynor Vanier
		  o Cherry Park
		• Develop expanded 'connection' program, subject to resources:
		  o Reach out to encourage involvement in the Festival of Neighbourhoods;
		  o Support renters to form tenant associations;
		  o Provide training and support so tenant groups can be peer supports, on tenant issues and for navigating community support systems; and
		  o Connect tenant groups with other community supports to further build their capacity to engage and help their fellow tenants.

Citizen Forums	• Ongoing citizen groups:
	  o Community Social Planning Council,
	  o Disabilities and Human Rights Group,
	  o Poverty Free Action Group
	• Host wider community forums, subject to resources and community interest,.
		• Advocacy training
		• Decent Lives-Strong Neighbourhoods Assessment
		• Pedestrian Safety
		• Systemic Analysis of Poverty – local community and downtown community
		• Engage further in validating and testing Decent Lives-Strong Neighbourhoods Assessment tool
		• Set priorities for follow up

Social Policy Analysis	• To the extent possible we stay apprised of relevant policy from all orders of government and assess the impact these policies have on those living in the local community. • This work is largely done in support of citizen forums and also in on local community	• Kitchener Neighbourhood Strategy • Region of Waterloo: Discretionary Benefits; Wellness Strategy; Low Income Transportation Study; • National Housing Strategy • Continue Living Wage evaluation • Ontario Poverty Reduction Strategy: basic income pilot projects; social assistance review • Further develop local Poverty Elimination Framework tool • Begin application of Decent Lives-Strong Neighbourhoods Assessment tool

Tracking Decent Lives and Strong Neighbourhoods	• Based on input received during 2015 in the Decent Lives and Strong Neighbourhoods forum series, an assessment framework is in development.
	• Neighbourhood level profiles with indices for vulnerable populations, barriers to a decent life, income diversity and housing diversity have been developed and are now being tested.
		• Complete interactive web map tool
		• Develop Strong Neighbourhood Indexes
		• Incorporate as data becomes available:
		  o 2016 Census
		  o Government open data

Attachment B: Social Development Leadership of Community Initiatives

The Social Development Centre (SDC) has provided leadership for many initiatives over the years in partnership with others, including the City of Kitchener, some of which have spun off into independent organizations. Some examples of community initiatives are:

Festival of Neighbourhoods
The Social Development Centre is a partner with the City of Kitchener and John MacDonald Architect Inc and has contributed to the growth and success of the Festival in number of ways:
- Contribute to steering and operation committees – provide social development perspective
- Provide work space, support and overhead for coordination, staff and volunteers
- Contracted to provide year round coordination of the Festival and registration
- Created and maintain web mapping to display events, capital grant winners and engage registrations
- Created and maintain webpage and social media accounts for Facebook and Twitter
- Created the neighbourhood activity trunk, developed large group games, provide storage and manage its use
- Have developed and tested outreach strategies in neighbourhoods that are less likely to participate,
- Host for innovative engagement projects – seek grants, develop proposals, manage funds and project reports.
- Spearheaded research to help understand what is working to make the Festival a success
- Sponsor an annual Neighbourhood Connections award to improve neighbourhood social conditions.

ConnectKW network of public internet access partners, was initiated by SDC in partnership with the City and multiple other partners. SDC secured over $1m in funding to establish 33 public internet locations across Kitchener-Waterloo and still coordinates the network the extent possible based on available resources. In recent years this has included providing partners with community information resources and basic computer and internet training support and resources.

Kitchener's Neighbourhood Summit was initiated by SDC staff and cohosted with City staff.

Healthy Communities was introduced by SDC to the Downtown Action Committee (now the Downtown Advisory Committee). SDC provided the coordination for annual healthy community conferences e.g. Stories From the Front which were instrumental in the City of Kitchener launching Compass Kitchener.

Good Neighbours Council was initiated by SDC along with many partners, including the City of Kitchener. Some key activities while this council was active included a Good Neighbours Award, Community Network gatherings on a number of issues including snow removal, support to families with twins and super twins, supporting the re-establishment of the Block Parent Program

Local agencies that were started by SDC:
- KW AccessAbility
- Community Legal Services
- OneROOF
- Volunteer Centre

Examples of SDC leadership in social research and policy work:
- **Decent Lives and Strong Neighbourhoods initiative** - currently developing an assessment framework for assessing and monitoring change over time
- Research and policy advocacy for **VisitAble Housing** that has led to changes in local official plans and real estate practices in multiple regions.
- **Poverty Reduction** research and policy advocacy that led to the Ontario Poverty Reduction Strategy.

