

Financial Statements

Birchmount Bluffs Neighbourhood Centre

Toronto, Ontario

March 31, 2018

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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, 2018 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, 2018 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 19, 2018

Chartered Professional Accountants, Licensed Public Accountants

Birchmount Bluffs Neighbourhood Centre

March 31, 2018

Statement of Financial Position	2018	2017
Current Assets		
Cash, Note 3	\$ 121,281	\$ 15,680
Temporary investments, Note 3	35,623	0
Accounts receivable		
HST	7,322	11,735
Grants	8,487	17,530
Miscellaneous	500	1,119
Prepaid expenses	6,086	7,268
Total Current	179,299	53,332
Capital Asset , Note 4	1	1
Reserve Funds , Note 3	14,727	80,952
	194,027	134,285

Approved by The Board

Mamta Deshwar

Director

Angie Joyce

Director

Birchmount Bluffs Neighbourhood Centre

March 31, 2018

Statement of Financial Position	2018	2017
Current Liabilities		
Accounts payable and accrued liabilities	\$ 55,696	\$ 48,428
Deferred revenue	128,891	44,804
Total Liabilities	<u>184,587</u>	<u>93,232</u>
Net Assets		
<i>Internally Restricted</i>		
Equipment reserve, per statement, Note 5	14,727	14,727
SHARE365 reserve, per statement, Note 5	0	66,225
<i>Unrestricted</i>		
Accumulated deficit, per statement	(5,287)	(39,899)
	<u>9,440</u>	<u>41,053</u>
	<u>194,027</u>	<u>134,285</u>

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

Birchmount Bluffs Neighbourhood Centre

Year ended March 31, 2018

Statement of Reserve - Equipment

	2018	2017
Balance beginning	\$ 14,727	\$ 14,727
<i>Balance March 31</i>	14,727	14,727

Statement of Reserve - SHARE365

Balance beginning	66,225	78,845
Deduct		
Transfer to accumulated deficit	(66,225)	(12,620)
<i>Balance March 31</i>	0	66,225

Statement of Accumulated Deficit

Balance beginning	(39,899)	(15,925)
Deduct (add)		
Deficit	(31,613)	(36,594)
Transfer from SHARE365 reserve	66,225	12,620
<i>Balance March 31</i>	(5,287)	(39,899)

Birchmount Bluffs Neighbourhood Centre

Year ended March 31, 2018

Statement of Operations	2018	2017
Revenues		
Programs, Note 6	\$ 165,742	\$ 165,150
Donations and fundraising	3,323	12,330
Investment income	625	312
Grants		
City of Toronto, Note 7	267,148	246,941
United Way	210,180	210,180
Service Canada		
Youth	13,668	9,574
YMCA summer student exchange	2,314	2,363
West Scarborough	18,519	24,040
Ontario Trillium		
Bengali Tamil Seniors Recreation Program	0	42,605
Senior Community Grant - Provincial Grant	0	7,996
Provincial wage enhancement	3,616	3,240
Scarborough Cycles	4,500	7,000
Toronto Foundation	0	14,107
Tippett Foundation	0	10,000
Maytree Foundation	1,300	0
Membership fees	12,116	15,002
SHARE365	35,939	73,075
Total Revenues	738,990	843,915
Expenses		
Salaries and benefits	550,770	576,579
Professional and consulting fees	114,301	124,099
Materials and services	80,793	129,283
Occupancy cost	999	17,248
Insurance	10,715	11,048
Interest and bank charges	4,282	6,345
Transportation and travel	2,985	10,042
Education and training	2,620	2,486
Advertising	883	513
Membership dues	2,255	2,866
Total Expenses	770,603	880,509
Deficit	(31,613)	(36,594)

Birchmount Bluffs Neighbourhood Centre

Year ended March 31, 2018

Statement of Cash Flows	2018	2017
Operating Activities		
Deficit	\$ (31,613)	\$ (36,594)
Changes in Non-Cash Working Capital		
Accounts receivable	14,075	10,648
Prepaid expenses	1,182	2,415
Accounts payable and accrued liabilities	7,268	3,089
Deferred revenue	84,087	(58,507)
<i>Cash Provided by (Used in) Operating Activities</i>	74,999	(78,949)
Investing Activities		
Decrease in investments and restricted cash	30,602	12,620
<i>Cash Provided By Investing Activities</i>	30,602	12,620
Net cash increase (decrease) during the year	105,601	(66,329)
Cash position beginning of year	15,680	82,009
<i>Cash Position End of Year</i>	121,281	15,680

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 8 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, 2018:

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.

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 rate of return on cash and investments during the year was 0.5% (2017, 0.2%).

