

ST. ALBAN'S BOYS' AND GIRLS' CLUB
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ST. ALBAN'S BOYS' AND GIRLS' CLUB

We have audited the accompanying financial statements of the St. Alban's Boys' and Girls' Club (the "Club"), which comprise the statement of financial position as at December 31, 2016 and the statements of revenues and expenses, 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 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.

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 charitable organizations, the Club derives revenue from fund-raising events and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Club and we were not able to determine whether, for the years ended December 31, 2016 and December 31, 2015, any adjustments might be necessary to revenues and excess of revenues over expenses reported in the statements of revenues and expenses and current assets and fund balances reported in the statements of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the year ended December 31, 2015.

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 St. Alban's Boys' and Girls' Club as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

In accordance with the Corporations Act (Ontario), we report that the Canadian accounting standards for not-for-profit organizations have been applied consistent with that of the preceding year.

Clarke Henning LLP

CHARTERED ACCOUNTANTS
Licensed Public Accountants

Toronto, Ontario
June 7, 2017



ST. ALBAN'S BOYS' AND GIRLS' CLUB

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	2016	2015
ASSETS		
Current assets		
Cash	\$ 1,137,309	\$ 762,066
Cashable Guaranteed Investment Certificates (note 2)	81,355	61,307
Investments (note 3)	196,780	165,281
Accounts receivable (note 4)	71,291	155,903
Prepaid expenses	16,841	11,540
	<u>1,503,576</u>	<u>1,156,097</u>
Property and equipment (note 5)	1,253,398	1,251,972
	<u>2,756,974</u>	<u>2,408,069</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	70,478	104,158
User fees received in advance	41,908	71,372
	<u>112,386</u>	<u>175,530</u>
Deferred contributions (note 7)	80,381	89,457
Deferred capital contributions (note 8)	828,915	729,788
	<u>1,021,682</u>	<u>994,775</u>
NET ASSETS		
Unrestricted	1,304,254	1,117,256
Board restricted (note 10)	431,038	296,038
	<u>1,735,292</u>	<u>1,413,294</u>
	<u>\$ 2,756,974</u>	<u>\$ 2,408,069</u>

Approved on behalf of the Board:

 , Director

 , Director

ST. ALBAN'S BOYS' AND GIRLS' CLUB

STATEMENT OF REVENUES AND EXPENSES

YEAR ENDED DECEMBER 31, 2016

	2016	2015
Revenues		
User fees	\$ 2,252,501	\$ 2,082,134
Government contributions (note 11)	965,063	846,608
United Way contributions	445,005	418,547
Grants and foundations, donations and fund raising (note 12)	344,027	300,261
Bingo	37,341	31,489
Memberships	24,221	20,761
Investment income (note 13)	41,595	6,581
Productive enterprises	2,121	4,056
Amortization of deferred capital contribution (note 8)	35,873	27,012
	<u>4,147,747</u>	<u>3,737,449</u>
Expenses		
Salaries and wages	2,604,137	2,450,675
Program supplies and services	437,034	345,774
Employee benefits	342,340	318,790
Building and occupancy	117,287	136,376
Office and general	197,660	178,282
Transportation	33,622	32,441
Depreciation of property and equipment	79,030	58,855
Fund raising	14,639	9,767
Scholarships	-	1,248
	<u>3,825,749</u>	<u>3,532,208</u>
Excess of revenues over expenses for the year	<u>\$ 321,998</u>	<u>\$ 205,241</u>

ST. ALBAN'S BOYS' AND GIRLS' CLUB

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Board Restricted <i>(note 10)</i>	Total	
			2016	2015
Balance - at beginning of year	\$ 1,117,256	\$ 296,038	\$ 1,413,294	\$ 1,208,053
Excess of revenues over expenses for the year	321,998	-	321,998	205,241
Interfund transfer representing: Transfer to board restricted	(135,000)	135,000	-	-
Balance - at end of year	\$ 1,304,254	\$ 431,038	\$ 1,735,292	\$ 1,413,294

