

**The Bernard Betel Centre for  
Creative Living  
Financial Statements  
For the year ended March 31, 2019**

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## Independent Auditor's Report

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### To the Members of The Bernard Betel Centre for Creative Living

#### Opinion

We have audited the accompanying financial statements of The Bernard Betel Centre for Creative Living (the "Centre"), which comprise the statement of financial positions as at March 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of the Centre as at March 31, 2019, and its operating results and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for opinion

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

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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



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## Independent Auditor's Report (continued)

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

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

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

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

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Mississauga, Ontario

June 20, 2019

**The Bernard Betel Centre for Creative Living**  
**Statement of Financial Position**

**As at March 31** 2019 2018

**Assets**

**Current**

Cash	\$	302,171	\$	343,879
Investments (Note 2)		1,337,904		1,400,999
Accounts receivable		151,775		131,145
Prepaid expenses (Note 8)		240,237		152,230
		2,032,087		2,028,253

**Capital assets (Note 3)**

		411,280		467,427
		\$ 2,443,367		\$ 2,495,680

**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities	\$	189,156	\$	163,010
Deferred revenue (Note 8)		555,864		624,937
		745,020		787,947

**Deferred capital contributions (Note 4)**

		101,091		49,149
		846,111		837,096

**Net assets**

Invested in capital assets (Note 5)		310,189		418,278
Endowment fund		5,000		5,000
Internally restricted fund		945,358		945,358
Unrestricted funds		336,709		289,948
		1,597,256		1,658,584

		\$ 2,443,367		\$ 2,495,680
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On behalf of the Board:

 Director

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

## The Bernard Betel Centre for Creative Living Statement of Operations

For the year ended March 31	2019	2018
<b>Revenue</b>		
Revenue from external sources:		
Ministry of Health and Long-Term Care	\$ 761,783	\$ 750,091
UJA Federation (Note 7)	319,688	342,693
United Way of Greater Toronto	210,079	210,378
Toronto Community & Neighbourhood Services	128,170	125,530
Ontario Seniors' Secretariat	109,145	123,340
Toronto Social Services	75,697	87,329
	<u>1,604,562</u>	<u>1,639,361</u>
Revenue from internal sources:		
Fees from services - other	1,065,908	1,040,688
- travel and day trips, net (Note 8)	87,986	11,050
Membership fees	122,384	111,807
Fundraising and donations	79,823	104,747
Rental	90,974	79,935
Investment income	36,542	15,345
Amortization of deferred capital contributions (Note 4)	9,666	5,521
Other revenue	4,427	9,292
	<u>1,497,710</u>	<u>1,378,385</u>
Total revenue	<u>3,102,272</u>	<u>3,017,746</u>
<b>Expenditures</b>		
Salaries and wages	1,582,502	1,575,058
Employee benefits	333,382	310,775
Programs	744,024	751,216
Building occupancy	142,852	239,013
Amortization	117,755	113,424
Administration	97,992	105,222
External consulting	304	40,639
Support for Elderly Person Centre	18,720	30,000
Publicity and promotion	27,387	27,611
	<u>3,064,918</u>	<u>3,192,958</u>
Total expenditures	<u>3,064,918</u>	<u>3,192,958</u>
<b>Excess (deficiency) of revenue over expenditures before other expenses</b>	<b>37,354</b>	<b>(175,212)</b>
<b>Other expenses</b>		
Unrealized loss on investments	98,682	-
	<u>98,682</u>	<u>-</u>
<b>Deficiency of revenue over expenditures</b>	<b>\$ (61,328)</b>	<b>\$ (175,212)</b>

