

Financial Statements

Birchmount Bluffs Neighbourhood Centre

Toronto, Ontario

March 31, 2016



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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, 2016 and the statements of reserve - equipment, reserve - SHARE365, accumulated surplus (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.

continued...

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, 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, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Ontario
August 22, 2016



Chartered Professional Accountants, Licensed Public Accountants

Birchmount Bluffs Neighbourhood Centre

March 31, 2016

Statement of Financial Position

	2016	2015
		Note 10
Current Assets		
Cash, Note 3	\$ 82,009	\$ 53,943
Temporary investments, Note 3	0	148,352
Accounts receivable		
HST	13,491	13,748
Grants	26,604	10,962
Miscellaneous	937	1,151
Prepaid expenses	9,683	9,293
Total Current	132,724	237,449
Capital Asset , Note 4	1	1
Reserve Funds , Note 3	93,572	63,103
	226,297	300,553

Approved by The Board

Wendy Fulton

Director

Lauren Salmon

Director

Birchmount Bluffs Neighbourhood Centre

March 31, 2016

Statement of Financial Position	2016	2015
Current Liabilities		
Accounts payable and accrued liabilities	\$ 45,339	\$ 72,585
Deferred revenue	103,311	141,383
Total Liabilities	<u>148,650</u>	<u>213,968</u>
Net Assets		
<i>Internally Restricted</i>		
Equipment reserve, per statement, Note 5	14,727	14,727
SHARE365 reserve, per statement, Note 5	78,845	48,376
<i>Unrestricted</i>		
Accumulated surplus (deficit), per statement	(15,925)	23,482
	<u>77,647</u>	<u>86,585</u>
	<u>226,297</u>	<u>300,553</u>

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

Birchmount Bluffs Neighbourhood Centre

Year ended March 31, 2016

Statement of Reserve - Equipment

	2016	2015
Balance beginning	\$ 14,727	\$ 14,727
<i>Balance March 31</i>	14,727	14,727

Statement of Reserve - SHARE365

Balance beginning	48,376	42,622
Add		
Transfer from accumulated surplus (deficit)	30,469	5,754
<i>Balance March 31</i>	78,845	48,376

Statement of Accumulated Surplus (Deficit)

Balance beginning	23,482	54,007
Add (deduct)		
Deficit	(8,938)	(24,771)
Transfer to SHARE365 reserve	(30,469)	(5,754)
<i>Balance March 31</i>	(15,925)	23,482

Birchmount Bluffs Neighbourhood Centre

Year ended March 31, 2016

Statement of Operations	2016	2015
Revenues		
Programs, Note 7	\$ 178,044	\$ 169,815
Donations and fundraising	30,390	39,350
Investment income	1,594	1,580
Grants		
City of Toronto, Note 8	350,064	346,647
United Way	215,180	210,180
Service Canada		
Youth	5,617	6,051
Seniors - New Horizons - SOAR	16,267	13
YMCA summer student exchange	2,310	2,156
West Scarborough	24,040	24,040
Ontario Trillium		
Bengali Tamil Seniors Recreation Program	74,870	85,478
Senior Community Grant - Provincial Grant	115	4,932
Provincial wage enhancement	1,536	0
Scarborough Women's Centre	0	1,000
Canadian Tire Jumpstart Charity	1,035	1,035
Toronto Foundation	13,271	12,572
J. P. Bickell Foundation	10,000	0
The Maytree Foundation	0	5,000
Friends of Oakridge Park	640	0
Membership fees	14,687	16,310
Share Christmas	0	111,382
SHARE365	40,971	0
University of Toronto Religious Diversity Youth Leadership grant	0	500
Total Revenues	980,631	1,038,041
Expenses		
Salaries and benefits	679,492	711,312
Professional and consulting fees	122,798	116,800
Materials and services	118,291	166,898
Occupancy cost, Note 11	30,366	25,539
Insurance	10,657	10,461
Interest and bank charges	4,996	5,365
Transportation and travel	17,649	15,845
Education and training	2,091	3,464
Amortization of computer database	0	2,598
Advertising	1,736	2,283
Membership dues	1,493	2,247
Total Expenses	989,569	1,062,812
Deficit	(8,938)	(24,771)

Birchmount Bluffs Neighbourhood Centre

Year ended March 31, 2016

Statement of Cash Flows	2016	2015
		Note 10
Operating Activities		
Deficit	\$ (8,938)	\$ (24,771)
Item not affecting cash		
Amortization	0	2,598
	(8,938)	(22,173)
Changes in Non-Cash Working Capital		
Accounts receivable	(15,171)	10,760
Prepaid expenses	(390)	(1,930)
Accounts payable and accrued liabilities	(27,246)	7,635
Deferred revenue	(38,072)	(27,451)
	(89,817)	(33,159)
Cash Used in Operating Activities	(89,817)	(33,159)
Investing Activities		
Decrease (increase) in investments and restricted cash	117,883	(11,135)
	117,883	(11,135)
Cash Provided By (Used In) Investing Activities	117,883	(11,135)
Net cash increase (decrease) during the year	28,066	(44,294)
Cash position beginning of year	53,943	98,237
Cash Position End Of Year	82,009	53,943

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 6 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, 2016:

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, 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 0.7% (2015, 0.6%).

