

Financial Statements

Birchmount Bluffs Neighbourhood Centre

Toronto, Ontario

March 31, 2017

Contents

Independent Auditors' Report.....	3 - 4
Statement of Financial Position.....	5 - 6
Statement of Reserve - Equipment.....	7
Statement of Reserve - SHARE365.....	7
Statement of Accumulated Deficit.....	7
Statement of Operations.....	8
Statement of Cash Flows.....	9
Notes to Financial Statements.....	10 - 16

Independent Auditors' Report

To the Members of Birchmount Bluffs Neighbourhood Centre:

We have audited the accompanying financial statements of Birchmount Bluffs Neighbourhood Centre, which comprise the statement of financial position as at March 31, 2017 and the statements of reserve - equipment, reserve - SHARE365, accumulated deficit, operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors 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 the Board of Directors 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 auditor's 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 Corporation'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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, 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.

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Independent Auditors' Report - continued

Basis for Qualified Opinion

In common with many charitable organizations, the Corporation derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Corporation and we are not able to determine whether any adjustments might be necessary to revenue, deficit, current assets and net assets.

Qualified Opinion

In our opinion, except for the 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 Birchmount Bluffs Neighbourhood Centre as at March 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.

Toronto, Ontario
June 15, 2017



Chartered Professional Accountants, Licensed Public Accountants

Birchmount Bluffs Neighbourhood Centre

March 31, 2017

Statement of Financial Position	2017	2016
Current Assets		
Cash, Note 3	\$ 15,680	\$ 82,009
Accounts receivable		
HST	11,735	13,491
Grants	17,530	26,604
Miscellaneous	1,119	937
Prepaid expenses	7,268	9,683
Total Current	53,332	132,724
Capital Asset , Note 4	1	1
Reserve Funds , Note 3	80,952	93,572
	134,285	226,297

Approved by The Board

Wendy Fulton

Director

Kathryn Mannion

Director

Birchmount Bluffs Neighbourhood Centre

March 31, 2017

Statement of Financial Position	2017	2016
Current Liabilities		
Accounts payable and accrued liabilities	\$ 48,428	\$ 45,339
Deferred revenue	44,804	103,311
Total Liabilities	93,232	148,650
Net Assets		
<i>Internally Restricted</i>		
Equipment reserve, per statement, Note 5	14,727	14,727
SHARE365 reserve, per statement, Note 5	66,225	78,845
<i>Unrestricted</i>		
Accumulated deficit, per statement	(39,899)	(15,925)
	41,053	77,647
	134,285	226,297

The notes on pages 10 through 16 form an integral part of these financial statements.

Birchmount Bluffs Neighbourhood Centre

Year ended March 31, 2017

Statement of Reserve - Equipment	2017	2016
Balance beginning	\$ 14,727	\$ 14,727
<i>Balance March 31</i>	14,727	14,727

Statement of Reserve - SHARE365		
Balance beginning	78,845	48,376
Add (deduct)		
Transfer from (to) accumulated deficit	(12,620)	30,469
<i>Balance March 31</i>	66,225	78,845

Statement of Accumulated Deficit		
Balance beginning	(15,925)	23,482
Add (deduct)		
Deficit	(36,594)	(8,938)
Transfer from (to) SHARE365 reserve	12,620	(30,469)
<i>Balance March 31</i>	(39,899)	(15,925)

Birchmount Bluffs Neighbourhood Centre

Year ended March 31, 2017

Statement of Operations	2017	2016
Revenues		
Programs, Note 6	\$ 165,150	\$ 178,044
Donations and fundraising	12,330	30,390
Investment income	312	1,594
Grants		
City of Toronto, Note 8	246,941	350,064
United Way	210,180	215,180
Service Canada		
Youth	9,574	5,617
Seniors - New Horizons - SOAR	0	16,267
YMCA summer student exchange	2,363	2,310
West Scarborough	24,040	24,040
Ontario Trillium		
Bengali Tamil Seniors Recreation Program	42,605	74,870
Senior Community Grant - Provincial Grant	7,996	115
Provincial wage enhancement	3,240	1,536
Scarborough Cycles	7,000	0
Canadian Tire Jumpstart Charity	0	1,035
Toronto Foundation	14,107	13,271
J. P. Bickell Foundation	0	10,000
Tippett Foundation	10,000	0
Friends of Oakridge Park	0	640
Membership fees	15,002	14,687
SHARE365	73,075	40,971
Total Revenues	843,915	980,631
Expenses		
Salaries and benefits	576,579	679,492
Professional and consulting fees	124,099	122,798
Materials and services	129,283	118,291
Occupancy cost	17,248	30,366
Insurance	11,048	10,657
Interest and bank charges	6,345	4,996
Transportation and travel	10,042	17,649
Education and training	2,486	2,091
Advertising	513	1,736
Membership dues	2,866	1,493
Total Expenses	880,509	989,569
Deficit	(36,594)	(8,938)