ST. ALBAN'S BOYS' AND GIRLS' CLUB

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016

	2016	2015
Cash flows from operating activities		
Cash receipts from users	\$ 2,253,665	\$ 2,072,217
Cash receipts from government grants	965,063	850,912
Cash receipts from United Way	445,005	418,547
Cash receipts from grants, foundations, donations and fund-raising activities	334,951	369,992
Cash receipts from other revenues	63,683	56,306
Cash paid to employees and suppliers	(3,731,668)	(3,484,696)
Investment income received	10,048	8,742
	<u>340,747</u>	<u>292,020</u>
Cash flows from financing and investing activities		
Capital contributions received	135,000	-
Purchase of property and equipment	(80,456)	(115,956)
	<u>54,544</u>	<u>(115,956)</u>
Change in cash and cash equivalents during the year	<u>395,291</u>	<u>176,064</u>
Cash and cash equivalents - at beginning of year	<u>823,373</u>	<u>647,309</u>
Cash and cash equivalents - at end of year	<u>1,218,664</u>	<u>823,373</u>
Cash and cash equivalents are comprised of the following:		
Cash	1,137,309	762,066
Cashable Guaranteed Investment Certificates	81,355	61,307
	<u>\$ 1,218,664</u>	<u>\$ 823,373</u>

ST. ALBAN'S BOYS' AND GIRLS' CLUB

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

St. Alban's Boys' and Girls' Club (the "Club") was founded in 1949 as St. Alban's Boys' Sports Club. In 1956 the Club was incorporated as a not-for-profit corporation under the laws of the Province of Ontario. The Club is a registered charitable organization and, as such, is generally exempt from paying income taxes under section 149 of the Canadian Income Tax Act.

The name of the Club has been changed several times to more closely reflect the nature of the Club's operations. The Club is non-denominational and the name St. Alban's is derived from the original location of the Club in the basement of a church.

The Club's objective is to provide a safe, supported environment where children and youth can meet to experience a sense of belonging and a healthy lifestyle to enable them to become confident and responsible members of the community. This is achieved through community programs and services offered by the Club.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Financial Assets and Liabilities

The Club initially measures its financial assets and liabilities at fair value. The Club subsequently measures its financial assets and financial liabilities at amortized cost except for its investments which are measured at fair value .

Financial assets and liabilities measured at amortized cost include cash, guaranteed investment certificates, investments, accounts receivable, accounts payable and accrued liabilities.

Basis of Presentation

The unrestricted net assets account for the day-to-day activities of the Club.

The following are Board restricted funds:

- Endowment Fund to provide income to be used towards the cost of the Club's annual Christmas party;
- Scholarship Fund are awards set aside and paid to outstanding Club members to assist them with their educational costs;
- Summer Camp Program are funds set aside to purchase a summer camp;
- Multi-media studio are funds set aside for the construction of a new multi-media studio;
- Grandravine renovations are funds set aside for renovations at Jane Finch Childrens Centre; and
- Bruce Lloyd projects are funds set aside for future projects under the name of Bruce Lloyd.

ST. ALBAN'S BOYS' AND GIRLS' CLUB

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded at cost and are depreciated over their estimated useful lives using the straight line method over the following periods:

Furniture and equipment	- 5 years
Computer equipment and software	- 3 years
Art Studio	- 5 years
Building renovations	- 25 years
Leasehold improvements	- 10 years

The above rates are reviewed annually to ensure they are appropriate. Any changes are adjusted for on a prospective basis. If there is an indication that the assets may be impaired, an impairment test is performed that compares carrying amount to net recoverable amount. There were no impairment indicators in 2016.

Deferred Capital Contributions

Funds received for the acquisition of property and equipment are deferred in the accounts and amortized on the same basis as the depreciation on the related property and equipment.

Contributed Goods and Services

Donated goods and services are not recorded in the accounts of the Club, except when fair value of such goods and services can reasonably be estimated and when the goods and services are normally purchased by the Club.

Revenue Recognition

The Club uses the deferral method of accounting for contributions. Accordingly, contributions subject to externally imposed restrictions are initially recorded as deferred contributions and are subsequently recognized as revenue in the period in which the related expenses are incurred.

Contributions from governments, foundations and other funding agencies, that are not for specific purposes are recorded as revenue when received.

Donations and fundraising are recognized as revenue when received.

User fees and productive enterprises are recognized as revenue when the service has been performed.

Memberships are recognized as revenue in the period that they pertain to.

