

**Bernard Betel Centre for Creative
Living
Financial Statements
For the year ended March 31, 2023**

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 12



Tel: 289 881 1111
Fax: 905 845 8615
www.bdo.ca

BDO Canada LLP
360 Oakville Place Drive,
Suite 500
Oakville, ON L6H 6K8

Independent Auditor's Report

To the Directors of Bernard Betel Centre for Creative Living

Opinion

We have audited the accompanying financial statements of Bernard Betel Centre for Creative Living (the "Centre"), which comprise the statement of financial position as at March 31, 2023, 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.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of the Centre as at March 31, 2023, 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.



Independent Auditor's Report (continued)

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

Oakville, Ontario
June 27, 2023

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

As at March 31 **2023** **2022**

Assets

Current

Cash	\$ 529,853	\$ 959,260
Investments (Note 2)	3,124,798	2,353,773
Accounts receivable (Note 10)	123,124	410,731
Prepaid expenses (Note 10)	21,734	15,529
	3,799,509	3,739,293

Capital assets (Note 3)

701,766 **660,989**

\$ 4,501,275 **\$ 4,400,282**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 10)	\$ 344,935	\$ 472,346
Deferred revenue	631,121	611,172
	976,056	1,083,518

Deferred capital contributions (Note 4)

722,031 **483,375**

1,698,087 **1,566,893**

Net assets

Invested in capital assets (Note 5)	(20,265)	177,614
Internally restricted fund	2,200,000	2,200,000
Unrestricted funds	623,453	455,775
	2,803,188	2,833,389

\$ 4,501,275 **\$ 4,400,282**

On behalf of the Board:



Director

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

Bernard Betel Centre for Creative Living Statement of Operations

For the year ended March 31	2023	2022
Revenue		
Revenue from external sources:		
Ministry of Health - Ontario Health (MOH)	\$ 1,005,673	\$ 876,203
UJA Federation	688,240	782,393
United Way Greater Toronto	190,351	190,177
City of Toronto - Community Service Partnerships	137,705	135,005
Ministry of Seniors and Accessibility	117,981	125,400
Federal government wage subsidy (Note 9)	-	153,259
City of Toronto - Toronto Social Services	38,743	38,610
	2,178,693	2,301,047
Revenue from internal sources:		
Fees from services (Note 7)	1,504,786	1,171,920
Membership fees	65,469	41,623
Fundraising and donations	184,742	176,587
Investment income	108,829	84,700
Amortization of deferred capital contributions (Note 4)	30,444	14,172
Other revenue	2,376	2,800
	1,896,646	1,491,802
Total revenue	4,075,339	3,792,849
Expenditures		
Salaries and wages	1,893,798	1,899,268
Employee benefits	337,416	364,003
Direct program delivery costs	970,091	767,638
Building occupancy	250,103	152,266
Administration	132,730	116,953
Publicity and promotion	28,963	3,159
Support for Elderly Person Centre	17,581	40,000
External consulting	1,247	2,079
Amortization	155,136	123,192
Total expenditures	3,787,065	3,468,558
Excess of revenue over expenditures before other expenses	288,274	324,291
Other income (loss)		
Unrealized gain (loss) on investments	(318,475)	172,848
Excess (deficiency) of revenue over expenditures	\$ (30,201)	\$ 497,139

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

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

For the year ended March 31

2023 2022

	Invested in Capital Assets (Note 5)	Internally Restricted Fund	Unrestricted Funds	Total	Total
Balance, beginning of year	\$ 177,614	\$ 2,200,000	\$ 455,775	\$ 2,833,389	\$ 2,336,250
Excess (deficiency) of revenue over expenditures	(124,692)	-	94,491	(30,201)	497,139
Investment in capital assets	195,913	-	(195,913)	-	-
Funded by external contributions	(269,100)	-	269,100	-	-
Balance, end of year	\$ (20,265)	\$ 2,200,000	\$ 623,453	\$ 2,803,188	\$ 2,833,389