- Background research and creation of the first **Homelessness Plan for Waterloo Region** (1999-2001)
- Establishing **Kitchener's first Ward System**
- Provided background work to support **establishing Regional Municipality of Waterloo Social Services**
- Directly assisted with the **formation of neighbourhood associations** on behalf of the Mayor's office in 1970s and 1980s

Attachment C: Statement Regarding 2016 Funding Decision

The decision to cut funding to the Social Development Centre (SDC) for 2016 was made based on a misinterpretation or a misunderstanding which need to be set right. The main points on which to be clear:

1) City of Kitchener funding has never duplicated Regional funding.
2) SDC has used Kitchener funding for only those services listed in the annual agreement.
3) Local community information service is needed and should be available to the Kitchener community.

The 2016 funding decision confused the respective funding roles of the City and the Region. Table C1 summarizes the funding relationship that has been based on a regional policy:

Regional Municipality of Waterloo Policy on Financing Community Information Centres
"In 1987, the Region, on the recommendation of the Social Resources Council, established a policy of supporting a region-wide data bank through the Community Information Centre of Waterloo Region. The policy is structured so that **the Region is responsible for the collection of information, maintenance of the data bank and making the information available to the area municipalities. The area municipalities are responsible for the distribution of the information,** usually by financial support of such agencies as Woolwich Community Services, Information Cambridge and the Community Information Centre Information Centre (for Kitchener and Waterloo). Accordingly, the Region does not fund any community information centres in area municipalities."(*from Regional Municipality of Waterloo Administration and Finance Committee report, March 1992)*

The City of Kitchener has funded SDC since the 1970s for community information service and, since 2010, this has been structured as shown in the following 2015 grant agreement:

Service	2015 Grant
To support **Community Information Services**	$46,321
To support resources dedicated to the operation of Kitchener's Festival of Neighbourhoods	$10,772
To support **community information development** *(update technical systems, web development (e.g. specialized information portals), new resource and product development, as well as professional development for staff and organization such as applying new sector standards which contribute to the development of community information in Ontario, including the 211 system)*	$17,237
Total	$74,330

The City staff recommended cutting SDC funds for community information service because they said it was not needed, given that there are many sources of information such as the Internet, 211 and the City's central call centre. Staff's assessment of the community's information needs does not fit what is known and understood about people's information needs. In these times of information overload and rapid

changes in technology, mediated information services such as what are provided in a local community information centre continue to be important for many, particularly those who are most vulnerable

SDC annual statistics show there is a continued need for mediated support to information and curated content to make it easier to find what is needed in a sea of information that is often not reliable or current. Further, SDC commissioned an independent study in the fall of 2014 to find out what residents thought was important. Over 750 people were interviewed and the following are seen as important to have available in the community:

- A resource centre where people can get help (85%)
- Information services provided by phone, internet and in person (63%)
- Communication to keep people updated on important issues (58%)
- Incubator space for new groups (34%)

These are all part of the information services SDC provided with funding received from the City of Kitchener. Access to information is one of the priorities set by SDC in response what has been learned through its work as well as from community input.

Until 2015, the Region of Waterloo had provided an annual grant to support SDC in maintaining and sharing a comprehensive community information database. The Region is now maintaining a duplicate database but, unfortunately the sharing option we had provided to other local information services has not yet been possible with this new database. To support its work, SDC needs machine readable data exports which, although promised to be available in 2015 are still not available. This has caused significant difficulties, especially with the added burden created by the 2016 City funding cut.

Action required with assistance from City of Kitchener Staff and Council:

1) Correct the misunderstanding that led to the decision to cut SDC funds.

2) Advocate to the Region to make the data they now maintain available to SDC in machine readable form, just as SDC had done for many years to support other local community information centres.

3) Work with SDC to understand the importance of local community information services and how the City can work with SDC to ensure all Kitchener residents have the information they need in the ways that work for them.