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

**The Bernard Betel Centre for Creative Living**  
**Statement of Changes in Net Assets**

<b>For the year ended March 31</b>						<b>2019</b>	<b>2018</b>
	<b>Invested in Capital Assets (Note 5)</b>	<b>Endowment Fund</b>	<b>Internally Restricted Fund</b>	<b>Unrestricted Funds</b>	<b>Total</b>	<b>Total</b>	
<b>Balance, beginning of year</b>	<b>\$ 418,278</b>	<b>\$ 5,000</b>	<b>\$ 945,358</b>	<b>\$ 289,948</b>	<b>\$ 1,658,584</b>	<b>\$</b>	<b>1,833,796</b>
Deficiency of revenue over expenditures	(108,089)	-	-	46,761	(61,328)		(175,212)
Investment in capital assets	61,608	-	-	(61,608)	-		-
Investment in capital assets funded by external contributions	(61,608)	-	-	61,608	-		-
<b>Balance, end of year</b>	<b>\$ 310,189</b>	<b>\$ 5,000</b>	<b>\$ 945,358</b>	<b>\$ 336,709</b>	<b>\$ 1,597,256</b>	<b>\$</b>	<b>1,658,584</b>

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

**The Bernard Betel Centre for Creative Living**  
**Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2019</b>	<b>2018</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Deficiency of revenue over expenditures	\$ (61,328)	\$ (175,212)
Adjustments required to reconcile deficiency of revenue over expenditures with net cash provided by operating activities		
Amortization of capital assets	117,755	113,424
Amortization of deferred capital contributions	(9,666)	(5,521)
Unrealized loss on investments	98,682	-
Changes in non-cash working capital balances		
Accounts receivable	(20,630)	(43,250)
Prepaid expenses	(88,007)	(118,048)
Accounts payable and accrued liabilities	26,146	3,541
Deferred revenue	(69,073)	481,086
	<u>(6,121)</u>	<u>256,020</u>
<b>Investing activities</b>		
Purchase of capital assets	(61,608)	(25,185)
Net proceeds from sale (purchase) of investments	(35,587)	127,233
	<u>(97,195)</u>	<u>102,048</u>
<b>Financing activities</b>		
Capital assets externally funded	61,608	25,000
<b>Increase (decrease) in cash during the year</b>	<b>(41,708)</b>	<b>383,068</b>
<b>Cash (bank indebtedness), beginning of year</b>	<b>343,879</b>	<b>(39,189)</b>
<b>Cash, end of year</b>	<b>\$ 302,171</b>	<b>\$ 343,879</b>

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

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# The Bernard Betel Centre for Creative Living

## Notes to Financial Statements

March 31, 2019

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### 1. Significant Accounting Policies

#### Nature of Organization

The Bernard Betel Centre for Creative Living (the "Centre") is registered as a charitable organization without share capital under the Ontario Corporations Act. The Centre is a learning and wellness centre committed to maximizing the quality of life for seniors in the community and reflecting Jewish values. The Centre serves approximately 4,207 seniors of whom approximately 2,333 are paid Centre Members. Approximately 125 programs are offered weekly and are comprised of a variety of recreational, educational, wellness and community support services. The Centre has an on site Food Service department which operates a cafeteria and supports internal and external catering.

#### General

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments are reported at fair value, and all other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate that the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

#### Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided using the straight line method and the following annual rates:

Building	- over the remainder of the land lease expiring in 2022
Computer hardware	- one to three years
Furniture and fixtures	- five years
Program equipment	- ten years
Website	- three years



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## The Bernard Betel Centre for Creative Living Notes to Financial Statements

**March 31, 2019**

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### 1. Significant Accounting Policies (continued)

#### **Deferred Revenue**

Deferred revenue includes amounts received relating to restricted revenue from external sources and programs. These amounts will be recognized as revenue in the ensuing fiscal year corresponding with the period in which the related expenses are incurred.

#### **Endowment Fund**

The Endowment Fund was created following a bequest of \$5,000 from the estate of Martha May Gergley in memory of the late Sydney and Edward Serot. The funds are to be invested, kept invested, and the income derived is to be used for programs and for support of the Centre.

#### **Internally Restricted Fund**

This fund was created by the Board of Directors to finance specialized operating needs or capital projects at the discretion of the Board of Directors.

#### **Revenue Recognition**

The Centre follows the deferral method of accounting for contributions, which include fundraising, donations and government grants.

The Centre is partially funded by the Province of Ontario in accordance with budget arrangements established by the Central Local Health Integration Network. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued.

Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

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.

