

FINANCIAL STATEMENTS
For
BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE
For the year ended
DECEMBER 31, 2016

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, 2016, 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.

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

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Basis for Qualified Opinion

In common with many not-for-profit organizations, the Centre derives revenue from donations and fundraising, 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 donations and fundraising revenue, net revenue over expenses and cash flow from operations for the years ended December 31, 2016 and 2015, current assets as at December 31, 2016 and 2015 and unrestricted net assets as at January 1 and December 31 for both the 2015 and 2016 years. Our audit opinion on the financial statements for the year ended December 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

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, 2016 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.



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
March 27, 2017.

Welch LLP

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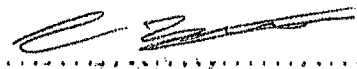
BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and short-term investments	\$ 1,305,625	\$ 1,864,670
Accounts receivable - City of Toronto	60,678	34,681
Accounts receivable - other	364,737	361,165
Inventories	6,966	13,297
Prepaid expenses	<u>19,897</u>	<u>10,304</u>
	1,757,903	2,284,117
ACCOUNTS RECEIVABLE - CITY OF TORONTO (note 8)	335,108	333,033
CAPITAL ASSETS (note 4)	<u>213,419</u>	<u>129,775</u>
	<u>\$ 2,306,430</u>	<u>\$ 2,746,925</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Bank indebtedness (note 5)	\$ -	\$ 58,617
Accounts payable and accrued liabilities - City of Toronto	45,919	24,265
Accounts payable and accrued liabilities - other	490,233	213,055
Deferred revenue	11,000	-
Deferred contributions (note 6)	452,591	1,662,777
Deferred capital contribution (note 7)	<u>136,931</u>	<u>60,858</u>
	1,136,674	2,019,572
POST-EMPLOYMENT BENEFITS PAYABLE (note 8)	<u>335,108</u>	<u>333,033</u>
	<u>1,471,782</u>	<u>2,352,605</u>
NET ASSETS		
Invested in capital assets, internally restricted (note 9)	76,488	68,917
Internally restricted - Program reserve (note 10)	387,500	-
Fund and intermediary balances, externally restricted (schedule B and note 11)	168,944	153,457
Unrestricted	<u>201,716</u>	<u>171,946</u>
	<u>834,648</u>	<u>394,320</u>
	<u>\$ 2,306,430</u>	<u>\$ 2,746,925</u>

Approved by the Board:

 Chair

 Treasurer

(See accompanying notes)

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BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE
 STATEMENT OF CHANGES IN NET ASSETS
 YEAR ENDED DECEMBER 31, 2016

	<u>Invested in Capital assets (note 9)</u>	<u>Fund and Intermediary Balances</u>	<u>Program Reserve</u>	<u>Unrestricted</u>	<u>Total 2016</u>	<u>Total 2015</u>
Net assets, beginning of year	\$ 68,917	\$ 153,457	\$ -	\$ 171,946	\$ 394,320	\$ 393,868
Net revenue over expenses (expenses over revenue)	(46,663)	15,487	-	471,504	440,328	452
Investment in capital assets - net	54,234	-	-	(54,234)	-	-
Transfers between reserves (note 10)	-	-	387,500	(387,500)	-	-
Net assets, end of year	<u>\$ 76,488</u>	<u>\$ 168,944</u>	<u>\$ 387,500</u>	<u>\$ 201,716</u>	<u>\$ 834,648</u>	<u>\$ 394,320</u>

(See accompanying notes)

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2016

	<u>Program</u>	<u>Administration</u>	<u>2016</u>	<u>2015</u>
Revenue				
Grants				
City of Toronto	\$ 327,912	\$ 1,352,701	\$ 1,680,613	\$ 1,668,017
United Way	337,899	-	337,899	251,723
Government of Canada	316,644	-	316,644	329,101
Others	118,896	-	118,896	118,595
Province of Ontario	<u>86,921</u>	<u>-</u>	<u>86,921</u>	<u>382,259</u>
	<u>1,188,272</u>	<u>1,352,701</u>	<u>2,540,973</u>	<u>2,749,695</u>
Donations	2,418,795	-	2,418,795	1,479,318
Fundraising	1,103,900	-	1,103,900	963,600
Cafe	504,338	-	504,338	436,949
Workshops, education and training	249,804	-	249,804	155,470
Rental Fees	65,103	-	65,103	61,616
Other Revenue	24,513	-	24,513	20,843
Interest	12,468	-	12,468	3,384
Amortization of deferred capital contributions	<u>20,203</u>	<u>-</u>	<u>20,203</u>	<u>15,514</u>
	<u>5,587,396</u>	<u>1,352,701</u>	<u>6,940,097</u>	<u>5,886,389</u>
Expenses (Schedule A)				
Salaries and wages	1,853,682	808,894	2,662,576	2,559,266
Employee benefits	435,172	219,904	655,076	639,208
Purchase of service	2,081,827	135,730	2,217,557	1,610,626
Materials, supplies and services	725,008	188,173	913,181	990,490
Amortization of capital assets	<u>66,866</u>	<u>-</u>	<u>66,866</u>	<u>59,109</u>
	<u>5,162,555</u>	<u>1,352,701</u>	<u>6,515,256</u>	<u>5,858,699</u>
Net revenue over expenses	<u>\$ 424,841</u>	<u>\$ -</u>	<u>\$ 424,841</u>	<u>\$ 27,690</u>