Birchmount Bluffs Neighbourhood Centre

Year ended March 31, 2017

Statement of Cash Flows	2017	2016
Operating Activities		
Deficit	\$ (36,594)	\$ (8,938)
Changes in Non-Cash Working Capital		
Accounts receivable	10,648	(15,171)
Prepaid expenses	2,415	(390)
Accounts payable and accrued liabilities	3,089	(27,246)
Deferred revenue	(58,507)	(38,072)
Cash Used in Operating Activities	<u>(78,949)</u>	<u>(89,817)</u>
Investing Activities		
Decrease in investments and restricted cash	12,620	117,883
Cash Provided By Investing Activities	<u>12,620</u>	<u>117,883</u>
Net cash increase (decrease) during the year	(66,329)	28,066
Cash position beginning of year	82,009	53,943
Cash Position End of Year	<u>15,680</u>	<u>82,009</u>

Notes to Financial Statements

Status and Nature of Activities

The Corporation is incorporated without share capital under the laws of Ontario. The purpose of the Corporation is to maintain, operate and conduct a community centre for advancement of community education, social services and activities to enhance physical and mental well-being.

The Corporation is a charitable organization within the meaning of the Income Tax Act.

Note 1 Significant Accounting Policies

Basis of Accounting

The Corporation's financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Where Canadian accounting standards for not-for-profit organizations does not provide guidance, the Corporation uses Canadian accounting standards for private enterprises. Outlined below are those policies considered particularly significant for the Corporation.

Revenue Recognition

Government grants are recognized using the deferral method of accounting for contributions.

Program revenues are recognized when the service is provided.

Membership fees revenue is recognized in the period in which the membership covers.

Revenue related to donations, fundraising and SHARE365 are recognized when they are received.

Investment income includes interest from cash and fixed income investments. Revenue is recognized on an accrual basis. Interest from fixed income investments is recognized over the term of these investments using the effective interest method.

Financial Instruments

(a) Measurement of Financial Instruments

The Corporation initially measures its financial assets and financial liabilities at fair value.

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

Financial assets measured at amortized cost include cash, guaranteed investment certificates and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

Note 1 Significant Accounting Policies - continued

(b) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, up to the original cost but cannot exceed original cost. The amount of the reversal is recognized in income.

Allocation of Expenses

Expenses are allocated to programs based on proration of funding received. Refer to Note 7 for the details of the allocations.

Use of Estimates

The preparation of financial statements requires the Board of Directors to make assumptions about future events 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 expenses during the reporting period. Actual results could differ from these estimates.

Note 2 Financial Instruments

Risk Management Policy

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2017:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a loss.

It is the opinion of management that the Corporation is not exposed to significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its accounts payable.

Birchmount Bluffs Neighbourhood Centre

March 31, 2017

Note 2 Financial Instruments - continued

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. These fluctuations may be significant. The methods and assumptions management uses when assessing market risks have not changed substantially from the prior period and are summarized below:

Interest Rate Risk

The Corporation manages its investments based on its cash flow needs and with a view to optimizing its investment income. The Corporation has invested its excess cash in low risk interest bearing vehicles such as guaranteed investment certificates as the means for managing its interest rate risk.

The average interest rate on cash and investments during the year was 0.2% (2016, 0.7%).

Note 3 Cash, Investments and Reserve Funds

	2017	2016
Cash		
Petty cash	\$ 100	\$ 4,550
Operating current account	46,532	99,907
	46,632	104,457
Temporary Investments		
Guaranteed investment certificates	50,000	71,124
	96,632	175,581
Composed of:		
Cash	15,680	82,009
Amount required to fund reserve - restricted	80,952	93,572
	96,632	175,581

Note 4 Capital Asset

	2017	2016
At cost		
Computer database	\$ 10,394	\$ 10,394
Accumulated amortization	(10,393)	(10,393)
	1	1

Birchmount Bluffs Neighbourhood Centre

March 31, 2017

Note 5 **Restrictions on Net Assets**

The equipment reserve is internally restricted by the Board of Directors. These funds can only be used for future major equipment purchases, including computer replacements approved by the Board of Directors.

