

**Financial Statements**

**Birchmount Bluffs Neighbourhood Centre**

Toronto, Ontario

*March 31, 2015*



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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, 2015 and the statements of reserve - equipment, reserve - Share Christmas, accumulated surplus, 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 organization and we are not able to determine whether any adjustments might be necessary to revenue, surplus, 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, 2015 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  
September 3, 2015



Chartered Professional Accountants, Licensed Public Accountants

**Birchmount Bluffs Neighbourhood Centre**

March 31, 2015

**Statement of Financial Position**

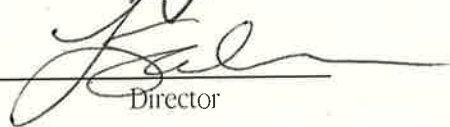
	2015	2014
<b>Current Assets</b>		
Cash and temporary investments, Note 3	\$ 202,295	\$ 241,208
Accounts receivable		
HST	13,748	15,211
Grants	10,962	21,022
Miscellaneous	1,151	388
Prepaid expenses	9,293	7,363
<b>Total Current</b>	237,449	285,192
<b>Capital Asset</b> , Note 4	1	2,598
<b>Reserve Funds</b> , Note 3	63,103	57,349
	<hr/>	<hr/>
	300,553	345,139

**Approved by The Board**

Kelly Hayes

  
\_\_\_\_\_  
Director

Lauren Salmon

  
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Director

## Birchmount Bluffs Neighbourhood Centre

March 31, 2015

<b>Statement of Financial Position</b>	2015	2014
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 72,585	\$ 64,949
Deferred revenue	141,383	168,834
<b>Total Liabilities</b>	<b>213,968</b>	<b>233,783</b>
<b>Net Assets</b>		
<i>Internally Restricted</i>		
Equipment reserve, per statement, Note 5	14,727	14,727
Share Christmas reserve, per statement, Note 5	48,376	42,622
<i>Unrestricted</i>		
Accumulated surplus, per statement	23,482	54,007
	<b>86,585</b>	<b>111,356</b>
	<b>300,553</b>	<b>345,139</b>

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

## Birchmount Bluffs Neighbourhood Centre

Year ended March 31, 2015

### Statement of Reserve - Equipment

	2015	2014
Balance beginning	\$ 14,727	\$ 14,727
<b>Balance March 31</b>	<b>14,727</b>	<b>14,727</b>

### Statement of Reserve - Share Christmas

Balance beginning	42,622	39,540
Add		
Transfer from accumulated surplus	5,754	3,082
<b>Balance March 31</b>	<b>48,376</b>	<b>42,622</b>

### Statement of Accumulated Surplus

Balance beginning	54,007	9,469
Add (deduct)		
Surplus (deficit)	(24,771)	47,620
Transfer to share Christmas reserve	(5,754)	(3,082)
<b>Balance March 31</b>	<b>23,482</b>	<b>54,007</b>



## Birchmount Bluffs Neighbourhood Centre

Year ended March 31, 2015

<b>Statement of Operations</b>	2015	2014
<b>Revenues</b>		
Programs, Note 7	\$ 169,815	\$ 187,338
Donations and fundraising	39,350	56,287
Investment income	1,580	748
Grants		
City of Toronto, Note 8	346,647	330,431
United Way	210,180	215,180
Service Canada		
Youth	6,051	350,581
Seniors - New Horizons	0	19,205
Seniors - New Horizons - SOAR	13	0
YMCA summer student exchange	2,156	6,242
West Scarborough	24,040	24,040
Ontario Trillium		
Volunteer and Fund Development	0	2,035
Bengali Tamil Seniors Recreation Program	85,478	27,047
Senior Community Grant - Provincial Grant	4,932	0
Scarborough Women's Centre	1,000	1,000
Canadian Tire Jumpstart Charity	1,035	0
Toronto Foundation	12,572	911
The Maytree Foundation	5,000	0
Membership fees	16,310	17,979
Share Christmas	111,382	104,056
University of Toronto Religious Diversity Youth Leadership grant	500	0
<b>Total Revenues</b>	<b>1,038,041</b>	<b>1,343,080</b>
<b>Expenses</b>		
Salaries and benefits	711,312	968,043
Professional and consulting fees	116,800	97,065
Materials and Services	166,898	160,973
Occupancy cost	25,539	25,795
Insurance	10,461	10,334
Interest and bank charges	5,365	8,084
Transportation and travel	15,845	11,972
Education and training	3,464	6,280
Amortization of computer database	2,598	2,599
Advertising	2,283	2,361
Membership dues	2,247	1,954
<b>Total Expenses</b>	<b>1,062,812</b>	<b>1,295,460</b>
<b>Surplus (Deficit)</b>	<b>(24,771)</b>	<b>47,620</b>

## Birchmount Bluffs Neighbourhood Centre

Year ended March 31, 2015

<b>Statement of Cash Flows</b>	2015	2014
<b>Operating Activities</b>		
Surplus (deficit)	\$ (24,771)	\$ 47,620
<b>Item not affecting cash</b>		
Amortization of capital asset	2,598	2,599
	<u>(22,173)</u>	<u>50,219</u>
<b>Changes in Non-Cash Working Capital</b>		
Accounts receivable	10,760	41,366
Prepaid expenses	(1,930)	858
Accounts payable and accrued liabilities	7,635	1,883
Deferred revenue	<u>(27,451)</u>	<u>66,510</u>
<b>Cash Provided By (Used in) Operating Activities</b>	<b>(33,159)</b>	<b>160,836</b>
Cash position beginning of year	298,557	137,721
<b>Cash Position End Of Year</b>	<b>265,398</b>	<b>298,557</b>

**Notes to Financial Statements**

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**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. 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 Share Christmas 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.