Revenues and expenses from Bingo are recorded in the period in which the events take place.

Investment income consists of interest, dividend income and realized and unrealized gains and losses from investment transactions. Interest income is recorded when earned. Realized gains and losses are recognized as income when the transactions occur. Dividends are recognized on ex-dividend date. Unrealized gains and losses which reflect the changes in fair value during the period are recognized at each reporting date and are included with current period income.

ST. ALBAN'S BOYS' AND GIRLS' CLUB

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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 reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Key areas where management has made difficult, complex or subjective judgments, often as a result of matters that are uncertain, include, among others, useful lives for depreciation and amortization of property and equipment and accrued liabilities valuation. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

2. CASHABLE GUARANTEED INVESTMENT CERTIFICATES

Cashable Guaranteed Investment Certificates are with the Bank of Nova Scotia, bear interest at 0.05% to 1.36% per annum (0.05% - 2015) and are due December 2 and December 9, 2017 (December 2, 2016 - 2015).

3. INVESTMENTS

The investments consist of publicly traded securities as follows:

Security	Number of Shares	Fair Value	
		2016	2015
The Toronto Dominion Bank	2,622	\$ 173,629	\$ 144,026
Canadian Imperial Bank of Commerce	81	8,874	7,877
BCE Inc.	110	6,383	6,543
Imperial Oil Limited	84	3,924	3,423
Enbridge	30	1,695	1,536
TransCanada Corporation	20	1,211	1,001
Bank of Montreal	11	1,062	873
Bell Aliant Regional Communication Income Fund	8	1	1
Nova Chemicals	4	1	1
		\$ 196,780	\$ 165,281

Price risk

The Club is exposed to market price risk on its portfolio of investments, that is the potential loss that the Club may incur with respect to the changes in fair value of the investments. The Club mitigates the market risk by monitoring the market conditions closely.

ST. ALBAN'S BOYS' AND GIRLS' CLUB
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	<i>2016</i>	<i>2015</i>
HST/GST rebate	\$ 32,932	\$ 86,916
User fees	12,759	12,778
Miscellaneous grants and other receivables	25,600	56,209
	\$ 71,291	\$ 155,903

5. PROPERTY AND EQUIPMENT

Details of property and equipment are as follows:

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	
			<i>2016</i>	<i>2015</i>
Furniture and equipment	\$ 230,637	\$ 194,222	\$ 36,415	\$ 31,438
Computer equipment and software	123,695	95,981	27,714	20,997
Art studio	48,101	48,101	-	-
Leasehold improvements - Palmerston Avenue	45,314	29,244	16,070	2,840
Building renovations - Jane Finch Youth Centre	1,165,968	186,555	979,413	1,026,051
Building renovations - Jane Finch Children's Centre	178,292	6,539	171,753	148,613
Portables - Weston Mount Dennis Youth Centre	22,033	-	22,033	22,033
	\$ 1,814,040	\$ 560,642	\$ 1,253,398	\$ 1,251,972

No depreciation has been recorded on the Portables - Weston Mount Dennis Youth centre, as it is under construction and not available for use.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include government remittances totalling \$28,422 (\$37,572 - 2015).

ST. ALBAN'S BOYS' AND GIRLS' CLUB

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

7. DEFERRED CONTRIBUTIONS

Deferred contributions represent restricted funding received in the current period that is related to a subsequent period. Changes in the deferred contributions balance are as follows:

	<i>Balance December 31, 2015</i>	<i>Received in 2016</i>	<i>Transferred to Revenue in 2016</i>	<i>Balance December 31, 2016</i>
Other miscellaneous grants	\$ 89,457	\$ 84,320	\$ (99,578)	\$ 74,199
City of Toronto	-	6,182	-	6,182
	<u>\$ 89,457</u>	<u>\$ 90,502</u>	<u>\$ (99,578)</u>	<u>\$ 80,381</u>

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of property and equipment. The changes in deferred capital contributions are as follows:

