

FINANCIAL STATEMENTS
For
BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE
For the year ended
DECEMBER 31, 2013

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the

**CITY OF TORONTO AND THE BOARD OF MANAGEMENT
FOR THE 519 CHURCH STREET COMMUNITY CENTRE**

We have audited the accompanying financial statements of the Board of Management for the 519 Church Street Community Centre, which comprise the statement of financial position as at December 31, 2013, 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 public sector accounting standards for government 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 entity'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 entity'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.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Centre derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to revenues, net expenses over revenue, assets, and net assets.

Qualified Opinion

In our opinion, except for the possible 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 the Board of Management for the 519 Church Street Community Centre as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Other Matter

The financial statements of the Board of Management for the 519 Church Street Community Centre for the year ended December 31, 2012, were audited by another auditor who expressed a qualified opinion on those financial statements on June 27, 2013, for the reasons described in the Basis for Qualified Opinion paragraph.

A handwritten signature in black ink that reads "Welch LLP". The signature is stylized and cursive.

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
May 26, 2014.

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

(Incorporated under the laws of Ontario)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and short term investments	\$ 356,143	\$ 462,477
Accounts receivable - City of Toronto	82,725	37,260
Accounts receivable - Other	174,910	93,126
Inventories	31,085	21,297
Unbilled revenue	22,772	-
Prepaid expenses	<u>4,822</u>	<u>5,268</u>
	672,457	619,428
ACCOUNTS RECEIVABLE - CITY OF TORONTO (note 7)	344,740	345,462
CAPITAL ASSETS (note 4)	<u>83,726</u>	<u>139,494</u>
	<u>\$ 1,100,923</u>	<u>\$ 1,104,384</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities - City of Toronto	\$ 3,653	\$ 36,562
Accounts payable and accrued liabilities - Other	315,928	297,144
Deferred revenue	185	15
Deferred contributions (note 5)	124,265	53,083
Deferred capital contribution (note 6)	703	6,975
Funds in trust (note 8)	<u>5,087</u>	<u>-</u>
	449,821	393,779
POST-EMPLOYMENT BENEFITS PAYABLE (note 7)	<u>344,740</u>	<u>345,462</u>
	<u>794,561</u>	<u>739,241</u>
NET ASSETS		
Invested in capital assets	83,023	132,519
Fund and trusteeship balances (schedule C and note 9)	102,652	66,609
Unrestricted	<u>120,687</u>	<u>166,015</u>
	<u>306,362</u>	<u>365,143</u>
	<u>\$ 1,100,923</u>	<u>\$ 1,104,384</u>

Approved by the Board:


 Chair

 Treasurer

(See accompanying notes)

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2013

	<u>Invested in Capital assets</u>	<u>Fund and Trusteeship Balances</u>	<u>Unrestricted</u>	<u>Total 2013</u>	<u>Total 2012</u>
Net assets, beginning of year	\$ 132,519	\$ 66,609	\$ 166,015	\$ 365,143	\$ 509,628
Net expenses over revenue	-	36,043	(94,824)	(58,781)	(144,485)
Capital asset additions	26,053	-	(26,053)	-	-
Amortization of capital assets	<u>(75,549)</u>	<u>-</u>	<u>75,549</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 83,023</u>	<u>\$ 102,652</u>	<u>\$ 120,687</u>	<u>\$ 306,362</u>	<u>\$ 365,143</u>

(See accompanying notes)

