

**Board of Management for the  
519 Church Street Community Centre  
Financial Statements  
December 31, 2006**

**Grant Thornton** 

TO BE SIGNED AND  
RETURNED TO  
GRANT THORNTON

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## 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 balance sheet of the **Board of Management for the 519 Church Street Community Centre** as at December 31, 2006 and the statements of revenue and expenditures, changes in net assets, and 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.

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 donations, surplus, assets and liabilities.

In our opinion, except for the effect of adjustment, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2006, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada  
April 25, 2007

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Licensed Public Accountants

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**Board of Management for the  
519 Church Street Community Centre**

**Balance Sheet**

December 31 2006 2005

**Assets**

Current

Cash and short term investments	\$ 1,801,892	\$ 2,037,233
Receivables - City of Toronto	8,046	-
- Other (Note 3)	108,017	843,425
Prepays	<u>1,854</u>	<u>2,029</u>
	1,919,809	2,882,687

Long term

Receivable - City of Toronto (Note 4)	235,488	195,238
Capital assets (Note 5)	<u>14,660</u>	<u>16,471</u>
	<u>\$ 2,169,957</u>	<u>\$ 3,094,396</u>

**Liabilities**

Current

Payables - City of Toronto	\$ -	\$ 7,035
- Other	343,858	166,237
Deferred revenue	127,490	169,552
Deferred capital contribution	<u>3,787</u>	<u>2,152</u>
	475,135	344,976

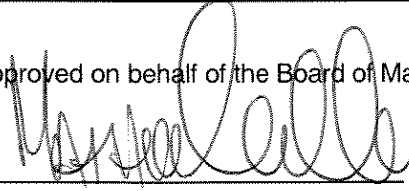
Long term

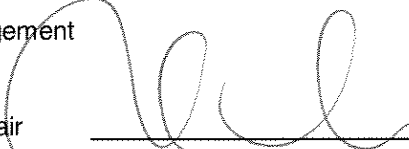
Employee benefits payable (Note 4)	<u>235,488</u>	<u>195,238</u>
	<u>710,623</u>	<u>540,214</u>

**Net Assets and Fund Balances**

Invested in capital assets	18,210	21,657
Unrestricted	280,271	242,470
Fund and Trusteeship balances (Schedule C) (Note 6)	<u>1,160,853</u>	<u>2,290,055</u>
	<u>1,459,334</u>	<u>2,554,182</u>
	<u>\$ 2,169,957</u>	<u>\$ 3,094,396</u>

Approved on behalf of the Board of Management





\_\_\_\_\_ Chair \_\_\_\_\_ Treasurer

See accompanying notes to the financial statements.

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**Board of Management for the  
519 Church Street Community Centre  
Statement of Changes in Net Assets**

Year Ended December 31, 2006

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	Invested in <u>Capital assets</u>	<u>Unrestricted</u>	<b>Total <u>2006</u></b>	Total <u>2005</u>
Net assets, beginning of year	\$ 21,657	\$ 242,471	<b>\$ 264,128</b>	\$ 118,380
Excess of revenue over expenditures	-	34,353	<b>34,353</b>	16,280
Return of funds from capital campaign	-	-	-	122,129
Changes in net assets invested in capital assets	(3,447)	3,447	-	-
Adjustment re: Deferred capital contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,338</u>
Net assets, end of year	<b>\$ <u>18,210</u></b>	<b>\$ <u>280,271</u></b>	<b>\$ <u>298,481</u></b>	<b>\$ <u>264,127</u></b>

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See accompanying notes to the financial statements.

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**Board of Management for the  
519 Church Street Community Centre  
Statement of Revenue and Expenditures**

Year Ended December 31

2006

2005

**Program revenue**

Grants		
United Way	\$ 196,515	\$ 216,650
City of Toronto	365,381	295,674
Province of Ontario	55,042	18,750
Government of Canada	<u>73,215</u>	<u>71,418</u>
	690,153	602,492
Donations	53,845	47,342
Fundraising	208,341	108,134
Rental fees	13,030	15,250
Interest	15,015	6,787
Membership and user fees	27,266	28,001
Other	<u>1,646</u>	<u>278</u>
	<u>1,009,296</u>	<u>808,284</u>

**Program expenditures (Schedule A)**

Salaries and wages	589,801	475,946
Employee benefits	88,426	73,900
Materials and supplies and services	288,800	230,276
Amortization of program assets	<u>7,916</u>	<u>11,882</u>
	<u>974,943</u>	<u>792,004</u>

Excess of revenue over expenditures - Program 34,353 16,280

Administration expenditures (Schedule B)	1,088,452	987,571
Amortization of administration assets	2,628	2,646
Amortization of deferred capital contributions	<u>(2,628)</u>	<u>(2,646)</u>
	<u>1,088,452</u>	<u>987,571</u>

**Funds provided by City of Toronto**

Administration funding (Note 7) 1,088,452 987,571

**Excess of revenue over expenditures** \$ 34,353 \$ 16,280

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See accompanying notes to the financial statements.

