

North York Seniors Centre
Financial Statements
For the year ended March 31, 2020

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Independent Auditor's Report

To the Members of
North York Seniors Centre

Opinion

We have audited the financial statements of North York Seniors Centre (the "Centre"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants
Mississauga, Ontario
July 2, 2020

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

March 31	2020	2019
Assets		
Current		
Cash and cash equivalents	\$ 791,737	\$ 412,854
Investments (Note 2)	100,000	100,000
Accounts receivable	244,882	245,766
Prepaid expenses	84,492	84,383
	<hr/>	
	1,221,111	843,003
Investments (Note 2)	200,000	300,000
Cash and investments - endowment fund (Note 3)	104,533	97,028
Capital assets (Note 4)	339,965	403,746
	<hr/>	
	\$ 1,865,609	\$ 1,643,777

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 275,541	\$ 287,778
Due to Central Local Health Integration Network	2,841	320
Deferred - Active Living Centre membership fees	17,485	13,590
Deferred capital contributions (Note 6)	311,616	375,397
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	607,483	677,085
Net Assets		
Unrestricted net assets	1,153,593	869,664
Endowment fund	104,533	97,028
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	1,258,126	966,692
	<hr/>	
	\$ 1,865,609	\$ 1,643,777

On behalf of the Board:

Peter Fuchs, Chairperson Director

Stephen Steele, Treasurer Director

North York Seniors Centre Statement of Operations

For the year ended March 31	2020	2019
Revenue		
Subsidies and grants		
Central Local Health Integration Network - Community Services	\$ 3,016,096	\$ 2,963,251
Ontario Seniors Secretariat - Elderly Persons Centres	105,454	104,120
United Way Toronto and York Region	220,221	220,221
City of Toronto - Community Services Grant	98,123	96,941
Other subsidies and grants	153,117	126,374
	3,593,011	3,510,907
Contracts and user fees		
VHA Home Healthcare	279,512	260,948
iRide	312,937	319,451
Community Services	435,873	410,098
Active Living Centre	236,158	268,264
	1,264,480	1,258,761
Other		
Fundraising and donations	51,082	35,592
Investment and miscellaneous income	20,714	8,219
	71,796	43,811
	4,929,287	4,813,479
Expenses		
Salaries and wages	2,715,909	2,641,940
Contracted services	467,175	477,054
Employee benefits	425,935	402,954
Building and ground	337,317	346,410
Supplies	266,526	330,773
Office and general	286,913	285,028
Repairs and maintenance	53,793	41,605
Amortization	91,790	86,677
	4,645,358	4,612,441
Excess of revenue over expenses for the year	\$ 283,929	\$ 201,038

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

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

For the year ended March 31

	Unrestricted Net Assets		Endowment Fund	
	2020	2019	2020	2019
Net assets , beginning of year	\$ 869,664	\$ 668,626	\$ 97,028	\$ 89,257
Excess of revenue over expenses	283,929	201,038	-	-
Donations and other revenue	-	-	6,139	4,857
Unrealized gain in fair value of investments	-	-	1,366	2,914
Net assets , end of year	\$ 1,153,593	\$ 869,664	\$ 104,533	\$ 97,028

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

North York Seniors Centre Statement of Cash Flows

For the year ended March 31	2020	2019
Cash provided by (used for)		
Operating activities		
Excess of revenue over expenses	\$ 283,929	\$ 201,038
Excess of revenue over expenses - endowment	7,505	7,771
Adjustments required to reconcile excess of revenue over expenses to net cash provided by (used in) operating activities		
Unrealized gain on endowment fund's investments	(1,366)	(2,914)
Amortization of capital assets	91,790	86,677
Changes in non-cash working capital items		
Accounts receivable	884	(62,944)
Prepaid expenses	(109)	(14,282)
Accounts payable and accrued liabilities	(12,237)	107,459
Due to Central Local Health Integration Network	2,521	(37,447)
Deferred - Active Living Centre membership fees	3,895	(7,078)
Other deferred revenue	-	(14,015)
Deferred capital contributions	(63,781)	(2,790)
	313,031	261,475
Investing activities		
Purchase of capital assets	(28,009)	(89,907)
Redemption of investments	100,000	50,000
Purchase of investments	-	(200,000)
	71,991	(239,907)
Financing activity		
Endowment funds received	(6,139)	(4,857)
	378,883	16,711
Increase in cash for the year	378,883	16,711
Cash, beginning of year	412,854	396,143
Cash, end of year	\$ 791,737	\$ 412,854
Represented by		
Cash	\$ 541,737	\$ 412,854
Cashable guaranteed investment certificates	250,000	-
	\$ 791,737	\$ 412,854