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2013

	<u>Program</u>	<u>Administration</u>	<u>2013</u>	<u>2012</u>
Revenue				
Grants				
City of Toronto	\$ 295,034	\$ 1,211,090	\$ 1,506,124	\$ 1,464,117
United Way	231,145	-	231,145	242,237
Province of Ontario	108,731	-	108,731	123,905
Government of Canada	264,940	-	264,940	295,611
Others	<u>80,682</u>	<u>-</u>	<u>80,682</u>	<u>51,210</u>
	980,532	1,211,090	2,191,622	2,177,080
Donations	894,897	-	894,897	376,605
Fundraising	625,572	-	625,572	498,986
Memberships	20,132	-	20,132	44,044
Rental Fees	50,274	-	50,274	35,751
Interest	5,502	-	5,502	4,070
Cafe	410,036	-	410,036	481,210
Special Projects	184,000	-	184,000	-
Other Revenue	<u>11,607</u>	<u>-</u>	<u>11,607</u>	<u>750</u>
	<u>3,182,552</u>	<u>1,211,090</u>	<u>4,393,642</u>	<u>3,618,496</u>
Expenses				
Salaries and wages	1,310,867	737,132	2,047,999	1,920,605
Employee benefits	287,190	194,719	481,909	486,662
Materials, supplies and services	1,603,770	138,814	1,742,584	1,040,865
Purchase of service	-	140,425	140,425	167,305
Amortization of capital assets	75,549	6,272	81,821	107,251
Amortization of deferred capital contributions	<u>-</u>	<u>(6,272)</u>	<u>(6,272)</u>	<u>(6,406)</u>
	<u>3,277,376</u>	<u>1,211,090</u>	<u>4,488,466</u>	<u>3,716,282</u>
Net expenses over revenues	\$ (94,824)	\$ -	\$ (94,824)	\$ (97,786)

(See accompanying notes)

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net expenses over revenue	\$ (94,824)	\$ (97,786)
Adjustments for:		
Amortization of capital assets	81,821	107,251
Amortization of deferred capital contribution	(6,272)	(5,231)
Net revenues over expenses (expenses over revenues)		
- Segregated fund balances and trusteeships (schedule C and note 9)	<u>36,043</u>	<u>(46,699)</u>
	16,768	(42,465)
Increase (decrease) resulting from changes in:		
Accounts receivable - City of Toronto	(45,465)	(2,450)
Accounts receivable - Other	(81,784)	1,317
Inventories	(9,788)	(7,425)
Unbilled revenue	(22,772)	-
Prepaid expenses	446	(812)
Long term accounts receivable - City of Toronto	722	(15,374)
Accounts payable and accrued liabilities - City of Toronto	(32,909)	(20,216)
Accounts payable and accrued liabilities - Other	18,784	109,344
Deferred revenue	170	15
Deferred contributions	71,182	(7,567)
Post-employment benefits payable	(722)	15,374
Funds in trust	<u>5,087</u>	<u>-</u>
Cash flows from (used in) operating activities	<u>(80,281)</u>	<u>29,741</u>
INVESTMENT ACTIVITIES		
Acquisition of capital assets - Program	<u>(26,053)</u>	<u>(13,823)</u>
Cash flow used in investing activities	<u>(26,053)</u>	<u>(13,823)</u>
INCREASE (DECREASE) IN CASH AND SHORT TERM INVESTMENTS	(106,334)	15,918
CASH AND SHORT TERM INVESTMENTS AT BEGINNING OF YEAR	<u>462,477</u>	<u>446,559</u>
CASH AND SHORT TERM INVESTMENTS AT END OF YEAR	\$ <u>356,143</u>	\$ <u>462,477</u>

(See accompanying notes)

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

1. NATURE OF OPERATIONS

The City of Toronto Act, 1997 continued the provisions of By-law No. 1995 - 0448 dated June 26, 1995 to reflect Chapter 25, Community and Recreation Centres of the Corporation of the City of Toronto Municipal Code. Chapter 25 amended all previous by-laws and established part of the premises at No. 519 Church Street as a community recreation centre under the authority of the Municipal Act, known as 519 Church Street Community Centre (the "Centre"). The Centre is a not-for-profit organization and, as such, is exempt from income tax.