The SHARE365 reserve is internally restricted by the Board of Directors. These funds can only be used for SHARE365 activities.

Note 6 **Program Revenue**

Program revenue is comprised of the following:

	2017		2016
Fitness and wellness	\$ 114,730	\$	119,515
Nursery school	37,564		45,388
Infant and child	0		882
Good food share	5,755		3,861
Older adults	332		40
Integrated/adapted	6,452		5,358
Bengali Tamil seniors recreation	0		1,861
Administration	317		1,139
	<u>165,150</u>		<u>178,044</u>

Birchmount Bluffs Neighbourhood Centre

March 31, 2017

Note 7 Allocation of Expenses

Total expenses during the year totaled \$880,509 (2016 - \$989,569) and have been allocated as follows:

	2017	2016
Program expenses		
Early years	\$ 39,687	\$ 26,739
Fitness and wellness	122,489	117,607
Major recreation	16,501	22,773
Nursery school	58,337	58,701
	237,014	225,820
Grant expenses		
Ontario Trillium Grant		
Bengali Tamil Seniors Recreation Program	45,559	77,318
Older Adults - SOAR Provincial	1,571	115
Volunteer Development - BBNC	19,817	24,259
Youth Employment - BBNC	216	0
United Way	133,672	148,379
Community Service Partnership Grant	67,414	70,604
Service Canada		
Youth	10,033	5,661
Seniors - New Horizons - SOAR	1,932	14,866
Family Resource Centre, Note 9	93,786	89,728
Community Development	6,635	9,735
SPAN	7,117	0
Toronto Foundation	14,107	13,271
Project Thru Our Eyes	1,367	4,222
Peer Leaders	144	9,180
Community Recreation and Investments	146	17,289
Poverty Reduction	98	29
Resident Advisory Committee Project	12,032	810
Community Festivals and Special Events	0	6,979
PanAM	0	25,683
INI		
T Mindz	12,725	0
Youth N' Mind	1,880	2,739
EE-KP (In Trust) - Social Development and Investment	8,844	39,947
SRU Grow	0	15,975
Investment in Neighbourhood	31,514	55,726
YDI Donation Grants Expenses		
U of T RDYL	0	533
	470,609	633,048
Administrative expenses		
Administrative overhead	102,773	115,112
Direct fundraising cost	3,313	5,087
SHARE365	66,800	10,502
	172,886	130,701
	880,509	989,569

Birchmount Bluffs Neighbourhood Centre

March 31, 2017

Note 8 **City of Toronto Grants**

City of Toronto grants is comprised of the following:

	2017	2016
Community Service Partnership	\$ 67,414	\$ 65,960
Major Recreation	16,501	16,160
Family Resource Centre, Note 9	90,634	91,042
P 2 P Youthlink	1,000	0
Thru Our Eyes - Grant	3,825	4,222
Peer Leaders	0	7,932
Investment in Neighbourhood	31,246	55,483
EE-KP (Trust)	9,684	39,735
SRU GROW	0	15,975
Community Recreations	0	17,006
Community Festivals	0	7,000
PanAm	0	26,000
Resident Advisory Committee Project	12,032	810
Identify 'N Impact		
BBNC - TMindz	12,725	0
Youth N' Mind	1,880	2,739
	246,941	350,064

Birchmount Bluffs Neighbourhood Centre

March 31, 2017

Note 9 Family Resource Centre Operations

The following is a summary of operations of the Family Resource Centre, which is funded by the City of Toronto:

	2017	2016
Revenue		
Base grant	\$ 81,670	\$ 80,788
Wage subsidy	5,452	6,468
Fees collected for services	3,512	3,786
	<u>90,634</u>	<u>91,042</u>
Expenses, Note 7		
Salaries	68,890	68,504
Insurance	972	938
Advertising	18	79
Training and development	134	274
Office	1,276	1,470
Professional fees	1,571	750
Program related	4,648	2,248
Salaries - administration	14,790	12,889
Contract and temporary staff	1,185	2,085
Miscellaneous	302	491
	<u>93,786</u>	<u>89,728</u>
	<u>(3,152)</u>	<u>1,314</u>