Table C1: Summary of Responsibilities for Funding Community Information Centres in Waterloo Region

Regional Municipality of Waterloo Policy (set in 1987, affirmed in 1992 and again in 2007)		Social Development Centre Funding 2015	Community Information Data Collection & Maintenance	Community Information Service	Development Work
Region role	Supporting a region-wide data bank through the Community Information Centre of Waterloo Region. The Region is responsible for collection of information, maintenance of the data bank and making the information available to the area municipalities. Does **not** fund any information centres in the area municipalities.	$40,000 Jan-June 2015	To maintain region-wide community information database	To continue to share with local information centres as per policy. The regular transfer of the database as a whole to share with local municipalities or designated community information centres is provided as part of Region's funding so municipalities can, in turn, provide local information services.	
Area municipality role	Area municipalities are responsible for the distribution of the information, usually by financial support of such agencies as the Community Information Centre Information Centre (for Kitchener and Waterloo).	2015 Kitchener funding: To support Community Information Services $46,321 To support community information development $17,237		The annual grant is used to support the community information service and to help with developing this service. The service is provided through the Community Information Centre of Waterloo Region resource centre in downtown Kitchener, over the telephone and in various ways including print and the Internet. 2014: Information contacts make up 98% of over 614,500 contacts; 94% say they will use the information we provide. An estimated 60-80% of all recipients of the services we provide live or work in Kitchener. The regular transfer of data (whole or part of the database) to parties other than a municipality or local community information centre is one small part of the 'information service' provided to the community – typically either fee for service contract or an in-kind contribution to project or partnership	**Community information development** is neither data maintenance nor information service. This work may support either or both but in a behind the scenes or 'under the hood' way. This can include work to update technical systems (software etc.) Web development (e.g. specialized information portals), new resource and product development, professional development for staff and organization (e.g. applying new sector standards which contribute to the development of community information in Ontario, including the 211 system)

Attachment D: Social Development Centre Progress on Priorities – 2015-2019

The Social Development Centre is a non-government public benefit community leader committed to promoting social development in Waterloo Region.

Vision: A healthy, fair and sustainable community where all can participate in finding solutions.

Mission: Advancing community through active participation and objective knowledge.

Goals:
1. Increase understanding of social resources, assets, issues, needs and context of the local community by those who need this knowledge to take action.
2. Increase citizen participation in social, economic and political life of the community.
3. Build social cohesion through relationships, collaboration and community action.
4. Reduce inequitable access to knowledge resources resulting from emerging technologies.
5. Develop the social infrastructure of the community – people, organizations, services and policies.

Activities:
- Actively engage and collaborate on issues important to citizens
- Gather, apply, distribute and archive information on human services and community needs

Outcomes:

People (individuals, groups and agencies), are more:
1. Informed and have more options for dealing with their concerns.
2. Connected and have stronger relationships so they have somewhere to turn.
3. Involved, have a voice and take action.

Systems and policies contribute to social development by:
1. Sustaining a livable community environment and
2. Responding effectively to address social needs.

Setting Priorities

Community Issue Review
- Retrospective analysis of work since 1967
- Topics and discussions from community forums, kitchen table talks, and other community input over previous 10 years
- Review of issues raised by reference and action groups

Priority Topics: Presented for Discussion during the 2014 Municipal Election

Follow up Consultations in early 2015
- Newly elected councillors at Kitchener, Waterloo and Regional Councils
- Disabilities and Human Rights Group
- K-W Poverty Free Action Group

Priorities Established for next 3-4 Years (2015-2019)
- Strong Neighbourhoods
- Poverty Elimination
- Access to Information

Progress Report to Community at the 49th Annual General Meeting June 2016

Progress on Community Social Planning

Established a Community Social Planning Council

- In 2015 established the *Community Social Planning Council* to provide a community based perspective to guide SDC's work
- 18 community members from diverse backgrounds
- Seven (7) meetings since October 2015
- Varied perspectives, lots of great discussion and guidance:
    - Decent Lives, Strong Neighbourhoods consultation results
    - Feedback on definitions and assessment framework
    - Started community perspective for systemic analysis of poverty
    - Feedback for City of Kitchener Neighbourhood Strategy
    - Issues being identified for short term community memos
    - co-hosting national housing strategy consultation in October

Progress on Strong Neighbourhoods & Poverty Elimination

- Launched the Decent Lives-Strong Neighbourhoods series in 2015:
    - 3 community forums, 10 kitchen table talks: preliminary plan set Integrated other topics : *Civic Engagement; Access and Inclusion, Healthy Environment*
    - *Preliminary plan set – developing an assessment framework*
- Continued Systemic Analysis of Poverty project
- Hosted policy analysis session and all candidate sessions during federal election – *used Poverty Elimination Framework tool*
- Created interactive map tool to assess neighbourhood need – *an excellent model for similar analyses; terms defined, measures and data sources identified, some data gathered, initial indices created for Decent Lives and Neighbourhood Diversity*
- Continued VisitAble Housing project with realtors, builders and planners
- Continued partnership in Festival of Neighbourhoods
- Continued Neighbourhood Connections program: *Traynor-Vanier and Cherry Park initial contact*