The Municipal Code provides for a Council appointed Board of Management which, among other matters, shall:

(a) endeavour to manage and control the premises in a reasonable and efficient manner, in accordance with standard good business practices, and

(b) pay to the City of Toronto (the "City") any excess of administration expenditure funds provided by the City in accordance with its approved annual budget, but may retain any surplus from program activities.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for government not-for-profits ("PSA-GNPO") as issued by the Public Sector Accounting Board (PSAB).

Revenue recognition

The Centre follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized and are recorded as deferred contributions on the statement of financial position. Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related capital assets. Externally restricted contributions for capital assets that have not been expended are recorded as part of deferred capital contribution on the statement of financial position

Rental and similar revenues are recognized on the date of the performance or event.

Cafe revenues from the restaurant are recognized as earned, upon performance of the service. Revenues related to catering events are recognized on the date of the event.

Pledges Receivable

Pledges are recognized by the Centre when there is reasonable evidence of the amount to be received.

Cash and short term investments

Cash and short term investments include cash on hand, cash on deposit with financial institutions, demand deposits and short-term investments with maturities of less than twelve months at acquisition.

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Financial instruments

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

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

Financial assets measured at amortized cost include cash, short term investments, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Contributed material and services

Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements. Monetary donations are recorded as received.

Capital assets

Capital assets are recorded at cost and contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over their estimated useful lives, as follows:

Computers	- 3 years straight line
Furniture and equipment	- 5 years straight line
Building fixtures	- 5 years straight line
Website	- 5 years straight line

Employee related costs

The Centre has adopted the following policies with respect to employee benefit plans:

- (a) The City of Toronto offers a multiemployer defined benefit pension plan to the Centre's employees. Due to the nature of the plan, the Centre does not have sufficient information to account for the plan as a defined benefit plan; therefore, the multiemployer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period in which contributions are made.
- (b) The Centre also offers its employees a defined benefit sick leave plan, a post-retirement life, health and dental plan, a long term disability plan and continuation of health, dental and life insurance benefits to disabled employees. The accrued benefit obligations are determined using an actuarial valuation based on the projected benefit method prorated on service, incorporating management's best estimate of future salary levels, inflation, sick day usage estimates, ages of employees and other actuarial factors.

Net actuarial gains and losses that arise are amortized over the expected average remaining service life of the employee group.

The Centre recognizes an accrued benefit liability on the statement of financial position, which is the net of the amount of the accrued benefit obligations and the unamortized actuarial gains / losses.

2. **SIGNIFICANT ACCOUNTING POLICIES** - Cont'd.

Use of estimates

The preparation of the financial statements in conformity with Canadian public sector accounting standards for government not-for-profits 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. Management makes accounting estimates when determining the useful life of its capital assets, significant accrued liabilities, the post-employment benefits liabilities and the related costs charged to the statement of operations. Actual results could differ from those estimates, the impact of which would be recorded in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

3. **FINANCIAL INSTRUMENTS**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Centre's financial instruments.

Liquidity risk

Liquidity risk refers to the adverse consequence that the Centre will encounter difficulty in meeting obligations associated with financial liabilities, which are comprised of accounts payable and accrued liabilities and trust accounts.

The Centre manages liquidity risk by monitoring its cash flow requirements on a regular basis. The Centre believes its overall liquidity risk to be minimal as the Centre's financial assets are considered to be highly liquid.

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's cash and short-term investments earn interest at prevailing market rates and the interest rate exposure related to these financial instruments is negligible.

Credit risk

The Centre is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Centre's maximum exposure to credit risk represents the sum of the carrying value of its cash, short term investments and accounts receivable. The Centre's cash and short term investments are with a Canadian chartered bank and as a result management believes the risk of loss on these items to be remote.

Management believes that the Centre's credit risk with respect to accounts receivable is limited. The organization manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.

Changes in risk

There have been no changes in the Centre's risk exposures from the prior year.