	<i>Jane-Finch Youth Centre</i>	<i>Weston- Mount Dennis Youth Centre</i>	<i>Multi-Media Studio</i>	<i>Jane-Finch Children's Centre</i>	<i>2016</i>	<i>2015</i>
Balance - beginning of year	\$ 551,177	\$ -	\$ 28,611	\$ 150,000	\$ 729,788	\$ 756,800
Additions:						
Weston - Mount Dennis Youth Centre	-	135,000	-	-	135,000	-
	<u>551,177</u>	<u>135,000</u>	<u>28,611</u>	<u>150,000</u>	<u>864,788</u>	<u>756,800</u>
Amortization for the year	27,012	-	2,861	6,000	35,873	27,012
Balance - end of year	<u>\$ 524,165</u>	<u>\$ 135,000</u>	<u>\$ 25,750</u>	<u>\$ 144,000</u>	<u>\$ 828,915</u>	<u>\$ 729,788</u>

The funding for the Weston-Mount Dennis Youth Centre has not been amortized as the related capital asset is under construction and not in use as of the year end.

ST. ALBAN'S BOYS' AND GIRLS' CLUB

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

9. LEASE COMMITMENTS

The Club is committed to minimum lease payments on its equipment leases expiring in August 2018 and March 2023 as follows:

Year ending December 31,	2017	\$	13,810
	2018		9,358
	2019		3,924
	2020		3,924
	2021		3,924
	2022 and beyond		4,905
		\$	39,845

10. BOARD RESTRICTED NET ASSETS

The details of Board restricted funds are as follows:

	2016	2015
Endowment Fund	\$ 23,205	\$ 23,205
Scholarship Fund	39,210	39,210
Summer Camp Program	283,623	233,623
Multi-media studio	20,000	-
Grandravine renovations	50,000	-
Bruce Lloyd projects	15,000	-
	\$ 431,038	\$ 296,038

During the year the Board approved transfers of \$135,000 from unrestricted net assets to Board restricted net assets.

11. GOVERNMENT CONTRIBUTIONS

Details of government contributions are as follows:

	2016	2015
Human Resources Development Canada	\$ 191,065	\$ 94,784
City of Toronto - Daycare Operations grant	64,178	41,432
- Facilities funding	26,400	23,600
- Community Service Partnership	196,093	195,850
Province of Ontario	17,221	16,834
Ministry of Tourism, Culture and Sport	470,106	474,108
	\$ 965,063	\$ 846,608

ST. ALBAN'S BOYS' AND GIRLS' CLUB

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

12. GRANTS AND FOUNDATIONS, DONATIONS AND FUND-RAISING

Details of grants and foundations, donations and fund-raising are as follows:

	2016	2015
Grants and foundations	\$ 180,569	\$ 131,134
Donations	75,691	94,030
Fund-raising	87,767	75,097
	<u>\$ 344,027</u>	<u>\$ 300,261</u>

13. INVESTMENT INCOME

Investment income consists of:

	2016	2015
Dividend and interest income	\$ 10,096	\$ 8,828
Unrealized gain (loss) on investments	31,499	(2,247)
	<u>\$ 41,595</u>	<u>\$ 6,581</u>

14. BUILDING OCCUPANCY

The Club leases its premises from the City of Toronto at a nominal annual amount of \$1. There is no lease agreement.

15. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

The Club is exposed to various risks through its financial instruments. The following analysis provides a measure of the Club's risk exposure at the date of the statement of financial position.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Club is exposed to credit risk mainly in respect to its accounts receivable. The Club is not exposed to significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Club will encounter difficulty in meeting obligations associated with financial liabilities. The Club is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and lease commitments. The Club expects to meet these obligations as they come due by generating sufficient cash flow from operations and continued support of its funders.

ST. ALBAN'S BOYS' AND GIRLS' CLUB

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

15. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (continued)

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 comprises three types of risk: currency risk, interest rate risk and other price risk. The Club is not exposed to significant currency risk or interest rate risk. Other price risk is disclosed in note 3.

16. GUARANTEES AND INDEMNITIES

The Club has indemnified its past, present and future directors, officers and volunteers against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding, subject to certain restrictions. The Club has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits and actions, but there is no guarantee that the coverage will be sufficient should any action arise.

In the normal course of business, the Club has entered into agreements that include indemnities in favour of third parties, either express or implied, such as in service contracts, lease agreements or sales and purchase contracts. In these agreements, the Club agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Club. The maximum amount of any potential liability cannot be reasonably estimated.