

**North York Seniors Centre**  
**Financial Statements**  
For the year ended March 31, 2018

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## Independent Auditor's Report

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### To the Members of North York Seniors Centre

We have audited the accompanying financial statements of North York Seniors Centre (the "Centre"), which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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.

### Auditor's 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 Centre'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 Centre'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 audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of North York Seniors 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Mississauga, Ontario  
June 25, 2018

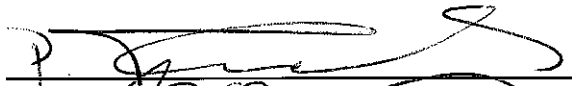
**North York Seniors Centre  
Statement of Financial Position**

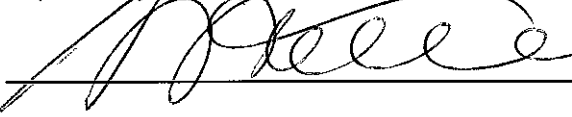
March 31	2018	2017
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 396,143	\$ 455,464
Investments (Note 3)	50,000	100,000
Accounts receivable	182,822	193,503
Prepaid expenses	70,101	71,815
	699,066	820,782
Investments (Note 3)	200,000	150,000
Cash and investments - endowment fund (Note 4)	89,257	84,173
Capital assets (Note 5)	400,516	246,633
	\$ 1,388,839	\$ 1,301,588

**Liabilities and Net Assets**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 180,319	\$ 244,845
Due to Central Local Health Integration Network	37,767	67,822
Deferred - Active Living Centre membership fees	20,668	16,282
Deferred capital contributions (Note 7)	378,187	372,138
Other deferred revenue	14,015	1,570
	630,956	702,657
<b>Net Assets</b>		
Unrestricted net assets	668,626	514,758
Endowment fund	89,257	84,173
	757,883	598,931
	\$ 1,388,839	\$ 1,301,588

On behalf of the Board:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**North York Seniors Centre**  
**Statement of Operations**

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Subsidies and grants		
Central Local Health Integration Network - Community Services	\$ 2,759,036	\$ 2,718,561
Ontario Seniors Secretariat - Elderly Persons Centres	115,400	94,311
United Way Toronto and York Region	220,221	220,264
City of Toronto - Community Services Grant	93,889	92,085
Other subsidies and grants	133,690	173,866
	<b>3,322,236</b>	<b>3,299,087</b>
User fees		
VHA Home Healthcare	263,453	186,806
Community Services	696,149	669,195
Active Living Centre	254,094	238,229
	<b>1,213,696</b>	<b>1,094,230</b>
Other		
Fundraising and donations	43,045	50,216
Investment and miscellaneous income	4,199	11,154
	<b>47,244</b>	<b>61,370</b>
	<b>4,583,176</b>	<b>4,454,687</b>
<b>Expenses</b>		
Salaries and wages	2,580,851	2,498,659
Contracted services	475,784	463,874
Employee benefits	409,825	415,702
Building and ground	312,814	310,598
Supplies	251,650	208,255
Office and general	244,575	261,422
Repairs and maintenance	75,024	68,788
Amortization	78,785	148,531
	<b>4,429,308</b>	<b>4,375,829</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 153,868</b>	<b>\$ 78,858</b>

The accompanying notes are an integral part of these financial statements.

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**North York Seniors Centre  
Statement of Changes in Net Assets**

**For the year ended March 31**

	Unrestricted Net Assets		Endowment Fund	
	2018	2017	2018	2017
<b>Net assets</b> , beginning of year	\$ 514,758	\$ 435,900	\$ 84,173	\$ 72,363
Excess of revenue over expenses	153,868	78,858	-	-
Donations and other revenue	-	-	4,389	6,905
Unrealized gain in fair value of investments	-	-	695	4,905
<b>Net assets</b> , end of year	<b>\$ 668,626</b>	<b>\$ 514,758</b>	<b>\$ 89,257</b>	<b>\$ 84,173</b>

The accompanying notes are an integral part of these financial statements.

**North York Seniors Centre**  
**Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Cash provided by (used for)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 153,868	\$ 78,858
Excess of revenue over expenses - endowment	5,084	11,810
Adjustments required to reconcile excess (deficiency) of revenue over expenses to net cash provided by (used in) operating activities		
Donation of capital asset	-	(36,022)
Unrealized gain on endowment fund's investments	(695)	(4,905)
Amortization of capital assets	78,785	148,531
Changes in non-cash working capital items		
Accounts receivable	10,681	(36,843)
Prepaid expenses	1,714	110
Accounts payable and accrued liabilities	(64,526)	(8,689)
Due to Central Local Health Integration Network	(30,055)	37,767
Deferred - Active Living Centre membership fees	4,386	2,874
Other deferred revenue	-	(3,430)
Deferred capital contributions	18,494	(28,943)
	<u>177,736</u>	<u>161,118</u>
<b>Investing activities</b>		
Purchase of capital assets	(232,668)	(114,476)
Redemption of short-term investments	100,000	100,000
Purchase of short-term investments	(100,000)	(100,000)
	<u>(232,668)</u>	<u>(114,476)</u>
<b>Financing activity</b>		
Endowment funds received	(4,389)	(6,905)
<b>(Decrease) increase in cash for the year</b>	<b>(59,321)</b>	<b>39,737</b>
<b>Cash, beginning of year</b>	<b>455,464</b>	<b>415,727</b>
<b>Cash, end of year</b>	<b>\$ 396,143</b>	<b>\$ 455,464</b>

The accompanying notes are an integral part of these financial statements.