# Board of Management for the 519 Church Street Community Centre Statement of Cash Flows

Year Ended December 31 2006 2005

Increase (decrease) in cash and short term investments

<b>Operating activities</b>		
Excess of revenue over expenditures	\$ 34,353	\$ 16,280
Adjustments for non-cash items		
Amortization of program assets	7,916	11,882
Amortization of administration assets	2,628	2,646
Amortization of deferred capital contributions	<u>(2,628)</u>	<u>(2,646)</u>
	42,269	28,162
Net change in segregated fund balances and trusteeships (Note 6)	<u>(1,129,201)</u>	<u>557,374</u>
	(1,086,932)	585,536
Increase (decrease) resulting from changes in:		
Receivables - City of Toronto	(15,081)	38,156
- Other	735,408	268,637
Prepaid expenses and other assets	175	362
Long term account receivable - City of Toronto	(40,250)	(31,067)
Payable - other	177,621	2,047
Deferred revenue	(42,062)	(38,035)
Deferred capital contribution	-	7,338
Long term employee benefits payable	<u>40,250</u>	<u>31,067</u>
	<u>(230,871)</u>	<u>864,041</u>
<b>Financing and investment activities</b>		
Acquisition of capital assets	(8,733)	(7,563)
City of Toronto financing of capital assets - administration	<u>4,263</u>	<u>2,836</u>
	<u>(4,470)</u>	<u>(4,727)</u>
Net (decrease) increase in cash and short term investments	(235,341)	859,314
Cash and short term investments, beginning of year	<u>2,037,233</u>	<u>1,177,919</u>
Cash and short term investments, end of year	\$ <u>1,801,892</u>	\$ <u>2,037,233</u>

See accompanying notes to the financial statements.

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# Board of Management for the 519 Church Street Community Centre

## Notes to the Financial Statements

December 31, 2006

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### 1. Establishment and operations

The City of Toronto Act, 1997 continued the provisions of By-law No. 1995 - 0448 dated June 26, 1995 to reflect Chapter 25 of the City of Toronto Municipal Code. 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 Municipal Code provides for a Council appointed Board 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.

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### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied within the framework of the accounting policies summarized below:

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

#### Pledges receivables

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



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# Board of Management for the 519 Church Street Community Centre

## Notes to the Financial Statements

December 31, 2005

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### 2. Significant accounting policies (continued)

#### Capital assets

Purchased 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

#### 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.

#### Use of estimates

The preparing of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. For example, the employee benefits liabilities and related costs charged to the statement of revenue and expenditures depend on certain actuarial and economic assumptions. Estimates and assumptions are based on the Centre's best information and judgment and may differ significantly from actual results.

#### Employee related costs

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

- (a) the Centre's contributions to a multi-employer, defined benefit pension plan are expensed when contributions are made; and
- (b) the costs of other employee benefits are determined by an independent actuary using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation and expected health care costs.

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### 3. Receivables - other

The accrual for Section 37 funds, amounting to \$746,000, was removed from the balance sheet in 2006. These funds are construction levies that have been paid by real estate developers to the City, and have been designated by City Council for The 519's building project. They will be paid directly to the contractor and will not flow through the accounts of The 519.

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# Board of Management for the 519 Church Street Community Centre

## Notes to the Financial Statements

December 31, 2006

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### 4. Employee benefits

The Centre participates in a number of defined benefit plans provided by the City including pension, other retirement and post-employment benefits to its employees. Under the sick leave plan for administration staff, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave 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 an employee on terminating. The Centre also provides health, dental, life insurance and long term disability benefits to employees. The same health, dental and life insurance benefits are provided to administration retirees until age 65 and reduced benefits thereafter.

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 of December 31, 2003 and has been extrapolated to provide the accrued benefit obligation as of December 31, 2006. The actuarial valuation has resulted in an actuarial loss of \$92,351 which is being amortized on a straight-line basis over 15 years, being the expected average remaining service life of the employees.