(See accompanying notes)

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BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net revenue over expenses (expenses over revenue)	\$ 424,841	\$ 27,690
Net revenue over expenses (expenses over revenue)		
- Segregated fund and intermediary balances (schedule B and note 11)	<u>15,487</u>	<u>(27,238)</u>
	440,328	452
Adjustments for:		
Amortization of capital assets	66,866	59,109
Amortization of deferred capital contribution	<u>(20,203)</u>	<u>(15,514)</u>
	486,991	44,047
Increase (decrease) resulting from changes in:		
Accounts receivable - City of Toronto	(25,997)	56,784
Accounts receivable - other	(3,572)	(188,386)
Inventories	6,331	13,075
Unbilled revenue	-	124,928
Prepaid expenses	(9,593)	(5,229)
Long term accounts receivable - City of Toronto	(2,075)	3,834
Accounts payable and accrued liabilities - City of Toronto	21,654	5,046
Accounts payable and accrued liabilities - other	277,178	(39,710)
Deferred revenue	11,000	-
Deferred contributions	(1,210,186)	1,600,234
Post-employment benefits payable	<u>2,075</u>	<u>(3,834)</u>
Cash flows from (used in) operating activities	<u>(446,194)</u>	<u>1,610,789</u>
CASH FLOW FROM INVESTMENT ACTIVITIES		
Acquisition of capital assets - Program	<u>(150,510)</u>	<u>(106,012)</u>
Cash flow used in investing activities	<u>(150,510)</u>	<u>(106,012)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of deferred capital contributions	96,276	76,072
Repayment of bank indebtedness	<u>(58,617)</u>	<u>(88,075)</u>
Cash flows from (used in) financing activities	<u>37,659</u>	<u>(12,003)</u>
INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	(559,045)	1,492,774
CASH AND SHORT-TERM INVESTMENTS AT BEGINNING OF YEAR	<u>1,864,670</u>	<u>371,896</u>
CASH AND SHORT-TERM INVESTMENTS AT END OF YEAR	\$ <u>1,305,625</u>	\$ <u>1,864,670</u>

(See accompanying notes)

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BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

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 restricted fund method of accounting for contributions to funds detailed in Schedule B and the Centre follows the deferral method of accounting for all other contributions. Unrestricted 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

Workshop fees, rental and similar revenues are recognized as the services are provided.

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 and collection is reasonably assured.

Cash and short-term investments

Cash and short-term investments include cash on hand, cash on deposit with financial institutions, demand deposits, savings funds and short-term investments.

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

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 bank indebtedness and 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	- 3 to 5 years straight line
Building fixtures	- 5 years straight line
Website	- 10 years straight line
Capital improvements	- 20 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 multi-employer 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 multi-employer 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.

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

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

The Centre is exposed to and manages various financial risks resulting from operations. 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 Centre's main financial risk exposures and its financial risk management policies are as follows:

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 deposited 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.

Liquidity risk

Liquidity risk is the risk that the Centre cannot meet a demand for cash or fund its obligations as they become due. The Centre's financial liabilities are comprised of bank indebtedness, accounts payable and accrued liabilities, and trust accounts. The Centre manages its 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.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) Currency risk

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Centre's financial instruments are all denominated in Canadian dollars, except for one U.S. cash account with a balance of \$961 (2015 - \$1,240), and the Centre transactions primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

3. FINANCIAL INSTRUMENTS - Cont'd

Market risk - Cont'd.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Centre's cash and short-term investments earn interest at prevailing market rates. The Centre's bank indebtedness is subject to floating interest rate terms. As a result the interest rate exposure related to these financial instruments is a result of interest rate movements.

iii) Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Centre is not exposed to significant other price risk.

