

**North York Seniors Centre**  
**Financial Statements**  
For the year ended March 31, 2010

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## Auditors' Report

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To the Members of  
North York Seniors Centre

We have audited the balance sheet of North York Seniors Centre as at March 31, 2010 and the statement of revenue and expenses and operating surplus, the statement of funds invested in capital assets and the statement of changes in endowment fund, and the statement of cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Centre derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues 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 fundraising and donations revenue, excess of revenue over expenses, assets and members' equity.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the fundraising and donations revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Mississauga, Ontario  
May 14, 2010

**North York Seniors Centre  
Balance Sheet**

**March 31** **2010** **2009**

**Assets**

**Current**

|                                 |    |                |    |         |
|---------------------------------|----|----------------|----|---------|
| Cash - Operating Fund           | \$ | <b>55,200</b>  | \$ | 50,465  |
| Short-term investments (Note 1) |    | <b>350,000</b> |    | 200,000 |
| Accounts receivable             |    | <b>81,739</b>  |    | 92,055  |
| Prepaid expenses                |    | <b>56,568</b>  |    | 55,347  |

**543,507** **397,867**

**Cash and investments**

|                                       |  |                |  |               |
|---------------------------------------|--|----------------|--|---------------|
| <b>Endowment Fund</b> (Note 2)        |  | <b>42,276</b>  |  | <b>33,077</b> |
| <b>Long-term investments</b> (Note 1) |  | <b>100,000</b> |  | -             |
| <b>Capital assets</b> (Note 3)        |  | <b>294,601</b> |  | 102,228       |

**\$ 980,384** **\$ 533,172**

**Liabilities and Fund Balances**

**Current**

|  |    |                |    |         |
|--|----|----------------|----|---------|
| Accounts payable   | \$ | <b>220,423</b> | \$ | 173,956 |
| Due to Central Local Health Integration Network            |    | <b>169,657</b> |    | -       |
| Deferred - Active Living Centre membership fees            |    | <b>13,756</b>  |    | 9,523   |
| Other deferred revenue                                     |    | <b>9,000</b>   |    | 9,000   |
| Current portion - obligations under capital lease (Note 4) |    | <b>13,508</b>  |    | -       |

**426,344** **192,479**

**Obligations under capital lease** (Note 4)

**79,521** **-**

**505,865** **192,479**

**Members' equity**

|                                  |  |                |  |         |
|----------------------------------|--|----------------|--|---------|
| Operating surplus                |  | <b>230,671</b> |  | 205,388 |
| Funds invested in capital assets |  | <b>201,572</b> |  | 102,228 |
| Endowment fund                   |  | <b>42,276</b>  |  | 33,077  |

**474,519** **340,693**

**\$ 980,384** **\$ 533,172**

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## North York Seniors Centre Statement of Revenue and Expenses and Operating Surplus