Note 3 Cash, Investments and Reserve Funds

	2018	2017
Cash		
Petty cash	\$ 600	\$ 100
Operating current account	120,681	46,532
	<u>121,281</u>	<u>46,632</u>
Temporary Investments		
Guaranteed investment certificates	50,350	50,000
	<u>171,631</u>	<u>96,632</u>
Composed of:		
Cash	121,281	15,680
Temporary investments	35,623	0
Amount required to fund reserve - restricted	14,727	80,952
	<u>171,631</u>	<u>96,632</u>

Note 4 Capital Asset

	2018	2017
At cost		
Computer database	\$ 10,394	\$ 10,394
Accumulated amortization	(10,393)	(10,393)
	<u>1</u>	<u>1</u>

Birchmount Bluffs Neighbourhood Centre

March 31, 2018

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 was internally restricted by the Board of Directors. The Board of Directors has approved removing the internal restriction on the SHARE365 reserve.

Note 6 Programs Revenue

Service revenue is comprised of the following:

	2018	2017
Fitness and wellness	\$ 111,658	\$ 114,730
Nursery school	44,951	37,564
Good food share	1,343	5,755
Older adults	162	332
Integrated/adapted	7,517	6,452
Administration	111	317
	165,742	165,150

Note 7 City of Toronto Grants

City of Toronto grants is comprised of the following:

	2018	2017
Community Service Partnership	\$ 68,816	\$ 67,414
Major Recreation	16,786	16,501
Family Resource Centre, Note 9	69,391	90,634
EarlyON, Note 10	28,313	0
P 2 P Youthlink	0	1,000
Thru Our Eyes - Grant	0	3,825
Peer Leaders	3,654	0
Investment in Neighbourhood	58,609	31,246
EE-KP (Trust)	0	9,684
Resident Advisory Committee Project	10,844	12,032
Identify 'N Impact		
BBNC - TMindz	0	12,725
Youth N' Mind	0	1,880
Waste Diversion Project	10,735	0
	267,148	246,941

Birchmount Bluffs Neighbourhood Centre

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Note 8 Allocation of Expenses

Expenses during the year totaled \$770,603 (2017 - \$880,509) and have been allocated as follows:

	2018	2017
Program expenses		
Early years	\$ 20,678	\$ 39,687
Fitness and wellness	132,603	122,489
Major recreation	16,786	16,501
Nursery school	62,436	58,337
	232,503	237,014
Grant expenses		
Ontario Trillium Grant		
Bengali Tamil Seniors Recreation Program	0	45,559
Older Adults - SOAR Provincial	0	1,571
Volunteer Development - BBNC	9,922	19,817
Youth Employment - BBNC	0	216
United Way	133,672	133,672
Community Service Partnership Grant	68,816	67,414
Service Canada		
Youth	13,668	10,033
Seniors - New Horizons - SOAR	0	1,932
Family Resource Centre, Note 9	80,304	93,786
EarlyON, Note 10	36,775	0
Community Development	60	6,635
SPAN	0	7,117
Toronto Foundation	0	14,107
Project Thru Our Eyez	0	1,367
Peer Leaders	3,633	144
Community Recreation and Investments	0	146
Poverty Reduction	0	98
Resident Advisory Committee Project	10,844	12,032
INI		
T Mindz	0	12,725
Youth N' Mind	0	1,880
EE-KP (In Trust) - Social Development and Investment	0	8,844
Investment in Neighbourhood	58,609	31,514
Waste Diversion	10,735	0
	427,038	470,609
Administrative expenses		
Administrative overhead	87,720	102,773
Direct fundraising cost	0	3,313
SHARE365	23,342	66,800
	111,062	172,886
	770,603	880,509

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Note 9 Family Resource Centre Operations

The following is a summary of operations of the Family Resource Centre, which is partially funded by the City of Toronto. The program was discontinued after December 31, 2017. The EarlyON program, disclosed in Note 10, is the replacement for the Family Resource Centre.

	2018	2017
Revenue		
Base grant	\$ 67,044	\$ 81,670
Wage subsidy	0	5,452
Fees collected for services	2,347	3,512
	<u>69,391</u>	<u>90,634</u>
Expenses, Note 8		
Salaries	61,784	68,890
Insurance	808	972
Advertising	122	18
Training and development	251	134
Office	1,122	1,276
Professional fees	1,703	1,571
Program related	3,471	4,648
Salaries - administration	10,346	14,790
Contract and temporary staff	549	1,185
Miscellaneous	148	302
	<u>80,304</u>	<u>93,786</u>
	<u>(10,913)</u>	<u>(3,152)</u>

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March 31, 2018

Note 10 **EarlyON**

The following is a summary of operations of the EarlyON program which is partially funded by the City of Toronto and started January 1, 2018. The program does not require the payment of a membership fee which was required under the Family Resource Centre; and is meant to replace the Family Resource Centre, Note 9 and Early Years programs.

	<u>2018</u>
Revenue	
Base grant	\$ 28,213
Donations	100
	<u>28,313</u>
Expenses, Note 8	
Salaries	30,287
Insurance	567
Advertising	20
Office	452
Professional fees	159
Program related	324
Salaries - administration	4,692
Contract and temporary staff	274
	<u>36,775</u>
	<u>(8,462)</u>