**Note 1      Significant Accounting Policies - continued**

**Financial Instruments**

**(a) Measurement of Financial Instruments**

The Corporation initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income.

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

Financial liabilities measured at amortized cost include accounts payable.

**(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, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. 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 6 for the details of the allocations.

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**Note 1      Significant Accounting Policies - continued**

**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, 2015:

**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.

**Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices. 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:

**(i) 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 0.6% (2014, 1.2%).

## Birchmount Bluffs Neighbourhood Centre

March 31, 2015

**Note 2      Financial Instruments - continued**

**(ii) Foreign Currency Risk**

The Corporation's functional currency is the Canadian dollar. The Corporation does not engage in any activities in foreign currency and as a result it is the opinion of management that the Corporation is not exposed to significant foreign currency risk.

**(iii) Commodity Price Risk**

The Corporation is subject to normal price risk associated with consumer products.

**Note 3      Cash, Investments and Reserve Funds**

	2015	2014
<b>Cash</b>		
Petty cash	\$ 4,497	\$ 3,574
Operating current account	49,446	94,663
<b>Temporary Investments</b>		
Guaranteed investment certificates	211,455	200,320
	265,398	298,557
<b>Composed of:</b>		
Amount required to fund reserves	63,103	57,349
Unrestricted cash and temporary investments	202,295	241,208
	265,398	298,557

**Note 4      Capital Asset**

	2015	2014
At cost		
Computer database	\$ 10,394	\$ 10,394
Accumulated amortization	(10,393)	(7,796)
	1	2,598

**Note 5      Restrictions on Net Assets**

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

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.

## Birchmount Bluffs Neighbourhood Centre

March 31, 2015

### Note 6

### Allocation of Expenses

Total expenses during the year totaled \$1,062,812 (2014 - \$1,295,460) and have been allocated as follows:

	2015	2014
<b>Program expenses</b>		
Early years	\$ 26,158	\$ 25,945
Fitness and wellness	112,814	95,269
Major recreation	28,266	24,330
Nursery school	52,032	46,149
Summer camp	0	15,818
	219,270	207,511
<b>Grant expenses</b>		
Ontario Trillium Grant		
Volunteer and Fund Development	0	2,664
Bengali Tamil Seniors Recreation Program	85,711	27,179
Older Adults - SOAR Provincial	4,932	0
Volunteer Development - BBNC	20,640	16,255
Youth Employment - BBNC	4,030	0
United Way	149,900	136,350
Community Service Partnership Grant	67,460	66,962
Service Canada		
Youth	6,230	339,040
Seniors - New Horizons	284	21,471
Seniors - New Horizons - SOAR	13	0
Family Resource Center, Note 9	90,891	87,970
Toronto Foundation	12,572	1,035
Maytree Foundation	3,878	0
Project Thru Our Eyez	4,873	5,477
Peer Leaders	1,982	0
Community Recreation and Investments	34,088	12,906
Community Festivals and Special Events	5,371	5,429
INI		
T Mindz	264	6,829
Step 416 (In Trust)	7,221	2,263
EE-KP (In Trust) - Social Development and Investment	42,997	46,563
SRU Grow	8,710	0
Investment in Neighbourhood	71,964	86,721
YDI Donation Grants Expenses		
Intact Foundation	780	9,332
Tippet Foundation	0	2,270
U of T RDYL	160	0
	624,951	876,716
<b>Administrative expenses</b>		
Administrative overhead	108,437	104,413
Direct fundraising cost	4,526	5,846
Share Christmas	105,628	100,974
	218,591	211,233
	1,062,812	1,295,460

## Birchmount Bluffs Neighbourhood Centre

March 31, 2015

**Note 7      Program Revenue**

Program revenue is comprised of the following:

	2015	2014
Fitness and wellness	\$ 111,617	\$ 116,643
Nursery school	46,037	43,265
Infant and child	2,319	15,451
Good food share	4,856	4,814
Older adults	99	742
Integrated/adapted	3,182	1,850
Administration	1,705	779
Youth	0	3,794
	169,815	187,338

**Note 8      City of Toronto Grants**

City of Toronto grants is comprised of the following:

	2015	2014
Community Service Partnership	\$ 64,595	\$ 63,195
Major Recreation	15,825	15,480
Family Resource Centre, Note 9	89,276	87,835
Thru Our Eyes - Grant	4,873	5,477
Peer Leaders	1,982	0
Investment in Neighbourhood	71,443	84,454
EE-KP (Trust)	42,997	46,563
SRU GROW	8,710	0
Community Recreations	34,088	12,906
Community Festivals	5,371	5,429
Identify 'N Impact		
BBNC - TMindz	265	6,829
BBNC (In Trust) - StepUp416	7,222	2,263
	346,647	330,431



## Birchmount Bluffs Neighbourhood Centre

March 31, 2015

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**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:

	2015	2014
<b>Revenue</b>		
Base grant	\$ 77,088	\$ 75,574
Wage subsidy	8,624	8,624
Fees collected for services	3,564	3,637
	89,276	87,835
<b>Expenses, Note 6</b>		
Salaries	67,113	67,010
Insurance	861	850
Advertising	109	40
Training and development	234	87
Office	1,518	3,135
Professional fees	750	750
Program related	4,271	2,684
Salaries - administration	11,238	10,913
Temporary staffing	4,358	1,598
Miscellaneous	439	903
	90,891	87,970
	(1,615)	(135)

**Note 10      Commitment**

The Corporation has signed a commercial lease agreement in a prior year for the leasing of its office space from Mitra Dadrás. The monthly amount due includes a flat rate for municipal taxes. Future minimum monthly payment requirements are as follows:

April 1, 2015 to September 30, 2015	\$2,016 plus HST
October 1, 2015 to September 30, 2016	\$2,057 plus HST