| For the year ended March 31                                   | 2010              | 2009              |
|---|-------------------|-------------------|
| <b>Revenue</b>  |                   |                   |
| Subsidies and grants  |                   |                   |
| Central Local Health Integration Network - Community Services | \$ 1,435,944      | \$ 1,121,222      |
| Ontario Ministry of Health - Elderly Persons Centres          | 86,000            | 32,000            |
| United Way Toronto  | 215,903           | 215,900           |
| City of Toronto - Community Services Grant                    | 80,960            | 79,754            |
| Mary Centre of the Archdiocese of Toronto                     | 72,717            | -                 |
| Other Subsidies and Grants                                    | 65,505            | 41,892            |
|   | <b>1,957,029</b>  | <b>1,490,768</b>  |
| User fees   |                   |                   |
| VHA Home Healthcare   | 279,595           | 297,739           |
| Community Services  | 444,916           | 476,483           |
| Active Living Centre memberships                              | 22,487            | 29,526            |
| Active Living Centre members' activities                      | 182,040           | 120,216           |
|   | <b>929,038</b>    | <b>923,964</b>    |
| Other   |                   |                   |
| Fundraising and donations                                     | 35,323            | 36,649            |
| Investment and miscellaneous income                           | 3,012             | 5,088             |
|   | <b>38,335</b>     | <b>41,737</b>     |
|   | <b>2,924,402</b>  | <b>2,456,469</b>  |
| <b>Expenses</b>   |                   |                   |
| Salaries and wages  | 1,707,805         | 1,541,736         |
| Employee benefits   | 292,135           | 259,023           |
| Employee training   | 5,477             | 19,430            |
| Travel  | 19,433            | 21,214            |
| Building occupancy  | 341,643           | 269,238           |
| General administrative  | 213,276           | 141,550           |
| Service supplies  | 303,044           | 188,047           |
|   | <b>2,882,813</b>  | <b>2,440,238</b>  |
| <b>Excess of revenue over expenses for the year</b>           | <b>41,589</b>     | <b>16,231</b>     |
| <b>Operating surplus, beginning of year</b>                   | <b>205,388</b>    | <b>196,854</b>    |
| <b>Transfers to funds invested in capital assets</b>          | <b>(16,306)</b>   | <b>(7,697)</b>    |
| <b>Operating surplus, end of year</b>                         | <b>\$ 230,671</b> | <b>\$ 205,388</b> |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**North York Seniors Centre  
Statement of Funds Invested in Capital Assets**

| <b>For the year ended March 31</b>                               | <b>2010</b>       | <b>2009</b>       |
|--|-------------------|-------------------|
| <b>Balance</b> , beginning of year                               | \$ 102,228        | \$ 63,860         |
| The Ontario Trillium Foundation - capital asset funding          | 53,000            | 30,765            |
| Ministry of Health and Long-Term Care - capital asset funding    | 6,000             | -                 |
| Central Local Health Integration Network - capital asset funding | 57,712            | 24,571            |
| Transfer from operating surplus                                  | 16,306            | 7,697             |
|  | <b>235,246</b>    | <b>126,893</b>    |
| Less: amortization   | <b>(33,674)</b>   | <b>(24,665)</b>   |
| <b>Balance</b> , end of year                                     | <b>\$ 201,572</b> | <b>\$ 102,228</b> |

**North York Seniors Centre  
Statement of Changes in Endowment Fund**

| <b>For the year ended March 31</b>                  | <b>2010</b>      | <b>2009</b>      |
|---|------------------|------------------|
| <b>Balance</b> , beginning of year                  | \$ 33,077        | \$ 37,428        |
| Donations received                                  | 3,720            | 3,182            |
| Investment income                                   | 458              | 734              |
| Transfers to operations                             | -                | (2,054)          |
| Unrealized gain (loss) in fair value of investments | 5,021            | (6,213)          |
| <b>Balance</b> , end of year                        | <b>\$ 42,276</b> | <b>\$ 33,077</b> |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## North York Seniors Centre Statement of Cash Flows

| For the year ended March 31   | 2010             | 2009             |
|---|------------------|------------------|
| <b>Cash provided by (used for)</b>  |                  |                  |
| <b>Operating activities</b>   |                  |                  |
| Excess of revenue over expenses   | \$ 41,589        | \$ 16,231        |
| Adjustments to reconcile excess of revenue over expenses to net cash provided by (used in) operating activities |                  |                  |
| Changes in non-cash working capital items   |                  |                  |
| Accounts receivable   | 10,316           | (9,182)          |
| Prepaid expenses  | (1,221)          | (7,167)          |
| Accounts payable  | 46,467           | 1,141            |
| Due to Central Local Health Integration Network   | 169,657          | -                |
| Deferred - Active Living Centre membership fees   | 4,233            | (1,751)          |
| Other deferred revenue  | -                | (42,658)         |
|   | 271,041          | (43,386)         |
| <b>Investing activities</b>   |                  |                  |
| Purchase of capital assets  | (130,919)        | (63,033)         |
| Purchase of investments   | (450,000)        | (200,000)        |
| Redemption of investments   | 200,000          | 200,000          |
|   | (380,919)        | (63,033)         |
| <b>Financing activities</b>   |                  |                  |
| Central Local Health Integration Network - capital asset funding  | 57,712           | 24,571           |
| The Ontario Trillium Foundation - capital asset funding   | 53,000           | 30,765           |
| Ministry of Health and Long-Term Care - capital asset funding   | 6,000            | -                |
| Repayment of obligations under capital lease  | (2,099)          | -                |
|   | 114,613          | 55,336           |
| <b>Increase (decrease) in cash for the year</b>   | <b>4,735</b>     | <b>(51,083)</b>  |
| <b>Cash, beginning of year</b>  | <b>50,465</b>    | <b>101,548</b>   |
| <b>Cash, end of year</b>  | <b>\$ 55,200</b> | <b>\$ 50,465</b> |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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## North York Seniors Centre Summary of Significant Accounting Policies