Changes in risk

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

4. CAPITAL ASSETS

Capital assets consist of the following:

	2016		2015	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Administrative				
Building fixtures	\$ 11,373	\$ 11,373	\$ 11,373	\$ 11,373
Furniture and equipment	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
	12,873	<u>12,873</u>	12,873	<u>12,873</u>
Accumulated amortization	<u>12,873</u>		<u>12,873</u>	
	-		-	
Program				
Computers	153,240	131,710	120,946	110,203
Furniture and equipment	564,037	468,484	542,097	430,376
Website	24,370	19,496	24,370	17,059
Capital improvements	<u>96,276</u>	<u>4,814</u>	-	-
	837,923	<u>624,504</u>	687,413	<u>557,638</u>
Accumulated amortization	<u>624,504</u>		<u>557,638</u>	
	<u>213,419</u>		<u>129,775</u>	
Total assets	850,796	\$ <u>637,377</u>	700,286	\$ <u>570,511</u>
Accumulated amortization	<u>637,377</u>		<u>570,511</u>	
	\$ <u>213,419</u>		\$ <u>129,775</u>	

5. CREDIT FACILITIES

The Centre has an operating demand loan with an authorized limit of \$350,000 of which NIL (2015 - \$58,617) was utilized at year-end. The demand loan bears interest at prime plus 2% and is secured by the Centre's short-term investments.

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

6. DEFERRED CONTRIBUTIONS

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 1,662,777	\$ 62,543
Add: Funds received	1,330,787	4,349,929
Less: Amounts recognized as revenue	<u>(2,540,973)</u>	<u>(2,749,695)</u>
Balance, end of year	<u>\$ 452,591</u>	<u>\$ 1,662,777</u>

7. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 60,858	\$ 300
Add: Funds received	96,276	76,072
Less: Amortization of deferred capital contributions	<u>(20,203)</u>	<u>(15,514)</u>
Balance, end of year	<u>\$ 136,931</u>	<u>\$ 60,858</u>

8. 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, 2015 with projections to December 31, 2016, 2017 and 2018. Assumptions used to project the accrued benefit obligation were as follows:

- long-term inflation rate - 2.0%
- assumed health care cost trends - range from 3.0% to 6.0%
- rate of compensation increase - 3.0% to 3.5%
- discount rates - post-retirement 3.5%, post-employment 2.7%, sick leave 3.10%

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

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

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

	<u>2016</u>	<u>2015</u>
Post-retirement benefits	\$ 122,684	\$ 98,457
Add: Unamortized actuarial gain	<u>212,424</u>	<u>234,576</u>
Post-employment benefit liability	<u>\$ 335,108</u>	<u>\$ 333,033</u>

The continuity of the accrued benefit obligation is as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 333,033	\$ 336,867
Current service cost	21,739	14,084
Interest cost	4,087	7,482
Amortization of actuarial gain	(23,751)	(13,718)
Expected benefits paid	<u>-</u>	<u>(11,682)</u>
Balance, end of year	<u>\$ 335,108</u>	<u>\$ 333,033</u>

Expense (recovery) relating to employee benefits are included in administration employee benefits on the statement of operations in the amounts of \$2,075 in 2016 (2015 - \$(3,834)) and include the following components:

	<u>2016</u>	<u>2015</u>
Current service cost	\$ 21,739	\$ 14,084
Interest cost	4,087	7,482
Amortization of actuarial gain	(23,751)	(13,718)
Expected benefits paid	<u>-</u>	<u>(11,682)</u>
Balance, end of year	<u>\$ 2,075</u>	<u>\$ (3,834)</u>

A long-term receivable from the City of \$335,108 (2015 - \$333,033) 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 \$194,923 in 2016 (2015 - \$196,769).

The most recent actuarial valuation of the OMERS plan as at December 31, 2016 indicates the Plan is not fully funded and the Plan's December 31, 2016 financial statements indicate a deficit of \$5.72 billion (less an additional \$3.379 billion 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 0.0106% 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.

