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GRANT THORNTON

Financial Statements

Board of Management for the 519 Church Street
Community Centre

December 31, 2012

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Grant Thornton

Independent Auditor's Report

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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, 2012, and the statement of operations, statement of changes in net assets and statement of 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 principles 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.

Basis for qualified opinion

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

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the **Board of Management for the 519 Church Street Community Centre** as at December 31, 2012, 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.

Comparative Information

Without modifying our opinion, we draw attention to Note 11 to the financial statements which describes that the Organization adopted Canadian public sector accounting standards for government not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2011 and January 1, 2011, and the statement of operations, statement of changes in net assets and cash flows for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Toronto, Ontario
June 27, 2013




Chartered Accountants
Licensed Public Accountants

**Board of Management for the
519 Church Street Community Centre
Statement of Financial Position**

	December 31, 2012	December 31, 2011 (unaudited)	January 1, 2011 (unaudited)
Assets			
Current			
Cash and short term investments	\$ 462,477	\$ 446,559	\$ 612,508
Receivables - City of Toronto	37,260	34,810	162,920
- Other	93,126	94,443	189,614
Inventory	21,297	13,872	11,077
Prepays	<u>5,268</u>	<u>4,456</u>	<u>5,232</u>
	619,428	594,140	981,351
Long term			
Receivable - City of Toronto (Note 3)	345,462	330,088	317,164
Capital assets (Note 4)	<u>139,494</u>	<u>234,097</u>	<u>257,412</u>
	\$ 1,104,384	\$ 1,158,325	\$ 1,555,927
Liabilities			
Current			
Payables - City of Toronto	\$ 60,557	\$ 56,778	\$ 37,077
- Other	273,149	187,800	160,004
Deferred revenue	53,098	60,650	294,513
Deferred capital contribution	<u>6,975</u>	<u>13,381</u>	<u>18,287</u>
	393,779	318,609	509,881
Long term			
Employee benefits payable (Note 3)	<u>345,462</u>	<u>330,088</u>	<u>317,164</u>
	739,241	648,697	827,045
Net Assets and Fund Balances			
Invested in capital assets	132,519	220,716	239,125
Unrestricted	166,015	175,604	326,926
Fund and Trusteeship balances (Schedule C and Note 6)	<u>66,609</u>	<u>113,308</u>	<u>162,831</u>
	365,143	509,628	728,882
	\$ 1,104,384	\$ 1,158,325	\$ 1,555,927

Approved on behalf of the Board of Management

 Chair

 Treasurer

See accompanying notes to the financial statements.

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

Year Ended December 31, 2012

	Invested in <u>Capital assets</u>	<u>Unrestricted</u>	Fund and Trusteeship <u>Balances</u>	<u>Total 2012</u>	Total 2011
Net assets, beginning of year	\$ 220,716	\$ 175,604	\$ 113,308	\$ 509,628	\$ 728,882
Adjustments to unrestricted fund (Note 5)		-		-	(112,267)
Deficiency of revenue over expenditures	-	(97,786)	(46,699)	(144,485)	(106,987)
Changes in net assets invested in capital assets	<u>(88,197)</u>	<u>88,197</u>	-	-	-
Net assets, end of year	\$ <u>132,519</u>	\$ <u>166,015</u>	\$ <u>66,609</u>	\$ <u>365,143</u>	\$ <u>509,628</u>

See accompanying notes to the financial statements.

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

Year Ended December 31	2012	2011
Program revenue		
Grants		
United Way	\$ 242,237	\$ 230,167
City of Toronto	261,349	263,761
Province of Ontario	123,905	109,631
Government of Canada	295,611	215,330
Others	<u>51,210</u>	<u>100,521</u>
	974,312	919,410
Donations	376,605	496,100
Fundraising	498,986	379,155
Rental fees	35,751	25,907
Interest	4,070	3,529
Membership and user fees	44,044	52,380
Cafe	481,210	362,609
Other	<u>750</u>	<u>2,280</u>
	<u>2,415,728</u>	<u>2,241,370</u>
Program expenditures (Schedule A)		
Salaries and wages	1,214,241	1,085,588
Employee benefits	286,273	218,507
Materials and supplies and services	912,155	901,694
Amortization of program assets	<u>100,845</u>	<u>97,413</u>
	<u>2,513,514</u>	<u>2,303,202</u>
Deficiency of Program revenue over expenditures	<u>(97,786)</u>	<u>(61,832)</u>
Administration expenditures (Schedule B)	1,202,752	1,276,125
Amortization of administration assets	6,406	6,406
Amortization of deferred capital contributions	<u>(6,406)</u>	<u>(6,406)</u>
	<u>1,202,752</u>	<u>1,276,125</u>
Funds provided by City of Toronto		
Administration funding (Note 7)	<u>1,202,752</u>	<u>1,276,125</u>
Deficiency of revenue over expenditures	\$ <u>(97,786)</u>	\$ <u>(61,832)</u>