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# North York Seniors Centre

## Notes to Financial Statements

March 31, 2018

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### 1. Significant Accounting Policies

#### Nature and Purpose of Organization

The North York Seniors Centre (the "Centre") was incorporated under letters patent dated September 6, 1974 in the jurisdiction of Ontario. The Centre is a multi-service, not-for-profit agency that provides programs and services for seniors which include home support, education, adult day care, outreach, transportation and various other social and recreational activities. The Centre is a registered charity and as such it is exempt from income taxes under Section 149 of the *Income Tax Act, Canada*.

#### Basis of Presentation

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

#### Fund Accounting

The Centre follows the deferral method of accounting for contributions. The unrestricted net assets balance reflects assets available for ongoing operations and services. The endowment fund reports resources contributed for endowment.

#### Capital Assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution and are amortized. Amortization is provided on capital assets as follows:

Automobiles	-	5 years straight-line basis or over the term of the lease
Computer equipment	-	3 years straight-line basis
Furniture and fixtures	-	5 years straight-line basis
Leasehold improvements	-	over lease term

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments and cash and investments - endowment fund are reported at fair value; all other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate that asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instruments for those measured at amortized cost.

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## North York Seniors Centre Notes to Financial Statements

**March 31, 2018**

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### 1. Significant Accounting Policies (continued)

#### Revenue Recognition

Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis and rate corresponding with the amortization method for the related capital assets. Unrestricted contributions are recognized as revenue when received.

Investment income includes interest income and realized and unrealized investment gains and losses. Unrealized gains and losses on investments and cash and investments - endowment fund are recognized as revenue in the endowment fund.

#### Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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### 2. Change in Accounting Policy

The Centre changed its accounting policy for the recognition of contributions from the restricted fund method to the deferral method in the current year. Management believes that this policy provides reliable and more relevant information as it provides more reliable matching with amortization expenses and is consistent with its reporting to the Ministry of Health. This change in accounting policy has been accounted for retrospectively and the comparative figures have been restated. This change in accounting policy had the following effect on the financial statements:

	<u>Current Year</u>	<u>Prior Year</u>
Decrease in opening net assets	\$ 372,138	\$ (401,075)
Increase in other subsidies and grants	76,658	139,620
Increase in amortization	78,785	148,531
Increase in excess of revenue over expenses	-	-
Increase deferred capital contributions	378,187	372,138



**North York Seniors Centre**  
**Notes to Financial Statements**

**March 31, 2018**

**3. Investments**

Investments are non-redeemable Guaranteed Investment Certificates with the following interest rates and maturity dates:

	2018	2017
Guaranteed Investment Certificates		
1.75% due July 14, 2017	\$ -	\$ 100,000
1.60% due July 16, 2018	50,000	50,000
1.15% due July 02, 2019	100,000	100,000
2.00% due August 25, 2021	100,000	-
	250,000	250,000
Less: Investments maturing in the next fiscal year	50,000	100,000
Investments	\$ 200,000	\$ 150,000

**4. Cash and Investments - Endowment Fund**

The endowment fund consists of the following:

	2018	2017
Cash	\$ 26,935	\$ 22,546
Term notes and bonds	62,322	61,627
	\$ 89,257	\$ 84,173

**5. Capital Assets**

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Automobiles	\$ 114,164	\$ 92,154	\$ 114,164	\$ 67,428
Computer equipment	82,754	72,536	82,754	62,318
Furniture and fixtures	118,911	118,911	118,911	118,911
Leasehold improvements	656,303	288,015	423,634	244,173
	\$ 972,132	\$ 571,616	\$ 739,463	\$ 492,830
Net book value		\$ 400,516		\$ 246,633

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**North York Seniors Centre  
Notes to Financial Statements**

**March 31, 2018**

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**6. Lease Commitments**

The Centre is committed to the following minimum lease payments for its premises:

Year	Sheppard Avenue Leases	21 Hendon Lease	Toronto Community Housing Leases	Total
2019	\$ 102,822	\$ 31,182	\$ 20,469	\$ 154,473
2020	-	31,182	20,776	51,958
2021	-	31,182	-	31,182
2022	-	7,796	-	7,796
	<b>\$ 102,822</b>	<b>\$ 101,342</b>	<b>\$ 41,245</b>	<b>\$ 245,409</b>

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**7. Deferred Capital Contributions**

	2018	2017
Opening deferred capital contributions	\$ 372,138	\$ 401,074
Restricted contributions received in the year	82,707	119,595
Amount recognized in revenue	(76,658)	(148,531)
	<b>\$ 378,187</b>	<b>\$ 372,138</b>

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**8. Financial Instrument Risks**

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre is exposed to credit risk arising from its accounts receivable, cash and investments. Management believes the credit risk is minimized by the credit worthiness of its funders.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Centre is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.