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

9. INVESTED IN CAPITAL ASSETS

Investment in capital assets is calculated as follows:

	<u>2016</u>	<u>2015</u>
Capital assets	\$ 213,419	\$ 129,775
Amounts financed by deferred capital contributions	<u>(136,931)</u>	<u>(60,858)</u>
	<u>\$ 76,488</u>	<u>\$ 68,917</u>

Change in net assets invested in capital assets is calculated as follows:

	<u>2016</u>	<u>2015</u>
Net revenue over expenses (expenses over revenue)		
Amortization of deferred capital contributions	\$ 20,203	\$ 15,514
Amortization of capital assets	<u>(66,866)</u>	<u>(59,109)</u>
	<u>\$ (46,663)</u>	<u>\$ (43,595)</u>
Net investment in capital assets		
Capital assets acquired	\$ 150,510	\$ 106,012
Amounts financed by deferred capital contributions	<u>(96,276)</u>	<u>(76,072)</u>
	<u>\$ 54,234</u>	<u>\$ 29,940</u>

10. PROGRAM RESERVE

The Centre's Programs Reserve Policy was established by the Board in 2016 to ensure the stability of the Centre's mission, programs and ongoing operations and to provide a source of internal funds for planned and emerging organizational priorities such as programming, capacity building, special projects, human resource liabilities, and emergency needs. The funds set aside exclude grant funding and other defined contributions.

11. FUND AND INTERMEDIARY BALANCES

The Fund and Intermediary balances can be summarized as follows:

	<u>2016</u>	<u>2015</u>
Fund balances:		
AIDS Vigil Fund	\$ 12,589	\$ 2,872
AIDS Memorial Fund	63,129	64,238
Building Fund	34,026	34,026
Recreation Centre Capital Campaign Fund	2,967	2,967
Intermediary balances:		
ORAD	3,281	3,231
HOLA	1,270	1,270
Senior Pride Network	11,022	7,737
Kyle Scanlon Memorial Fund	13,845	8,845
Will Munro Fund	26,125	28,231
Open Streets	40	40
Hospitality Workers	<u>650</u>	<u>-</u>
	<u>\$ 168,944</u>	<u>\$ 153,457</u>

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

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

11. FUND AND INTERMEDIARY BALANCE - Cont'd.

(a) 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.

(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) 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.

(d) Recreation Centre Capital Campaign

In 2015 City Council approved the Centre to work in partnership with the City of Toronto, and a philanthropic donor to investigate the feasibility of redeveloping the John Innes Community Centre, Moss Park Arena and the surrounding parklands for the creation of a new transformational, multi-dimensional facility that will be dedicated to developing and providing inclusive recreational space and programs responsive to the needs of local communities including vulnerable at risk communities, while also advancing LGBTQ inclusion in sport and recreation. As part of the agreement the Centre has committed to raise a portion of the project costs by way of a capital campaign.

(e) 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.

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

11. FUND AND INTERMEDIARY BALANCES - Cont'd.

(f) 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. The Centre acts as intermediary for this fund because HOLA is a community group within the Centre's space use structure.

(g) 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 intermediary to be responsible for the coordination and delivery of the Senior's conference and other funding applications.

(h) The Kyle Scanlon Memorial Fund

Created in 2012 as a legacy in memory of Kyle Scanlon, a much-loved trans activist and 519 staffer. The Kyle Scanlon Memorial Fund is intended to support projects and initiatives important to members of Toronto's trans community. The Centre is working with the community and members of Kyle's family to finalize the formal mandate for the Fund. It is expected to be launched in 2016.

(i) The Will Munro Fund for Queer and Trans People Living with Cancer

Established in 2010 by the friends and family of Will Munro, the Will Munro Fund for Queer and Trans People Living with Cancer will serve as a dedicated emergency relief fund offering financial assistance to LGBTQ people of all ages who are currently living with cancer in Ontario.

(j) Open Streets Toronto

Open Streets deliver community recreation events in the City of Toronto. It is meant to be open, accessible, and inclusive to all persons in the City of Toronto. Funding was received from various donors. The Centre acted as an intermediary.

(k) Hospitality Workers

Established in 2012 the Hospitality Workers project is intended to create a workforce development solution that partners with Toronto's hotel and restaurant sector to reduce poverty, create accessible employment and advance the skills development and employment opportunities for new and incumbent workers in this industry. The Centre acted as a intermediary.

BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

12. 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.