Progress on Access to Information

- *Information Access* - incorporates *Digital Inclusion*
- Information services continue: *Blue Book published, phone inquiries continue to decline; web access remains high and is deeper than most (average 9 min per visit)*
- Municipal funding loss, impacts service capacity:
    - Duplication of effort – does not meet our needs
    - Misunderstanding of need for mediated support or digital inclusion
- Information focused projects:
    - Building local information supports to newcomer project – training & resources
    - Women Building Community Project – training & resources
    - Seniors Technology Training project – training & resources
- Poverty reduction funding proposals: aim to develop *peer to peer information and system navigation programs: workers and tenants*
- Pilot test of *Information Access Audit* summer 2016

Next Steps

Decent Lives: Preliminary Plan

1. Assess and monitor:
   - *Framework has been defined*
   - *Work has started to develop an interactive assessment tool – community wide, neighbourhood specific and individual (summer 2016)*
2. Set priorities on physical and social infrastructure gaps:
   - Define standards for 'strong' neighbourhood & 'a decent life'
   - Determine what to tackle for city wide equity
3. Create community development programs:
   - Proactive projects to fill neighbourhood equity gaps
   - Support community initiatives to enhance physical and social environment through short term projects

Access to Information: Action Needed

- Recognize that *information access* is a basic need, public good and human right in modern society
- Increase awareness and understanding of the importance of local, experienced mediated information access: *Google is* NOT the answer to human needs.
- Understand 'community focused' technical infrastructure is needed and must be anchored in the community i.e. not government nor business; SDC has this expertise and is well positioned to build on this
- Advocate for restoring and increasing SDC funding so innovative work can continue e.g. user friendly 'apps', system navigation and advocacy support to vulnerable groups: renters, low wage earners, persons with disabilities, seniors, immigrants

Other Directions for Action

- Raise profile of human rights and social justice advocacy role: *develop a pool of advocates*
- Increase profile for innovative, inclusive processes:
   - Engagement in formal consultations
   - Lived experience advocacy & action
   - Policy and political analysis
- Provide social development training:
   - Information for problem solving and planning
   - Social data for planning and evaluation
   - Organizing and advocacy skills for social change
- Enlist investments in technical & knowledge management expertise to develop software applications for public good

Community Feedback on Progress

We are on a good track:

- There was unanimous agreement that, yes SDC is on a good track.
- The priorities that have been identified are based on an assessment of community needs and reflect what is important to the community.
- Addressing *Poverty Elimination* and *Strong Neighbourhoods* through *Decent Lives and Strong Neighbourhoods* is a good direction.

- However, there are tracks that still need to be laid.

If we achieved one thing in the next year it would be:

- Continue to work on the identified social issues:
  - Healthy neighbourhoods.
  - Ensuring there is adequate income for everyone.
  - The same standard for affordable housing regardless of whether this is privately owned or community housing.
  - Inclusiveness.
- Funding to ensure the organization's work is sustained.
- Community engagement to build a wider network.
- Market brand to ensure SDC has power to influence.

Activities to achieve these outcomes:

- Raise advocacy profile and more advocacy.
- Deepen community involvement and widen constituency.
- Social media and communication.
- Fundraising.
- A concrete action plan and measurable outcomes.
- Grow business services.
- Use the 50th anniversary as a way to raise profile.

To ensure SDC can sustain and build its work:

- Communicate unique identity, especially with decision makers.
- Engage broadly and form relationships.
- Increase membership.
- Hold community forums 3-4 times a year.
- Social media, advertising.
- As a whole, speak loud and stay united!

Attachment E: 2015 Statistical Summary

COMMUNITY CONTACTS

Type of Contact	Number of meetings/events	Total participation
Hosted sessions, forums	163	2,091
Attended - partner, advisor, consultant	65	993
Total	228	3,084

WEB CONTACTS

Webpage Views (Top Pages)	
ConnectKW usage	66,777
Community Information Resources	12,267
Government - policy, elections	5,272
Social Issues: Poverty, Disabilities, Decent Life, Housing, Transportation; Inclusion	5,340
SDC activities, ways to get involved	3,208
Capacity building opportunities	1,562
Neighbourhoods	305
Total Views (Top Pages)	**94,731**
Average Length of Website Session	9 minutes
New Website Users (2015)	20,947
Web Information Directory Searches	562,931
Social Media (Social Development Centre only) Twitter Followers	2,035