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

Bernard Betel Centre for Creative Living
Statement of Cash Flows

For the year ended March 31	2023	2022
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ (30,201)	\$ 497,139
Adjustments required to reconcile excess of revenue over expenditures with net cash provided by operating activities		
Amortization of capital assets	155,136	123,192
Amortization of deferred capital contributions	(30,444)	(14,172)
Unrealized gain (loss) on investments	318,475	(172,848)
Changes in non-cash working capital balances		
Accounts receivable	287,607	(90,897)
Prepaid expenses	(6,205)	(2,928)
Accounts payable and accrued liabilities	(127,411)	146,183
Deferred revenue	19,949	(116,221)
	<u>586,906</u>	<u>369,448</u>
Investing activities		
Purchase of capital assets	(195,913)	(610,000)
Purchase of investments, net	(1,089,500)	(581,199)
	<u>(1,285,413)</u>	<u>(1,191,199)</u>
Financing activity		
Capital assets externally funded	269,100	424,800
Decrease in cash during the year	(429,407)	(396,951)
Cash, beginning of year	959,260	1,356,211
Cash, end of year	\$ 529,853	\$ 959,260

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

Bernard Betel Centre for Creative Living

Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies

Nature of Organization

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.

General

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The preparation of financial statements 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 expected remainder of the land lease expiring 2042
Computer hardware	- one to three years
Furniture and fixtures	- five years
Program equipment	- ten years
Website	- three years

Bernard Betel Centre for Creative Living Notes to Financial Statements

March 31, 2023

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.

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 through Ontario Health. 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.

Government wage subsidy is recorded in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

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.

Bernard Betel Centre for Creative Living Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued)

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.

2. Investments

The fair value of investments are comprised as follows:

	2023	2022
Cash and cash equivalents	\$ 1,397,420	\$ 307,464
Fixed income	745,797	916,671
Equities	981,581	1,129,638
	\$ 3,124,798	\$ 2,353,773

The cost of investments are comprised as follows:

	2023	2022
Cash and cash equivalents	\$ 307,464	\$ 307,464
Fixed income	923,643	923,643
Equities	895,133	895,589
	\$ 2,126,240	\$ 2,126,696

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 fixed income investments earn interest at rates ranging between 3.38% to 5.40% (2022 - 3.38% to 5.40%).

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.

Bernard Betel Centre for Creative Living
Notes to Financial Statements

March 31, 2023

3. Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Building	\$ 3,180,200	\$ 2,733,355	\$ 3,180,200	\$ 2,598,967
Computer hardware	102,972	102,972	102,972	102,972
Furniture and fixtures	192,529	186,875	192,529	176,039
Program equipment	117,828	64,474	117,828	54,562
Website	51,076	51,076	51,076	51,076
Assets in progress	195,913	-	-	-
	\$ 3,840,518	\$ 3,138,752	\$ 3,644,605	\$ 2,983,616
Net book value		\$ 701,766		\$ 660,989

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.

	2023	2022
Balance, beginning of year	\$ 483,375	\$ 72,747
Contributions received	269,100	424,800
Amounts amortized to revenue	(30,444)	(14,172)
Balance, end of year	\$ 722,031	\$ 483,375

5. Invested in Capital Assets

Invested in capital assets is calculated as follows:

	2023	2022
Capital assets (Note 3)	\$ 701,766	\$ 660,989
Funded by:		
Deferred capital contributions (Note 4)	(722,031)	(483,375)
	\$ (20,265)	\$ 177,614

Bernard Betel Centre for Creative Living Notes to Financial Statements

March 31, 2023

6. Banking Facilities

The Centre has a \$70,000 (2022 - \$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, 2023 is \$Nil (2022 - \$Nil).

7. Fees from Services

	<u>2023</u>	<u>2022</u>
Meals on wheels	\$ 952,630	\$ 993,512
Catering	381,162	134,448
Programs and activities	165,062	43,960
Travel and day trips (Net), Note 10	5,932	-
	<u>\$ 1,504,786</u>	<u>\$ 1,171,920</u>

8. Commitment

The Centre has rented property in the City of Toronto upon which the building has been constructed. The lease with the Toronto Community Housing Corporation expired on December 31, 2022.

As at audit report date, the Centre is in the process of finalizing an extension with the Toronto Community Housing Corporation until the year 2042.

9. COVID-19 Outbreak

The Centre recognized government assistance of \$Nil (2022 - \$153,259) relating to the Canada Emergency Wage Subsidy ("CEWS") program.

10. Travel and Day Trips

The Centre arranges travel and day trips on behalf of its members.

Included in accounts receivable is an amount of \$12,022 (2022 - \$209,757) relating to prepayments made for future trips in fiscal 2020, which were subsequently cancelled. During the year, a receivable amount of \$161,642 (2022 - \$nil) has been written off against the corresponding deposits received for those trips which were included in deferred revenue.