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

2012

2011

Increase (decrease) in cash and short term investments

Operating activities		
Deficiency of revenue over expenditures	\$ (97,786)	\$ (61,832)
Adjustments for non-cash items		
Amortization of program capital assets	100,845	97,413
Amortization of administration capital assets	6,406	6,406
Amortization of deferred capital contribution	(5,231)	(4,406)
Adjustment to opening balances	<u>-</u>	<u>(112,267)</u>
	4,234	(74,686)
Deficiency of revenue over expenditures		
Segregated fund balances and		
trusteeships (Note 6)	<u>(46,699)</u>	<u>(45,155)</u>
	(42,465)	(119,841)
Increase (decrease) resulting from changes in:		
Receivables - City of Toronto	(2,450)	128,110
- Other	1,317	95,171
Prepaid expenses and other assets	(812)	776
Inventory - Cafe	(7,425)	(2,795)
Long term account receivable - City of Toronto	(15,374)	(12,924)
Payable - City of Toronto	3,779	19,701
- Other	85,349	27,796
Deferred revenue	(7,552)	(233,863)
Long term employee benefits payable	<u>15,374</u>	<u>12,924</u>
	29,741	(85,445)
Financing and investment activities		
Acquisition of capital assets - Program	(13,823)	(79,004)
Acquisition of capital assets - Administration	<u>-</u>	<u>(1,500)</u>
	(13,823)	(80,504)
Net increase (decrease) in cash and short term investments	15,918	(165,949)
Cash and short term investments, beginning of year	<u>446,559</u>	<u>612,508</u>
Cash and short term investments, end of year	\$ <u>462,477</u>	\$ <u>446,559</u>

See accompanying notes to the financial statements.

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

December 31, 2012

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.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Public Sector Accounting Standards for government not-for-profits ("PSA-GNPO") as issued by the Public Sector Accounting Board (PSAB). This is the first time that the Organization has prepared its financial statements in accordance with PSA-GNPO, having previously prepared its financial statements in accordance with Not-For-Profit accounting standards in Part V of the Canadian Institute of Chartered Accountants (CICA) Handbook. On January 1, 2012, the organization early adopted the Public Sector Accounting Handbook Sections 3450 – Financial Instruments. The new standards provide the classification, recognition and measurement requirements for financial instruments and is effective for years beginning on or after April 1, 2012, however, earlier adoption is permitted. This accounting policy change did not result in any adjustments at January 1, 2012.

Details of how the transition has affected the financial position and financial performance are disclosed in Note 11.

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.

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

December 31, 2012

2. Significant accounting policies (continued)

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

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

Pledges receivables

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

Financial assets and liabilities

During the year, the Centre applied the recommendations of new Sections PS 1201, Financial Statement Presentation, and PS 3450, Financial Instruments, of the CICA *Public Sector Accounting Handbook*. These new sections require prospective application and, accordingly, comparative amounts are presented in accordance with the accounting policies which the Centre applied before adoption of these new sections.

Initial measurement

The Centre recognizes a financial asset or a financial liability on the statement of financial position when, and only when, it becomes party to the contractual provisions of the financial instrument. Unless otherwise stated, financial assets and liabilities are initially measured at cost.

Subsequent measurement

At each reporting date, the Centre measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

The Centre determines whether there is any objective evidence of impairment of the financial assets, for financial assets subsequently measured at amortized cost. Any financial asset impairment is recognized in the statement of operations.

Accrual basis of accounting

Revenues and expenses are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred, respectively, whether or not such transactions have been finally settled by the receipt or payment of money. In the year, gross revenues from all sources totalled \$3,618,480 (2011 - \$3,517,495) and total expenses charged totalled \$3,716,266 (2011- \$3,579,327).