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

	<u>2006</u>	<u>2005</u>
Sick leave benefit plan	\$ 97,561	\$ 85,845
Post-retirement benefits	<u>205,651</u>	<u>183,275</u>
	<u>303,212</u>	269,120
Deduct: Unamortized actuarial gain	<u>67,726</u>	<u>73,882</u>
Employee benefit liability	\$ <u>235,488</u>	\$ <u>195,238</u>

The continuity of the accrued benefit obligation during 2006 is as follows:

	<u>2006</u>	<u>2005</u>
Balance, beginning of year	\$ 195,238	\$ 164,171
Current service cost	21,106	20,272
Interest cost	17,285	15,541
Amortization of actuarial loss	6,157	6,157
Expected benefits paid	<u>(4,298)</u>	<u>(10,903)</u>
Balance, end of year	\$ <u>235,488</u>	\$ <u>195,238</u>

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**Board of Management for the  
519 Church Street Community Centre  
Notes to the Financial Statements**

December 31, 2006

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**4. Employee benefits (continued)**

Expenditures in 2006 relating to employee benefits are included as administration expenses on the statement of revenue and expenses and include the following components:

	<u>2006</u>	<u>2005</u>
Current service cost	\$ 21,106	\$ 20,272
Interest cost	17,285	15,541
Amortization of actuarial gain	<u>6,157</u>	<u>6,157</u>
Total expenditures related to post-retirement and post-employment benefits	\$ <u>44,548</u>	\$ <u>41,970</u>

A long term receivable from the City 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. The employer contributions totalled \$57,462 in 2006.

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**5. Capital assets**

			<u>2006</u>	<u>2005</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computers	\$ 59,440	\$ 54,481	\$ 4,959	\$ 6,687
Furniture and equipment	<u>40,597</u>	<u>30,896</u>	<u>9,701</u>	<u>9,784</u>
	\$ <u>100,037</u>	\$ <u>85,377</u>	\$ <u>14,660</u>	\$ <u>16,471</u>

**Board of Management for the  
519 Church Street Community Centre  
Notes to the Financial Statements**

December 31, 2006

<b>6. Segregated Fund balances</b>	<u>2006</u>	<u>2005</u>
Building Fund	\$ 1,032,691	\$ 2,177,188
AIDS Memorial Fund	85,302	82,269
AIDS Vigil Fund	<u>10,723</u>	<u>17,923</u>
	<u>\$ 1,128,716</u>	<u>\$ 2,277,380</u>

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

**(a) Building Fund**

During 2000, the Board of Management commenced a capital campaign to renovate the existing building and build a new addition on the south side. The total cost of the project is estimated at \$7 million, of which \$4.8 million has been committed by the City. The completion date is expected to be in 2008.

**(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.

Segregated fund balances - trusteeships

	<u>2006</u>	<u>2005</u>
Gay Partner Abuse Fund	\$ 1,712	\$ 2,600
Senior Pride Network	2,925	-
Trans Men's Working Group	27,354	-
Transform Project	<u>146</u>	<u>10,075</u>
	<u>\$ 32,137</u>	<u>\$ 12,675</u>

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**Board of Management for the  
519 Church Street Community Centre  
Notes to the Financial Statements**

December 31, 2006

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**6. Fund balances (continued)**

**(d) Gay Partner Abuse Fund**

The Gay Partner Abuse Fund was established in 2001 to fund expenditures related to the Breaking the Cycle of Violence program involving gay partners. This is a trusteeship where the Board of Management oversees the finances for the volunteers who participate in this program.

**(e) Transform Trusteeship**

The Transform Project was established in 2005 to create a play about shelter access by transsexual and transgendered people, and ran during the summer of 2006. This is a trusteeship where The 519 oversees the finances for the coordinators of this program.

**(f) Senior Pride Network**

The Senior Pride Network is an association committed to promoting appropriate services and a positive, caring environment for older gay, lesbian, bisexual, transgender, transsexual, intersexed and 2 spirited people in Toronto.

**(g) Trans Mens Working Group**

The Gay/Bi/Queer Transmen Working Group is mandated to support the inclusion of transmen in the provincial strategy to address the sexual health needs of gay, bisexual and other men who have sex with men. The focus is on developing a sexual health resource for use by front-line agencies and transmen in support of the sexual health of gay/bi/queer transmen.

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# Board of Management for the 519 Church Street Community Centre

## Notes to the Financial Statements

December 31, 2006

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### 7. Funds provided - 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.

	<u>2006</u>	<u>2005</u>
Budget administration expenditures:		
Centre's approved budget for 2006 administration expenses	\$ 1,022,000	\$ 986,800
Funding received for 2006 retro pay due to collective bargaining	23,069	16,066
Reversal of 2003 write off	-	1,138
Reversal of 2004 vacation pay	(533)	-
Deferred capital contribution	-	(4,967)
	<u>1,044,536</u>	<u>999,037</u>
Actual administration expenditure:		
Centre's actual administration expenses were	1,088,452	987,571
Post retirement benefits, not funded by the City until paid, that are included in long term accounts receivable - City of Toronto	(40,250)	(31,067)
Add: Acquisition of capital assets	<u>4,263</u>	<u>2,836</u>
Administration expenses net of post-retirement benefits	<u>1,052,465</u>	<u>959,340</u>
Administration expenditure over approved budget	\$ <u>7,929</u>	\$ <u>39,697</u>

The over expenditure of \$7,929 (2005 - \$39,697) is included in accounts receivable from the City.