	2016 <u>Budget</u> (unaudited)	<u>2016</u>	<u>2015</u>
Administration expenses:			
Salaries and wages	\$ 810,903	\$ 808,894	\$ 790,187
Employee benefits	242,602	219,904	200,007
Materials and supplies	176,841	188,173	179,129
Purchase of services	<u>120,279</u>	<u>135,730</u>	<u>119,696</u>
	<u>\$ 1,350,625</u>	<u>\$ 1,352,701</u>	<u>\$ 1,289,019</u>
Centre's actual administration revenue:			
Administration budget		<u>\$ 1,350,625</u>	<u>\$ 1,278,818</u>
Centre's actual administration expenses:			
Administration expenses per statement of operations		1,352,701	1,289,319
Adjustments for:			
Post-employment benefits, not funded by the City until paid, that are included in long term accounts receivable - City of Toronto		(2,075)	3,833
Amortization of capital assets (administration)			(300)
Difference between funding received and budgeted		(1)	-
Amortization of deferred capital contributions		<u>-</u>	<u>300</u>
		<u>1,350,625</u>	<u>1,293,152</u>
Administration expenses over approved budget		<u>\$ -</u>	<u>\$ 14,334</u>

The over expenditure of \$NIL (2015 - \$14,334) is included in the account receivable from the City of Toronto.

13. COMPARATIVE FIGURES

Comparative figures 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, 2016

	2016	2015
General	\$ 285,133	\$ 220,016
Fundraising, philanthropy & membership	418,437	286,553
Green Space Event	584,534	706,869
Community Programs/Services		
Child and family programs	169,456	168,812
Community food and drop-in programs	322,167	277,043
Community support services	196,256	161,605
Newcomer services	419,092	344,401
Sport and recreation initiatives (note 12)	-	799,173
	1,106,971	1,751,034
Social/Productive Enterprises		
Social enterprise - restaurant and catering	653,458	596,742
Social enterprise - education and training Initiatives	574,832	515,817
Social Enterprise - rentals and sales	95	856
	1,228,385	1,113,415
Recreation centre development	1,472,229	432,684
Amortization of capital assets	66,866	58,809
	\$ 5,162,555	\$ 4,569,380

**BOARD OF MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE
SCHEDULE OF OPERATIONS AND CHANGE IN FUND AND INTERMEDIARY BALANCES
YEAR ENDED DECEMBER 31, 2016**

	AIDS Vrail		AIDS Memorial		Building		Recreation Centre Capital Campaign		Total Funds	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue										
Donation, grants, and fundraising	\$ 19,530	\$ 16,583	\$ 350	\$ 1,225	\$ -	\$ -	\$ -	\$ 1,017	\$ 19,880	\$ 18,825
Expenses										
Salaries and benefits	-	-	-	-	-	-	-	-	-	40,974
Professional services	-	-	-	-	-	40,974	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-
Material, supplies and services	9,813	9,119	1,459	2,234	-	-	-	-	11,272	11,353
	9,813	9,119	1,459	2,234	-	40,974	-	-	11,272	52,327
Excess of revenue over expenses (expenses over revenue)	9,717	7,464	(1,109)	(1,009)	-	(40,974)	-	1,017	8,608	(33,502)
Balance, beginning of year	2,872	(4,592)	64,238	65,247	34,026	75,000	2,967	1,950	104,103	137,605
Balance, end of year	\$ 12,589	\$ 2,872	\$ 63,129	\$ 64,238	\$ 34,026	\$ 34,026	\$ 2,967	\$ 2,967	\$ 112,711	\$ 104,103

SCHEDULE B

MANAGEMENT FOR THE 519 CHURCH STREET COMMUNITY CENTRE
 SCHEDULE OF OPERATIONS AND CHANGE IN FUND AND INTERMEDIARY BALANCES - Cont'd.
 YEAR ENDED DECEMBER 31, 2016

	ORAD	HOLA	Senior Pride Network	Hospitality Workers	Kyle Scanlon Memorial Fund	Will Munro Fund	OpenStreetTO	Total Fund and Intermediary Balances
	2016	2015	2016	2015	2016	2015	2016	2015
Revenue								
Donation, grants, and fundraising	\$ 50	\$ -	\$ 5,096	\$ 1,539	\$ 438,350	\$ -	\$ 130,000	\$ 115,060
Expenses								
Salaries and benefits	-	-	-	-	-	-	-	-
Professional services	-	-	-	-	-	-	-	28,231
Construction	-	-	-	-	-	-	-	40,974
Material, supplies and services	-	(112)	1,811	224	437,700	-	130,000	115,020
	-	(112)	1,811	224	437,700	-	130,000	115,020
Excess of revenue over expenses (expenses over revenue)	50	307	3,285	1,315	650	-	(398)	15,487
Balance, beginning of year	3,231	2,924	7,737	6,422	-	28,231	40	153,457
Balance, end of year	\$ 3,281	\$ 3,231	\$ 11,022	\$ 7,737	\$ 650	\$ 26,125	\$ 40	\$ 168,944
								\$ 153,457
								\$ 127,285
								\$ 196,490
								\$ 602,270
								\$ 141,021