**March 31, 2010**

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**Nature of Activities**

The North York Seniors Centre was incorporated under letters patent dated September 6, 1974 in the jurisdiction of Ontario. It 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. 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 generally accepted accounting principles.

**Fund Accounting**

The Centre follows the restricted fund method of accounting for contributions.

The Operating (unrestricted) Surplus reflects ongoing operations and services. This fund also includes monies provided by the Ministry for small-scale programs that are restricted for operating purposes and expendability.

Funds invested in capital assets reports the operations related to the Centre's capital assets.

The Endowment Fund reports resources contributed for endowment.

**Capital Assets**

Capital assets are recorded at cost. Amortization is provided on capital assets on hand at the beginning of the year, in order to write-off the cost of these assets over their estimated useful lives as follows:

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

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## North York Seniors Centre Summary of Significant Accounting Policies

**March 31, 2010**

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### **Leases**

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Centre are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long term obligation to reflect the acquisition and financing. Assets recorded as capital leases are amortized on the same basis as described above. Rental payments under operating leases are expensed on a straight line basis over the term of the lease.

### **Financial Instruments**

The Centre utilizes various financial instruments. The carrying values of its financial instruments approximate their fair values. The Centre is subject to market and interest rate risks with respect to its investments.

The Centre classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Centre's accounting policy for each category is as follows:

#### **Held-for-trading**

This category is comprised of cash, short-term and long-term investments in equity and debt, and endowment fund investments. They are carried in the balance sheet at fair value with changes in fair value recognized in the statement of operations, deferred or reported directly in fund balances depending on the nature of any restrictions imposed on the investment income. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

#### **Loans and receivables**

Accounts receivable are classified as loans and receivables and were initially recognized at fair value and, subsequently, carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to loans and receivables are expensed as incurred.

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## North York Seniors Centre Summary of Significant Accounting Policies

**March 31, 2010**

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### **Financial Instruments (Continued)**

#### **Other financial liabilities**

Other financial liabilities include all financial liabilities other than those classified as held-for-trading and comprises trade payables and other short-term monetary liabilities. These liabilities are initially recognized at fair value and are subsequently carried at amortized cost using the effective interest rate method.

### **Revenue Recognition**

Restricted contributions related to general operations are recognized as revenue of the Operating (unrestricted) Surplus in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Donations are recorded as revenue when received and government grants are recognized as revenue in the period in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income includes interest income and realized and unrealized investment gains and losses. Unrealized gains and losses on held-for-trading financial assets are included in investment income and recognized as revenue in the Operating Fund, deferred or reported directly in net assets.

Contributions for endowment are recognized as revenue in the Endowment Fund when received.

### **Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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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## North York Seniors Centre Summary of Significant Accounting Policies

**March 31, 2010**

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### **Capital Management**

The Centre's capital consists of its Members' Equity. The Centre's primary objective of capital management is to ensure that it has sufficient resources to continue to provide services to its clients. Annual budgets are developed and monitored to ensure the Centre's capital is maintained at an appropriate level. The Centre is not subject to any externally imposed capital requirements, other than the funding from the Local Health Integration Network (LHIN), and from the City of Toronto, which is subject to approved budgeted expenditures. The Centre has complied with these restrictions.