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2013

4. CAPITAL ASSETS

Capital assets consist of the following:

	<u>2013</u>		<u>2012</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Administrative				
Building fixtures	\$ 11,373	\$ 11,373	\$ 11,373	\$ 9,099
Computers	27,727	27,727	27,727	27,727
Furniture and equipment	<u>24,305</u>	<u>23,602</u>	<u>24,305</u>	<u>19,604</u>
	63,405	<u>62,702</u>	63,405	<u>56,430</u>
Accumulated amortization	<u>62,702</u>		<u>56,430</u>	
	<u>703</u>		<u>6,975</u>	
Program				
Computers	129,457	109,254	106,065	79,682
Furniture and equipment	426,041	375,406	423,381	331,867
Website	<u>24,370</u>	<u>12,185</u>	<u>24,370</u>	<u>9,748</u>
	579,868	<u>496,845</u>	553,816	<u>421,297</u>
Accumulated amortization	<u>496,845</u>		<u>421,297</u>	
	<u>83,023</u>		<u>132,519</u>	
Total Assets	643,273	\$ <u>559,547</u>	617,221	\$ <u>477,727</u>
Accumulated amortization	<u>559,547</u>		<u>477,727</u>	
	<u>\$ 83,726</u>		<u>\$ 139,494</u>	

5. DEFERRED CONTRIBUTIONS

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 53,083	\$ 60,650
Add: Funds received	2,262,804	2,169,513
Less: Amounts recognized as revenue	<u>(2,191,622)</u>	<u>(2,177,080)</u>
Balance, end of year	<u>\$ 124,265</u>	<u>\$ 53,083</u>

6. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 6,975	\$ 13,381
Less: Amortization of deferred capital contributions	<u>(6,272)</u>	<u>(6,406)</u>
Balance, end of year	<u>\$ 703</u>	<u>\$ 6,975</u>

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2013

7. POST-EMPLOYMENT BENEFITS AND LONG TERM ACCOUNT RECEIVABLE

The Centre participates in a number of defined benefits plans provided by the City including pension, other retirement and post-employment benefits to its employees. Under the sick leave plan for management staff with ten years of service as of April 1, 2003, unused sick leave accumulated until March 1, 2008, and eligible employees may be entitled to a cash payment upon leaving the Centre's employment. The liability for these accumulated days represents the extent to which they have vested and could be taken in cash by the employee upon termination, retirement or death. This sick bank plan was replaced by a Short Term Disability Plan (STD) effective March 1, 2008, for all non-union employees of the City of Toronto. Upon the effective date, the sick banks were locked with no further accumulation. Grandfathered management staff remain entitled to payout of frozen, banked time, as described above. Under the new STD plan, management employees are entitled to 130 days annual coverage with salary protection at 100 or 75 percent, depending upon years of service. Non-management employees continue to receive sick bank time as stipulated in the applicable Collective Agreement, which specifies no financial conversion of unused sick leave.

The Centre also provides health, dental, accidental death and disability, life insurance and long term disability benefits to eligible employees. Depending on length of service and individuals' election, management retirees are covered either by the former City of Toronto retirement benefit plan or by the current retirement benefit plan.

Due to the complexities in valuing the benefit plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed as at December 31, 2012 with projections to December 31, 2013, 2014 and 2015. Assumptions used to project the accrued benefit obligation were as follows:

- long-term inflation rate - 2%
- assumed health care cost trends - range from 3.2% to 6.4 %
- rate of compensation increase - 3%
- discount rates - post-retirement 4.4%, post-employment 3.6 %, sick leave 4.1%

Information about the Centre's employee benefits, other than the multi-employer, defined benefit pension plan noted below, is as follows:

	<u>2013</u>	<u>2012</u>
Sick leave benefits	\$ 36,054	\$ 36,797
Post-retirement benefits	<u>145,759</u>	<u>109,548</u>
	181,813	146,345
 Add: Unamortized actuarial gain	 <u>162,927</u>	 <u>199,117</u>
Post-employment benefit liability	<u>\$ 344,740</u>	<u>\$ 345,462</u>

The continuity of the accrued benefit obligation is as follows:

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 345,462	\$ 330,088
Current service cost	12,131	14,528
Interest cost	5,886	11,331
Amortization of actuarial gain	(16,589)	(5,481)
Expected benefits paid	<u>(2,150)</u>	<u>(5,004)</u>
Balance, end of year	<u>\$ 344,740</u>	<u>\$ 345,462</u>

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2013

7. POST-EMPLOYMENT BENEFITS AND LONG TERM ACCOUNT RECEIVABLE - Cont'd.

Expenditures (recovery) relating to employee benefits are included in administration employee benefits on the statement of operations in the amounts of \$(722) in 2013 (2012 - \$15,374) and include the following components:

	<u>2013</u>	<u>2012</u>
Current service cost	\$ 12,131	\$ 14,528
Interest cost	5,886	11,331
Amortization of actuarial gain	(16,589)	(5,481)
Expected benefits paid	<u>(2,150)</u>	<u>(5,004)</u>
Balance, end of year	\$ <u>(722)</u>	\$ <u>15,374</u>

A long term receivable from the City of \$344,740 (2012 - \$345,462) has resulted from recording sick leave and post-retirement benefits. Funding for these costs continues to be provided by the City as benefit costs are paid and the City continues to be responsible for the benefit liabilities of administration staff that may be incurred by the Centre.

The Centre also makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of most of its employees. The Plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employer contributions to this pension plan amounted to \$140,095 in 2013 (2012 - \$139,033).

The most recent actuarial valuation of the OMERS plan as at December 31, 2013 indicates the Plan is not fully funded and the plan's December 31, 2013 financial statements indicate a deficit of \$8.6 billion (less an additional \$341 million of deferred gains that must be recognized over the next four years). The plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the Plan assets and future investment earnings will be sufficient to provide for all future benefits. At this time, the Centre's contributions accounted for 0.0081% of the plan's total employer contributions. Additional contributions, if any, required to address the Centre's proportionate share of the deficit will be expensed during the period incurred.

8. FUNDS IN TRUST

During 2013, the Centre received \$5,087 of funds designated for the Will-Munro trust fund. The purpose and restrictions of the trust have not yet been determined.

9. FUND AND TRUSTEESHIP BALANCES

The Fund and Trusteeship balances can be summarized as follows:

	<u>2013</u>	<u>2012</u>
Building Fund	\$ 31,432	\$ (9,597)
AIDS Memorial Fund	68,084	70,680
AIDS Vigil Fund	(8,620)	(5,429)
ORAD	4,114	3,302
HOLA	1,270	1,270
Senior Pride Network	<u>6,372</u>	<u>6,383</u>
	\$ <u>102,652</u>	\$ <u>66,609</u>

Schedule B to these financial statements reflects the revenue, expenditures and surplus of the above noted Funds and trusteeships.

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2013

9. FUND AND TRUSTEESHIP BALANCES - Cont'd.

(a) Building Fund

In 2000 the Board of Management commenced a capital campaign to renovate the existing building and build a new addition to the south side. The Board of Management in partnership with the City of Toronto agreed to cost share the project. The building project was completed in 2010. The Centre's contribution towards the capital renovations was \$980,000. The Centre also raised funds to pay for the replacement of the furnishings, throughout the building and meeting/conference rooms as well as replacing and upgrading the IT infrastructure, and a number of other building upgrades that were not part of the capital project.

On a go-forward basis the Centre will continue to raise funds where possible to pay for capital expenses below \$50,000 to meet its obligations under the Relationship Framework.

(b) The AIDS Memorial Fund

Since 1990, the Board has accepted donations for the establishment of an AIDS Memorial. This is a joint project between the City, the Board of Management of the 519 Church Street Community Centre, various funding agencies including other charitable foundations and individual and corporate donors. The AIDS Memorial Fund was established to fund expenditures related to the AIDS Memorial, which is located in Cawthra Park.