(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

	2016	2015
Cash		
Petty cash	\$ 4,550	\$ 4,497
Operating current account	99,907	49,446
	<u>104,457</u>	<u>53,943</u>
Temporary Investments		
Guaranteed investment certificates	71,124	211,455
	<u>175,581</u>	<u>265,398</u>

Birchmount Bluffs Neighbourhood Centre

March 31, 2016

Note 3 Cash, Investments and Reserve Funds - continued

	2016	2015
Composed of:		
Cash	82,009	53,943
Temporary investments	0	148,352
Amount required to fund reserve - restricted	93,572	63,103
	175,581	265,398

Note 4 Capital Asset

	2016	2015
At cost		
Computer database	\$ 10,394	\$ 10,394
Accumulated amortization	(10,393)	(10,393)
	1	1

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. During the year, the Board of Directors approved closing the Share Christmas reserve and transferring the balance to the SHARE365 reserve.

Birchmount Bluffs Neighbourhood Centre

March 31, 2016

Note 6 Allocation of Expenses

Total expenses during the year totaled \$989,569 (2015 - \$1,062,812) and have been allocated as follows:

	2016	2015
Program expenses		
Early years	\$ 26,739	\$ 26,158
Fitness and wellness	117,607	112,814
Major recreation	22,773	28,266
Nursery school	58,701	52,032
	225,820	219,270
Grant expenses		
Ontario Trillium Grant		
Bengali Tamil Seniors Recreation Program	77,318	85,711
Older Adults - SOAR Provincial	115	4,932
Volunteer Development - BBNC	24,259	20,640
Youth Employment - BBNC	0	4,030
United Way	148,379	149,900
Community Service Partnership Grant	70,604	67,460
Service Canada		
Youth	5,661	6,230
Seniors - New Horizons	0	284
Seniors - New Horizons - SOAR	14,866	13
Family Resource Centre, Note 9	89,728	90,891
Community Development	9,735	0
Toronto Foundation	13,271	12,572
Maytree Foundation	0	3,878
Project Thru Our Eyez	4,222	4,873
Peer Leaders	9,180	1,982
Community Recreation and Investments	17,289	34,088
Poverty Reduction	29	0
Resident Advisory Committee Project	810	0
Community Festivals and Special Events	6,979	5,371
PanAM	25,683	0
INI		
T Mindz	0	264
Step 416 (In Trust)	0	7,221
Youth N' Mind	2,739	0
EE-KP (In Trust) - Social Development and Investment	39,947	42,997
SRU Grow	15,975	8,710
Investment in Neighbourhood	55,726	71,964
YDI Donation Grants Expenses		
Intact Foundation	0	780
U of T RDYL	533	160
	633,048	624,951

Birchmount Bluffs Neighbourhood Centre

March 31, 2016

Note 6 Allocation of Expenses - continued

	2016	2015
Administrative expenses		
Administrative overhead	115,112	108,437
Direct fundraising cost	5,087	4,526
Share Christmas	0	105,628
SHARE365	10,502	0
	130,701	218,591
	989,569	1,062,812

Note 7 Program Revenue

Program revenue is comprised of the following:

	2016	2015
Fitness and wellness	\$ 119,515	\$ 111,617
Nursery school	45,388	46,037
Infant and child	882	2,319
Good food share	3,861	4,856
Older adults	40	99
Integrated/adapted	5,358	3,182
Bengali Tamil seniors recreation	1,861	0
Administration	1,139	1,705
	178,044	169,815

Note 8 City of Toronto Grants

City of Toronto grants is comprised of the following:

	2016	2015
Community Service Partnership	\$ 65,960	\$ 64,595
Major Recreation	16,160	15,825
Family Resource Centre, Note 9	91,042	89,276
Thru Our Eyes - Grant	4,222	4,873
Peer Leaders	7,932	1,982
Investment in Neighbourhood	55,483	71,443
EE-KP (Trust)	39,735	42,997
SRU GROW	15,975	8,710
Community Recreations	17,006	34,088
Community Festivals	7,000	5,371
PanAm	26,000	0
Resident Advisory Committee Project	810	0
Identify 'N Impact		
BBNC - TMindz	0	265
BBNC (In Trust) - StepUp416	0	7,222
Youth N' Mind	2,739	0
	350,064	346,647

Birchmount Bluffs Neighbourhood Centre

March 31, 2016

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:

	2016	2015
Revenue		
Base grant	\$ 80,788	\$ 77,088
Wage subsidy	6,468	8,624
Fees collected for services	3,786	3,564
	91,042	89,276
Expenses, Note 6		
Salaries	68,504	67,113
Insurance	938	861
Advertising	79	109
Training and development	274	234
Office	1,470	1,518
Professional fees	750	750
Program related	2,248	4,271
Salaries - administration	12,889	11,238
Contract and temporary staff	2,085	4,358
Miscellaneous	491	439
	89,728	90,891
	1,314	(1,615)

Note 10 Classification

The prior year figures have been reclassified, where necessary, to conform to the current year's presentation. Deficit for the previous year is not affected by this reclassification.

Note 11 Commitment

The Corporation 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, 2016 to September 30, 2016 \$2,057 plus HST