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

December 31, 2012

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
Building fixtures	- 5 years straight-line
Website	- 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 for public sector not-for-profit organizations 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 City of Toronto offers a multiemployer defined benefit pension plan to the Centre's employees. Due to the nature of the plan, the Centre does not have sufficient information to account for the plan as a defined benefit plan; therefore, the multiemployer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period in which contributions are made.
- (b) The Centre also offers its employees a defined benefit sick leave plan, a post-retirement life, health and dental plan, a long term disability plan and continuation of health, dental and life insurance benefits to disabled employees. The accrued benefit obligations are determined using an actuarial valuation based on the projected benefit method prorated on service, incorporating management's best estimate of future salary levels, inflation, sick day usage estimates, ages of employees and other actuarial factors.

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

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

December 31, 2012

2. Significant accounting policies (continued)

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.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, balances with banks, and short-term investments.

3. Employee benefits and long term receivables (City of Toronto)

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 when they leave the Centre's employment. The liability for these accumulated days represents the extent to which they have vested and can be taken in cash by an 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 bank was locked and no further days accumulated. 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, 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 in accordance with PSAB handbook, Section 3250/3255 of the City of Toronto.

The accrued benefit obligation as at December 31, 2012 was based on the most recent actuarial valuation completed. It resulted in an actuarial gain of \$11,108 which is being amortized on a straight-line basis over 16 years, being the expected average remaining service life of the employees.

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

December 31, 2012

3. Employee benefits and long term receivables (City of Toronto) (continued)

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

	December 31, 2012	December 31, 2011 (unaudited)	January 1, 2011 (unaudited)
Sick leave benefits	\$ 36,797	\$ 92,857	\$ 86,122
Post-retirement benefits	<u>109,548</u>	<u>200,356</u>	<u>155,917</u>
	146,345	293,213	242,039
Add: Unamortized actuarial gain	<u>199,117</u>	<u>36,875</u>	<u>75,125</u>
Employee benefit liability	\$ <u>345,462</u>	\$ <u>330,088</u>	\$ <u>317,164</u>

The continuity of the accrued benefit obligation during 2012 is as follows:

	2012	2011 (unaudited)
Balance, beginning of year	\$ <u>330,088</u>	\$ <u>317,164</u>
Current service cost	14,528	12,450
Interest cost	11,331	11,625
Amortization of actuarial gain	(5,481)	(7,409)
Expected benefits paid	<u>(5,004)</u>	<u>(3,742)</u>
Total expenditures related to post-retirement and post-employment benefits	<u>15,374</u>	<u>12,924</u>
Balance, end of year	\$ <u>345,462</u>	\$ <u>330,088</u>

Expenditures relating to employee benefits are included as administration expenses on the statement of revenue and expenses total \$15,374, as disclosed above.

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.

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

December 31, 2012

3. Employee benefits and long term receivables (City of Toronto) (continued)

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 \$139,033 in 2012 (2011 - \$111,184).

4. Capital assets			<u>2012</u>	<u>2011</u>	January 1, <u>2011</u>
				(unaudited)	(unaudited)
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
City of Toronto					
Building fixtures	\$ 11,373	\$ 9,099	\$ 2,274	\$ 4,549	\$ 6,824
Computers	27,727	27,727	-	-	-
Furniture & equipment	<u>24,305</u>	<u>19,604</u>	<u>4,701</u>	<u>8,832</u>	<u>11,463</u>
	<u>63,405</u>	<u>56,430</u>	<u>6,975</u>	<u>13,381</u>	<u>18,287</u>
Program					
Computers	\$ 106,065	\$ 79,682	\$ 26,383	\$ 34,334	\$ -
Furniture & equipment	423,381	331,867	91,514	169,323	219,629
Website	<u>24,370</u>	<u>9,748</u>	<u>14,622</u>	<u>17,059</u>	<u>19,496</u>
	<u>553,816</u>	<u>421,297</u>	<u>132,519</u>	<u>220,716</u>	<u>239,125</u>
	\$ <u>617,221</u>	\$ <u>477,727</u>	\$ <u>139,494</u>	\$ <u>234,097</u>	\$ <u>257,412</u>

5. Adjustments to unrestricted fund balance

During 2011, the Centre adjusted the unrestricted fund balance to reverse uncollectable amounts from the City of Toronto and from corporate donors. The additional expenses were deemed ineligible for reimbursement and the pledged donations were not received.