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

North York Seniors Centre

Notes to Financial Statements

March 31, 2020

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.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances, cashable guaranteed investment certificates. The cash equivalents consist of two cashable guaranteed investment certificates: \$100,000 and \$150,000, maturing on July 02, 2022, bearing interest at 2.00% in year 1, 2.25% in year 2, and 2.75% in year 3.

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.

North York Seniors Centre Notes to Financial Statements

March 31, 2020

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 revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Investments

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

	<u>2020</u>	<u>2019</u>
Guaranteed Investment Certificates		
1.15% due July 02, 2019	\$ -	\$ 100,000
2.35% due September 21, 2020	100,000	100,000
2.00% due August 25, 2021	100,000	100,000
2.60% due September 21, 2022	100,000	100,000
	300,000	400,000
Less: Investments maturing in the next fiscal year	100,000	100,000
Investments	\$ 200,000	\$ 300,000

North York Seniors Centre Notes to Financial Statements

March 31, 2020

3. Cash and Investments - Endowment Fund

The endowment fund consists of the following:

	2020	2019
Cash	\$ 6,533	\$ 31,793
Term notes and bonds	98,000	65,235
	\$ 104,533	\$ 97,028

4. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Automobiles	\$ 60,593	\$ 52,992	\$ 94,627	\$ 79,821
Computer equipment	136,520	91,339	108,510	82,754
Furniture and fixtures	118,911	118,911	118,911	118,911
Leasehold improvements	720,454	433,271	720,454	357,270
	\$ 1,036,478	\$ 696,513	\$ 1,042,502	\$ 638,756
Net book value		\$ 339,965		\$ 403,746

5. Lease Commitments

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

		Sheppard Avenue Leases	21 Hendon Lease	Hesperus Leases	Toronto Community Housing Leases	Total
2021	\$	192,613	\$ 31,182	\$ 37,777	\$ 27,314	\$ 288,886
2022		192,613	7,796	38,533	4,571	243,513
2023		192,613	-	39,304	-	231,917
2024		128,409	-	14,935	-	143,344
	\$	706,248	\$ 38,978	\$ 130,549	\$ 31,885	\$ 907,660

The Centre also has the following vehicle lease commitments; 2021: \$20,889, 2022: \$633.

North York Seniors Centre Notes to Financial Statements

March 31, 2020

6. Deferred Capital Contributions

	<u>2020</u>	<u>2019</u>
Opening deferred capital contributions	\$ 375,397	\$ 378,187
Restricted contributions received in the year	28,009	89,907
Amount recognized in revenue	<u>(91,790)</u>	<u>(92,697)</u>
	<u>\$ 311,616</u>	<u>\$ 375,397</u>

7. 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. 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.

Liquidity Risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Centre will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Centre is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, due to Central Local Health Integration Network and commitments.

North York Seniors Centre Notes to Financial Statements

March 31, 2020

8. Uncertainty due to COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic, which has led to a significant impact on the Canadian and global economies. On March 17, 2020, the Ontario government declared a state of emergency mandating all non-essential businesses to close. North York Seniors Centre was deemed an essential service and responded by closing their facilities to the general public and modifying service delivery. Facility based programs (such as the Active Living Centre and Adult Day Programs) moved to virtual programming and community based programs were scaled to the provision of essential services only. As a result, management anticipates a temporary decline in user and course fees.

Management is actively monitoring the effect of program modification on its financial condition, liquidity, operations, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global response to curb the spread, management is not able to fully estimate the effects or the return date to full operation at this time. As the impacts of the COVID-19 continue, there could be further implications on the organization, its funders and donors.