Contributed funds for the acquisition of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Service fees are recognized at the time the service is provided. Membership fees are recognized over the term of the membership.

#### **Donated Services**

The operation of the Centre is dependent on services provided by volunteers. Since these services are not normally purchased by the Centre and due to the difficulty of determining their market value, donated services are not recorded in the accounts.

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## The Bernard Betel Centre for Creative Living Notes to Financial Statements

**March 31, 2019**

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**1. Significant Accounting Policies (continued)**

**Remuneration of the Board of Directors**

Members of the Board of Directors are volunteers who serve without remuneration.

**Income Taxes**

The Centre is a registered charity under the Income Tax Act (Canada) and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes.

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**2. Investments**

	2019	2018
Cash and cash equivalents	\$ 125,638	\$ -
Fixed income	683,201	1,400,999
Equities	529,065	-
	<b>\$ 1,337,904</b>	<b>\$ 1,400,999</b>

In the current year, the Centre transferred their investment funds into Canadian long-term instruments, preferred shares, and equities. In prior year included in short-term investments were Canadian money market funds, with an interest rate of 1.10%.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Centre is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

The Centre is subject to market risk with respect to its investments. The value of these investments will fluctuate as a result of changes in market prices or other factors affecting the value of the investments. The Centre manages this risk through its investment policy and how its investment advisors follow the policy.

**The Bernard Betel Centre for Creative Living**  
**Notes to Financial Statements**

**March 31, 2019**

**3. Capital Assets**

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Building	\$ 2,598,965	\$ 2,292,640	\$ 2,598,965	\$ 2,192,139
Computer hardware	102,972	102,972	102,972	96,119
Furniture and fixtures	192,529	143,531	163,529	137,663
Program equipment	89,063	33,106	56,456	28,574
Website	51,076	51,076	51,076	51,076
	<b>\$ 3,034,605</b>	<b>\$ 2,623,325</b>	<b>\$ 2,972,998</b>	<b>\$ 2,505,571</b>
Net book value		<b>\$ 411,280</b>		<b>\$ 467,427</b>

**4. Deferred Capital Contributions**

Deferred capital contributions represent the unamortized amount of donations and grants for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

	2019	2018
Balance, beginning of year	\$ 49,149	\$ 29,670
Contributions received	61,608	25,000
Amounts amortized to revenue	(9,666)	(5,521)
Balance, end of year	<b>\$ 101,091</b>	<b>\$ 49,149</b>

**5. Invested in Capital Assets**

Invested in capital assets is calculated as follows:

	2019	2018
Capital assets	\$ 411,280	\$ 467,427
Funded by:		
Deferred capital contributions	(101,091)	(49,149)
	<b>\$ 310,189</b>	<b>\$ 418,278</b>

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**The Bernard Betel Centre for Creative Living**  
**Notes to Financial Statements**

**March 31, 2019**

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**6. Banking Facilities**

The Centre has a \$70,000 business line of credit available for use. Interest is payable at prime rate. The balance of the line of credit on March 31, 2019 is \$Nil (2018 - \$Nil).

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**7. Revenue from External Sources**

Funding from the UJA Federation includes the third year of a three year funding commitment for the Healthy at Home program. The commitment results in the Centre receiving \$100,000, \$125,000, and \$150,000 for the 2017, 2018 and 2019 fiscal years respectively.

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**8. Travel and Day Trips**

The Centre arranges travel and day trips on behalf of its members. The revenues and expenses relating to these activities are noted below:

	<u>2019</u>	<u>2018</u>
Revenue	\$ 895,879	\$ 410,077
Less: expenses	<u>807,893</u>	<u>399,027</u>
	<u>\$ 87,986</u>	<u>\$ 11,050</u>

Payments relating to future trips of \$224,606 (2018 - \$143,846) have been included in prepaid expenses. Deposits received for future trips of \$338,415 (2018 - \$466,895) have been included in deferred revenue.

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**9. Commitments**

The Centre has rented property in the City of Toronto upon which the building has been constructed. The lease with the Toronto Housing Company Limited is to run until the year 2022 at a rental of \$2 per year which has been paid in full in advance.