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### 8. Comparative figures

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

**Board of Management for the  
519 Church Street Community Centre  
Schedule of Program Expenditures by Activities**

Schedule A

Year Ended December 31

2006

2005

Sunday Drop In	\$ 162,401	\$ 154,646
Anti-Violence project	67,312	64,263
Meal Trans (includes Trans Youth Toronto)	261,883	183,016
Fundraising committee	62,545	68,466
Children's programs	198,964	154,444
Summer camp	47,458	48,145
Community counselling	26,975	11,087
Community living program	13,530	21,972
Senior program	47,280	36,251
Friday Night Club	6,428	6,547
Holiday Kids	7,202	6,657
Rentals	2,120	1,537
Sundry projects	23,215	7,490
Volunteer projects	8,416	15,601
2006 AIDS Conference - Community Dinners	31,298	-
Amortization of capital assets	<u>7,916</u>	<u>11,882</u>
	<b>\$ <u>974,943</u></b>	<b>\$ <u>792,004</u></b>

**Board of Management for the  
519 Church Street Community Centre  
Schedule of Administration Expenditures**

Schedule B

Year Ended December 31	2006	2005
Salaries and wages	\$ 697,994	\$ 651,534
Employee benefits	202,970	171,888
Building, maintenance and repairs	35,391	35,989
Utilities	43,597	36,257
In-house printing and advertising	19,352	18,117
Telephone	16,711	12,028
Equipment services	9,292	7,301
Office supplies	33,828	23,246
Audit fee	3,959	4,000
Professional development	646	900
Insurance	2,966	2,697
Postage	7,194	6,271
Volunteer support	769	930
Alternate space at YMCA	7,590	9,552
Sundry	<u>6,193</u>	<u>6,861</u>
	<b>\$ <u>1,088,452</u></b>	<b>\$ <u>987,571</u></b>



**Board of Management for the  
519 Church Street Community Centre  
Schedule of Operations and Change in Fund Balances**

Schedule C

Year Ended December 31

	AIDS Vigil		AIDS Memorial		Building		Total Funds	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenue								
Donation, grants and fundraising	\$ 55,815	\$ 7,889	\$ 4,126	\$ 6,289	\$ 45,929	\$ 694,936	\$ 105,870	\$ 709,114
Interest income	<u>343</u>	<u>230</u>	<u>2,600</u>	<u>1,070</u>	<u>57,700</u>	<u>28,000</u>	<u>60,643</u>	<u>29,300</u>
	<u>56,158</u>	<u>8,119</u>	<u>6,726</u>	<u>7,359</u>	<u>103,629</u>	<u>722,936</u>	<u>166,513</u>	<u>738,414</u>
Expenses								
Salaries and benefits	-	-	-	-	-	1,160	-	1,160
Professional services	-	-	-	-	-	51,246	-	51,246
Construction	-	-	-	-	500,890	22,880	500,890	22,880
Special events	53,396	-	-	-	-	96,554	53,396	96,554
Material, supplies and services	<u>9,962</u>	<u>7,536</u>	<u>3,693</u>	<u>6,837</u>	<u>1,236</u>	<u>6,055</u>	<u>14,891</u>	<u>20,428</u>
	<u>63,358</u>	<u>7,536</u>	<u>3,693</u>	<u>6,837</u>	<u>502,126</u>	<u>177,895</u>	<u>569,177</u>	<u>192,268</u>
Excess (deficiency) excess of revenue over expenses	(7,200)	583	3,033	522	(398,497)	545,041	(402,664)	546,146
Transfer to/from Capital Campaign	-	-	-	-	-	(122,129)	-	(122,129)
Reversal of Section 37 Funds Receivable	-	-	-	-	(746,000)	-	(746,000)	-
Excess (deficiency) of revenue over expenses	(7,200)	583	3,033	522	(1,144,497)	422,912	(1,148,664)	424,017
Balance, beginning of year	<u>17,923</u>	<u>17,340</u>	<u>82,269</u>	<u>81,747</u>	<u>2,177,188</u>	<u>1,754,276</u>	<u>2,277,380</u>	<u>1,853,363</u>
Balance, end of year	<u>\$ 10,723</u>	<u>\$ 17,923</u>	<u>\$ 85,302</u>	<u>\$ 82,269</u>	<u>\$ 1,032,691</u>	<u>\$ 2,177,188</u>	<u>\$ 1,128,716</u>	<u>\$ 2,277,380</u>