(c) The AIDS Vigil Fund

This fund was established in 1998 to fund expenditures related to the AIDS Candlelight Vigil. This event is held annually in June to remember those who have died from AIDS.

(d) ORAD Fund

ORAD is a social and support group for Deaf Gay Men, Lesbians, Bisexuals and Trans People. Their project, Austin Unbound, brought the film regarding a Deaf man's choice to get a double mastectomy. The film was followed by a discussion with the filmmaker, Eliza Greenwood about issues faced by Austin. This provided an outreach opportunity to Deaf Transsexual and Transgender people, and an educational event for the membership of ORAD.

(e) HOLA Fund

HOLA is a social and support group for Spanish speaking Gay Men, Lesbians, Bisexuals and Trans People. The project is meant to increase their visibility in the community through supporting their social events and their Pride Week activities. This is a trusteeship taken on by The Centre because HOLA is a community group within The Centre's space use structure.

(f) Senior Pride Network

The Senior Pride Network is an association committed to promoting the delivery of appropriate positive community and health services for older gay, lesbian, bisexual, transgender, transsexual, intersexed and 2 Spirited people in Toronto.

In 2011, the Centre with approval from the Network expanded its role of trustee to be responsible for the coordination and delivery of the Senior's conference and other funding applications .

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2013

10. FUNDS PROVIDED BY CITY OF TORONTO - ADMINISTRATION

Funding for administration expenses is provided by the City according to Council approved budgets. Surplus amounts in administration are payable to the City. Deficits, excluding those accruals for long term employee benefits, are funded by the Centre unless Council approval has been obtained for additional funding.

	2013 <u>Budget</u> (unaudited)	2013	2012
Administration expenses:			
Salaries and wages	\$ 727,430	\$ 737,133	\$ 681,481
Employee benefits	202,534	194,719	206,937
Materials and supplies	140,543	138,814	147,029
Purchase of services	<u>140,415</u>	<u>140,425</u>	<u>167,305</u>
	<u>\$ 1,210,922</u>	<u>\$ 1,211,091</u>	<u>\$ 1,202,752</u>
 Centre's actual administration revenue:			
Administration budget		<u>\$ 1,210,922</u>	<u>\$ 1,155,412</u>
 Centre's actual administration expenses:			
Administration expenses per statement of operations		1,211,090	1,203,031
Adjustments for:			
Post-employment benefits, not funded by the City until paid, that are included in long term accounts receivable - City of Toronto		722	(15,374)
Amortization of capital assets (administration)		(6,272)	(6,406)
Difference between funding received and budgeted			-
Amortization of deferred capital contributions		<u>6,272</u>	<u>6,406</u>
		<u>1,211,812</u>	<u>1,187,657</u>
 Administration expenses over approved budget		<u>\$ (890)</u>	<u>\$ (32,245)</u>

The over expenditure of \$890 (2012 - \$32,245) is included in the account receivable from the City of Toronto.

11. COMPARATIVE FIGURES

Comparative figures have been audited by another auditor and have been reclassified where necessary to conform to the presentation adopted in the current year

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE
SCHEDULE OF PROGRAM EXPENDITURES BY ACTIVITIES
YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
General	\$ 87,854	\$ 42,140
Fundraising, Philanthropy & Membership	226,368	157,385
Community Events and Partnership Initiatives	159,207	92,188
Green Space Toronto	514,940	326,993
Child and Family Programs	149,800	217,072
Community Food and Drop-in Programs	235,077	177,942
Community Support Services	110,898	102,030
Newcomer Services	281,422	279,085
Social Enterprise - Restaurant and Catering	614,867	597,366
Sport and Recreation Initiatives	115,237	106,097
Recreation Centre Development	382,762	-
Social Enterprise - Education and Training Initiatives	299,652	297,948
Social Enterprise - Rentals and Sales	23,743	12,159
Amortization of Capital Assets	<u>75,549</u>	<u>100,845</u>
	<u>\$ 3,277,376</u>	<u>\$ 2,509,250</u>