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

December 31, 2012

6. Fund and trusteeship balances	<u>2012</u>	<u>2011</u>
Building Fund	\$ (9,597)	\$ 36,443
AIDS Memorial Fund	70,680	68,652
AIDS Vigil Fund	(5,429)	(1,893)
ORAD	3,302	2,339
HOLA	1,270	1,270
Senior Pride Network	<u>6,383</u>	<u>6,497</u>
	<u>\$ 66,609</u>	<u>\$ 113,308</u>

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

(a) Building Fund

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

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

(b) The AIDS Memorial Fund

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

(c) The AIDS Vigil Fund

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

(d) ORAD Fund

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

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

December 31, 2012

6. Fund and trusteeship balances (continued)

(e) HOLA Fund

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

(f) Senior Pride Network

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

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

(g) Trans Program

The Trans Program consists of the following funds:

- **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 2008. This is a trusteeship where The Centre oversees the finances for the coordinators of this program.
- **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.

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

December 31, 2012

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>2012</u>	<u>2011</u> (unaudited)
Budget administration expenditures:		
Centre's approved budget for administration expenses	\$ <u>1,155,412</u>	\$ <u>1,256,186</u>
Actual administration expenditure:		
Centre's actual administration expenses were (Schedule B)	1,202,752	1,276,125
Less: Post retirement benefits, not funded by the City until paid, that are included in long term accounts receivable - City of Toronto	(15,374)	(16,140)
Add: Acquisition of capital assets	<u>-</u>	<u>1,500</u>
Administration expenses net of post-retirement benefits	<u>1,187,378</u>	<u>1,261,485</u>
Administration expenditure over (under) approved budget	\$ <u>31,966</u>	\$ <u>5,299</u>

The over expenditure of \$31,966 (2011 - \$5,299) is included in the net receivable from the City.

8. Government Remittances

Government remittances of sales taxes, payroll taxes, employee health taxes, and workers safety insurance premiums included in the balance reported for payables and accruals are \$26,785 (2011 - \$1,436; January 1, 2011 - \$nil).

9. Capital Management

The capital structure of the Centre consists of net assets invested in capital assets, fund and trusteeship balances and unrestricted net assets. The primary objective of the Centre's capital management is to safeguard the Centre's ability to continue as going concern, so it can continue to provide services to the community.

The purpose of the fund and trusteeship balances is disclosed in Note 6.

Unrestricted net assets are available for future operations and are preserved so the Centre can have financial flexibility should opportunities arise in the future.

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

December 31, 2012

10. Financial instruments

The Centre's financial instruments are exposed to certain financial risks, including credit risk and liquidity risk.

Credit Risk

Credit risk arises on outstanding receivables. It is management's opinion that the risk related to receivables is minimal as management monitors its accounts receivable and has collected the majority of its receivables within 60 days of its year end.

Liquidity risk

Liquidity risk is the risk that the "Centre" will not be able to meet its cash flow obligations as they fall due. The Organization mitigates this risk by maintaining no debt and monitoring cash activities and expected outflows through budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The Centre's payables and accruals are all due within 30 days of its year end.

There have been no significant changes from the previous year in the exposure to risk or in methods used to measure the risk.

11. Conversion to Public Sector Accounting Standards

These financial statements are the Organization's first financial statements prepared using the new Canadian Public Sector Accounting Standards for Not-for-Profit Organizations (PSA-GNPO). The date of transition to the new accounting standards is January 1, 2011. The accounting policies presented in Note 2 to the financial statements were used to prepare the financial statements for the year ended December 31, 2012, the comparative information and the opening statement of financial position as at the date of transition.

The adoption of PSA-GNPO resulted in adjustments to the previously reported assets and liabilities related to the post-employment benefits payable and compensated absences liability (Note 3). The transition to PSAS-NPO also resulted in changes to the statement of cash flows. On the statement of cash flows the change in long term account receivable from the City of Toronto and the long term employee benefits payable both were restated to \$21,079 from \$16,140 to reflect the change in this liability and long term receivable under PSA-GNPO.