PHONE CONTACTS: 68% of known of phone contacts live in Kitchener

Top Known Needs Total Known Needs (Recorded = 536)			
Individual Family and Community Support	19%	Income Support/Assistance	4%
Information Services	14%	Volunteers/Donations	4%
Arts Culture and Recreation	8%	Food/Meals	3%
Transportation	6%	Education	3%
Clothing/Personal/Household Needs	6%	Employment	2%
Health Care	5%	Mental Health/Addictions	2%
Legal Consumer and Public Safety	5%	Disaster Services	1%
Housing/Utilities	5%		
Other Government/Economic Services	5%		

Attachment F: Social Development Centre Waterloo Region, Draft Budget

2017 Budget – *draft October 2016*

	January to December 2017
REVENUE	
City of Kitchener Grant	100,000
Other grants	70,000
Subsidies	30,000
Products, Services & Projects	100,000
Memberships/ Donations/ Fundraising/ Interest/Misc.	20,000
Total Revenue	$320,000
EXPENSES	
Payroll Expenses & Benefits	265,000
Accounting/Audit/Bank & Payroll	8,000
Advertising	2,000
Computer Hardware/Software	10,000
Contract - Fee for Service	4,500
Courier & Postage	500
Furniture & Equipment	500
Meetings/Workshops/Travel	3,000
Membership Dues/Subscriptions	5,000
Office Supplies	3,900
Printing & Photocopying	2,000
Staff/Volunteer Training/Recognition	1,500
Telecommunications	6,000
Rent /Repairs/Maintenance/Insurance	8,000
Partner Expenses /Misc.	100
Total Expenditures	$320,000
Surplus/(Deficit)	0

Attachment G: Social Development Centre Waterloo Region, 2015 Audited Financial Statement

Financial Statements of

SOCIAL DEVELOPMENT CENTRE WATERLOO REGION

Year ended December 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Members of Social Development Centre Waterloo Region

We have audited the accompanying financial statements of Social Development Centre Waterloo Region, which comprise the statement of financial position as at December 31, 2015, the statements of operations and changes in net assets and cash flows for the year then ended, and notes, comprising 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 our 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, we consider 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.

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

Page 2

Basis for Qualified Opinion

In common with many charitable organizations, Social Development Centre Waterloo Region derives part of its revenue from various sources (captioned other revenues), 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 other revenues, excess (deficiency) of revenues over expenditures, assets and net assets.

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 Social Development Centre Waterloo Region as at December 31, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants, Licensed Public Accountants

May 24, 2016
Waterloo, Canada

SOCIAL DEVELOPMENT CENTRE WATERLOO REGION

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Assets		
Current assets:		
Cash	$ 1,731	$ 54,848
Accounts receivable	68,332	43,946
HST recoverable	3,661	3,631
Prepaid expenses	4,457	8,863
	$ 78,181	$ 111,288
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 8,021	$ 6,912
Net assets:		
Internally restricted (note 2)	70,160	104,376
Commitments (note 3)		
	$ 78,181	$ 111,288

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

 _____ Director

SOCIAL DEVELOPMENT CENTRE WATERLOO REGION

Statement of Operations and Changes in Net Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Revenues:		
Grants:		
Municipal governments:		
Region of Waterloo	$ 40,215	$ 80,369
City of Kitchener	74,330	73,412
Wage subsidy grants	32,252	53,021
	146,797	206,802
Other:		
Products and services	83,182	113,467
Projects	20,423	63,790
Donations and memberships	2,668	2,527
Miscellaneous	92	1,106
Interest	-	37
	106,365	180,927
	253,162	387,729
Expenses:		
Salaries and benefits	213,864	280,862
Rent, insurance and premise costs	25,647	25,544
Telephone	9,598	8,582
Professional fees and bank charges	9,303	10,503
Office supplies	7,284	9,065
Travel, meetings and conferences	7,590	10,113
Computer software/hardware	2,595	3,554
Membership dues	2,385	4,408
Advertising and public relations	2,030	2,772
Copying and printing	1,956	761
Miscellaneous	1,866	808
Staff and volunteer training/development/recognition	2,158	688
Postage	584	645
Purchased services	300	8,778
Partner expense	150	2,837
Equipment purchases and rentals	68	151
	287,378	370,071
Excess (deficiency) of revenues over expenses	(34,216)	17,658
Net assets, beginning of year	104,376	86,718
Net assets, end of year	$ 70,160	$ 104,376

See accompanying notes to financial statements.