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE
SCHEDULE OF OPERATIONS AND CHANGE IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2013

	<u>AIDS Vigil</u>		<u>AIDS Memorial</u>		<u>Building</u>		<u>ORAD</u>		<u>Total Funds</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenue										
Donation, grants, and fundraising	\$ 14,000	\$ 14,788	\$ 1,042	\$ 8,600	\$ 49,927	\$ -	\$ 1,770	\$ 963	\$ 66,739	\$ 24,351
Expenses										
Salaries and benefits	1,894	1,791	1,836	1,767	-	-	-	-	3,730	3,558
Professional services	-	-	-	-	-	27,052	-	-	-	27,052
Construction	-	-	-	-	8,898	18,988	-	-	8,898	18,988
Material, supplies and services	15,297	16,533	1,802	4,805	-	-	958	-	18,057	21,338
	<u>17,191</u>	<u>18,324</u>	<u>3,638</u>	<u>6,572</u>	<u>8,898</u>	<u>46,040</u>	<u>958</u>	<u>-</u>	<u>30,685</u>	<u>70,936</u>
Excess of revenue over expenditures (expenditures over revenue)	(3,191)	(3,536)	(2,596)	2,028	41,029	(46,040)	812	963	36,054	(46,585)
Interfund transfers	-	-	-	-	-	-	-	-	-	-
Balance, beginning of year	<u>(5,429)</u>	<u>(1,893)</u>	<u>70,680</u>	<u>68,652</u>	<u>(9,597)</u>	<u>36,443</u>	<u>3,302</u>	<u>2,339</u>	<u>58,956</u>	<u>105,541</u>
Balance, end of year	\$ <u>(8,620)</u>	\$ <u>(5,429)</u>	\$ <u>68,084</u>	\$ <u>70,680</u>	\$ <u>31,432</u>	\$ <u>(9,597)</u>	\$ <u>4,114</u>	\$ <u>3,302</u>	\$ <u>95,010</u>	\$ <u>58,956</u>

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE
SCHEDULE OF OPERATIONS AND CHANGE IN FUND BALANCES - Cont'd.
YEAR ENDED DECEMBER 31, 2013

	<u>HOLA</u>		<u>Senior Pride Network</u>		<u>Hospitality Workers</u>		<u>Total Trusteeships</u>		<u>Total Funds and Trusteeships</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2012</u>	<u>2012</u>
Revenue										
Donation, grants, and fundraising	\$ -	\$ -	\$ -	\$ -	\$ 140,000	\$ -	\$ 140,000	\$ -	\$ 206,739	\$ 24,351
Expenses										
Salaries and benefits	-	-	-	-	-	-	-	-	3,730	3,558
Professional services	-	-	-	-	140,000	-	140,000	-	140,000	27,052
Construction	-	-	-	-	-	-	-	-	8,898	18,988
Material, supplies and services	-	-	11	114	-	-	11	114	18,068	21,452
	<u>-</u>	<u>-</u>	<u>11</u>	<u>114</u>	<u>140,000</u>	<u>-</u>	<u>140,011</u>	<u>114</u>	<u>170,696</u>	<u>71,050</u>
Excess of revenue over expenditures (expenditures over revenue)	-	-	(11)	(114)	-	-	(11)	(114)	36,043	(46,699)
Interfund transfers	-	-	-	-	-	-	-	-	-	-
Balance, beginning of year	<u>1,270</u>	<u>1,270</u>	<u>6,383</u>	<u>6,497</u>	<u>-</u>	<u>-</u>	<u>7,653</u>	<u>7,767</u>	<u>66,609</u>	<u>113,308</u>
Balance, end of year	<u>\$ 1,270</u>	<u>\$ 1,270</u>	<u>\$ 6,372</u>	<u>\$ 6,383</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,642</u>	<u>\$ 7,653</u>	<u>\$ 102,652</u>	<u>\$ 66,609</u>