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## North York Seniors Centre Notes to Financial Statements

**March 31, 2010**

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### 1. Investments

Short-term investments and long-term investments consist of Guaranteed Investment Certificates with interest rates varying from 0.20% to 2.35% and maturing between April 2010 and April 2011.

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### 2. Cash and Investments - Endowment Fund

|                      | <b>2010</b>         | 2009             |
|----------------------|---------------------|------------------|
|                      | <b>Market Value</b> | Market Value     |
| Cash                 | \$ 2,641            | \$ 2,455         |
| Mutual funds         | 22,817              | 17,407           |
| Term notes and bonds | 16,818              | 13,215           |
|                      | <b>\$ 42,276</b>    | <b>\$ 33,077</b> |

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### 3. Capital Assets

|                             | 2010           |                             | 2009           |                             |
|-----------------------------|----------------|-----------------------------|----------------|-----------------------------|
|                             | Cost           | Accumulated<br>Amortization | Cost           | Accumulated<br>Amortization |
| Automobiles                 | \$ 24,571      | \$ 4,914                    | \$ 24,571      | \$ -                        |
| Computer equipment          | 44,199         | 22,704                      | 135,894        | 109,188                     |
| Furniture and fixtures      | 118,911        | 15,570                      | 140,120        | 116,827                     |
| Leasehold improvements      | 73,508         | 15,848                      | 244,051        | 216,393                     |
| Automobiles - capital lease | 95,127         | 2,679                       | -              | -                           |
|                             | <b>356,316</b> | <b>61,715</b>               | <b>544,636</b> | <b>442,408</b>              |
| Net book value              |                | <b>\$ 294,601</b>           |                | <b>\$ 102,228</b>           |

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

**March 31, 2010**

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**4. Obligations Under Capital Lease**

|   | 2010             | 2009 |
|---|------------------|------|
| Three leases for automotive equipment, repayable in monthly instalments of \$1,993 each, including interest calculated at 12%. The leases mature February 2014. | <b>\$ 93,029</b> | \$ - |
| Less: current portion   | <b>13,508</b>    | -    |
|   | <b>\$ 79,521</b> | \$ - |

The future minimum lease payments for the next four years are as follows:

|                       |           |               |
|-----------------------|-----------|---------------|
| 2011                  | \$        | 23,920        |
| 2012                  |           | 23,920        |
| 2013                  |           | 23,920        |
| 2014                  |           | 51,426        |
|                       |           | 123,186       |
| Less imputed interest |           | 30,157        |
|                       | <b>\$</b> | <b>93,029</b> |

During the period, the Centre expensed \$1,888 (2009 - \$Nil) of imputed interest. This is included in service supplies in the statement of revenue and expenses and operating surplus.

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**5. Lease Commitments**

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

| Year | Sheppard<br>Avenue<br>Leases | 21 Hendon<br>Lease | Toronto<br>Community<br>Housing | Total             |
|------|------------------------------|--------------------|---------------------------------|-------------------|
| 2011 | \$ 139,718                   | \$ 30,750          | \$ 21,476                       | \$ 191,944        |
| 2012 | 139,718                      | 30,750             | -                               | 170,468           |
| 2013 | 139,718                      | 30,750             | -                               | 170,468           |
| 2014 | 81,502                       | 7,690              | -                               | 89,192            |
|      | <b>\$ 500,656</b>            | <b>\$ 99,940</b>   | <b>\$ 21,476</b>                | <b>\$ 622,072</b> |

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

**March 31, 2010**

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**6. Contingent Liability**

*Occupancy Adjustment*

The Centre's landlord for 21 Hendon has requested payment of water bills and various other expenses covering the period from approximately 1995 to present. A provision of \$45,000 has been accrued by Management to cover these costs. Management believes that this provision is sufficient to cover the expenses.

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**7. Comparative Amounts**

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.