SOCIAL DEVELOPMENT CENTRE WATERLOO REGION
Statements of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	$ (34,216)	$ 17,658
Change in non-cash operating working capital:		
Accounts receivable	(24,386)	(16,696)
HST recoverable	(30)	(1,783)
Prepaid expenses	4,406	2,906
Accounts payable and accrued liabilities	1,109	(25,252)
Deferred revenue	-	(39,346)
Decrease in cash	(53,117)	(62,513)
Cash, beginning of year	54,848	117,361
Cash, end of year	$ 1,731	$ 54,848

See accompanying notes to financial statements.

SOCIAL DEVELOPMENT CENTRE WATERLOO REGION
Notes to Financial Statements

Year ended December 31, 2015

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Status of the Centre:

The Social Development Centre Waterloo Region (the "Centre") is a charitable organization incorporated under the laws of Ontario whose aims and objectives are:

    (i)   to stimulate public awareness of community problems;

    (ii)   to study and identify social needs within the community, and the services which exist to meet those needs;

    (iii)   to advise and assist in planning and developing new services;

    (iv)   to promote changes that will improve the quality of life for local citizens;

    (v)   to provide information and referral services to the community;

    (vi)   to promote volunteerism in the community; and

    (vii)   to engage in such other activities related to planning, co-ordinating and implementing joint action, as may be deemed to be in the general interest of the health and welfare of the citizens of the community.

During the year, the organization changed their legal name from Social Planning Council of Kitchener-Waterloo to Social Development Centre Waterloo Region.

The Centre is a charitable organization registered under the Income Tax Act and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes.

1. Significant accounting policies:

    (a) General:

    The financial statements have been prepared in accordance with the Chartered Professional Accountants of Canada Handbook Part III - Canadian accounting standards for not-for-profit organizations.

    (b) Revenue recognition:

    The Centre follows the deferral method of accounting for contributions, which includes donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

    (c) Capital assets:

    The Centre's capital assets consist of several computers and certain furniture and fixtures as well as leasehold improvements. The expenditures on capital assets are reported as expenses in the year in which they are acquired. Related expenses for the current year were $nil (2014- $nil).

SOCIAL DEVELOPMENT CENTRE WATERLOO REGION
Notes to Financial Statements (continued)

Year ended December 31, 2015

1. **Significant accounting policies (continued):**

    (d) Contributed services:

    A number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

    (e) 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates. Estimates are reviewed on a regular basis and, as adjustments become necessary, they are reported in income in the periods in which they become known. The assets and liabilities which require management to make significant estimates and assumptions in determining carrying values include accounts receivable, inventory and accounts payable and accrued liabilities.

    (f) Financial instruments:

    Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Centre has not elected to carry any such financial instruments at fair value.

    Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

    Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Centre determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Centre expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

SOCIAL DEVELOPMENT CENTRE WATERLOO REGION
Notes to Financial Statements (continued)

Year ended December 31, 2015

1. **Significant accounting policies (continued):**

   (g) Capital management:

   The Centre's objective when managing capital is to safeguard the Centre's ability to continue as a going concern so that it can continue to provide service to stakeholders.

   The Centre sets the sufficiency of capital to maintain the working capital required to meet the service needs of the stakeholders and makes adjustments to its capital, to respond to potential changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, management looks forward to future needs and recommends appropriation of unrestricted amounts or increased fundraising to secure adequate cash flow.

   The Centre maintains capital to meet those potential appropriations noted above and to ensure there are sufficient funds, defined as twelve months of net operating cash flow, available to the Centre to provide time to respond to changes in economic circumstances.

2. **Internally restricted net assets:**

   Net assets have been internally restricted to provide for cash requirements prior to receipt of grants for the subsequent year, as well as to provide reserves for capital replacements.

3. **Lease commitments:**

   The Centre is obligated under rental agreements. At December 31, 2015, future minimum lease payments for the next year is as follows:

2016	$ 7,442

4. **Financial instruments:**

   (a) Interest rate risk:

   The Centre's cash is exposed to interest rate risk, as changes in market interest rates directly affect cash flows associated with the asset.

   (b) Credit risk:

   The Centre is exposed to credit risk with respect to accounts receivable. The Centre assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible.

SOCIAL DEVELOPMENT CENTRE WATERLOO REGION
Notes to Financial Statements (continued)

Year ended December 31, 2015

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4. Financial instruments (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the Centre will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Centre manages its liquidity risk by monitoring its operating requirements. The Centre prepares budgets to ensure it has sufficient funds to fulfill its obligations.