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

Schedule A

Year Ended December 31

2012

2011

General	\$ 42,457	\$ 42,879
Fundraising	75,297	138,332
Community events	92,188	52,900
Special events	82,087	120,444
Pride	326,993	249,212
Rental and sales	12,158	7,794
Children's programs	165,328	163,482
Queer parenting	108,431	101,758
Sunday Drop In	177,943	118,256
Trans program and access	75,814	321,677
Among Friends	82,029	59,934
Senior program	-	73,607
Anti-Violence project	102,029	100,089
Volunteer projects	-	11,554
Summer camp	55,698	49,166
CIC immigration	197,053	122,924
Cafe	597,364	471,781
Trans Program HTA	106,098	-
Trans Program Outreach	113,702	-
Amortization of capital assets	<u>100,845</u>	<u>97,413</u>
	\$ <u>2,513,514</u>	\$ <u>2,303,202</u>

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

Schedule B

Year Ended December 31

2012

2011

Salaries and wages	\$ 684,727	\$ 799,665
Employee benefits	203,194	226,348
Building, maintenance and repairs	52,880	54,071
Utilities	94,615	75,484
In-house printing and advertising	15,065	15,150
Telephone	27,337	35,215
Equipment services	64,260	19,845
Office supplies	17,186	17,675
Audit fee	10,629	9,754
Professional development	355	-
Insurance	3,178	3,137
Postage	6,454	5,388
Sundry	<u>22,872</u>	<u>14,393</u>
	\$ <u>1,202,752</u>	\$ <u>1,276,125</u>

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		ORAD		Total Funds	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue										
Donation, grants and fundraising	\$ 14,788	\$ 11,753	\$ 8,600	\$ 1,450	\$ -	\$ -	\$ 963	\$ 1,500	\$ 24,351	\$ 14,703
Interest income	<u>14,788</u>	<u>11,753</u>	<u>8,600</u>	<u>1,450</u>	-	-	<u>963</u>	<u>1,500</u>	<u>24,351</u>	<u>14,703</u>
Expenses										
Salaries and benefits	1,791	1,264	1,767	1,264	-	-	-	-	3,558	2,528
Professional services	-	-	-	-	27,052	-	-	-	27,052	-
Construction	-	-	-	-	18,988	31,531	-	-	18,988	31,531
Material, supplies and services	<u>16,533</u>	<u>13,635</u>	<u>4,805</u>	<u>11,635</u>	-	-	-	-	<u>21,338</u>	<u>25,270</u>
	<u>18,324</u>	<u>14,899</u>	<u>6,572</u>	<u>12,899</u>	<u>46,040</u>	<u>31,531</u>	-	-	<u>70,936</u>	<u>59,329</u>
Excess (deficiency) excess of revenue over expenses	(3,536)	(3,146)	2,028	(11,449)	(46,040)	(31,531)	963	1,500	(46,585)	(44,626)
Interfund transfers	-	-	-	-	-	(4,930)	-	-	-	(4,930)
Balance, beginning of year	<u>(1,893)</u>	<u>1,252</u>	<u>68,652</u>	<u>80,101</u>	<u>36,443</u>	<u>72,904</u>	<u>2,339</u>	<u>839</u>	<u>105,541</u>	<u>155,096</u>
Balance, end of year	\$ <u>(5,429)</u>	\$ <u>(1,894)</u>	\$ <u>70,680</u>	\$ <u>68,652</u>	\$ <u>(9,597)</u>	\$ <u>36,443</u>	\$ <u>3,302</u>	\$ <u>2,339</u>	\$ <u>58,956</u>	\$ <u>105,540</u>

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

Year Ended December 31

Schedule C continued

	HOLA		Senior Pride Network		Total Trusteeships	
	2012	2011	2012	2011	2012	2011
Revenue						
Donation, grants and fundraising	\$ -	\$ -	\$ -	\$ (141)	\$ -	\$ (141)
Expenses						
Salaries and benefits	-	-	-	-	-	-
Professional services	-	-	-	-	-	-
Material, supplies and services	-	-	114	388	114	388
	-	-	114	388	114	388
Excess (deficiency) of revenue over expenses	-	-	(114)	(529)	(114)	(529)
Interfund transfers	-	-	-	-	-	-
Balance, beginning of year	1,270	1,270	6,497	7,026	7,767	8,296
Balance, end of year	\$ 1,270	\$ 1,270	\$ 6,383	\$ 6,497	\$ 7,653	\$ 7,767